

2023

UzAuto

Sustainability Report



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CEO Statement on Sustainability

GRI 2-22



Dear partners, clients, and colleagues!

We are pleased to announce that our company, UzAuto Motors JSC, has prepared its first sustainability report in accordance with recognized international standards in the field of non-financial reporting. This step is an important milestone towards transparency and accountability to all stakeholders. I would like to express my sincere gratitude to our employees, customers and business partners for their invaluable support and contribution to our growth and development.

Today, when the world community is facing environmental, social, and economic challenges, we take responsibility for our every action and actively participate in solving these problems. We are confident that this report will be a key element of our company's long-term success.

Cooperation with the international company General Motors within the framework of the Master Alliance allows us to use advanced technologies and world experience in the automotive industry. Optimization of production processes and modernization allowed UzAuto Motors to set a historical record by the end of 2023 - the production of more than

395 cars under the Chevrolet thousand brand

Our main goal is to continuously improve the quality of products and services for our customers. A multi-level quality management system is a key tool for ensuring high standards of quality and reliability at all stages of vehicle production. In doing so, we strive to provide vehicles that combine affordability with high quality, thus contributing to a better quality of life in society.

We strive to create an environment where mutual respect, trust and support are combined with a clear division of responsibilities at all levels. Thanks to cooperation with leading universities in Uzbekistan, we actively attract young talents, who, together with experienced professionals who have been working in the company since its inception, form a unique team. Altogether, united by a common mission, we strive for new achievements.

The most valuable resource of UzAuto Motors is our employees.

Over the past two years, our company has hired more than **6,000 new employees**. Currently, UzAuto Motors employs **more than 16,000 people**, which accounts for more than half of the total number of people employed in the automotive industry in Uzbekistan, where **over 30,000 people** are employed in total.

This scale allowed us to enter the list of the «Top 10 largest employers in the country».

The automotive industry plays an important role in the economy of Uzbekistan: each job in this sector generates seven additional jobs in other sectors. Thanks to this, our contribution to the development of the labor market in Uzbekistan is significant.

We create favorable conditions for the personal and professional growth of our employees. Cooperating with such leading educational institutions as the Turin Polytechnic University and the Andijan Machine-building Institute, we are actively developing the skills of our specialists. We also organize internships and training abroad, which allows our employees to gain experience at an international level. In addition, by attracting more than 30 qualified foreign experts, we introduce international standards and create conditions for the application of foreign experience in practice, which further contributes to the development of our specialists.

Our company not only produces cars, but also supports social and economic projects, contributing to the development of the regions where we operate. As part of these efforts, UzAuto Motors is significantly improving the infrastructure of the surrounding areas, including the construction and reconstruction of roads, hiking trails and bus stops. In addition, on an area of more than **5,000 square meters**, a «green zone» was created, where landscaping and beautification work was carried out, and **more than 500 fruit and ornamental trees were planted**.

UzAuto Motors actively contributes to the development of culture and sports, being the main sponsor of the National Academy of Arts of Uzbekistan, the National Film Agency, the Gymnastics Federation of Uzbekistan, the Andijan Football Club and the Kurash Federation of Uzbekistan. Our goal is to popularize sports, promote a healthy lifestyle among the population and support professional athletes.

UzAuto Motors is also actively involved in efforts to preserve the environment. We are introducing many new practices to minimize our impact on nature. One of the key initiatives is the recycling of industrial waste and secondary raw materials into consumer goods. This is done in close cooperation with local farms, which not only reduces the ecological footprint, but also supports the local economy.

At UzAuto Motors, we are committed to implementing and complying with international standards of sustainable development. The publication of our ESG report is part of this strategy, demonstrating our commitment to sustainability and commitment to making a positive contribution to society. We hope this report will help you better understand our values, mission and strategic directions. We believe that transparency and responsibility play a key role in building trust with our partners and employees.

BO INGE ANDERSSON

General Director
UZAUTO MOTORS JSC



CFO statement on Sustainability

Dear Everyone!

UzAuto Motors JSC has been holding a leading position in the automotive industry of our country for 28 years. In 2023, our company achieved outstanding results, ranking first among the CIS countries in terms of car production. Moreover, Uzbekistan took second place in the world ranking of sales of Chevrolet cars, selling about 370 thousand cars in the reporting year, second only to the United States. These achievements strengthen our position in the regional market and confirm the company's importance in the global automotive arena. We also achieved significant success in neighboring markets, as Chevrolet cars took a leading position in Kazakhstan, where



the Chevrolet Cobalt and Chevrolet Onix models entered the TOP-5 best-selling cars in this region,

which indicates the high competitiveness and demand for our products.

This report highlights key aspects of our social, environmental, economic and governance responsibility activities, as well as our plans to ensure sustainability and strengthen our leadership position.

In recent years, our development strategy has significantly strengthened the international image of the company.

In 2021, UzAuto Motors JSC issued international Eurobonds worth 300 million US dollars on the London Stock Exchange.

At the beginning of 2023, we conducted the largest public offering of shares (IPO) in the country, becoming a full-fledged participant in both international and local capital markets.

It should be noted that the company's IPO was the first on the local stock market after the coronavirus pandemic and the global economic crisis. This event contributed to the activation of investors and improved the economic integration of the company into the global community.

In addition, as a result of the establishment of new international partnerships on the global

GEM – Global Emerging Markets

platform, the company launched the production of Chevrolet Tracker and Onix cars. As part of this project, the parent company Uzavtosanoat JSC was able to implement **12** localization projects and created about **4.5 thousand** new jobs.

We make efforts to minimize our impact on the environment. Examples include our Chevrolet Tracker and Onix, which are equipped with modern 1.2-liter three-cylinder turbo engines. These engines efficiently use the energy of exhaust gases, thereby increasing power and reducing fuel consumption. They meet the latest environmental standards and contribute to reducing the environmental impact through more efficient use of fuel.

Our employees are our main asset. Over the past three years, thanks to the implementation of the KPI system and the «Kaizen» methodology, we have implemented **5,388** suggestions from our employees, which brought the company an economic benefit of **34.3 billion UZS**. Employees were duly rewarded for their initiatives that contributed to the improvement of our operations.

In addition, we are actively engaged in supporting those in need, including citizens with disabilities, and regularly organize charity events. Our company also sponsors various social initiatives, striving to make a significant contribution to the development of society and the improvement of the quality of life.

Our company strives not only for leadership in the automotive industry, but also for high standards in the field of corporate and social responsibility.

We are confident that our first UzAuto Motors Sustainability Report, prepared in accordance with recognized international non-financial reporting standards, will significantly increase the transparency of our activities and strengthen public trust.

We hope that this report will lay the foundation for the long-term growth of our company.



**KAMOLIDDIN
UMURZAKOV**

Managing Director of Economics and Finance
UZAUTO MOTORS JSC

UzAuto

Company profile



Company Profile

Overview

GRI 2-1; 2-6; 201-4

UzAuto Motors JSC is the largest automobile company in Uzbekistan, with a 30-year history. The company is engaged in the production and sale of cars and minibuses of the Chevrolet brand in Uzbekistan.

UzAuto Motors JSC operates in three cities: Tashkent, Pitnak and Asaka where the main plant is located. The company has two modern production sites in Andijan region (Asak) and Khorezm region (Pitnak), where 8 models of cars under the Chevrolet brand are produced:

- Main production in Asaka includes: Spark, Nexia, Lacetti (Gentra), Cobalt, Tracker and Onix models
- Pitnak branch: Damas and Labo models

The maximum production capacity of the company is about 430 thousand cars per year.

UzAuto Motors JSC is the leader in the production of cars in Uzbekistan and the Central Asia

451 thousand

is the total sales volume of the passenger car market in Uzbekistan in 2023

82%

is the share of UzAuto Motors in the automotive market of Uzbekistan

395 thousand

is the volume of car production in 2023

TOP-1

in terms of annual car production in Central Asia in 2023

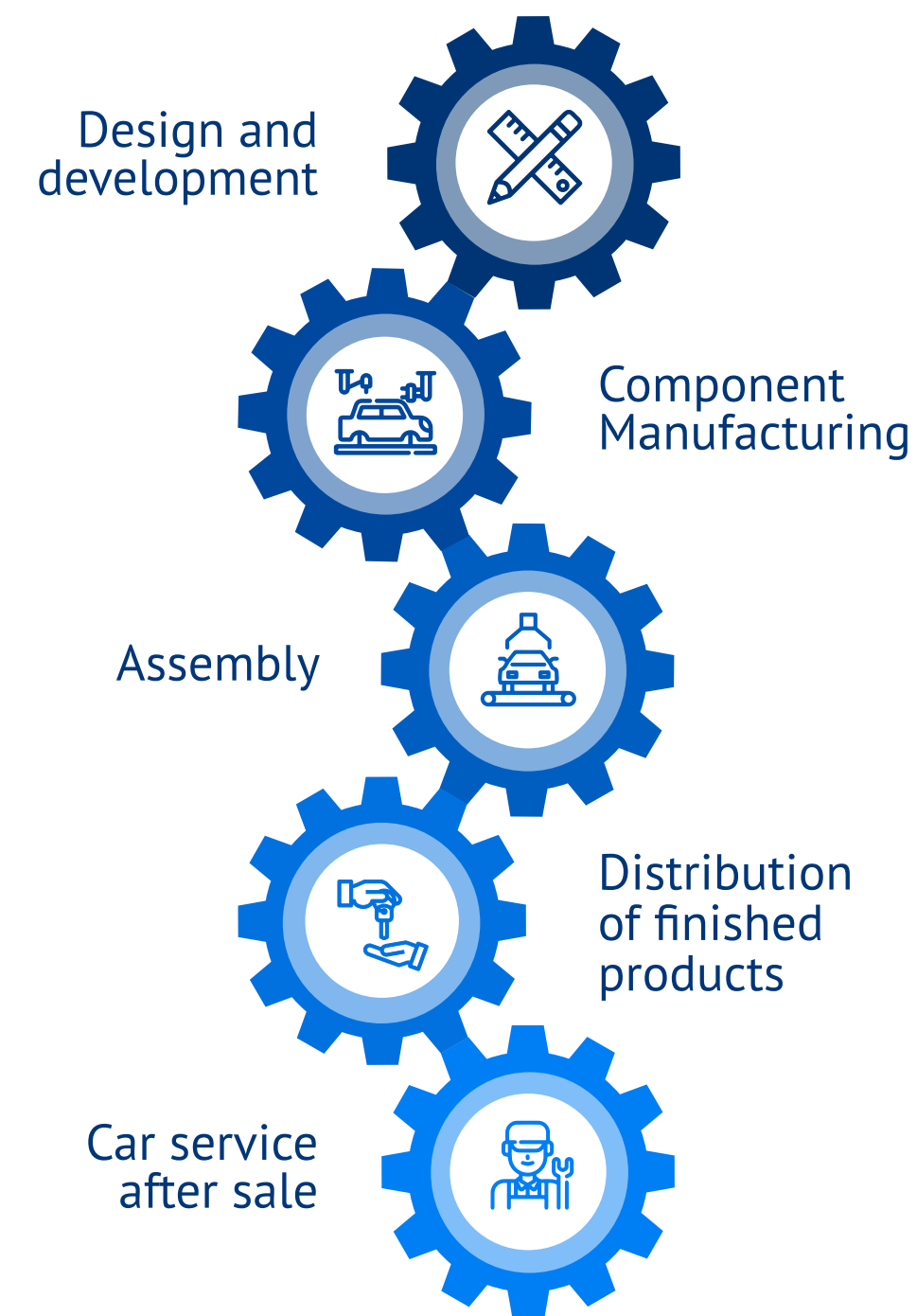
410 thousand

is the volume of car sales in domestic and export markets in 2023

> 16 thousand employees

The Company's impressive position is strengthened by several key factors. A strategic partnership with global automotive giant General Motors (GM) and its subsidiaries has played a central role in developing a diverse and high-quality product portfolio in the passenger car segment. In addition, further strengthening of the Company's position at the national and international levels is supported by extensive operational activities and an expanded network of dealerships, including more than 90 independent companies throughout Uzbekistan.

THE MAIN AREA OF ACTIVITY OF THE COMPANY

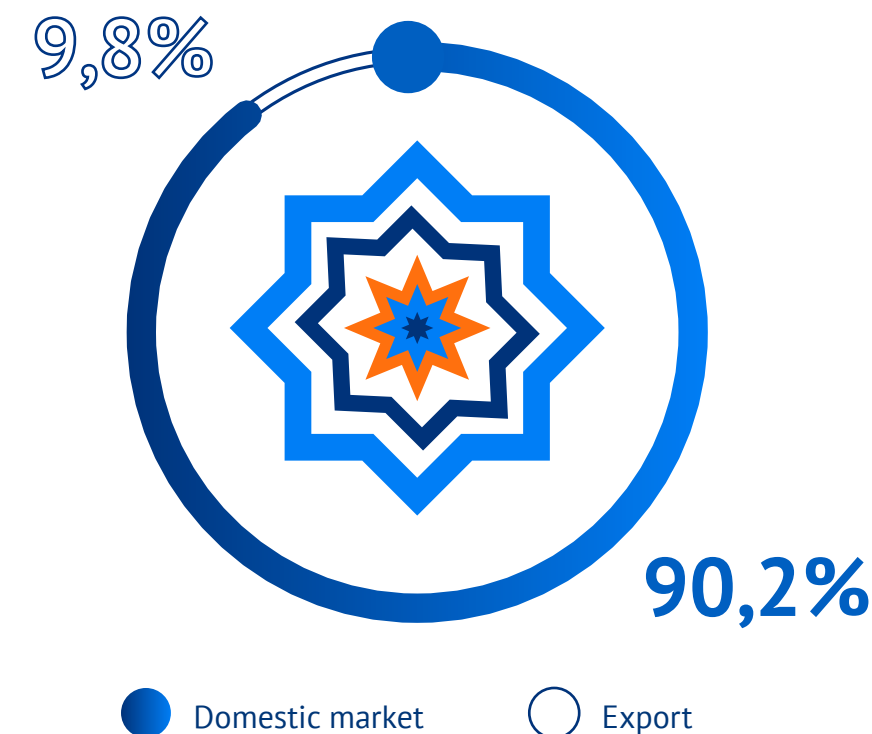
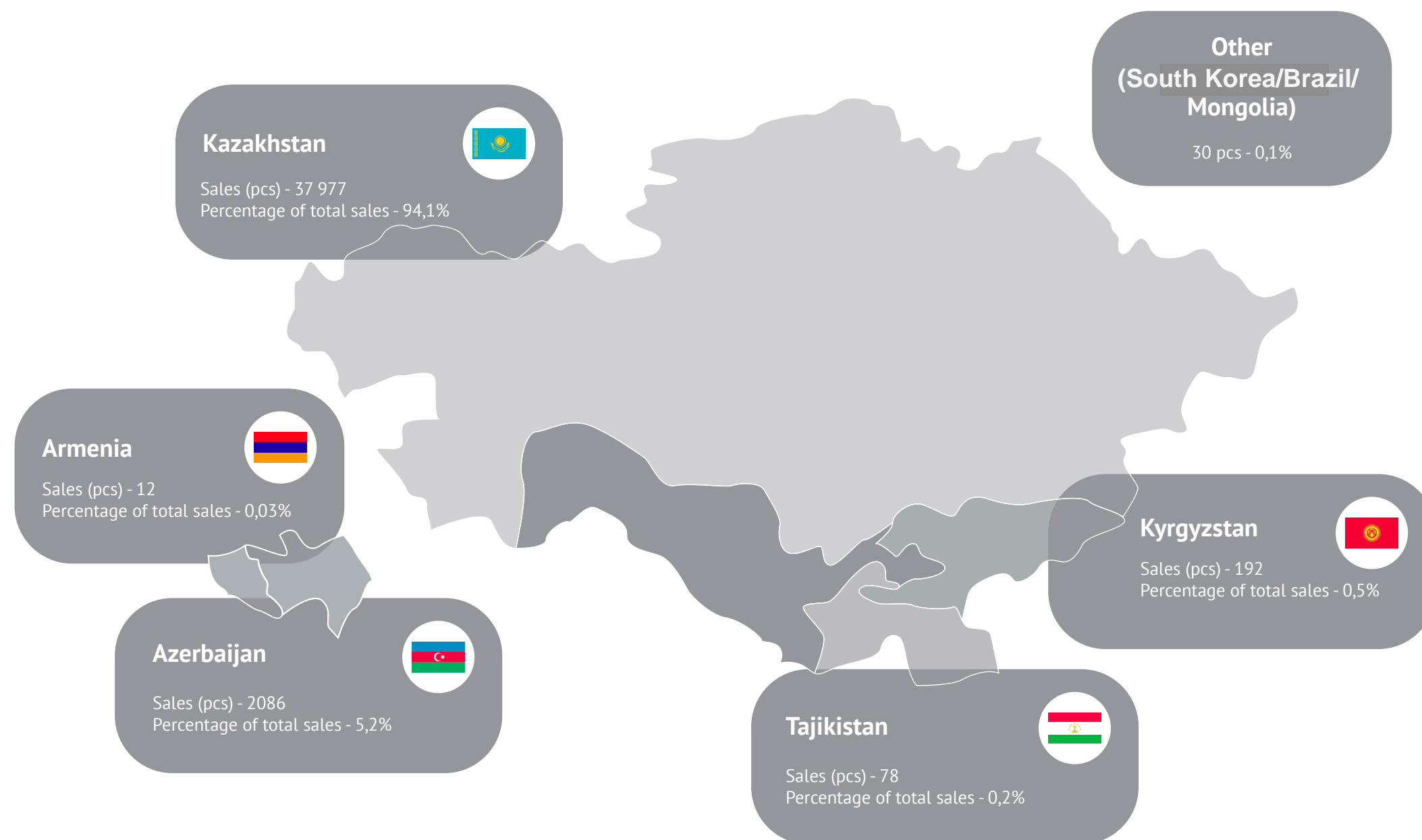


¹In the first quarter of 2023, the production of Spark and Nexia cars stopped due to the transfer of conveyors to the production of new car models.

The company operates on a vertically integrated business model, which allows it to participate in all stages of the production process: from design and development to production and distribution. In order to ensure financial stability, the company is diversifying its production by producing a variety of vehicles, including passenger cars, multi-purpose vehicles (MPVs) and commercial vehicles. Spare parts and components are also produced, and repair and other after-sales services are provided for obsolete and out-of-warranty models. In addition to production activities, UzAuto Motors JSC is actively engaged in research and development, investing in new technologies and innovations to improve the performance, safety and environmental sustainability of products. Particular attention is focused on quality, customer satisfaction and compliance with environmental standards.

GEOGRAPHY OF PRODUCT SALES

The main volume of sales of the Company's vehicles is made in the domestic market the domestic market of the Republic of Uzbekistan. Exports are mainly directed to Central Asian countries, with a significant share going to Kazakhstan and Azerbaijan.



The company successfully sells its products through various channels, ensuring the availability of cars and services to a wide range of consumers.

Key market players include:

- Distributors and dealers. Companies that purchase cars directly from UzAuto Motors and sell them through their own sales networks. They also provide car maintenance and technical support services. UzAuto Motors sells cars and spare parts under the Chevrolet brand to dealers and distributors in Uzbekistan and Central Asian countries.
- Retail customers. Individuals who purchase cars from dealers for personal use.
- Export markets. UzAuto Motors exports products to other countries, working through its own distributors or local partners.

SUSTAINABILITY MISSION AND VALUES

At the heart of the Company's activities is the desire to provide sustainable solutions in the field of road transport, while contributing to the economic growth and development of Uzbekistan. Our efforts to achieve this mission are guided by the following key values:

Stability

We are committed to protecting the environment by implementing sustainable practices in our operations and throughout the product lifecycle.

Innovation

We actively innovate on product development, production processes and sustainability practices.

Quality

We strive to produce vehicles of high quality and reliability that meet the expectations of our customers.

Security

We conduct business with high ethical standards, promoting transparency and accountability.

UzAuto Motors JSC has a rich and dynamic history of the organization, which goes back several decades. Below is an overview of the main milestones in our history.

1993

The company was founded in 1993 as a joint venture with Daewoo Motor Company, South Korea's automotive giant. This event marked the beginning of the company's activities in the automotive industry under the original name UzDaewoo.

1996

In 1996, the Company launched its first series of passenger cars, which was a key moment in consolidating its position in the domestic and international automotive markets.

2005

In 2005, Daewoo Motors was acquired by General Motors Corporation (GM), which significantly affected further development of the company.

2008

In 2008, after reorganization, the company was named General Motors Uzbekistan, becoming part of the General Motors family of companies. The change reflected the development of a partnership between "Uzavtosanoat" JSC, the state-owned company that manages the automotive industry in Uzbekistan, and General Motors. This period was also marked by the integration of the acquired assets of Daewoo Motors into the global structure of GM.

2011

In 2011, a plant for the production of "GM Powertrain Uzbekistan" engines was opened in Tashkent, 400 kilometers from the GM Uzbekistan car production plant in Asak.

2012

The Chevrolet Cobalt model was added to the production line.

2014

The second production was opened in the city of Pitnak, Khorezm region, where Damas/Labo minibuses are produced. Sales of the Chevrolet Orlando model were also launched.

2015

Presentation of the new Ravon brand and announcement of the renewal of the model range.

2019

In 2019, "Uzavtosanoat" JSC gained full control over the shares of General Motors Uzbekistan, and the company was formed as a national brand and renamed UzAuto Motors JSC, becoming independent from foreign ownership for the first time. However, General Motors remains a key partner in the company's manufacturing processes, serving as the primary licensor and managing partner for production and certification to ensure access to knowledge and standardization within Global GM's framework.

2020

In 2020, UzAuto Passenger Vehicles Management (PVM) Limited Liability Company was established to manage the development of UzAuto Motors JSC and UzAuto Motors Powertrain JSC, which became the sole shareholder of UzAuto Motors JSC.

Also in 2020, the Company began importing Chevrolet Equinox, Trailblazer, Traverse and Tahoe SUVs with the intention of starting their production locally with sufficient demand.

The UzAuto Motors plant in Asaka has received an assessment from General Motors, confirming its compliance with the requirements of the BIQ Level III certificate.

2022

The company has launched mass production of the new Chevrolet Tracker crossover at the plant in Asaka

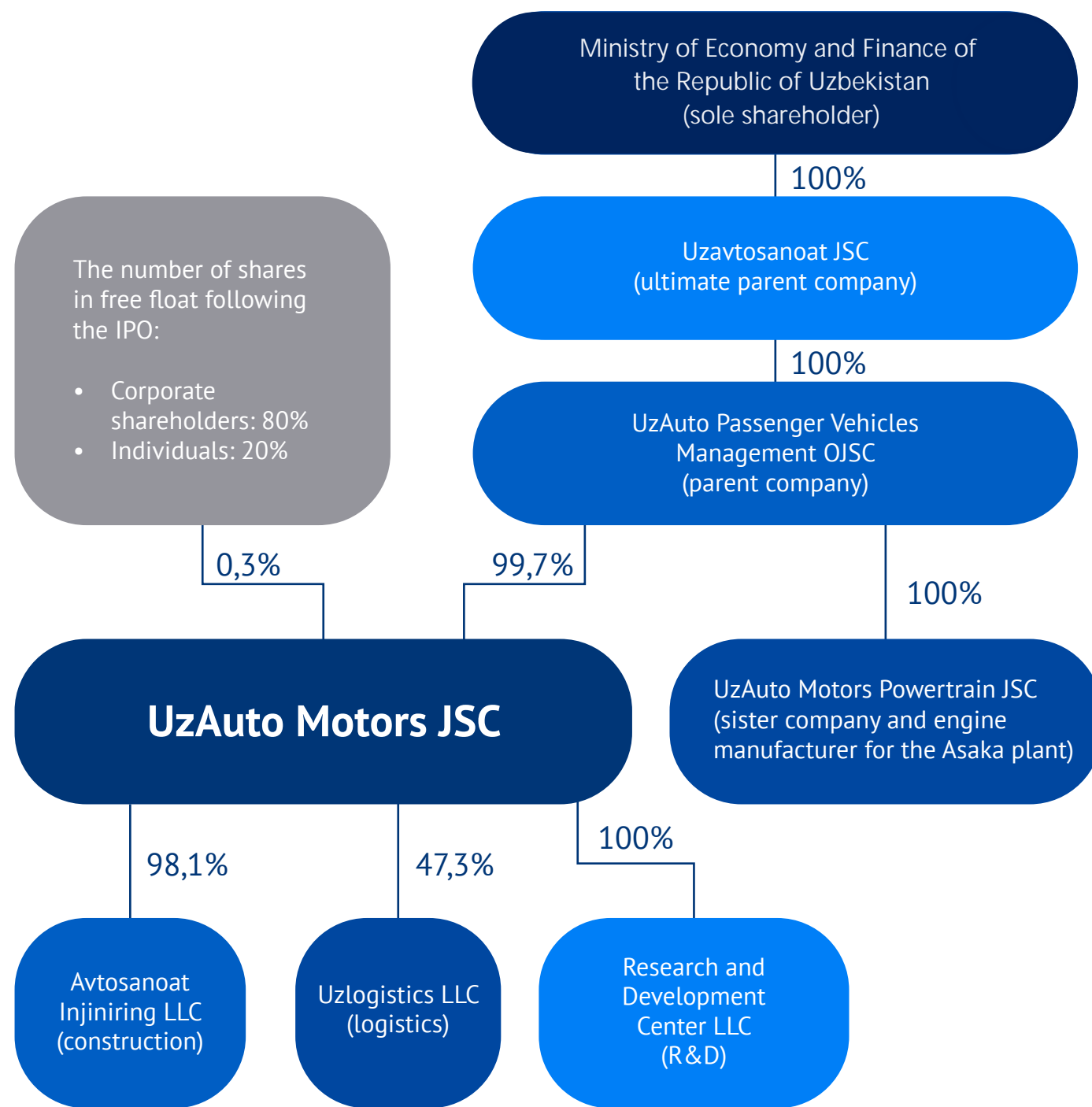
2023

UzAuto Motors JSC held an initial public offering (IPO) and the company's shares were placed on the Tashkent Stock Exchange.

The company launched serial production of Chevrolet Onix cars at the plant in Asaka

OWNERSHIP STRUCTURE

Ownership structure at the end of 2023



The number of shares in free float following the IPO:

- Corporate shareholders: 80%
- Individuals: 20%

0,3%

99,7%

100%

UzAuto Motors JSC

98,1%

47,3%

100%

Avtosanoat Injining LLC (construction)

Uzlogistics LLC (logistics)

Research and Development Center LLC (R&D)

Operating and ancillary assets

Key events in 2023

The company launches serial production of Chevrolet Onix in Uzbekistan

15 February 2023

The company started full cycle production of Chevrolet Onix in Asaka, Uzbekistan, investing 427.6milliondollars.Localization reached 50% with the goal of increasing to 70% in the short term. Twelve localization projects worth \$312 million were implemented, creating 4.5 thousand jobs. Chevrolet Onix has become an important step in the development of the automobile industry in Uzbekistan. The introduction of new technologies, including laser welding, is contributing to the development of the automotive industry and increasing production to 500 thousand cars per year.

Chevrolet is the leader of the competition

16 February 2023

Chevrolet retains its leadership in the Kazakh car market at the beginning of 2023.The Chevrolet Cobalt model is among the Top 3 popular passenger cars in January 2023, confirming the stable demand for the brand's products among motorists in Kazakhstan.

UzAuto Motors shares are listed on the Tashkent Stock Exchange

17 February 2023

The largest IPO in the history of Uzbekistan has been completed: shares of UzAuto Motors JSC are placed on the Republican Stock Exchange "Tashkent". The Company's rapid growth and success have made it attractive to investors, which has turned IPOs into an anticipated event in the market. Shares worth 56.9 billion UZS were distributed between institutional (80%) and individuals (20%). This IPO was the first in the local market since the pandemic and economic crisis.



Key events in 2023

The company expands Chevrolet lineup with new Tracker and Onix trim levels

25 May 2023

The company expands the Chevrolet Tracker and Onix lineup, adding Plus and Redline trim levels. Production of new versions is carried out at the plant in Asaka on an upgraded platform. The new products are equipped with improved comfort options, including heated elements and tinted windows. A feature of the Redline trim levels is the signature design with a red finish.

The company hires 1,700 new employees

2 June 2023

UzAuto Motors has completed a large-scale recruitment of employees, which attracted over 10,000 candidates through the uzautojobs.uz platform. Of these, 1,700 people were selected to work at the Asaka Automobile Plant, which increased the number of employees to 12,000 and strengthened the plant's status as the largest employer in the Andijan region. In 2023, UzAuto Motors sets a goal to increase production to 400,000 cars, requiring new professional personnel. The selection process, including testing and interviews, was organized with maximum transparency, ensuring the selection of the most suitable candidates from Andijan, Fergana and Namangan regions

The company conducts training for distributors in Azerbaijan

16 June 2023

Within the framework of the Turkic Automobile Alliance of Uzbekistan, Kazakhstan and Azerbaijan, "UzAuto Motors" has organized the production of cars in Azerbaijan, which reinforces the need for improved sales and service management. A recent working visit of "UzAuto Motors" representatives to Azerbaijan included a training session during which key General Motors systems such as Warranty Management (GWM), Electronic Parts Catalog (EPC) and Technical Data and Diagnostics System (GSI) were presented. The training also discussed the specifics of the work of dealers and the process of warranty service.

International cooperation on the way to the growth of human resources

22 June 2023

As part of the strategy to increase the competitiveness of the automotive industry of Uzbekistan, "Uzavtosanoat" JSC initiated the training of young specialists in Industry 4.0 technologies. For this purpose, cooperation was established with the Italian CIM 4.0 Center and the MEC Academy. Based on the institute, courses on «Industrial Production Technologies» have been launched, designed for a year. The UzAuto Motors Asaka plant is actively involved in this process, providing its engineers with knowledge that allows them to improve production processes and efficiency.

UzAuto Motors expands cooperation program with technical schools and colleges

27 June 2023

More than 100 students annually undergo practical training at the "UzAuto Motors" plant. This year, 17 students of the Asaka Agrotechnological College, thanks to the memorandum of cooperation, had the opportunity to undergo pre-graduation practice. Four of them are already employed at the plant. This experience has allowed students to develop practical skills and theoretical knowledge, which significantly increases their professionalism. The internship program includes the defense of diploma theses and close mentoring from production specialists.

Key events in 2023

The company held a training on the development of leadership competencies for managers

18 July 2023

UzAuto Motors regularly holds events for the development and professional development of employees. At the initiative of the HR Directorate and the trade union, the training «Developing the competencies of an effective leader» was organized, which was attended by about 60 managers, including General Director Bo Inge Andersson. The training program included theoretical and practical classes aimed at improving leadership and management skills. Particular attention was paid to the new labor code and ways to improve the work of the enterprise.

An employee of the company has been awarded the Order of “Mehnat shuhrati”

30 August 2023

On the occasion of the 32nd anniversary of Uzbekistan’s independence, a number of workers in various sectors were awarded honorary titles, orders and medals. Brigadier of the 2nd welding shop of the production department Masaliddin Shomurodov, who has been working in the company since 2011, was also awarded the order “Mehnat shuhrati” for his significant contribution to the development of the automotive industry and effective long-term work.

Another record: 41,100 cars rolled off the assembly lines of the plant in August

30 August 2023

At the end of August 2023, more than 41,100 cars were produced at the plants of UzAuto Motors: 31 thousand cars at the plant in Asaka and 10 thousand in Pitnak.

This figure was achieved due to the professional and well-coordinated work of the team in large-scale work at the production facilities of the plants, as well as as a result of the modernization of the press, paint and assembly shops.

It should be noted that earlier the average capacity of factories was 30 thousand cars per month. Since May, this figure has increased by 30% and in August by more than 36%.

Employees of the plant receive higher education

20 September 2023

UzAuto Motors sent 39 employees to distance learning at the Andijan Machine-Building Institute, emphasizing the importance of personnel development. The selection of candidates took place through an interview, taking into account the needs of the plant and the priority of employees with five years of experience. 368 employees participated in the selection, testing included knowledge of the requirements of the GM production system - GMS (Global Manufacturing System), mathematics, history of Uzbekistan and logic. 39 employees were selected for training funded by the company, which emphasizes the desire of UzAuto Motors to improve the skills of its employees.

The company strengthens partnership with universities to develop human resources

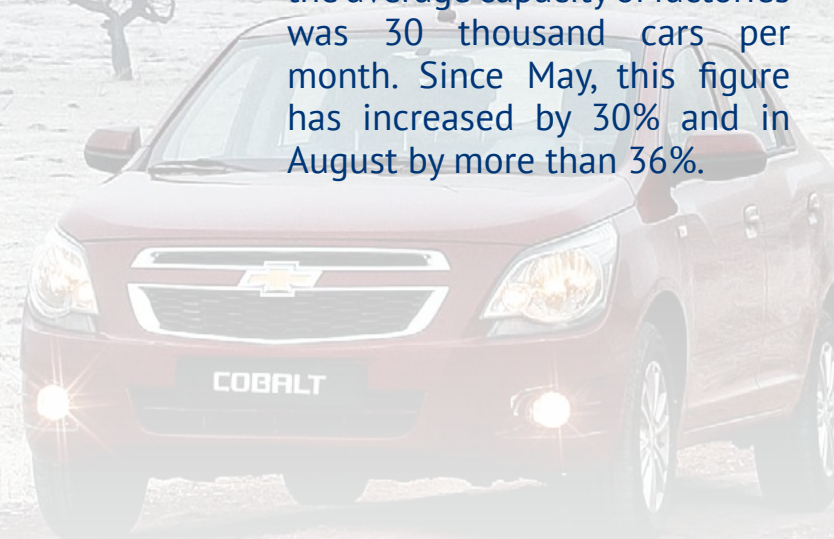
October-November 2023

UzAuto Motors is actively developing cooperation with universities in Uzbekistan to increase human resources and attract young professionals. In October 2023, a partnership was initiated with the Tashkent International Westminster University in order to create a reserve of promising personnel and attract young people to the automotive industry. The company signed a memorandum of cooperation with Amity Tashkent University, offering students training, internships, and employment opportunities.

Uzbekistan has become Chevrolet’s second largest market in the world after the United States.

December 2023

In 2023, Uzbekistan took second place in the world ranking of Chevrolet sales, selling about 370 thousand cars, second only to the United States. The increase in sales was the result of increased demand for the Chevrolet Tracker and Onix models, as well as the country’s steady economic development, which contributed to an increase in the welfare and solvency of the population. The optimal ratio of quality and affordability of Chevrolet cars also contributes to their popularity among Uzbeks.



Key performance indicators of the Company

Operating indicators	2022	2023
Vehicle Production Volume	328 thousand	395 thousand
Vehicle sales volume	324 thousand	410 thousand
Market share of the Republic of Uzbekistan	92%	82%
Share of exports in total sales	13%	10%
Financial performance	2022	2023
Revenue, billion UZS	36 086	53 847
Net profit, billion UZS	2 252	3 654
Volume of investments in fixed assets, development of production and innovation, billion UZS	865	872
Dividends paid, billion UZS	720	1 035
Credit ratings	2022	2023
Fitch	BB- Stable	BB- Stable
Standard and Poor's	B+ Stable	B+ Positive

Key Sustainability Indicators

Ecology	2023
Total Energy Reduction	2 180 GJ
Revenue from the sale of waste, billion UZS	168,08
Costs for environmental protection measures in 2023, billion UZS	5,225
Staff	2023
Number of employees who have completed the retraining, training in second and related professions and advanced training	3 471
Ratio of the average salary of the company's employees to the average salary in the Republic of Uzbekistan	Among men: 2.67 Among women: 1.74
Financial assistance to employees, billion UZS	1,369
Social Agenda Initiatives	2023
Charity and sponsorship, billion UZS	96
Direct Economic Value Created, billion UZS	47 732
Tax deductions, billion UZS	581



UzAuto

About the Report



About the Report

GRI 2-1; 2-2; 2-3; 2-4; 2-5; 3-1; 3-2

Approach to reporting

GRI 2-1; 2-3; 2-4; 2-5

UzAuto Motors JSC (hereinafter referred to as UzAuto Motors or the «Company») presents its first Sustainability Report (hereinafter referred to as the «Report»). In the future, the Company plans to continue the practice of preparing and publishing sustainability reports on an annual basis, striving for continuous improvement and development of sustainable practices of UzAuto Motors.

The Report provides information on the Company's activities in the areas of stakeholder engagement, employee support and development, occupational health and safety management, environmental impact reduction, and respect for human rights, as well as the Company's contribution to the development of the regions where it operates. The report demonstrates the Company's approach to responsible business conduct in the interests of all stakeholders with whom we interact.

This Report covers the Company's activities for the period from 1 January to 31 December 2023, which coincides with the reporting period for the Company's consolidated financial statements. UzAuto Motors also ensures transparency by regularly publishing interim semi-annual financial reports, which allows stakeholders to receive up-to-date information on the financial results of the Company's activities throughout the year.

In preparing the Report, the Company was guided by the requirements of the 2021 Global Reporting Initiative Standards (the «GRI Standards») and includes responses to the Sustainability Accounting Standards Board framework (the «SASB Standard»).

The Sustainability Report of UzAuto Motors JSC for 2023 includes forward-looking statements related to the future goals, plans and expectations of the Company. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from expectations. These include changes in economic conditions, the business environment and external factors beyond the Company's control.

The Sustainability Report of UzAuto Motors JSC for 2023 was approved by the CEO, Bo Inge Andersson, and published on

September 14th, 2024. The Report has not undergone the procedure of external verification by an independent party, however, the Company plans to undergo independent limited certification of the Report in the future.

Reporting Boundaries

GRI 2-2

The boundaries of reporting in the Sustainability Report differ from the perimeter of the Company's consolidated financial statements and include information on the activities of UzAuto Motors JSC.

In some respects, the consolidation perimeter may differ from the above. In such cases, additional information is provided.



Principles for determining the content and quality assurance of the Sustainability Report

GRI 3-1

To ensure the completeness of the content and high quality of the Report, the Company was guided by the following principles of the GRI Standards:

- Sustainability Context in the Report
- Materiality
- Completeness
- Accuracy
- Clarity
- Balance
- Comparability
- Verifiability
- Timeliness

Approach to Identifying Material Topics

GRI 2-4; 3-1; 3-2; 3-3

In 2022, UzAuto Motors JSC for the first time assessed material topics as part of the Corporate Social Responsibility Review Report, identifying seven key topics. However, the initial evaluation process did not fully comply with international standards. In 2023, it was decided to revise the assessment process in order to provide a deeper and more comprehensive analysis. The analysis was carried out based on the requirements of the GRI standards for the identification of material topics and consisted of the following stages:



STEP 1 Trends and analysis of the external environment

An analysis of industry trends and the external environment was carried out, including the study of industry reviews, changes in legislation, as well as the requirements of national and international standards. A detailed review of the media and analysis of global economic and industry mega-trends were carried out. In addition, a benchmark analysis of peer companies that are leaders in the field of ESG reporting was carried out. As a result of the first stage, a list of 63 topics was formed that are potentially significant for various groups of stakeholders.

STEP 2 Identification of Material Topics

The materiality of the identified topics was assessed through an online questionnaire among internal and external stakeholders and a subsequent analysis of the results obtained. Respondents were asked to assess not only the impact of the Company on the economy, the environment and society, but also the impact of external factors on the Company's activities, according to the principle of double materiality.

In addition, to take into account industry specifics, the Company relied on media analysis, mega-trends and benchmark analysis to identify topics specific to the automotive industry. As a result, a general list of 21 material topics for the Company was prepared.

STEP 3 Assessment of the significance of impacts

The importance of each topic was ranked based on its importance to internal and external stakeholders, as well as the potential and actual, positive and negative impact of the topics on the Company. The impact assessment was carried out on the basis of:

- Analysis of peer companies and industry standards
- Media and Mega-Trend Analysis
- Peer Review

As a result, a materiality matrix was formed.

STEP 4 Prioritization and consideration of stakeholder recommendations

Based on the results of the analysis and the formation of the materiality matrix, it was decided to identify 13 most significant topics, each of which has a general priority of at least 60%. The overall priority of each topic was calculated as the average of two indicators: the average assessment given by internal and external stakeholders and the assessment of the impact of the topic on the Company. This method allows for a balanced and objective approach to determining the key areas of the Company's activities in the context of sustainable development.



In total, representatives of 9 groups of the Company's stakeholders took part in the survey:

- Consumers
- Suppliers & Partners
- Shareholders
- Staff
- International Regulatory Bodies (Passenger Safety Standards)
- Population of the Republic of Uzbekistan
- Mass media
- Government Departments
- Financial institutions

During the survey, 103 answers were received from respondents. Among them, the stakeholders are distributed as follows:

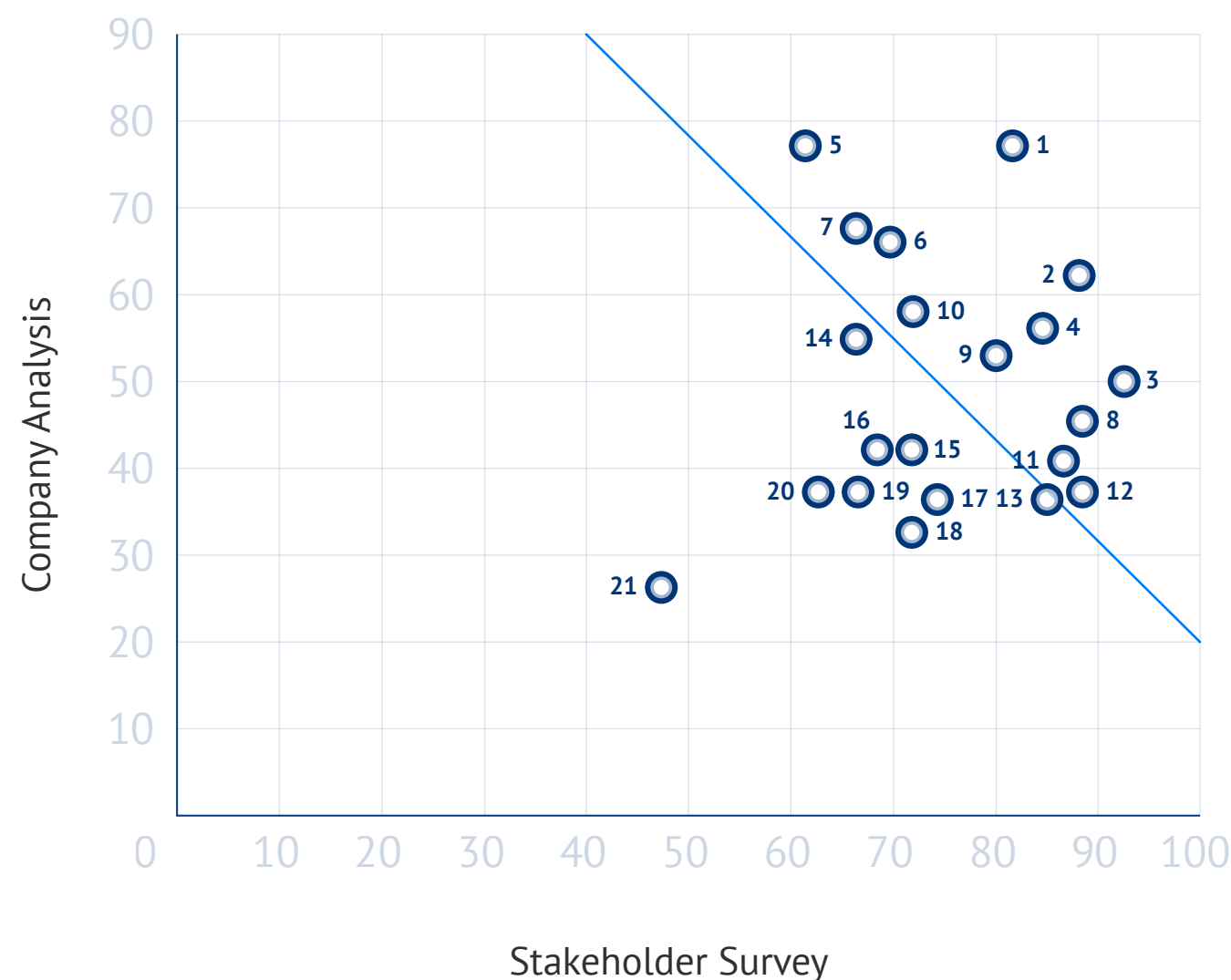
- Internal – 67 respondents
- External – 36 respondents

List of Material Topics

GRI 3-2

The selected material topics reflect the main areas of the Company's activities in the context of sustainable development.

MATERIALITY MATRIX



Topics with an indication of materiality

N	Aspect	Subject
1	Social	Health, Safety and Wellbeing in the Workplace (OHS)
2	Social	Personnel training and development
3	Social	Cybersecurity and data privacy
4	Social	Human Resources and Employment Management
5	Ecological	Water Resources Management
6	Ecological	Waste management
7	Ecological	Energy Efficiency and Greenhouse Gas Emissions
8	Economic and managerial	Anti-corruption
9	Social	Indirect economic impact
10	Ecological	Material Efficiency and Recycling
11	Social	Human rights
12	Social	Product Safety
13	Social	Local Market Presence
14	Economic and managerial	Economic indicators
15	Social	Local Communities
16	Economic and managerial	Procurement Practices
17	Ecological	Responsible Supply Chain (Environmental Assessment of Suppliers)
18	Economic and managerial	Taxes
19	Social	Marketing & Labeling
20	Economic and managerial	Anticompetitive behavior
21	Ecological	Biodiversity

Based on the results of the analysis of material topics, **21 topics** were identified. The Sustainability Report selected **13** of the highest priorities for disclosure. Structure of the **13** selected substantive topics by aspects:

- Social – 8
- Environmental – 4
- Economic and managerial – 1

Disclosure requirements in the area of climate change and sustainable development are developing dynamically. In accordance with the GRI requirements, the Company plans to annually revise the list of material topics in order to build more effective communication with stakeholders and meet the current challenges and expectations of stakeholders.



UzAuto

Corporate Governance



Corporate Governance

GRI 2-9,2-10,2-11,2-12,2-13,2-14,2-15, 2-17,2-18,2-19,2-23,2-24,2-25,2-26,2-29

UzAuto Motors attaches great importance to the organization and implementation of corporate governance, considering it as an important element in ensuring the Company's stability, increasing the efficiency of business processes and improving investment attractiveness.

The Company strives for constant compliance with international and national standards, legal requirements, regulatory recommendations and best corporate governance practices. The corporate governance system of UzAuto Motors is based on the principles of transparency, openness, and reliability.

Corporate governance system

GRI 2-23

The corporate governance system of UzAuto Motors includes clearly structured management bodies and effective mechanisms for interaction with stakeholders. The Company's structure ensures consistent and transparent decision-making, contributing to building trust among stakeholders.

The Company highly values honesty, integrity and ethical behavior as fundamental values when conducting business in strict accordance with applicable laws.

The key objectives of the Company's corporate governance system are:

- Ensuring the exercise of the rights and legitimate interests of shareholders
- Ensuring transparency of activities
- Implementation of effective internal controls
- Definition of development strategy and long-term objectives
- Implementation of mechanisms for effective interaction of the executive body with shareholders and investors

The principles and procedures of corporate governance of the Company are enshrined in internal documents, the main one of which is the Charter of UzAuto Motors, as well as the Regulations «On the General Meeting of Shareholders», «On the Supervisory Board» and «On the Executive Body» of UzAuto Motors JSC, which are based on the legislation of the Republic of Uzbekistan and international principles of corporate governance. The Company operated under the General Motors Corporate Governance Code. Due to the change in legal entity in 2024, a new edition of the Corporate Governance Code of UzAuto Motors JSC will be presented for consideration by the shareholders.

Regulatory documents in the field of corporate governance are aimed at achieving a balance of interests of the Company and shareholders,

representatives of the workforce and other stakeholders, including creditors, to ensure the effective organization of UzAuto Motors' activities, modernization, technical and technological re-equipment of production facilities, production of competitive products and their export to foreign markets.

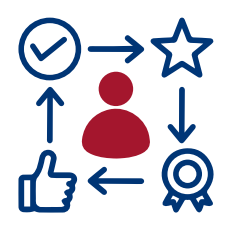
The Charter of UzAuto Motors and the Regulations «On the General Meeting of Shareholders», «On the Supervisory Board» and «On the Executive Body» of UzAuto Motors JSC were developed taking into account the fundamental principles of proper governance:



• Transparency



• Authenticity



• High moral and ethical standards



• Focus on sustainability

Structure of corporate governance bodies

GRI 2-9

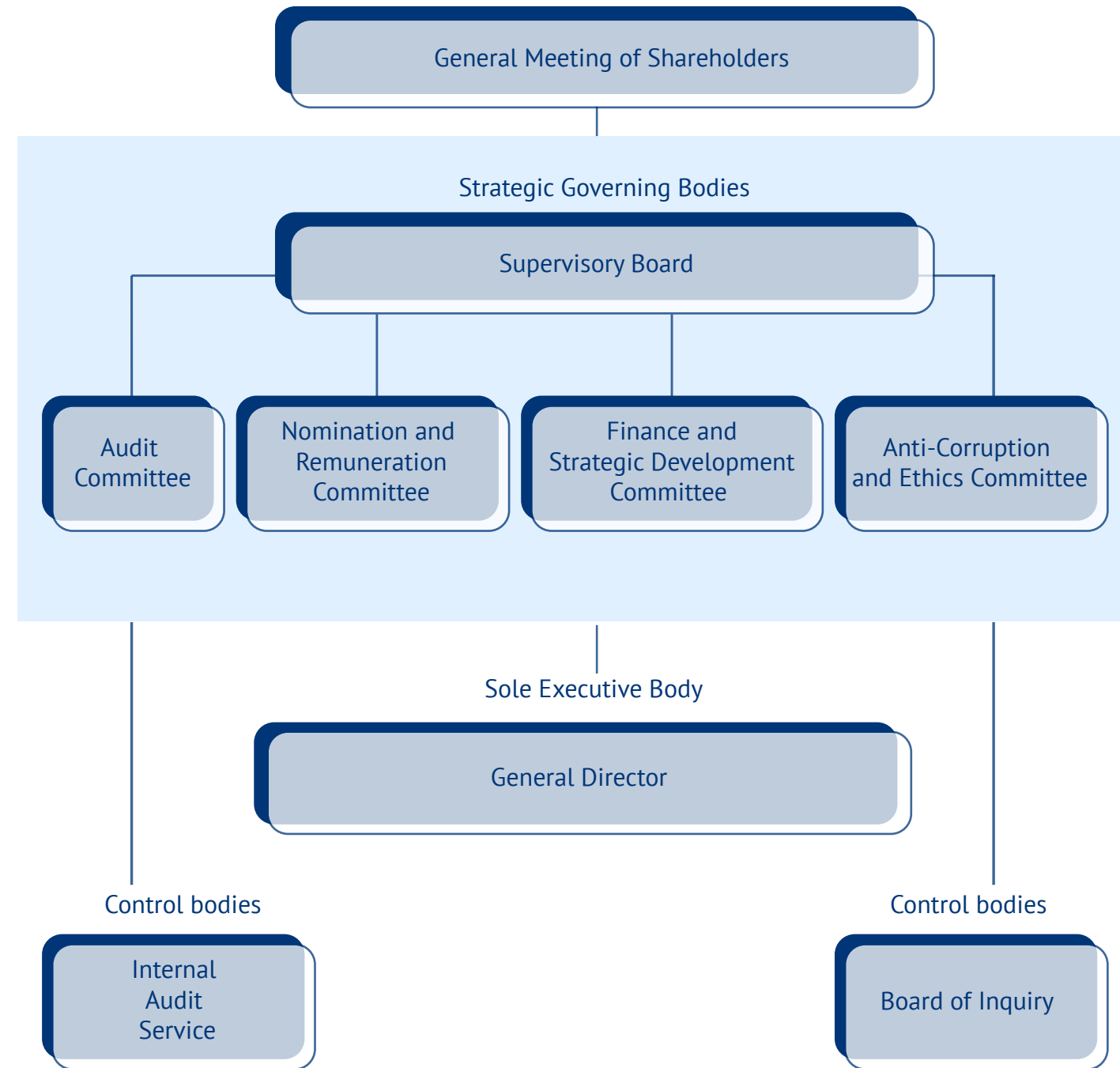
The Company is constantly improving its corporate governance system in accordance with the best international practices, ensuring effective management, respect for the rights and interests of shareholders, strict compliance with the law and the fulfillment of obligations.

According to the Charter of UzAuto Motors JSC, updated and approved by the general meeting of shareholders on July 14, 2023, the company's management bodies are:

- General Meeting of Shareholders
- Supervisory Board
- Executive body represented by the General Director



Structure of the corporate governance bodies of Uz Auto Motors



General Meeting of Shareholders

The General Meeting of Shareholders is the Company’s supreme governing body, where shareholders exercise their voting rights and make decisions on key corporate issues. Such matters include the election of the Supervisory Board, the approval of financial statements and the adoption of decisions on material corporate transactions.

General Meeting of Shareholders in 2023

В 2023 году Общим собранием акционеров был рассмотрен ряд вопросов, в том числе:

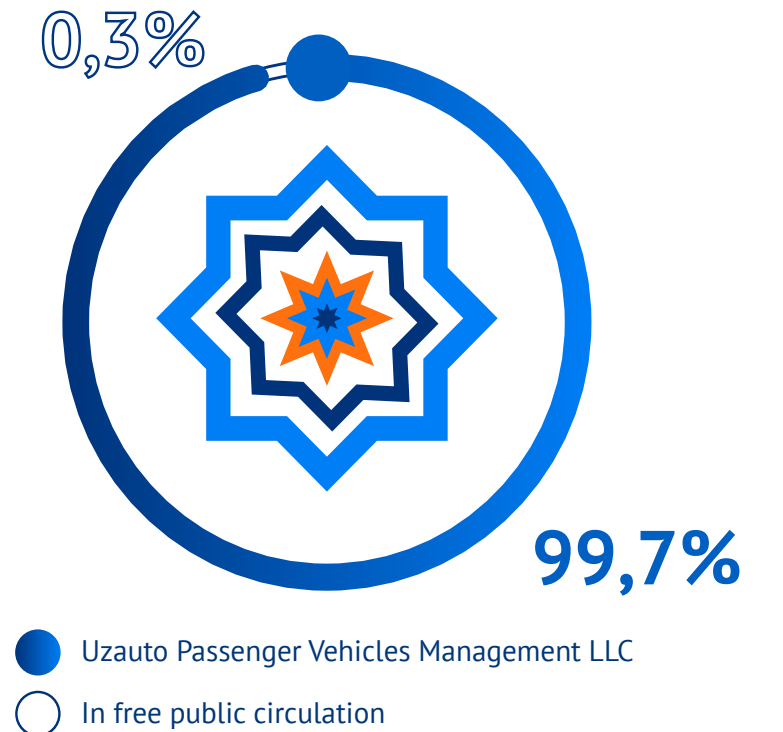
In 2023, the General Meeting of Shareholders considered a number of issues, including:

- Approval of the quantitative and personal composition of the members of the counting commission and determination of the term of their powers;
- Approval of the Regulations of the Extraordinary General Meeting of Shareholders;
- Determination of the amount of dividends, the form and procedure for their payment;
- Approval of the new version and Charter of UzAuto Motors JSC;
- Approval of a new version of the Company’s Charter «On the Supervisory Board»;
- Approval of a new version of the Company’s Charter «On the Payment of Contributions and Commission Remuneration to Members of the Supervisory Board and the Audit Commission» in a new edition;
- Conducting an external audit of the Company’s financial and economic activities in accordance with the requirements of the International Financial Reporting Standards for 2023 and 2024, as well as conducting an interim audit of the Company’s financial and economic activities by the external auditor in accordance with the requirements of the International Financial Reporting Standards (interim audit) for 6 months of 2023 and 2024, including the selection of an audit organization and the determination of the amount of remuneration for its services.

In 2023, UzAuto Motors JSC held an initial public offering (IPO) on the Tashkent Republican Stock Exchange (RSE). As part of the IPO, 2,700,000 ordinary shares were offered for sale at a nominal value of 5,000 UZS each, totaling 13,500,000,000 UZS, out of the total number of issued shares, 784,703 were publicly placed on the market on February 15, 2023. As a result of the placement, the Company attracted 1,357 new investors.

99.71% of the Company’s shares are owned by the shareholder – UzAuto Passenger Vehicles Management LLC.

Ownership structure of the Company’s shares, %



Supervisory Board

GRI 2-9; 2-10; 2-11; 2-17; 2-18

The Supervisory Board (hereinafter referred to as the SB) exercises control and management of the Company’s activities, except for issues referred to the competence of the General Meeting of Shareholders by the Charter and legislation. The SB is accountable to the General Meeting of Shareholders. The responsibilities of the SB include the appointment and control of the executive body, setting strategic goals, ensuring compliance with the law and compliance with the principles of corporate governance.

Members of the SB, which consists of five members, are elected by the General Meeting of Shareholders for a term of three years. All candidates for members of the SB are nominated and elected in accordance with the requirements of the Law of the Republic of Uzbekistan «On Joint-Stock Companies and Protection of Shareholders’ Rights», adopted by the Legislative Chamber on February 18, 2021, and approved by the Senate on April 10, 2014² and the Company’s Articles of Association.

² Law of the Republic of Uzbekistan "On Joint-Stock Companies and Protection of Shareholders' Rights" lex.uz/acts/2382411

Qualification requirements for members of the Company's Supervisory Board are established by the General Meeting of Shareholders. In accordance with the Law «On Joint Stock Companies and Protection of Shareholders' Rights», as well as the Charter of UzAuto Motors JSC, the Supervisory Board of the Company must include at least one independent member.

The procedure for nominating and selecting candidates for members of the SB is carried out as follows: no later than ninety days after the end of the financial year, shareholders owning at least one percent of the voting shares of the Company have the right to include issues in the agenda of the Annual General Meeting of Shareholders and nominate candidates to the Supervisory Board.

Elections of the members of the SB are held by cumulative voting. Those elected to the SB can be re-elected in an unlimited number.

The Chairman of the Company's SB is elected by the members of the SB by a majority vote of the total number of its members.

The Chairman of the Supervisory Board of UzAuto Motors JSC does not hold the position of the General Director of the Company. In accordance with the Law «On Joint-Stock Companies and Protection of Shareholders' Rights» and the Charter of UzAuto Motors JSC, the Supervisory Board of the Company cannot include the General Director, employees of the Internal Audit Service, as well as persons who are in labor relations with the Company.



Shavkat Boranovich Umurzakov

Chairman of the Supervisory Board of UzAuto Motors JSC

Date of election: 24.05.2022

Date of birth: 6 February 1979

Citizenship: Uzbekistan

Member: Anti-Corruption and Ethics Committee

Education:

Tashkent State University of Law

Work experience:

- **2011-2013** – Head of Department in the Prosecutor's Office of Tashkent region
- **2013-2018** – Head of Department in the Office of the Prosecutor General of the Republic of Uzbekistan.
- **2018** – Deputy Prosecutor General of the Republic of Uzbekistan.
- **2018-2023** – Chairman of the Board of the company "Uzavtosanoat".
- **2022-2023** – President of the Gymnastics Federation of Uzbekistan.
- **2023** - Acting khokim of Tashkent city
- **2024 - present** - The Khokim of Tashkent city



Rafikov Abduvakkos Vohidovich

Member of the Supervisory Board of UzAuto Motors JSC

First Deputy Chairman of the Board of «Uzavtosanoat» JSC

Date of election: 24.05.2022

Date of birth: 17 August 1980

Citizenship: Uzbekistan

Members: Nomination and Remuneration Committee, Anti-Corruption and Ethics and Audit.

Education:

- Tashkent Automobile and Road Construction Institute
- Loughborough University, UK

Work experience:

- **In 2012-2014**, he held various positions in GM Uzbekistan.
- **2014-2015** - Head of the Localization and Technology Department at Uzavtosanoat.
- **2015-2018** - Head of the Information and Analytical Department under the Government of the Republic of Uzbekistan for the Development of Mechanical Engineering, Automotive and Electrical Industries.
- **2018-2020** - General Director of the UzSemung Co joint venture.
- **2020-present** - Deputy Chairman for Localization, Cooperation in Industry and Information Technology.



Azizbek Kobilovich Shukurov

Member of the Supervisory Board of UzAuto Motors JSC

First Deputy Chairman of the Board of JSC «Uzavtosanoat»

Date of election: 24.05.2022

Date of birth: 25 December 1985

Citizenship: Uzbekistan

Members: Nomination and Remuneration Committee, Finance and Strategic Development and Audit.

Education:

- Westminster International University in Tashkent
- Tashkent Automobile and Road Construction Institute

Work experience:

- **2013-2013** - Head of the Localization and Technology Department at Uzavtosanoat OJSC;
- **2013-2016** - Chief Specialist of the Information and Analytical Department under the Government of the Republic of Uzbekistan for the Development of Mechanical Engineering, Automotive and Electrical Industries;
- **2016-2017** - Deputy General Director for Sales, Marketing and Service at Uzbek-German Joint Venture MAN Auto-Uzbekistan LLC;
- **2017** - General Director at the Uzbek-French joint venture «Uzbekistan Peugeot Citroën Automotive»;
- **2017-2022** - held various positions at Uzavtosanoat JSC, including the position of Deputy Managing Director;
- **2022 - present** - First Deputy Chairman of Uzavtosanoat JSC for Transformation and Finance.



János Kovács

Independent member of the Supervisory Board of UzAuto Motors JSC

Date of election: 24.05.2022

Date of birth: 11 July 1954

Citizenship: Hungary

Member: Audit, Finance and Strategic Development, Anti-Corruption and Ethics Committee

Education:

Budapest University of Technology and Economics (MBA)

Work experience:

- **1971-1973** - military service, Air Force technician.
- **1973-1991** - various Hungarian companies and activities, from auto mechanics to mechanical engineering.
- **1991-1996** - General Director Hungary, Quality Engineer, Quality Coordinator, Quality Manager.
- **1997-2000** - GM Thailand, Quality Director
- **2000-2002** - Opel AG, Rüsselsheim, Germany, Quality Manager.
- **2002-2007** - GM Powerline Europe, Germany, manager program.
- **2007-2010** - GM Powertrain Hungary, Quality Manager.
- **2010-2013** - General Motors Powertrain Uzbekistan, Production Director
- **2013-2018** - General Motors Europe, Opel Manufacturing GMS Group, workshop director
- **2018-2019** - Project for PSA - UzAuto joint venture on light commercial vehicles, Advisor to UzAuto MOTORS
- **2019-2022** - Vinfast Automotive E-Motor, Plant Director.



Robert Wolter Geist

Independent member of the Supervisory Board of UzAuto Motors JSC
Production Consultant

Date of election: 24.05.2022

Date of birth: 28.03.1958

Citizenship: USA

Members: Nomination and Remuneration Committee, Finance and Strategic Development

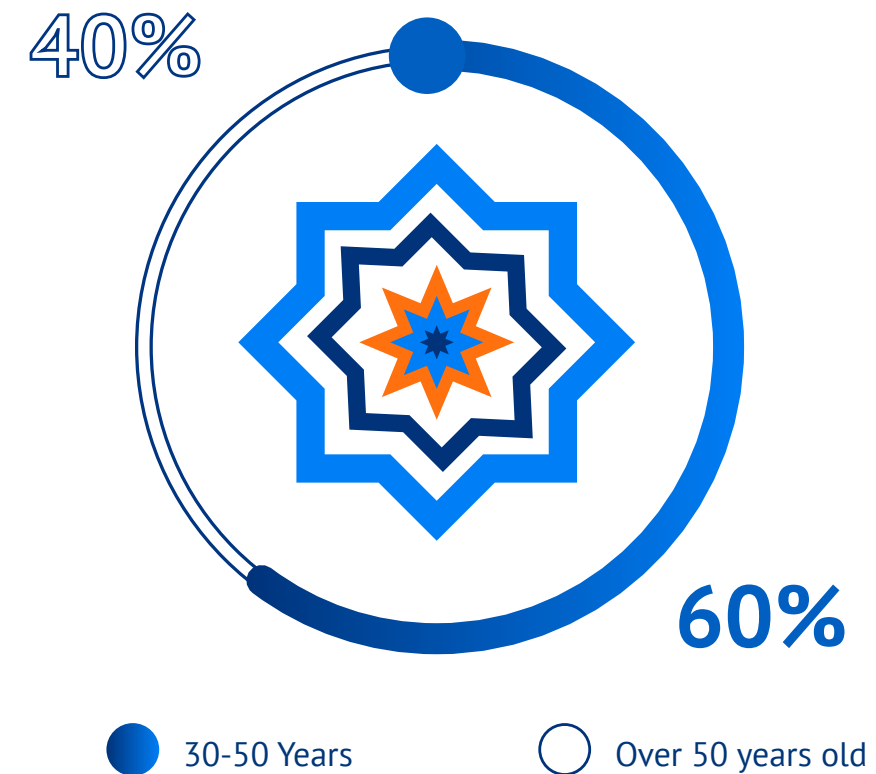
Education:

- Michigan University Technological
- Ohio State University

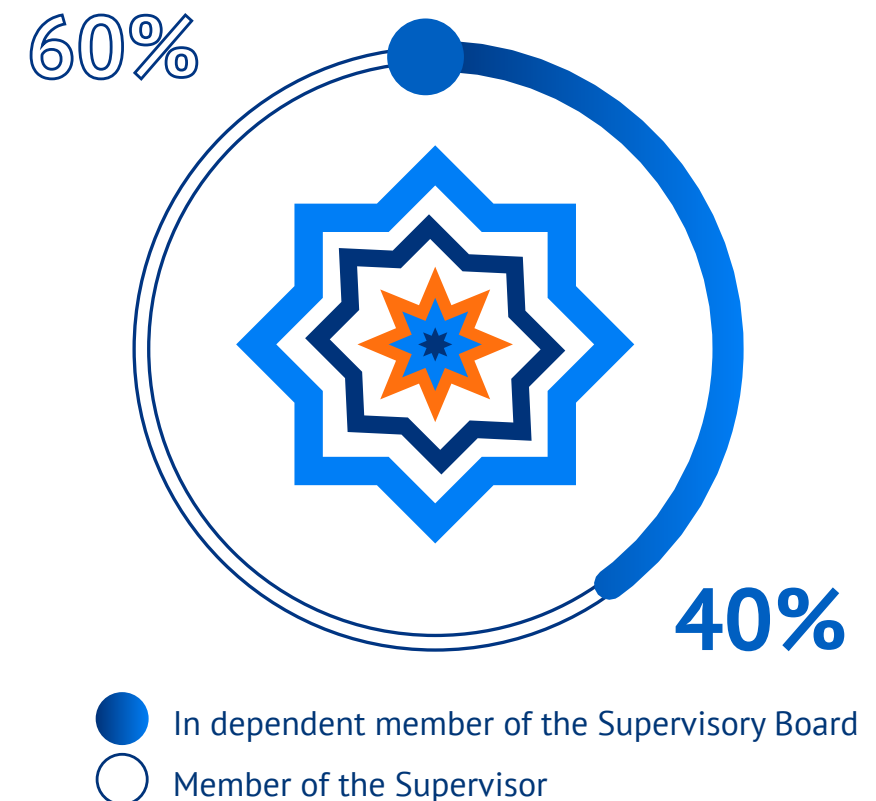
Work experience:

- **1984-1994** - Saginaw Gray Iron - Production Line Manager.
- **1994-1997** - Flint V-6 is the North Machine site supervisor.
- **1997-1999** - Pontiac – Factory support for powertrain quality assurance.
- **1999-2003** - Romulus Engine Operations - Head of the V-8 Generation III Engine Assembly Section
- **2003-2008** – Livonian Motor Plant – Production Manager.
- **2008-2011** - Brazil – Director of the Family I engine plant.
- **2011-2013** - Pontiac CETC is the Director of Launch Readiness.
- **2013-2015** - GM Powertrain-Uzbekistan - Director of Production and General Director.
- **2015-2019** - Director of the Engines and Transmissions Workshop of the State Oil and Gas Mining Academy.
- **2019-present** - Production consultant.

Age composition of the Supervisory Board of Uz Auto Motors JSC,%



Structure of the Supervisory Board of Uz Auto Motors JSC,%



The assessment of the activities of the Supervisory Board of UzAuto Motors has not been carried out before. However, in the medium term, the Company plans to introduce requirements for the assessment of the activities of the Supervisory Board. These requirements will be aimed at improving the transparency and efficiency of management processes. It is assumed that the activities of the supervisory board will be evaluated by a specially licensed company professionally operating in the securities market. It is also expected that regular assessment will contribute to more active interaction between the members of the Supervisory Board and the Company's management and increase their responsibility for the decisions made. The introduction of this practice will be a significant step towards improving corporate governance in UzAuto Motors.

The Company strives to ensure that the SB has a high level of knowledge and experience in the field of corporate governance, which is important for the implementation of the sustainable development strategy.

In addition, when amending the legislation on corporate governance, the SB undergoes training. Qualified experts of the Higher School of Business and Entrepreneurship under the Ministry of Economic Development and Poverty Alleviation of the Republic of Uzbekistan are engaged in the organization and conduct of educational events. The training covers both theoretical and practical aspects of the application of innovations in work. This approach not only improves the overall qualifications of the members of the Supervisory Board, but also contributes to more effective management of the company in accordance with the principles of sustainable development.



Report on the work of the Supervisory Board:

50

Number of issues examined by the SB

34

SB meetings Held During 2023

In the reporting year, the Supervisory Board made a number of strategic decisions aimed at managing the structural and financial aspects of the Company. Issues addressed included:

- Approval of wholesale prices for cars and options sold in foreign markets, as well as for car kits shipped to foreign partners;
- Approval of basic wholesale and retail prices for cars, as well as for additional options and equipment sold in the domestic market;
- Consideration of the possibility of the Company entering into a major transaction;
- Hearing the report of the Internal Audit Service;
- Approval of the work plan and cost estimate of the Internal Audit Service;
- Approval of the Regulation on the Internal Audit Service in a new edition.
- Approval of the Company's Business Plan for 2023;
- Election of the Chairman of the Supervisory Board of the Company;
- Decision to convene an extraordinary general meeting of shareholders and prepare for it;
- Determination of the amount of dividends paid to shareholders, as well as the form and procedure for their payment;
- Approval of the new edition of the Company's Charter and internal documents of UzAuto Motors JSC;
- Hearing the CEO's report on the achievement of the indicators set out in the Company's business plan;

Committees of the Supervisory Board

There are 4 committees under the SB:

- Finance and Strategic Development Committee
- Audit Committee
- Nomination and Remuneration Committee
- Anti-Corruption and Ethics Committee

The purpose of these committees is to ensure the effective functioning and control of key aspects of the activities of UzAuto Motors.

1.1. Finance and Strategic Development Committee.

The Committee is responsible for managing and developing the Company's strategic plans. This includes identifying priorities and goals, ensuring the allocation of financial resources in accordance with the Company's strategic plans. The Committee also analyzes the financial activities of UzAuto Motors, including capitalization, cash flows and dividend policy, providing recommendations to the Supervisory Board solutions aimed at expanding the activities of UzAuto Motors, increasing economic efficiency and improving the quality of products and services.

Members of the Finance and Strategic Development Committee:

Full name of committee member	Name Post	Independence
Robert Walter Geist	Chair of the Committee, Member of the SB	Independent Member of the SB
Shukurov Azizbek	Member of the SB	-
János Kovács	Member of the SB	Independent Member of the SB

In 2023, the Finance and Strategic Development Committee held 21 meetings.

During the reporting period, the following key issues were addressed:

- Approval of wholesale prices for cars and options sold in foreign markets, as well as for car kits shipped to foreign partners;
- Approval of wholesale and retail prices for basic modifications of specialized vehicles;
- Submission to the Supervisory Board of the Company of the issue of approval of wholesale and retail prices for specialized vehicles sold in the domestic market;
- Approval of the Company's Business Plan for 2023;
- Election of the Chairman of the Supervisory Board of the Company;
- Determination of the amount of dividends paid to shareholders;



- Approval of wholesale prices for component parts;
- The name of the powers of the Supervisory Board of the Company to determine the amount of remuneration and compensation paid to the General Director of the Company and his deputies, the Executive Director, his deputies, and managing directors;
- Amendments to the resolution of the Company's sole shareholder on the additional issue of the Company's shares;

2. Audit Committee.

The committee was established with the aim of facilitating the effective exercise of the supervisory board's control functions. The committee oversees the preparation of financial statements and ensures the accuracy, transparency, and completeness of financial information (including published information), as well as the reliability of the internal control system, and interacts with the company's auditor.

In accordance with the Regulations on the Audit Committee, the Supervisory Board elects only independent members of the Supervisory Board to the Committee whenever possible.

Composition of the Audit Committee:

Full name of committee member	Name Post	Independence
János Kovács	Chair of the Committee, Member of the SB	Independent Member of the SB
Shukurov Azizbek	Member of the SB	-
Rafikov Abdovakkos	Member of the SB	-

In 2023, the Audit Committee held 2 meetings, where the following key issues were considered:

- Conclusion of a major transaction to raise syndicated loan funds;
- Audit of the Company's financial and economic activities based on the results of 2023-2024
- Review of financial and economic activities for 6 months of 2023 and 2024,
- Determination of the audit organization and establishment of the amount of payment for its services.

3. Nomination and Remuneration Committee.

The Committee is responsible for developing criteria for the selection of candidates for various positions, creating contracts and an evaluation system, organizing trainings on corporate conduct and business ethics, as well as compiling a memo for newly elected employees. In addition, the Committee develops a policy and remuneration system for members of the Supervisory Board, managers and high-ranking employees of the Company, ensuring the independence of members of the Supervisory Board from remuneration, and monitors its observance over the implementation of decisions related to remuneration and disclosure of information to shareholders

Members of the Nomination and Remuneration Committee:

Full name of committee member	Name Post	Independence
Robert Walter Geist	Chair of the Committee, Member of the SB	Independent Member of the SB
Rafikov Abdovakkos	Member of the SB	-
Shukurov Azizbek	Member of the SB	-

In 2023, the Nomination and Remuneration Committee held 7 meetings.

During the reporting period, the following key issues were addressed:

- Approval of a new version of the Regulations, organizational structure and staff schedule of the Compliance Service, as well as approval of a new version of the Company's organizational structure;
- Nomination of a candidate for the position of Deputy Executive Director of UzAuto Motors JSC and conclusion of an employment contract with him;
- Consideration of the dismissal of the head of the Compliance Service;
- Consideration of the candidacy for the position of Deputy Executive Director of UzAuto Motors JSC and conclusion of an employment contract with him;
- Appointment of the head of the «Compliance» service and conclusion of an employment contract with him;

- Consideration of the candidacy for the position of the Head of the Information Security Service;
- Consideration of the candidacy for the position of Managing Director for Procurement of UzAuto Motors JSC.

4. Anti-Corruption and Ethics Committee.

The Committee is engaged in the development and implementation of anti-corruption measures in all areas of the Company's activities in accordance with the legislation of Uzbekistan. It monitors compliance with anti-corruption policies and regulations, forms an appropriate culture among employees, analyzes the effectiveness of anti-corruption measures, ensures transparency and reliability of information disclosure and the performance of other tasks assigned to it.

Composition of the Anti-Corruption and Ethics Committee:

Full name of committee member	Name Post	Independence
Shavkat Umurzakov	Chair of the Committee, Member of the SB	-
Abduwakkos Rakikov	Member of the SB	-
János Kovács	Member of the SB	Independent Member of the SB

In 2023, the Anti-Corruption and Ethics Committee did not hold meetings, as there were no issues related to corruption and ethical problems on the agenda of the Supervisory Board.



General Director

The company adheres to the traditional management structure. The General Director is the sole executive body of the Company. The CEO is directly accountable to the Supervisory Board and the General Meeting of Shareholders and is responsible for a number of key functions aimed at improving the Company's performance:

- Integration and development of effective activities of UzAuto Motors on a sustainable basis
- Building strong partnerships across the value chain
- Execution of resolutions of the General Meeting of Shareholders and the Supervisory Board of the Company
- Ensuring effective interaction between the Company's divisions
- Stakeholder engagement
- Ensuring financial stability and growth
- Ensuring transparency of activities

The General Director is elected by the General Meeting of Shareholders for a period of three years on the basis of a competition in which foreign managers can participate. After considering the candidacy for the position of the General Director, the General Meeting of Shareholders decides on his/her election by a majority vote.



Bo Inge Andersson

General Director of UzAuto Motors JSC

General Director of UzAuto Motors Powertrain JSC

Date of election: 23.08.2021

Date of birth: 16.10.1955

Nationality: Sweden

Education:

- Graduated from the Swedish Military Academy,
- Stockholm University with a degree in Business Administration
- Harvard Business School (USA).

Work experience:

- **1987-1990 Saab Manager at GM.**
- **1990-1993 Saab Vice President Procurement.**
- **1993-1997 Executive Director for Procurement of Chemical Products.**
- **1997-1999 - Vice President of Procurement of GM Europe.**
- **1999-2001 - Head of International Procurement at GM in North America.**
- **2001-2007 - Vice President for Global Procurement and Supplier Relations.**
- **2007 – Vice President of Global Procurement and Supply Chain of the GM Group.**
- **2009-2013 President of GAZ Group.**
- **2014-2016 President of AVTOVAZ.**
- **Oct. 2017 Director of Yazaki in Europe and Africa, 2018 in North and Central America.**
- **2021 - present. General Director of UzAuto Motors JSC and UzAuto Motors Powertrain JSC in Uzbekistan.**

Payment of remuneration to the members of the Supervisory Board and the Director General

GRI 2-19

Payment of remuneration to members of the Supervisory Board is carried out in accordance with the Regulation of UzAuto Motors «On Payment of Contributions and Remuneration to Members of the Supervisory Board», approved by the General Meeting of Shareholders on 19 January 2024.³

Remuneration and honoraria are paid to each member of the Supervisory Board on a quarterly basis. The amount of remuneration and payments to members of the Supervisory Board of the Company is 20 minimum wages for the relevant quarter for each member of the Supervisory Board, with the exception of independent members of the Supervisory Board.

Remuneration to independent members of the Supervisory Board is paid on the basis of the terms and conditions specified in the agreement concluded by each of them with the Company. At the same time, each independent member of the Company's Supervisory Board is paid an equal to 53 minimum wage rates for the corresponding quarter.

The remuneration for all members of the Supervisory Board is fixed and does not include a variable component.

An independent member of the Supervisory Board has the right to terminate the Contract early on its own initiative by notifying the Supervisory Board in writing and/or submitting an application to the office of UzAuto Motors. In this case, it is obliged to pay a penalty to the Company in the amount of 50 minimum wages.

There are no bonuses when signing a contract or other incentive payments when hiring, as well as payment of severance payments and pension benefits to members of the Supervisory Board. The remuneration policy of the members of the Supervisory Board does not depend on the results of activities related to ESG impact management.

The terms of the employment contract with the General Director and the amount of remuneration and compensations are determined by the Regulation «On the remuneration of the General Director and his deputies».



In 2023, the total amount of remuneration of members of corporate governance bodies amounted to

652,555,454 UZS

of which taxes amounted to 78 306 655 UZS.

Dividend policy

According to the Charter of Uz Auto Motors JSC, the decision to pay annual dividends on shares is made by the General Meeting of Shareholders subject to the availability of an auditor's report on the reliability of financial statements. The amount of dividends may not exceed the amount recommended by the supervisory board. Dividends are distributed among shareholders in proportion to the number and types of shares they own.

The amount of dividends paid to shareholders of Uz Auto Motors in 2023 at the end of 2022 amounted to

958,036,279,214 UZS

In the future, it is planned to implement the Dividend Policy Regulation of UzAuto Motors JSC.

Sustainable Development Management

Focusing on long-term goals, the Company strives to comply with modern trends and international obligations in the field of sustainable development. Currently, UzAuto Motors is undergoing a period of active transformation aimed at becoming a sustainable business that benefits future generations. As part of this process, it is planned to start working on the preparation of a comprehensive ESG and climate strategy in the next reporting period. In addition, an important aspect for the Company, operating in the automotive industry, is the emphasis on social aspects, in particular, on the development of human capital and support for the population of the regions of presence, which reflects the human-centric approach of UzAuto Motors.

UzAuto Motors recognizes the importance of its impact on economic development, the environment and society, and is constantly improving its sustainability management system to minimize and eliminate possible negative impacts. The principles and objectives of sustainable development are integrated into the overall strategy and key business processes of the Company.

The Company's goals in the field of sustainable development:

- Corporate governance based on transparency and integrity
- Safe means of transportation
- Competitive and innovative solutions in the automotive industry
- Effective communication with customers, constructive management and professional development of employees
- Safe working conditions
- Mutually beneficial relationships with business partners and local communities
- Responsible management of production processes to reduce environmental impact



³ At the time of writing the Sustainability Report, this document is in force

Internal documents of the company in the field of sustainable development

GRI 2-23; 2-24

The Company adheres to strict corporate governance standards, regulated by a number of internal documents that are aimed at supporting responsible business and sustainable development. As part of our corporate policies and procedures, special attention is paid to the following aspects:

Anti-Corruption and Anti-Bribery Policy:⁴

establishes the basic principles and mechanisms for preventing corruption in all areas of the Company's activities. This document is mandatory for all employees and affiliates.

Rules of Ethics for Employees of UzAuto Motors JSC:⁵ describes the principles and rules of conduct developed on the basis of moral and ethical values and professional standards.

The Code of Ethics for Business Partners⁶ and the Business Partner Verification Procedure:⁷ define the main requirements and obligations in the company's relations with business partners. They cover ethical conduct, respect for human rights, the fight against corruption and bribery, confidentiality, and protection of personal data, as well as other important aspects.

Anti-Money Laundering and Counter-Terrorist Financing Policy:⁸ includes measures to prevent the illegal use of the Company for these purposes, compliance with legislation and international standards, employee training and the introduction of control mechanisms.

Compliance Guide: aimed at ensuring compliance with anti-corruption and antitrust regulations, as well as controlling procurement, localization and supply chain management. The Guide includes audit procedures and continuous monitoring to ensure compliance with financial economics and marketing requirements.

The Company also strictly follows national and international regulatory documents, which ensures that the rights and interests of both employees and other stakeholders are respected, paying special attention to the observance of human rights:

Internal documents of the Company.

The Company takes serious measures to protect human rights within the framework of two key legal documents:

- Collective agreement⁹, concluded between the Company and the employee;
- Internal Labor Regulations;
- A contract of employment is an agreement between an employer and an employee.

These documents regulate the relationship between the employer and employees, including comprehensive measures to protect human rights in the working environment.

National regulatory documents. In particular, the Labour Code regulates labour relations and ensures respect for workers' rights.



International regulatory documents. The Company upholds the principles set out in a number of International Labour Organization (ILO) conventions, such as the Convention against Forced Labour, the right to freedom of association, the right to collective bargaining, equal remuneration, and many others.

The Company plans to systematically expand the package of internal documents, including policies and procedures that support sustainable development. This will be done through the adaptation and implementation of the world's best practices and standards.

Responsibility for compliance with the obligations set out in internal and regulatory documents, including national and international standards at the strategic level, lies with top management and heads of key departments. They define the overall strategies and objectives related to the Company's commitments.

At the tactical level, responsibility rests with managers and project managers to develop plans and allocate the necessary resources to achieve goals. At the operational level, employees and those responsible for the implementation of tasks are actively implementing the approved plans, integrating them into the daily processes of UzAuto Motors.

Commitments are integrated into organisational strategies, operational policies and procedures through the Company's internal regulations. Organizational strategies often encompass objectives related to sustainable development, social responsibility, etc.

The Company fulfills its obligations within the framework of business relations by establishing transparent and long-term partnerships with suppliers, customers and other stakeholders. This involves adhering to contractual obligations, meeting quality standards, complying with laws and regulations, and maintaining high standards of corporate ethics.

The training provided by the Company on the fulfillment of obligations includes training of personnel in the Company's rules and standards, processes, social responsibility topics, risk management and other aspects related to the performance of obligations. Training programs consist of both internal training initiatives and the involvement of external experts and consultants to improve practices and procedures. For more information on employee training, see the Employee Relations section.

Stakeholder Engagement

GRI 2-29

UzAuto Motors is a large enterprise that is expanding its regional presence every year and has a complex interconnected value chain. Maintaining open and trusting relationships with stakeholders is the key to the Company's successful development. UzAuto Motors pays attention to each group of stakeholders, applying an individual approach to interaction with them.

UzAuto Motors adapts its stakeholder engagement initiatives to address pressing issues in each region of the Republic of Uzbekistan and in the foreign territories where it operates. The stakeholder management system is designed in such a way as to facilitate the creation of meaningful, transparent and mutually beneficial relationships between all stakeholder groups.

⁴ The Anti-Corruption and Anti-Bribery Policy was approved on 05.05.2022 by the General Director of the Company; ⁵ The Rules of Ethics for Employees of «UzAuto Motors» JSC were approved on 27.11.2023 by the General Director of the Company; ⁶ The Code of Ethics for Business Partners was approved on 05.05.2022 by the General Director of the Company;

⁷ The procedure for checking business partners was approved on 05.05.2022 by the General Director of the Company; ⁸ The Anti-Money Laundering and Countering the Financing of Terrorism Policy was approved on 05.05.2022 by the General Director of the Company; ⁹ The collective agreement for 2021-2023 was approved in April 2021.

The Company's principles in stakeholder engagement:



Compliance with legal regulations and internal policies

All actions when interacting with stakeholders must comply with applicable laws and internal corporate policies.



Unification

This ensures that all transactions with stakeholders are conducted in accordance with the same rules and procedures.



Transparency

We provide access to complete and up-to-date information about our operations, policies and practices. Transparency in our actions helps to build trust and maintain open relationships with stakeholders.



Responsibility

We are committed to following our stated principles and delivering on our promises to our stakeholders by demonstrating reliability and dedication to our values.



Stakeholder Engagement

Stakeholders	Description
Shareholders	<p>Goal of interaction: Creating value for shareholders and maintaining institutional attractiveness.</p> <p>Interaction mechanisms:</p> <ul style="list-style-type: none"> General Meeting of Shareholders. They are held no later than 6 months after the end of the financial year and are the highest governing body of the Company. Provision of information. UzAuto Motors, in accordance with the Articles of Association of the Company, provides complete and reliable information on the results of the financial and economic activities of the Company. Payment of dividends. UzAuto Motors regularly pays dividends in accordance with the Law of the Republic of Uzbekistan «On Protection of Joint Stock Companies and Shareholders' Rights» and the Charters of UzAuto Motors.
Suppliers	<p>Goal of interaction: Formation of responsible supply chains considering ESG factors</p> <p>Interaction mechanisms:</p> <ul style="list-style-type: none"> Regular performance checks. Promote the integration of sustainable practices at suppliers. Localization program. The company actively includes new local suppliers in the value chain of UzAuto Motors, contributing to the economic growth of Uzbekistan and reducing dependence on foreign suppliers. UzAuto Motors Partnership System. Small enterprises in Uzbekistan are not ready for flexible production changes typical of the automotive industry, in this regard, the Company offers a partnership system with documentation, diagrams and detailed production instructions to existing and new companies wishing to become suppliers. Technological adaptation. Manufacturers joining the value chain receive additional equipment and tooling to adapt and expand production to the high quality standards set by the company and its partner, General Motors Company. UzAuto Motors does not have exclusive rights to all technologies and products, except for automotive parts and components, which allows local suppliers to use the knowledge and technologies gained to expand the product range, contributing to entering the international market and increasing their share in the current market.

Stakeholders were identified based on the degree of their influence on the company's activities. UzAuto Motors strives to regularly update its approaches to interaction with them, introducing new formats of dialogue and information about the Company's activities. In the future, the Company plans to expand the list of stakeholders to include government authorities, financial institutions, the media, public and charitable organizations, as well as rating agencies, in order to establish close cooperation.



Stakeholder Engagement

Stakeholders	Description
Communities	<p>Purpose of interaction: Support and development of local communities.</p> <p>Interaction mechanisms:</p> <ul style="list-style-type: none"> • Improved quality of life. UzAuto Motors implements corporate social responsibility programs to improve the quality of life in local communities. These programmes include the construction of schools, hospitals, sports facilities, as well as the provision of scholarships and support for cultural activities. • Job creation. The company creates stable and well-paid jobs for more than 16 thousand people, contributing to the development of the local economy and improving living conditions in the regions where it operates. • Direct interaction with local communities. The Company often sponsors the organisation of events and various initiatives in the regions where it operates to support their development.
UzAuto Motors Employees	<p>Goal of interaction: Achieving high production results in parallel with ensuring decent working conditions and strengthening loyalty to the Company.</p> <p>Interaction mechanisms:</p> <ul style="list-style-type: none"> • Direct communication. The HR department regularly informs employees through internal communications about the goals, values and objectives of the Company. The top management, together with the HR department, after collecting the opinions and suggestions of employees, makes adjustments to the strategic goals of Uz Auto Motors for the coming periods. • Education and training. Training programs are regularly conducted to improve the personal potential of employees and their professional growth. • Volunteering. The company regularly pursues sustainability initiatives such as tree planting, community support, and philanthropy, bringing employees together to achieve a common goal and the company's success. • Promote. The company provides recognition and personal rewards to employees engaged in sustainability activities. • UzAuto Motors Trade Union. The trade union plays a key role in protecting the labor rights of employees, participates in negotiations on working conditions and wages, and ensures the representation of employees' interests before the company's management. • Committee on Women's Rights. The Committee is engaged in improving working conditions for women, supporting the career development of female employees, etc.
Customers (consumers)	<p>Purpose of interaction: To provide high-quality products that meet customer requirements and expectations, while strengthening customer trust and satisfaction.</p> <p>Interaction mechanisms:</p> <ul style="list-style-type: none"> • Customer feedback and support. The company actively engages with customers through hotlines and social media platforms, providing responsive support and collecting feedback to improve products and services. • Publication of relevant information. The company actively keeps in touch with customers by regularly updating the corporate website and publishing news, messages and other important information through social media. This helps to maintain transparency and efficiency in communications. • Processing consumer requests and claims. The company effectively manages customer requests and complaints through a customer relationship management (CRM) system. This mechanism allows you to quickly respond to requests and improve the quality of service, strengthening customer trust and loyalty.

Risk Management and Internal Control

The Company pays special attention to risk management, integrating accountability measures at all levels of activity. UzAuto Motors aims to produce environmentally friendly vehicles that contribute to improving public welfare.

UzAuto Motors has successfully implemented a risk identification, assessment, and management system in accordance with the approved procedures. In November 2023, the Company adopted the Standard «Risk Identification, Assessment and Management», based on the legislation of the Republic of Uzbekistan and the General Motors standard.

Risk management and internal control are regulated by the following documents:

- Standard for Risk Identification, Assessment and Management – approved by the CEO in November 2023;
- Regulation «On the Internal Audit Service» of UzAuto Motors JSC, approved by the General Director on 28.03.2023;
- Methodology for assessing corruption risks, approved by the General Director on 05.05.2022;
- Map of corruption risks in the activities of UzAuto Motors JSC.

The Company applies a comprehensive approach to risk management, covering not only financial, but also environmental, social and operational aspects.

At UzAuto Motors, the risk management process includes monitoring, assessing and developing systems to respond to potential threats in order to minimize possible negative consequences. To ensure the transparency of its actions and increase responsibility for the decisions made, the Company actively uses the corporate electronic document management system (EDMS) and systematically conducts risk assessments. If risks are identified, the responsible departments in the Company are immediately informed to develop strategies to minimize potential losses.

The company is aware of the complexity of managing production processes and the potential vulnerability to external factors, including supply chain disruptions and unforeseen events. In response to these challenges, measures are being taken, such as regular monitoring by the Department of Strategic Planning and Development, as well as the Department of Finance. The Supervisory Board constantly monitors the risks associated with the Company's activities, ensuring their periodic review and updating. Every year, the Company conducts a comprehensive analysis of risks associated with key processes for their further management and control.

With regard to regulatory compliance, the Company attaches great importance to the prevention of legal, tax and financial risks. In this regard, a comprehensive reporting system has been developed that allows employees and stakeholders to report any misconduct, including corruption and contract issues. The Compliance Service provides support and advice on all non-compliance issues.



Key risks identified by UzAuto Motors

Name of risks	Description of key risks
Risks of increased competition.	The risk is associated with the expansion of analogues into the local market by foreign competitors in the local market
Reputational risk	Risk of loss of profits or suppliers due to an unfavorable perception of the company's image
Inflation risk	It entails an increase in the general level of prices for goods, works and services, and also leads to the risk of a change in the purchasing power of citizens
Risk of exchange rate differences and currency risks.	Strong fluctuations in exchange rates can lead to an increase in production costs and losses from exchange rate differences in foreign exchange transactions
Risk of volatility of commodity and logistics prices.	Price volatility can be caused by a variety of factors, including fluctuations in global markets, changes in the political environment, economic sanctions, and seasonal and technological changes

In the reporting period, the Company identified sustainability risks based on General Motors' global experience and practices.

Sustainability risks

Name	Description and potential impact of risks	Preventive control and risk reduction
Health and safety risks	Most of the production facilities of UzAuto Motors, such as assembly lines, paint shops, welding areas, material warehouses and transport areas, belong to hazardous facilities. When working on them, employees may be exposed to hazardous and harmful factors.	<ul style="list-style-type: none"> • Implementation of the Occupational Health and Safety Policy; • Implementation of an internal standard for identification, assessment and management of risks to ensure occupational safety and employment conditions; • Systematic control and monitoring of occupational diseases.
Environmental risks	In the process of production activities, the company has an impact on the environment. The company's main environmental risks are related to water management and electricity consumption. The materialization of these risks can lead to financial losses, legal consequences, as well as increased social tension in society.	<ul style="list-style-type: none"> • Development of environmental guidelines in accordance with ISO 14001 and ISO 50001 standards; • Modernization of production equipment, which contributes to the reduction of electricity and water consumption in production processes • The company is gradually introducing the use of solar panels to reduce dependence on traditional energy sources • Digital transformation of the company for more accurate and effective monitoring and reporting of environmental data. • Systematic training of personnel in the field of rational use of energy resources and water • Rigorous assessment of the environmental impact of vehicles at every stage of their life cycle, from production to disposal, with the aim of optimizing and improving them; • The requirement of compliance with high environmental standards by partners at all stages of the value chain;
Risks associated with human capital	Such risks include a lack of skilled professionals, high turnover, limited investment in staff development, and underrepresentation of women in managerial positions. These risks can reduce production efficiency, require additional financial costs and affect the company's image.	<ul style="list-style-type: none"> • Standardized recruitment process based on the Company's Recruitment Policy; • Ensuring proper working conditions in the Company, in accordance with the Collective Agreement and Internal Labor Regulations; • Zero tolerance for any form of discrimination in accordance with national legislation; • Functioning of the UzAuto Motors trade union; • The company has a Committee on Women's Rights to support career growth, create optimal working conditions for women, etc. • The mechanism for filing and considering complaints in UzAuto Motors complies with the Labor Code of the Republic of Uzbekistan, and also includes the Commission on Labor Disputes. The Commission consists of three members of the Company's Trade Union Committee; • Providing financial support during maternity and postnatal leave, as well as maintaining jobs during maternity leave; • Creation of the UzAuto Vocational Training Academy;

Conflict of interest

GRI 2-15

Effective management of conflicts of interest significantly contributes to increasing the Company's transparency and accountability to its stakeholders. Therefore, UzAuto Motors consistently applies all available measures for careful management and minimization of possible conflicts of interest.

Policies & Procedures.

The Company strictly follows the Regulation on Conflict-of-Interest Management, approved by the General Director on 12.04.2022. The Regulation approved is mandatory for all employees to comply with when working with customers, partners, suppliers and other third parties.

The Company pays special attention to preventing conflicts of interest between the personal aspirations and professional responsibilities of employees. It is important that personal relationships or interests do not influence decisions made on behalf of the Company.

Employees must promptly report any actual or potential conflict of interest of which they are aware, including any transaction or relationship that may give rise to such a conflict, to their supervisor, legal department, or chief compliance officer.

For the avoidance of any doubt, all direct or indirect interests in counterparties or dealers of vehicles manufactured by the Company, as well as any interests of close relatives in these counterparties or dealers, should be disclosed.



Examples of Managed Conflicts

The Company actively manages situations that could potentially lead to a conflict of interest. Such situations include:

- Provision of employment, benefits or promotions within the Company
- Providing advice or guidance to other parties
- Award of contracts to counterparties, including cases where a close relative of an employee (such as a parent, spouse, significant other, child or sibling) has a direct or indirect interest in a counterparty or dealer in cars manufactured by the Company
- Employee's willingness to assume obligations to work outside the Company
- Employment of relatives

Measures to identify and manage conflicts of interest

The Company takes comprehensive measures to identify and resolve conflicts of interest that may arise among its employees or persons related to the Company's activities. Managing conflicts of interest includes the following steps and procedures:

- **Hiring and familiarization with the Conflict-of-Interest Regulation:** When hiring, new employees are familiarized with the requirements of the Conflict-of-Interest Regulation and sign the relevant documents, confirming their understanding and agreement with these requirements.
- **Provision of clarification and consultation:** Work is regularly carried out to inform and advise employees on the requirements of the Regulation to ensure that they fully understand how to avoid situations that may lead to a conflict of interest.
- **Study and assessment of situations of conflict of interest:** the HR Directorate and the Compliance Service regularly analyze possible situations of conflict of interest, assess them and develop measures aimed at preventing them.
- **Monitoring and ensuring the effectiveness of processes:** monitoring is carried out to ensure the effectiveness of processes to prevent conflicts of interest and to take appropriate measures when such situations are identified.

The Company may also use additional methods for managing conflicts of interest in accordance with legal requirements. For example, the joint Regulation No 3383 of the Anti-Corruption Agency and the Ministry of Justice dated 31.08.2022, which provides additional guidance and procedures for managing conflicts of interest, may apply. These measures help to create a transparent working environment where conflicts of interest are identified and properly managed, thereby maintaining high standards of business ethics and preventing corruption risks.

Internal Audit System

Internal Audit Service:

The Internal Audit Service serves a vital function in supporting the Supervisory Board by providing quarterly reports for the effective management of the Company. The Service operates under the direct supervision of the Supervisory Board and conducts a comprehensive review of business contracts for compliance with regulatory enactments.

The Internal Audit Service operates in accordance with the Resolution of the Cabinet of Ministers No. 215 dated October 16, 2006. Based on the requirements of this Resolution, the Company has developed the Regulation «On the Internal Audit Service,» as well as job descriptions for the head of the Internal Audit Service, the deputy head of the Internal Audit Service, the internal auditor, and the assistant internal auditor.

The Internal Audit Service presents quarterly consolidated reports to the Company's Audit Committee for review.

The Internal Audit Service helps structural units to maintain accurate accounting and prepare financial statements in accordance with international IFRS standards. The service provides expert advice on taxation, finance and optimization of internal controls. The Internal Audit function also identifies potential problems and offers effective solutions to improve operational efficiency, reduce risks, and prevent fraud, waste, or abuse.

Based on the results of internal audits, recommendations are provided for improving business processes, including the areas of information technology and supply chain management. The

Service also cooperates with the Supervisory Board in the development of terms of reference and evaluation of proposals for external audit. Throughout this activity, the Internal Audit Service fully complies with regulations and internal policies, while performing its core functions.

In 2023, an audit of the Company's activities was conducted across several key divisions of the Company. The results of the audit led to the following actions:

- Optimized material consumption norms,
- Streamlined the process of developing and registering the Company's standards, eliminated discrepancies between standards and actual processes, and updated several standards,
- Developed a process for interaction on the calculation of energy resources and power supply with external organizations. Updated norms for the consumption of fuels and lubricants,
- Made changes to the terms of existing contracts, including reducing the rate for partially loaded containers and adapting

the information exchange system through the electronic document interchange system,

- Developed a methodology for accounting for the reasons for the stoppage of production lines in three directions and approved the calculation of the cost of damage,
- Optimized the process of working with debtors on overdue debts.

The reports on the conducted audits were presented to the Audit Committee, the Supervisory Board, and the General Director with comments and recommendations for correcting the identified deficiencies. A consolidated annual report of the Internal Audit Service was presented to the Company's independent auditor of financial statements for 2023.

External Auditor

UzAuto Motors prepares semi-annual and annual financial statements in accordance with International Financial Reporting Standards (IFRS). To verify and confirm the reliability of financial and accounting statements, the Company engages an external independent auditor who is not related to the Company or its shareholders by property interests.

The selection of an audit organization is carried out on the basis of a tender. Audit organizations have the right to participate in competitive selections announced by economic entities, to familiarize themselves with the conditions of selection and to submit their proposals.

In 2023, the auditor of the Company's financial statements was Deloitte & Touche LLC.

The external independent auditor's report on the consolidated financial statements for 2023 is available on the Company's website.



Compliance

UzAuto Motors has implemented an effective compliance system aimed at promptly responding to potential risks. The structure of the organization includes the Anti-Corruption and Compliance Committee, as well as a specialized Compliance Service.

In its work, the Compliance Service adheres to the legislation of the Republic of Uzbekistan, the regulatory directives of the European Union for foreign corporations, the legislation of the United States for foreign organizations and various international legal systems. She also upholds the highest standards of anti-corruption practice and follows the global standards set out in the US Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act 2010 (UKBA).

The Compliance Service functions as an independent structure, autonomous from the executive body and is directly subordinate to the Supervisory Board through the Anti-Corruption and Compliance Committee. The compliance service is designed to identify and prevent corruption, financial irregularities and corporate offenses throughout the Company's value chain.

The Compliance Team is responsible for developing comprehensive guidelines and rules of conduct set out in the Compliance Manual and Code of Ethics and Compliance, as well as related training materials designed to maintain high standards of business ethics and compliance.

The compliance service also monitors compliance with the provisions provided in agreements with international partners, including General Motors. Due to its broad integration into the corporate governance of the Company, the compliance service is actively involved in the assessment of the activities of UzAuto Motors, its subsidiaries and affiliates, branches, as well as local and international partners in order to ensure strict compliance with regulatory requirements.

Feedback channels

GRI 2-25; 2-26

UzAuto Motors has implemented a comprehensive reporting system that makes it easier to report any wrongful, unethical, or fraudulent activities. This system provides anonymity and confidentiality for applicants.

Messages can be routed through a variety of communication channels. The system contributes to the identification and resolution of problems that could potentially harm UzAuto Motors and other stakeholders, including the company's employees, customers and shareholders.

UzAuto Motors' grievance handling system is controlled and jointly managed by various departments, including the Human Resources Department, the Compliance Service, the Audit Committee, the Audit Service and the trade union, depending on the nature of the particular matter. This integrated approach ensures accessibility for employees at all levels and simplifies communication with internal and external stakeholders, facilitating rapid response and resolution of issues that arise.

Any person can report possible violations, as well as receive additional information and ask any questions that may arise in accordance with the following complaint mechanism operating in the Company:

1. Receipt of appeals through various communication channels:

Communication channels of the compliance service:

- Hotline: +998781405630
- Email: Compliance@uzautomotors.com

Official website of the Company (www.uzautomotors.com) or e-mail (info@uzautomotors.com);

Official pages on social networks:

- Facebook (<http://www.fb.com/UzAutoMotorsOfficial>);
- Instagram (<https://instagram.com/uzautomotorsofficial>);
- Telegram (<https://t.me/uzautomotorscom>);
- Company phone numbers (+998781417777, +998781471414);

The company provides the ability to provide anonymous requests: anonymous email or secret chat in Telegram

2. Complaint Handling: Complaints received through feedback channels are reviewed by the relevant staff members depending on the nature of each complaint. In cases where an immediate resolution of the complaint is not possible, it is forwarded to the Compliance Department for more in-depth analysis and subsequent resolution

3. Analysis and Distribution: The Compliance Department analyzes the complaint and forwards it to the appropriate department or employee to gather the necessary information.

4. Consideration and decision: The responsible department conducts an investigation, prepares information and resolves the complaint in accordance with the «Regulations for receiving and considering reports of corrupt practices received through communication channels to UzAuto Motors JSC»¹⁰ and other policies of the Company, seeking to satisfy the applicant. The department then reports the results to the compliance department.

5. Feedback: The Compliance Department notifies the client of the steps taken and, if necessary, takes disciplinary action against the responsible persons or departments in accordance with the company's policies and procedures.

6. Reporting and statistics of complaints: reports with the results of appeals and complaints are regularly submitted to the Supervisory Board once a quarter, ensuring transparency in the process of managing requests. For systematic tracking and analysis of all complaints and requests, a CRM system is used, which allows you to maintain detailed statistics and generate reports on a regular basis. Staff. So, in 2023, 8, 786 appeals were received (In 2022, there were 9,116 appeals received)

Statistics of appeals in 2023

Subject of the appeal	Number of appeals
Automotive services and products:	4 853
Financial issues:	1 365
Employment and personnel issues:	427
Customer and staff relations:	232
Partner and dealer relations:	39
Ecology and recycling:	24
Feedback and suggestions:	4
Other issues Total	1 842
Total	8 786

¹⁰ The Regulations were approved by the General Director of the Company, 05.05.2022



UzAuto

Occupational health and safety

44



Occupational health and safety

GRI 403-1; 403-2; 403-3; 403-4; 403-5; 403-6;
403-7; 403-8; 403-9;

Significant topics:

- Health, Safety and Wellbeing in the Workplace (Occupational Health and Production Safety)
- Personnel training and development
- Human rights

Key Indicators:

1

Reportable injury rate per 1 million man-hours

8 059

Number of employees trained in health and safety

31 384 million UZS

Expenses for Occupational Health and Production Safety

Occupational Health and Safety Management

GRI 403-1; 403-2; 403-3; 403-4 403-7; 403-8

The occupational health and safety management system in UzAuto Motors has been developed in accordance with the legislation of the Republic of Uzbekistan, in particular, with the law «On Industrial Safety of Hazardous Production Facilities»¹¹. This management system covers all employees and applies to all processes in the Company. In working with external contractors and partners, UzAuto Motors actively promotes the health and safety agenda, including occupational health and safety issues, contractual agreements to ensure a safe working environment at all levels. Occupational health and safety systems are regularly improved and reviewed in order to guarantee the safety of everyone involved in the Company's activities. In addition, UzAuto Motors implemented the Health, Safety and Environment Policy¹² in 2023, which is part of a strategic approach to sustainable development.

Occupational Health and Safety Management Structure

The General Director is responsible for the general management of the Company's occupational health and safety. The functions of occupational health and safety management are assigned to the Deputy General Director for General Affairs, who, in cooperation with the Head of the Health, Safety and Environment (OHS&E) service, coordinates activities in this area.

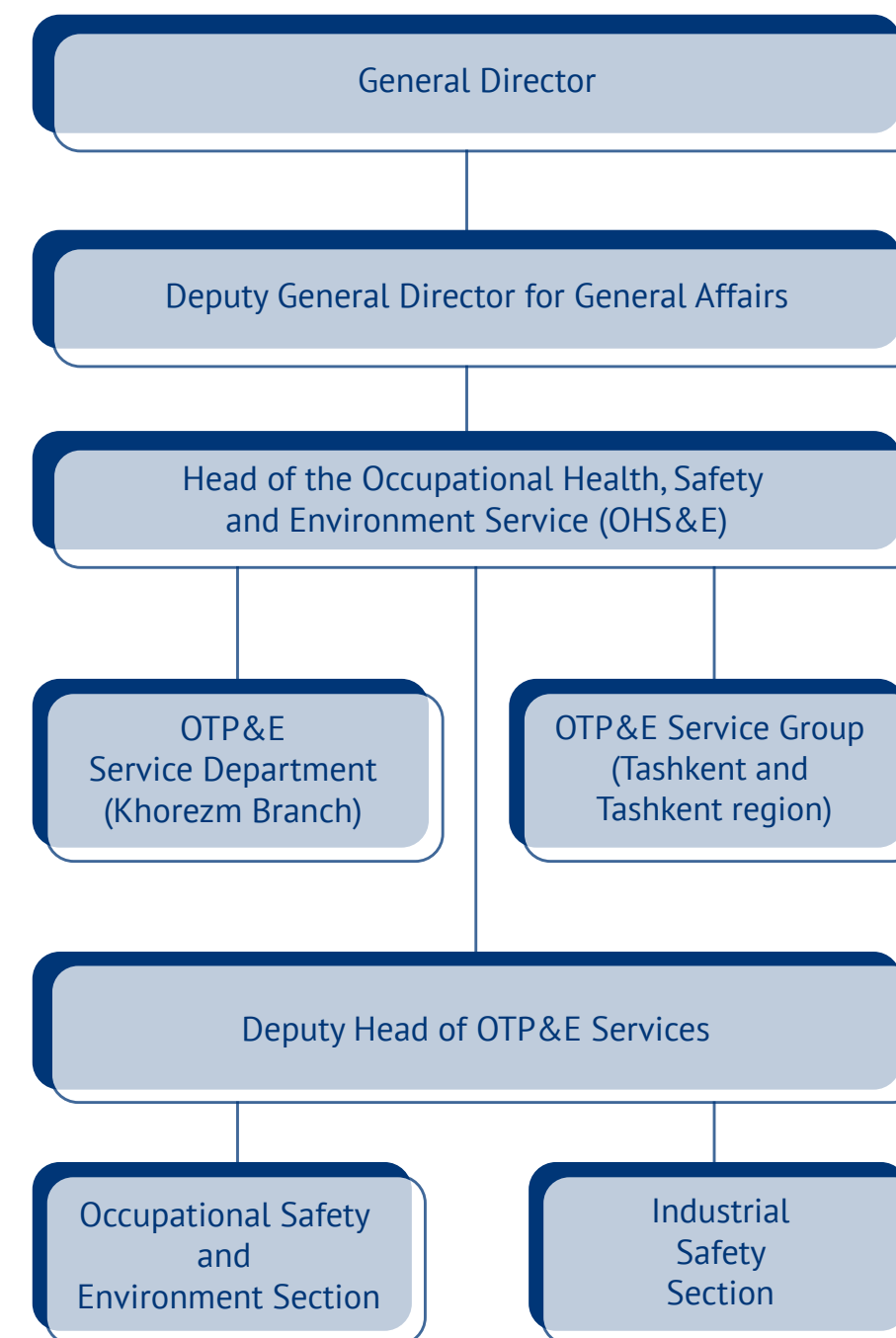
The Deputy Head of the EHS Service is responsible for the management of the service, which includes the Occupational Health and Safety Section and the Industrial Safety Section.

The Occupational Safety and Environment Section is responsible for ensuring compliance with environmental and occupational safety standards.

The Industrial Safety Section is responsible for ensuring the safety of production processes.

The Department and Group of the EHS Service, located in the Khorezm and Tashkent branches, are responsible for compliance with the requirements of labor protection and environmental legislation at the facilities subordinate to them.

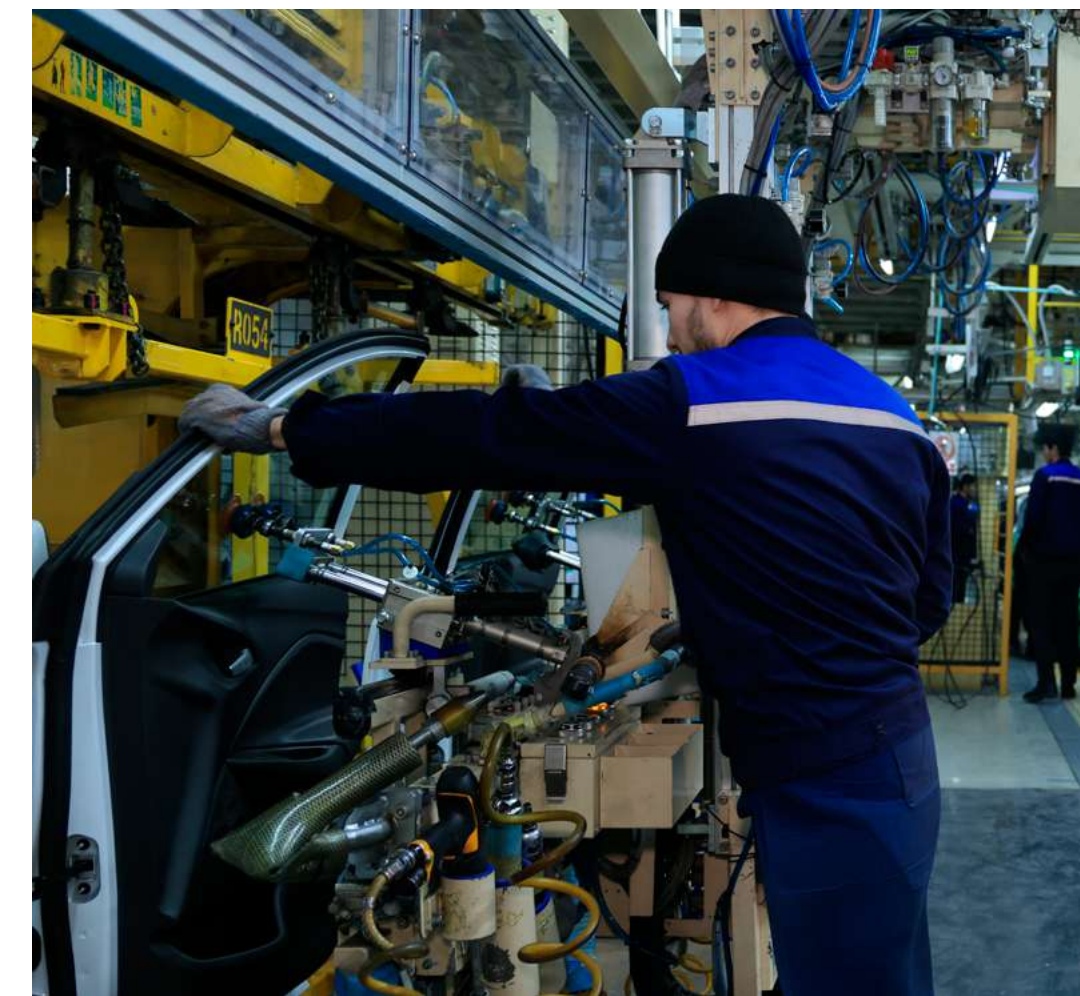
Structure of the Occupational Health and Safety Service



The Company's key regulatory documents governing the management of the EHS service are:

To ensure a high level of occupational health and safety (OHS), the Company strictly follows a number of regulatory documents. These documents form the foundation of the governance system and help maintain security standards at all levels of the organization. The main regulatory documents governing the Company's OHS activities include:

- Standard for Risk Identification, Assessment and Management – approved by the CEO in November 2023
- Standard for the organization of technical supervision of the safe operation of facilities controlled by «industrial safety» and «energy» in UzAuto Motors - approved by the General Director in May 2023
- The Standard for the Investigation and Recording of Occupational Accidents and Other Types of Damage to the Health of Employees Related to the Performance of Their Job Duties was approved by the General Director in May 2023



¹¹ Law of the Republic of Uzbekistan «On Industrial Safety of Hazardous Production Facilities» dated 28.09.2006

¹² Approved by the General Director on 02.03.2023

In order to comply with regulatory and technical documents on occupational health and safety, create healthy working conditions, reduce the level of injuries and improve the health of employees in order to prevent absenteeism, an occupational health and safety action plan was developed, which included the following key measures:

- Participation in the competition «Organization of public control over the best state of labor protection» among enterprises of the machine-building and metallurgical industries of Uzbekistan;
- Organization of the «Week of Occupational Safety and Health» dedicated to the International Day for Safety and Health at Work;
- Holding the «Day of Labor Protection»;
- Conducting occupational health and safety inspections;
- Thematic seminars to popularize the experience of enterprises of Uzavtosanoat JSC in the prevention of industrial injuries and occupational diseases;
- Providing all employees with personal protective equipment;
- Referral to advanced training courses in the field of labor protection, industrial safety and ecology;
- In accordance with the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan dated 24 June 2009 No. 177, conclusion of a contract of compulsory insurance of civil liability of the employer and obtaining an insurance policy.

The effectiveness of occupational health and safety management is assessed through regular inspections conducted by occupational health and safety specialists, while the identified deficiencies are eliminated in accordance with established procedures, and audits are carried out in accordance with the schedule to verify compliance with the internal standards of the enterprise and other regulatory and technical documents on occupational safety.

As part of the desire to improve the level of industrial safety, UzAuto Motors has developed and implemented a system of key performance indicators (KPIs) for the Health, Safety and Environment (EHS) service. In 2023, the EHS KPI included the following indicators: the number of lost day incidents, safety inspections, the recording of employee safety concerns, the training and certification of employees, and the achievement of compliance with the BIQ IV standard for the integration of quality into production processes according to the General Motors Global Manufacturing System (GMS).

Risk Identification

The company has successfully implemented a system for identifying, assessing and managing risks in accordance with the approved procedures. In November 2023, the Company introduced the Standard «Risk Identification, Assessment and Management» based on the legislation of the Republic of Uzbekistan and the General Motors standard. The purpose of this document is to prevent accidents in the workplace by identifying and assessing risks, establishing precise criteria for their scale, classifying them by levels, managing risks and reducing or eliminating them completely. Risk assessment at workplaces is carried out by structural units once a year for each work process, as well as during the modernization of the facility and changes in work processes. The identified risks are included in the electronic portal safety.uzautomotors.com based on the results of the assessment process.

Methods of management and risk assessment in UzAuto Motors JSC

Structural divisions of UzAuto Motors annually update information on risks in the management system and on the corporate portal of the safety.uzautomotors.com. As part of this process, risk profiles are created and updated, allowing for a systematic approach to their management.

The registration process includes the selection of the type of risk, its detailed description and assessment according to the criteria of the standard, as well as the definition of risk management measures with the indication of responsible persons and deadlines.

After entering a risk into the system, the portal automatically assigns it a registration number, which is displayed at the workplace to ensure visibility and availability of information for all employees.

High-severity risks that have not been reduced to an acceptable level are discussed at monthly security meetings. These meetings are attended by the Executive Director, the Head of the Health, Safety and Environment Service, as well as the heads of structural divisions and departments.

The company determines 4 levels of risk and appropriate measures to minimize risks:

Risk level	Necessary measures
Negligible	The devices are equipped with the necessary protective mechanisms, the processes of their use are strictly regulated and properly marked. Risks are constantly monitored and controlled. Security training for employees is carried out strictly in accordance with the established deadlines, ensuring that their knowledge and skills are updated in a timely manner in accordance with current safety standards.
Low	There is a significant risk of injury due to the lack of an effective protection system. Appropriate safety measures should be taken to reduce this risk to the lowest possible level.
High	Identify the root causes of risk and develop appropriate response measures in a timely manner. Also, the installation of a short-term and long-term control system to ensure safety and minimize risks.
Inadmissible	Immediately suspend work and take urgent measures to mitigate the risk.

In accordance with the legislation of the Republic of Uzbekistan, occupational health and safety instructions have been developed to determine the procedures for employees to report safety threats. These instructions ensure that employees are protected from possible consequences in the event of refusal to perform work that may pose a threat to their health. Every employee has the right to refuse to perform dangerous tasks that he or she believes may lead to injury or impairment of health, and the law protects him or her from any form of disciplinary action for such refusal.



Accident Investigation

The Company has implemented standards for the investigation of accidents and incidents, which makes it possible to analyze and prevent similar events in the future, thereby improving the level of safety and labor protection at the enterprise. In UzAuto Motors, the process of investigation and registration of industrial accidents, as well as other injuries to the health of employees, is carried out in strict accordance with the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 286 dated June 6, 1997 on approval of the Regulation on the investigation and registration of industrial accidents and other injuries to the health of employees related to the performance of their labor duties. In the event of an occupational injury that did not result in the loss of a working day, the incident is carefully investigated by the head of the relevant department. He issues a certificate in the prescribed form, which indicates measures to eliminate the causes of the accident, and conducts an investigation among employees directly at the workplace. The head of the department is responsible for the implementation of measures aimed at eliminating the causes of the undesirable event. All investigation materials are stored in the organizational department, which ensures transparency and availability of information for analysis and prevention of similar incidents in the future.

To investigate industrial accidents, a commission is created, consisting of representatives of various services of the enterprise. The commission conducts a thorough investigation and fills out the appropriate documents to officially record the incidents. The document on the results of the investigation must contain the following information:

- Date and place of the incident
- Causes and circumstances
- Persons responsible for the incident
- Measures developed to prevent similar incidents and measures taken to eliminate the incident
- Downtime and property damage

Depending on the outcome of the investigation, disciplinary action may be taken, including damages and penalties.

As part of the Company's Occupational Health and Safety (OHS) strategy, the active participation of both full-time and freelance employees in the development, implementation and evaluation of the OHS system is carried out strictly in accordance with the approved procedures. At the initiative of the Company's management, specialized safety committees were created. These committees, consisting of qualified specialists and heads of departments with appropriate powers, are aimed at strengthening the HSE policy. The committees are chaired by the Executive Director and the Head of the Health, Safety and Environment Service, which ensures a thorough and comprehensive approach to safety at work.

The committees meet regularly, at least once a month, to discuss current and propose new measures to improve workplace safety. To ensure that employees have access to up-to-date information on health and safety and to effectively communicate it to all employees of the Company, training, instruction, and visual aids are used. These measures contribute to increased awareness and safety among employees.

Thus, the Company strives to create a safe working environment and continuously



improve the occupational health and safety system, which is confirmed by regular meetings and the active involvement of employees in the process of improving safety measures.

As part of the Company's approach to interaction with suppliers, UzAuto Motors takes comprehensive measures to prevent and minimize the negative consequences associated with compliance with labor protection and industrial safety standards by our suppliers. This is done by strictly following established procedures, which include:

- Regular assessment of suppliers' compliance with health and safety standards.
- Inclusion of mandatory requirements for compliance with health and safety standards in contractual relations with suppliers.
- Conducting training programs and seminars for suppliers in order to increase their awareness and competencies in the field of HSE.
- Development and implementation of joint action plans to improve working conditions at supplier enterprises.

Thus, not only is high standards of safety and labor protection observed within the framework of the Company's activities, but also the safety culture in the Company is actively developing.

Digitalization in the field of occupational health and production safety

UzAuto Motors is actively implementing digitalization in all aspects of its activities, including labor protection and industrial safety. In 2016, at the initiative of the Health, Safety and Environment Service, the Company's Information Technology Department developed a specialized electronic portal safety.uzautomotors.com. This portal was created to improve the control and regulation of security processes in the enterprise, as well as to provide ease of access for workers and employees.

The portal provides tools for monitoring and managing safety in production, allowing users to enter data on identified deficiencies during inspections, implemented measures to eliminate these deficiencies and suggestions for safety improvement received from employees. In addition, a database of occupational health and safety instructions is available on the portal and annual safety analyses can be consulted. This integration of digital technologies contributes to the creation of a transparent and safe working environment, supporting the company's sustainable development in the field of employee safety and health.

Employee Health & Safety

GRI 403-6; 403-9

31,384 million UZS

total labor protection costs in 2023

UzAuto Motors takes a number of measures to ensure the health and safety of its employees, as well as to maintain industrial safety at the enterprise. The company has a centralized medical center equipped with everything necessary for first aid and medical examinations. All employees have free access to medical services, which are provided free of charge. Medical examinations are conducted prior to employment and periodically thereafter. Based on the results, employees may be referred to medical institutions at the company's expense. In addition, all employees are insured against accidents at work.

Access to medical services is provided to all levels of employees without exception, which emphasizes the importance of taking care of the health of each member of the UzAuto Motors team.

The company has also implemented an electronic document management system at the medical center, which allows the EHS department to quickly respond to any incidents and monitor the health status of employees.

The Company actively implements voluntary employee health promotion programs aimed at minimizing major non-work-related health risks. These programs include activities to promote healthy lifestyles, such as sports sections, training seminars on disease prevention, and other initiatives aimed at improving the overall health of employees.

To promote the physical and psychological well-being of employees, there is a gym on the territory of the enterprise, equipped with all the necessary training equipment and inventory. In addition, as part of the staff health improvement program, employees regularly organize trips to sanatoriums and other specialized institutions to improve and maintain health.

In the canteen of the company, free meals are provided, including a diet menu, which also contributes to maintaining the health of employees. These measures confirm the Company's commitment to caring for the well-being of its employees.

To prevent accidents and ensure safety during non-working hours, preventive inspectors equipped with radio stations and cameras are

on duty on the territory of the enterprise. They carry out constant monitoring and, if a dangerous situation is detected, immediately take measures to eliminate it.

At UzAuto Motors, specialists responsible for industrial sanitation and labor protection systematically carry out workplace inspections to identify potential hazards and risks. In case of detection, instructions are immediately issued to the heads of the relevant processes in order to eliminate the identified shortcomings. The high level of quality of industrial sanitation and labor protection is maintained through strict compliance with the current regulatory and technical documents, regulations and legislative acts of the Republic of Uzbekistan, which contributes to the creation of safe and healthy working conditions for all employees of the company. At the monthly safety meetings, reports from the occupational health and safety service, incidents and accidents that have occurred, as well as on the measures taken, are presented.

All potentially hazardous areas at the enterprises are reliably fenced, equipped with protective devices, isolated and protected by casings and grilles. Employees are trained in safe work methods and provided with all necessary personal protective equipment (PPE) in accordance with the standards.

Transport security

Strict rules have been established inside the territory of the UzAuto Motors enterprise to ensure the safety of pedestrians and drivers. The company strictly follows the standard «Procedure for controlling the movement of vehicles and pedestrians on the territory of the enterprise», which allows maintaining a high level of safety. Pedestrians need to cross roads with extreme caution, following road signs and signals, as well as avoid running and any actions that may interfere with other road users. It is important that employees use reflective elements when traveling with handcarts and move along specially designated paths in production areas and warehouses.

For drivers on the territory of UzAuto Motors, a special pass is required, which confirms their right to drive a vehicle and contains all the necessary information about the owner. It is strictly forbidden to drive vehicles without such a pass. Drivers are required to follow established traffic rules, including the use of seat belts and compliance with the speed limit. Leaving vehicles in unauthorized places is strictly prohibited, especially for pedestrian crossings and places with increased danger.

As additional measures, road markings have been made on the territory of the enterprise, the necessary road signs and spherical mirrors have been installed in places with limited visibility, which contributes to the prevention of accidents and the protection of the life and health of our employees and guests of the enterprise.

The Health, Safety and Environment Service employs 2 traffic safety engineers who ensure proper regulation of traffic flow and pedestrian safety. Their activities are aimed at the implementation of the following key tasks:

- Organization and regulation of safe movement of pedestrians and vehicles on the territory of the enterprise.
- Carrying out thorough official checks in the event of traffic accidents.
- Annual technical inspections of vehicles operated at the enterprise.
- Development and implementation of effective measures to prevent road accidents.
- Issuance of special permits for drivers and control of compliance with driving rules within the enterprise.
- Making proposals for disciplinary sanctions for persons who have violated traffic safety standards.

Outside the territory of UzAuto Motors, drivers are also required to adhere to the legislation of the Republic of Uzbekistan on transport security. This law includes provisions relating to road safety, rules for the use of vehicles, as well as liability for violations. It is aimed at reducing accidents on the roads and improving the safety of all road users.



Key Indicators:

3 846*

employees have undergone re-training in accordance with the plan for the correct use of fire extinguishers and fire safety regulations in 2023

256

employees are members of the volunteer fire brigade, who have been specially trained in firefighting

2

military fire trucks are at the disposal of the enterprise

3

fire reservoirs with a capacity of 2,500 m³ each ensure fire safety on the territory of the plant.

0

cases of fires were registered at the enterprise within the last 5 years

* 100% of employees undergo mandatory training on the correct use of fire extinguishers upon hiring

Ensuring fire safety

The company paraphrase this text to fire safety issues, considering them as an important aspect of ensuring the safety of employees and production facilities.

The company strictly complies with national fire safety standards, including the Cabinet of Ministers Resolution No649 on the approval of the Fire Safety Rules¹³ and the orders of the parent company Uzavtosanoat JSC. The company annually approves the list of persons responsible for fire safety, creates a fire safety commission and has an order on voluntary fire brigades.

Over the past five years, not a single case of fire has been registered at the Company's plants. The company conducts daily inspections of the site, and each site is supervised by a fire safety specialist. If non-dangerous threats are detected, they are eliminated immediately, and serious problems are reported to the administration.

Fire safety training for employees is an important part of the company's program. In 2023, 3846 employees were trained in the correct use of fire extinguishers, and 256 people were trained in firefighting actions. The company's factories are equipped with all the necessary fire-fighting equipment. In the event of a fire alarm, employees know the algorithm of actions and evacuation routes.

UzAuto Motors regularly conducts a number of events to inform employees about emergency procedures, including earthquakes and fires. The Company has its own fire safety specialists and equipment, including two military fire engines and three fire reservoirs with a capacity of 2,500 m³ each.

External fire safety audit is carried out in accordance with the order of the Ministry of Emergency Situations and the Decree of the President. In case of violations, the Company takes measures to eliminate them. Any fines and deficiencies identified during inspections are recorded in special forms and monthly reports.

Occupational injuries

In 2023, 6 cases of work-related injuries with lost working time were registered. In 2022 - 3 cases.

The main cause of industrial injuries was the careless behavior of employees. The types of injuries are different and included injuries associated with mechanical impact. It is important to note that all incidents at UzAuto Motors are subjected to a thorough analysis in

order to develop and implement additional precautions and improve working conditions to prevent similar incidents in the future. The company makes every effort to ensure the safety of its employees and maintain a healthy and safe working environment.

Unfortunately, out of 6 registered cases in 2023, two accidents were fatal, when two UzAuto Motors drivers died as a result of road accidents. This event was a sad reminder of the importance of strict compliance with road safety rules both inside and outside the enterprise. recommendations for preventing similar cases in the future.

Following these incidents, the following measures were taken:

- Organization of additional training for employees on compliance with safety standards;
- Making clarifications and additions to existing instructions and work standards in order to eliminate the causes that contribute to the occurrence of injuries;
- Making compensation payments to injured employees in accordance with established procedures;
- Strengthening monitoring of compliance with labor protection rules at work.

The fatal accident rate per 1 million man-hours in 2023 was **0.29**, while in 2022 the rate was **0**.

Year	Fatal injuries	Lost time injuries (no fatalities)	Total number of reported cases
2022	-	3	3
2023	2	4	6

Rate of recordable injuries (including fatalities) attributable to work per 1 million man-hours



Training in the field of occupational health and safety

GRI 403-5

UzAuto Motors attaches great importance to the safety and health of its employees. In order to maintain a high level of industrial safety and labor protection, the Company regularly implements training programs and conducts activities to improve the safety culture at workplaces.

During the reporting period, a number of initiatives were launched to raise employee awareness of workplace safety issues:

- Seminars and trainings aimed at increasing the level of awareness of potential hazards in the performance of work duties
- Development and distribution of information materials, including brochures, posters and safety instructions
- Regular safety briefings before the start of the working day

In addition, job descriptions describe the qualification requirements for occupational health and safety for all professions and types of work.

The Company actively strives not only to inform employees about potential risks, but also to provide them with the necessary professional knowledge and skills in the field of occupational health and safety. In 2023, the Company provided external training for 17 employees of the health, safety and environmental service, investing about 20 million UZS in the development of their professional skills. As a result of the training, 7 employees received occupational health and safety certificates, 8 employees received industrial safety certificates, and 3 employees successfully passed certification according to the international standard ISO 14001. The company will continue to improve its training and awareness methods in the field of occupational health and safety in order to create a safe and healthy workplace for all employees. In 2024, it is planned to conduct certified occupational health and safety training for 16 people. In addition, 31 employees will be provided industrial safety training.

The company attaches high priority to informing employees about occupational health and safety, achieving a 100% level of awareness among personnel. In addition, in 2023, about half of the employees (8,059 people) took part in internal educational programs aimed at improving knowledge and competencies in these areas. Employees of the production sites located in Asaka and Pitnak were especially actively trained.

UzAuto

Cooperation with personnel



Cooperation with personnel

GRI 2-7; 2-8; 2-23; 2-30; 201-3; 202-1; 202-2; 401-1; 401-2; 401-3; 402-1; 404-1; 404-2; 404-3; 405-1; 405-2; 407-1

Approach to human resources management

Significant topics:

- Personnel training and development
- Human Resources and Employment Management
- Human rights
- Local Market Presence

Key Indicators:

16,728 number of employees

10,82% staff turnover rate

100% of employees are covered by the collective agreement

34,66 is the average annual number of training hours per employee

2904 hired employees under 30 years old

UzAuto Motors ranks among the TOP-10 largest employers in Uzbekistan in 2023 as reported by the Ministry of Employment and Poverty Reduction of the Republic of Uzbekistan. Employees are the core value of UzAuto Motors. The Company is constantly improving its HR management system by introducing modern practices and advanced digital solutions. Particular attention is paid to protecting the rights of employees, ensuring their well-being and professional growth.



The Human Resources Direction is the main structural unit responsible for personnel management in the Company. It is responsible for hiring and dismissing employees, organizing their training, advanced training and retraining.

HR administration – the direction focuses on the operational aspects of personnel management from hiring, to the exit interview, including staff turnover, execution of orders and rationing of employees' labor activities

Personnel development – the direction is designed to contribute to the development and improvement of employees' skills, supporting the company's strategic goals in the field of human resources. The structure of the direction includes three departments:

Recruitment and Adaptation Department:

- Selection of qualified, educated and talented specialists for the company;
- Ensuring transparency and honesty in the selection processes of candidates;
- Organization of an adaptation program for new employees;
- Assessment of the compliance of employees moving to new positions with the requirements of these positions;
- Consideration of appeals addressed to the director of the enterprise.

Department of Continuous Improvement and Analysis:

- Analysis and optimization of processes in the HR Direction;
- Creation of online control panels for HR management metrics;
- Automation of processes and reporting in the HR Direction;
- Improvement of existing document workflow processes.

Department of Personnel Development and Business Partnerships:

- Identifying and working with high-potential employees to develop their skills and abilities;
- Compilation of a list of reserve employees for management positions;
- Analysis of the atmosphere in the workplace and the level of employee involvement in business processes;
- Conducting interviews with departing employees in order to retain them in the company.



The Company aims to improve communication between employees, better define areas of responsibility and normalize control over regulations in order to improve business processes and increase the overall efficiency of the Company. The effectiveness of personnel management is determined through the assessment of the effectiveness of the management system (KPI) itself.

Employees of the company have the opportunity to express their appeals and complaints through the established communication channels of UzAuto Motors. For more information on feedback channels, see the Corporate Governance section.

In 2023, the Internal Labor Regulations were developed, covering internal norms and rules of conduct in the workplace.



The Company's key regulatory documents governing HR management and interaction are as follows:

- Collective agreement for 2021-2023
- Internal Labor Regulations
- Code of Conduct
- Charter of employees of the Trade Union of Metallurgical and Machine-Building Industry of the Republic of Uzbekistan¹⁴
- Law of the Republic of Uzbekistan on Trade Unions, Their Rights and Guarantees of Activity

Interaction with the workforce

GRI 2-30; 407-1; 402-1

The company strictly complies with the legislation of the Republic of Uzbekistan, within the framework of which it operates. The Company's policies guarantee every employee the right to freedom of association and collective bargaining. This is evidenced by systematic reviews of internal procedures and policies, as well as active engagement with trade unions and workers' representatives. In the reporting year, the Company did not identify any prerequisites that could indicate a risk of violation of the rights to freedom of association and collective negotiations in the Company.

Trade union organization

Trade union organizations operate at the enterprises of UzAuto Motors aimed at protecting the labor, socio-economic rights and interests of members both in the production and non-production spheres.

The trade union in its activity is independent of the bodies of state administration, economic bodies, political and other public organizations. It is not accountable to them or controlled by them, except as provided for by national legislation.

The employer together with the Company's trade union:

- Forms commissions on labor protection, organizes their election and training;
- Conducts a republican competition on labor protection and safety, recommends winners for participation in competitions of higher bodies;
- Provides three-stage control over the state of labor protection at the enterprise;
- Elects representatives for labor protection for each site, depending on working conditions;
- Ensures compliance with labor protection rules and establishes the procedure for material incentives for employees;
- Ensuring compliance with the requirements of the International Labor Organization Convention No 187 «On the Basis for the Promotion of Occupational Safety and Health».

The company has a dispute committee consisting of three representatives of the trade union and three representatives of the employer. Employees can apply to this commission to resolve labor issues.

All employees of the Company are members of the UzAuto Motors trade union.

Collective agreement SASB TR-AU-310a.1

The Collective Agreement of UzAuto Motors for the period 2021-2023 is a legal document regulating individual labor relations and related social relations. The agreement contains uniform social and labor standards and guarantees for the Company. The document was developed in partnership with the trade union organization.

The Company's Collective Bargaining Agreement regulates a wide range of relationships between employees and employers, including the following aspects:

- Conditions for the conclusion and guarantees of an employment contract;
- Working hours and rest time;
- Issues of remuneration, normalization of labor, guaranteed remuneration and compensation;
- Labor discipline;
- Financial responsibility of the parties to the employment contract;
- Occupational safety and health conditions;
- Professional training, retraining and advanced training of employees;
- Regulation of the work of women and persons engaged in the performance of family responsibilities;
- Benefits and guarantees for young people;
- Social benefits and guarantees;
- Cultural, educational and physical culture, sports;
- Social partnership and the role of the trade union.

100%

of all employees are covered by a collective agreement. Certain provisions of this agreement also apply to:

- Members of the employee's family;
- Pensioners;
- Employees of the trade union committee;
- Former employees who have suffered injuries or occupational diseases at work;
- Disabled persons who are dependents of deceased employees;
- Trade union members (additional benefits at the expense of the trade union budget).

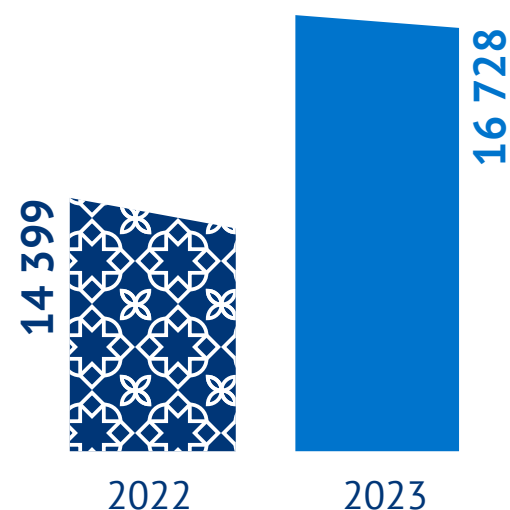
The minimum period for notifying employees of significant changes in activities in accordance with the Company's Collective Bargaining Agreement is at least 2 months.

Personnel structure

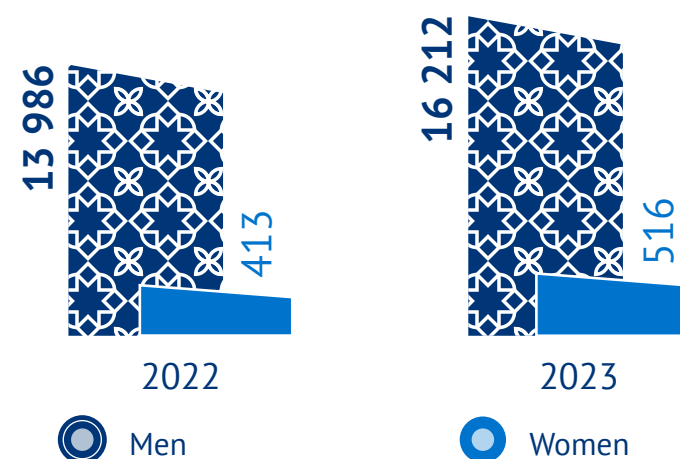
GRI 2-7; 2-8; 401-1.b

During the reporting year, the average number of employees in UzAuto Motors amounted to 15,969 people. The actual number of employees as of December 31, 2023 reached 16,728 people. At the end of the reporting year, the share of employees working on the terms of an open-ended employment contract was 99% of the total, while the share of full-time employees was 99%. Compared to 2022, the number of employees of the Company increased by 13%, which is due to the recruitment of new employees in order to the increase in production volume.

Number of employees of UzAuto Motors at the end of the year



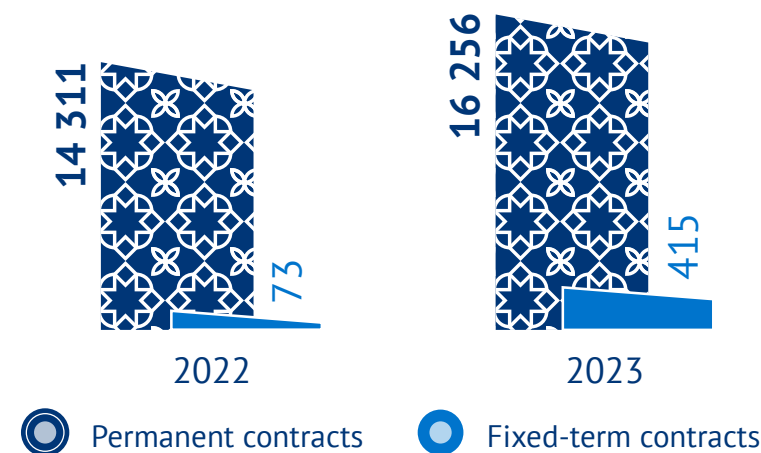
UzAuto Motors personnel structure by gender at the end of the year



Распределение сотрудников UzAuto Motors по регионам на конец года

Year	Andijan region	Tashkent city	Khorezm region	Total
2022	11 098	589	2 712	14 399
2023	12 365	623	3 740	16 728

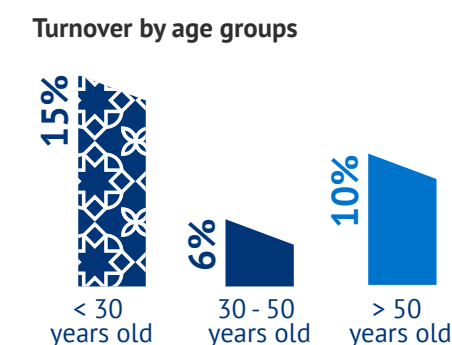
Number of employees by contract terms at the end of the year



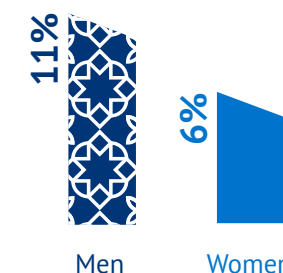
In 2023, employee turnover increased to 10.8%, while in the previous year it was 7.6%. This growth is driven by large-scale recruitment in 2022, as well as the impact of nationwide trends such as labor migration abroad.

Among age groups, the highest turnover is observed among employees under 30 years old. At the same time, the lowest turnover was recorded among workers in the age category from 30 to 50 years.

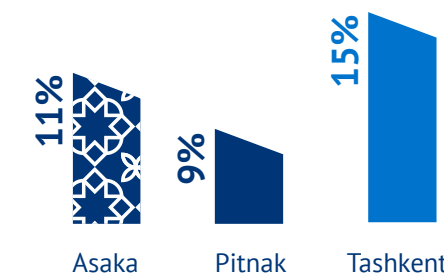
Total Employee Turnover in 2023:



Gender structure of turnover



Turnover by region



To prevent personnel leakage, the company takes a number of measures. Interviews are conducted to obtain feedback from departing employees in order to identify problems and improve work processes. Anonymous workplace surveys are regularly conducted to assess satisfaction with working conditions and compliance with corporate values and mission. A systematic analysis of personnel turnover at industrial enterprises is also carried out, including a comparison of salary levels and working conditions, which makes it possible to identify and solve emerging problems in a timely manner in cooperation with the HR department.

The number of employees who are not employees and whose work is controlled by the Company at the end of 2023 amounted to 145 people, which is 30% more than last year (2022: 111).

Employees are hired by the Company independently, without the involvement of third-party organizations.

Number of supernumerary staff, persons

Year	2022	2023
Number of supernumerary staff	111	145



Recruitment

UzAuto Motors is one of the largest employers in Uzbekistan, acting as an active participant in the national labor market. The recruitment process in the Company is clearly regulated and transparent and consists of the following stages:

Job selection process

- **Vacancy announcement:** A vacancy announcement is published on the official website of Uzautojobs.uz, which is also duplicated on the Telegram channel t.me/uzautojobs_uz. Additionally, information is posted on the official channels of higher educational institutions, colleges and technical schools,
- **Online Application:** Applicants apply through the official website,
- **Online testing:** Candidates take an online test through the uzautojobs system and are reviewed with the results at the end of the test,
- **Physical fitness check:** The physical fitness of candidates on the horizontal bar (pull-ups) and in the 100-meter run is assessed,
- **Practical testing:** Candidates' technical abilities are assessed using a model assembly bench, focusing on candidates' dexterity and insight in handling machinery and parts,
- **Interview with the commission:** The candidate is interviewed by a commission consisting of representatives of HR, legal, industrial safety, union, compliance and customer service departments,
- **Medical examination:** Medical examination is carried out on the basis of the health requirements of workers in production systems.



Results of recruiting work

GRI 401-1.a

In 2023, the total number of new employees of the Company amounted to 3,357 people. In terms of age groups, the largest number of new employees was under the age of 30 (81%), and the smallest was over 50 years old (less than 1%). Of the number of newly hired employees, 94.1% are working personnel. The ratio of newly hired employees to the total number of employees in 2023 was 21.13% for working personnel and 1.32% for administrative personnel. For details on the total number and percentage of new employees, please refer to Annex C.

Number of administrative and works staff hired by age group, persons

Year	2022		2023	
	Admin. personnel	Operating personnel	Admin. personnel	Operating personnel
up to 30 years old	226	2 888	115	2 789
30–50 years old	117	786	86	566
Over 50 years old	3	1	9	2
Total	346	3 675	210	3 357

Number of administrative and trades staff hired by gender, human beings

Year	2022		2023	
	Admin. personnel	Operating personnel	Admin. personnel	Operating personnel
Men	333	3 637	191	3 284
Women	16	38	19	73
Total	346	3 675	210	3 357

The ratio of newly hired women to the total number of women in UzAuto Motors is approximately 14.48% among the working staff and about 4% among the administrative staff. For men, the ratio of newly hired employees is 21.24% among the working staff and 1.24% among the administrative staff.

Number of administrative and trades staff hired by region, persons

Год	2022		2023	
	Admin. personnel	Operating personnel	Admin. personnel	Operating personnel
Asaka	253	2 923	145	2 023
Pitnak	4	711	2	1 289
Tashkent	89	41	63	45
Total	346	3 675	210	3 357

The Company has a structured algorithm for the adaptation of new employees aimed at effective inclusion in the working environment. The algorithm includes acquaintance with the corporate culture, the main work processes, provides prompt mastering of a new role and support from mentors and managers at the initial stage of work:

On the first working day:

- Familiarization with safety rules
- Issuance of passes
- Meet the team
- Provision of necessary equipment and uniforms
- Training at the UzAuto Academy

In the first week of work:

- Familiarization with the internal regulations of the company
- GM's GMS (General Motors Global Manufacturing System): Initial introduction to the General Motors Global Manufacturing System,
- Introduction to corporate culture
- Training
- Training in working with internal information systems and e-mail of the company.

Internship period (3-6 months):

- Attaching an experienced mentor to a new employee;
- Development of an internship period plan that includes specific tasks, goals to assess the employee's performance;
- Monitoring the progress of the internship;
- Obtaining an opinion on the results of the internship.

**Shahrukhbek Rustamov**

«Engineering for me is about creating something new and meaningful every day. It's an art where every project is a canvas and the tools are brushes.»

Shahrukhbek Rustamov, a young design engineer at UzAuto Motors, perceives his work as a real art. Immediately after graduating from university, Shahrukhbek joined the company, bringing innovative ideas despite his relatively short tenure. It is especially worth noting that he has successfully developed and tested prototype bodies of Chevrolet Cobalt and Spark cars.

In 2020, Shahrukhbek successfully developed dies for cutting out car parts of two sizes for the lines of the Khorezm branch of UzAuto Motors as part of a parts localization project. A year later, with the increase in car exports, he developed die kits for the «Assembly» and «Pressing-1» lines. Since 2022, Shahrukhbek has also been responsible for training employees by implementing the AutoCAD design program and organizing specialized trainings.

His life story is a path of creativity, innovation and tireless search for knowledge

First Year of Employment:

- Hearing the employee's report for the year of work in the Company;
- Provision of a development plan and career goals by the employee;
- Qualification check of an employee

Training and development**GRI 404-1; 404-2**

UzAuto Motors pays special attention to the training and development of professional skills of employees. Training programs play a key role in improving productivity, quality and safety.

In the structure of the company, within the framework of the Direction of Technical Development of UzAuto Motors, the UzAuto Academy operates. The main activities of the Academy include advanced training, development of human resources and ensuring the level of training of specialists that meets international standards. The Academy includes divisions engaged in methodological research and assessment of employees' qualifications. The UzAuto Academy was established in 2023 based on the previously existing UzAuto Motors training center.

The Academy implements a comprehensive educational program, which includes both internal and external training focused on the development of professional skills and competencies.

In the reporting year, external training covered a variety of courses related to key aspects of business and technical expertise. The total number of participants in external training amounted to 1,159 people, and the total investment in training programs exceeded 9 billion UZS.

Results of external training of the UzAuto Academy in 2023

Training course	Number of participants who have completed the training	Investments, UZS
Bachelor's and Dual Education Program	269	5,529 million
Professional English for Employees	130	218 million
Courses in specialized research in the field of electronics, LPG and other areas.	581	147 million
Training for employees in Occupational Health and Safety, Fire Safety, and Environmental Protection.	17	20 million
Advanced training at the Standards Institute	31	58 million
Training of HR and Accounting Department Employees	60	94 million
Training of Compliance, Logistics, Transport Employees	30	58 million
IT & Construction Training	41	80 million
Total:	1,159	9,518.4 million

Internal training of employees is carried out by the Academy itself, as well as using various sets of educational tools. In 2023, 17,106 people underwent such training (2022: 12,615 people).

In 2023, the average training time per employee reached 34.66 hours, which is 19% more than in 2022. At the same time, growth was recorded among both men and women. The training time for women in 2023 was 16.73 hours, an increase of 23% compared to 13.6 hours in the previous year. For men, this figure increased from 29.54 hours in 2022 to 35.23 hours in 2023, which also means an increase of 19%. The increase in training time is directly related to the opening of the UzAuto Academy in 2023.

Average annual number of training hours per employee, broken down by gender, hours

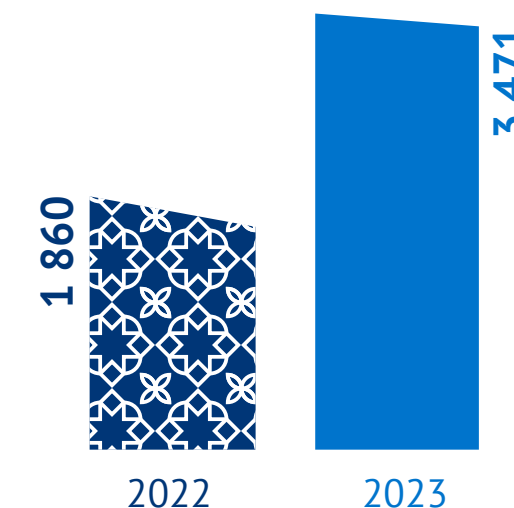
	2022	2023
Men	29.54	35.23
Women	13.6	16.73
Total	29.09	34.66

In 2023, the company's professional development program showed significant growth, allowing 3,471 employees to improve their professional skills. This is an 86.45% increase compared to the previous year, which was made possible thanks to the creation of the UzAuto Academy. Among the areas of advanced training, special attention was paid to specialized courses and internships in leading foreign educational institutions. These initiatives are aimed at ensuring a high level of professionalism of the Company's employees and maintaining compliance with global quality standards.

Below are graphs showing the number of employees who have been trained under the advanced training program in 2021-2023, which consists of the number of employees of the Company who have completed paid trainings organized by the UzAuto Academy; employees whose studies at universities are paid for by the Company (financial support for training from external providers), as well as employees who have received paid leave for the purpose of training with the preservation of their jobs.



Number of participants in the professional development program from among the organization's employees



As part of the continuous employment support program, the Company is implementing an initiative aimed at helping the families of employees. This program provides for the possibility of employing children of long-term employees, especially in cases of serious life circumstances, such as the death or serious illness of parents, without going through an interview. The measure is aimed at ensuring social support and sustainability of the families of the Company's employees.

Also, as part of this program, to retain employees, the Company conducts exit interviews - this is a process that includes retraining and support programs for employees who want to voluntarily leave work.

Number of participants in the continuous employment support program from among the organization's employees

2022	2023
722	1,408

Talent pool system

In order to ensure personnel continuity and prepare future management, UzAuto Motors forms and develops a personnel reserve for managerial positions, the Charter for the formation of a personnel reserve for managerial positions of UzAuto Motors JSC¹⁵ establishes requirements for the organization of reserves and work with reserved employees,

The formation and work with personnel reserves is carried out by the Department of Personnel Development and Business Cooperation, a list of managerial positions from the staffing table and reserve personnel is compiled.

The process of creating a reserve list of managerial positions consists of the following stages:

- **Formation of a list of candidates.** Each manager is asked to recommend employees who are ready to take up managerial positions at the time of formation or in 1-2 years, a list of candidates is compiled, at least two reservists are appointed to each position;
- **Competency assessment.** The date and time of the interview with candidates is appointed, Responsible personnel assesses the competencies of candidates and records the results using the STAR (Situation, Task, Action, Result) assessment model - an interview method that is based on the assessment of the candidate's experience in various situations, tasks, actions and results achieved, Candidates who have received a positive assessment in more than 50% of competencies are recommended to develop Individual Development Plan (IDP) under the supervision of the manager and submit it to the Personnel Development and Business Cooperation Department;
- **Organization of trainings and seminars.** Specialists of the department analyze the IDP and compile a list of training courses, Training is carried out at the UzAuto Academy;
- **Monitoring the implementation of the IDP.** If an employee is slow to fulfill the goals and plans of the IDP or has completed less than 70% at the end of the year, he is removed from the reserve and another candidate is recommended

INSPIRATION AND PRIDE OF UZAUTO MOTORS



Dildora Abdurakhmonova

«For me, UzAuto Motors is not just a workplace, but a space where every day I face new challenges and open up opportunities for my growth. My work gives me the chance to learn and develop, while making a meaningful contribution to the success of our company.»

Women in Uzbekistan are actively promoting in various fields of activity, increasing their influence in society. As their role increases, so does their responsibility, especially in complex sectors such as the automotive industry.

Dildora Abdurakhmonova, who is the manager of the global procurement department at UzAuto Motors, has been an example of women's leadership and professionalism for 18 years. Her contribution to the development of the company was marked by several state awards, including commemorative signs for the anniversaries of the Constitution of the Republic of Uzbekistan. As a mum of two, Dildora is adept at balancing her professional responsibilities with her family life, earning the respect of her colleagues and serving as an inspiration to all the women in the company.

OTraining is carried out at the workplace or in the enterprises of the system of Uzavtosanoat JSC, During the training period, the employee is released from the performance of work duties with the preservation of the position and salary when sent for training to other enterprises of the system of Uzavtosanoat JSC,

The STAR model scorecard consists of 13 items:

- Analytical thinking and planning
- Striving for results
- Loyalty to the company
- Stress
- Personal activity and creativity
- Communication skills
- Ability to work in a team
- Leadership qualities
- Conflict management
- Decision-making
- Monitoring the implementation of tasks
- Personal development
- Mentoring

Remuneration and motivation system

GRI 202-1; 404-3

UzAuto Motors has developed a multi-level system of employee motivation based on the principles of fairness and transparency. The system is based on key performance indicators (KPIs), which are divided into two types: the Company's «production» KPIs and the KPIs of «departments», which are formed based on the achievement of the Company's goals.

Production KPIs include metrics such as production plan, product cost reduction, quality, and purchasing. At the end of each quarter, the percentage of KPI achievement is calculated, and upon successful achievement of goals, employees are paid bonuses of up to 60% of their salary. This practice applies to the entire company, including Tashkent and other regions.

The KPI of the divisions is formed based on the company's goals, which are developed annually. At the same time, each department sets its own goals in accordance with the SMART system. The KPI Commission, consisting of representatives from various departments, including HR, finance, quality, audit, and production, reviews and approves the goals of the departments. Upon completion of the approved goals, bonuses are also paid, on average amounting to up to 60% of the salary.

In addition, the company has adopted the Kaizen continuous improvement system. For the successful implementation of this system, bonuses of up to 10% are also provided at the end of the year. On holidays such as Nowruz, International Women's Day, Independence Day, Eid al-Adha and Ramazon Hayit, employees are rewarded with holiday bonuses.

The Company strives to ensure fair and competitive remuneration for its employees in entry-level positions, which underlines the Company's commitment to improving working conditions.

Ratio of entry-level wages in UzAuto Motors to the minimum wage established by the national legislation of the Republic of Uzbekistan:

	2022	2023
Among men	2.77	2.67
Among women	1.8	1.74

¹⁵The charter was approved on February 26, 2024

Kaizen activities in UzAuto Motors

Kaizen is a concept aimed at continuous improvement of all functions of the company and the involvement of all employees in the improvement process. This activity was introduced in UzAuto Motors in 2000 and until 2008 was called «Rationalization activities».

The Corporate Innovation Department is engaged in the regulation of kaizen activities in UzAuto Motors. Kaizen activities in the company are carried out in two directions:

- Implementation of individual kaizen offers.
- Implementation of kaizen group proposals.

The Kaizen system provides for the following steps:

- Suggestion: The employee clearly and fully describes the proposal to improve or solve the problem.
- Quotation registration.
- Implementation of the offer
- Reward for the offer: bonus.

Key areas and topics of kaizen activities include:

- Product quality.
- Prevention of damage to machines and mechanisms.
- Reduce costs.
- Increased efficiency.
- Improve control and management.
- Security.
- Order and discipline.

Kaizen allows UzAuto Motors to continuously improve its activities and achieve high results by involving all employees in the improvement process.

Social support

GRI 201-3; 401-2; 401-3

UzAuto Motors strives to comply with generally accepted ethical standards of doing business and pays special attention to the development, implementation and control of programs aimed at ensuring the social protection of employees.

The employee's social package, according to the Company's Collective Bargaining Agreement, includes various benefits and guarantees aimed at ensuring the social protection of employees.

First, the Company fulfills its obligations to implement state social programs. This includes the implementation of measures taken annually at the initiative of the President of the Republic of Uzbekistan.

For certain categories of citizens, such as participants in the war of 1941-1945, participants in the liquidation of the consequences of the accident at the Chernobyl nuclear power plant, disabled people of groups I and II, special social benefits are provided, according to the Labor Code of the Republic of Uzbekistan.

Also, UzAuto Motors provides payments for temporary disability. Persons with three or more children under 16 years of age, participants in the liquidation of the consequences of the Chernobyl accident, military personnel who served at nuclear test sites and other radiation and nuclear facilities, as well as employees who have suffered a work-related injury or occupational disease, receive payment in full wages. Employees with socially significant diseases receive payments from 60% to 100% of their wages. Employees quarantined due to suspected coronavirus infection receive 100% of the average monthly salary. In other cases, payments depend on the total length of service and range from 60% to 80% of the salary.

Special attention is paid to women and persons with family responsibilities. For pregnant women and women with children under three years of age, a reduced working day is provided. The Company also pays 50% of the amount spent on medicines for women with difficult pregnancy and childbirth according to the doctor's opinion. These measures are aimed at creating a favorable environment for workers with family responsibilities.

Young people also receive special benefits and programs aimed at their social protection and professional development. These programs help young workers to adapt to the workforce and promote their career development.

The company actively cares about improving the quality of life of its employees by providing a number of preferential terms. Among others, employees are offered the opportunity to purchase cars and apartments at favorable interest rates, which significantly improves their financial situation and makes it easier to access large purchases. In addition, to improve working conditions at production facilities, the company organizes free lunches, which helps to maintain a high level of productivity and well-being of employees during the working day. These initiatives reflect the company's commitment to supporting its employees and improving their standard of living.



GRI 401-2**Benefits for UzAuto Motors employees**

Benefits	Employees working under an open-ended employment contract		Employees working under a fixed-term employment contract	
	Full Time	Part-time employment	Full Time	Part-time employment
Life insurance	+	+	+	+
Health Insurance	+	+	+	+
Disability insurance	+	+	+	+
Parental leave	+	+	+	+
Non-state pension programs	-	-	-	-
Financial assistance	+	+	-	-
Payments in case of dismissal (in addition to Provided legislation)	+	-	-	-
Pregnancy benefits	+	-	-	-

In 2023, the Company paid benefits in the amount of **9,179 million UZS** to its employees, including:

- Life insurance - **5,995 million UZS**
- Financial assistance - **1,369 million UZS**
- Payments in connection with pregnancy - **826 million UZS**
- Dismissal payments (in excess of those provided for by law) - **732 million UZS**
- Assistance in case of loss of ability to work and disability - **220 million UZS**
- Payments for one month of preferential leave to care for a child - **37 million UZS** *

* Paid maternity leave is provided 30 days earlier than the period established by law, while maintaining the average salary and length of service.

The total number of employees who took advantage of parental leave increased from 15 in 2022 to 17 in 2023. All employees who took advantage of parental leave were women.

Parental leave and return to work after its end**GRI 401-2**

	2022	2023
The total number of employees eligible for parental leave, including:	14,103	15,969
Men	13,671	15,465
Women	432	504
Total number of employees who left on childcare leave, including:	15	17
Men	-	-
Women	15	17
The total number of employees who returned to work in the reporting period after the end of parental leave, including:	3	10
Men	-	-
Women	3	10
The total number of employees who have returned to work after the end of parental leave and are still working 12 months after returning to work, including:	2	3
Men	-	-
Women	2	5
The total number of employees who had to return to work in the reporting period after the end of carer's leave for a child, including:	16	15
Men	-	-
Women	16	15

The return rate of women who went on parental leave **increased from 18.75% in 2022 to 66.67% in 2023**. At the same time, the retention rate of female staff has **increased from 33% to 100%**.



The company makes mandatory payments to the extra-budgetary pension fund in the amount of 12% of the payroll fund, in accordance with the Tax Code of the Republic of Uzbekistan. Contributions to the extra-budgetary pension fund are mandatory and payable on time.

During the reporting period, there were no changes in the Tax Code of the Republic of Uzbekistan regarding the rate of contributions and the taxable base. Control over the correctness and timeliness of payment of contributions to the extra-budgetary pension fund is carried out by the tax accounting unit of the Company's accounting service.

The legislative basis of the pension plan is the Tax Code of the Republic of Uzbekistan.

	2022	2023
Total amount of pension and social contributions, billion UZS	149.44	219.06

The UzAuto Motors trade union organized the following events in 2023

In 2023, the UzAuto Motors trade union organized several events aimed at supporting and developing employees, improving their working conditions and improving the quality of life.

The trade union held festive and cultural events on the occasion of the Day of Defenders of the Fatherland (January 14), the birthday of the first President of the Republic of Uzbekistan Islam Karimov (January 30), International Women's Day (March 8), the Day of Remembrance and Gratitude (May 9), Navruz (March 22-23), the Day of UzAuto Motors, the International Day of Families (June 1), the International Children's Day (June 1), the Independence Day of the Republic of Uzbekistan (32 years), Automotive Industry Workers' Day (October 30) and New Year's Day.

In addition, the «Best Worker» and «Best Team» competitions were organized. According to their results, 360 winners received diplomas and memorable gifts. As part of the «Journey to Uzbekistan» program, 300 employees of the enterprise went on tourist trips organized by the trade union.

Support for sports events at UzAuto Motors in 2023

UzAuto Motors actively supports sports and the desire of employees to maintain health. During 2023, many sports events were held for employees:

- Olympics;
- «Leader's Cup»: a large football tournament between the teams of the Company's districts and divisions, in which more than 20 football teams took part;
- Sports competitions among female employees on the eve of the holiday on March 8;
- On November 11, in honor of the «Day of Trade Union Workers», the union organized competitions, in which more than 1750 participants took part, in the following sports:
 - Futsal
 - Rock climbing
 - Chess
 - Table tennis
 - Darts
- On October 1, on the occasion of the «Teacher's and Mentor's Day», the company's management organized mini-football competitions among engineering and technical personnel under 35 years old;
- On December 8, on the occasion of «Constitution Day», various sports competitions were held, including futsal, table tennis and checkers.

These activities are aimed at strengthening team spirit, improving the physical condition of employees and maintaining a healthy lifestyle.

CRAFTSMANSHIP AND HERITAGE AT UZAUTO MOTORS



Azimjon Vahidov

«Welding is not just a job, it is an art that requires precision and consistency. I am proud to be able to pass this experience on to the next generations, seeing how our cars are getting better thanks to their efforts.»

Since the foundation of UzAuto Motors, Azimjon Vakhidov has been an integral part of our team. For 28 years of work as a welder, he not only mastered the art of creating cars, but also became the soul of the team. Azimjon made significant contributions to the development of the Chevrolet Cobalt and Nexia cars, becoming not just a craftsman, but also a mentor to a new generation of craftsmen.

His working history is a story of true devotion. Over the years of work in our company, Azimjon has become a mentor for many novice specialists, and his son, inspired by the example of his father, also joined our friendly team, continuing the family tradition of craftsmanship.

Azimjon is highly regarded by his colleagues for his hard work, honesty and active involvement in the life of the company. In 2023, he was awarded a high award in the «Oshga Marhamat» competition, which was a highlight of our «My enterprise is my pride» holiday dedicated to the company day.

Equal rights and opportunities

GRI 405-1; 405-2

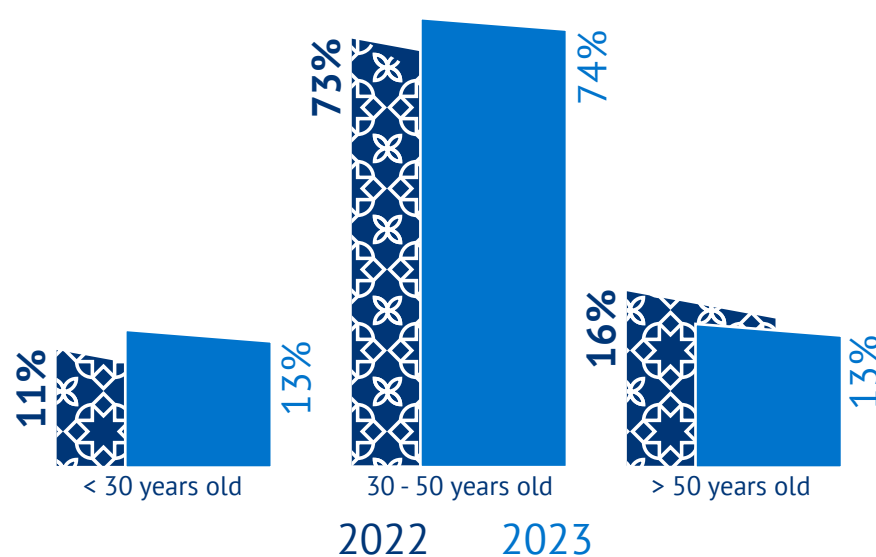
UzAuto Motors adheres to the principles of transparency and openness in personnel management, guaranteeing all employees equal opportunities for employment, career growth and professional development.

The recruitment and promotion processes are based solely on their competence, abilities and work achievements. The Company strictly adheres to the norms of non-discrimination on any grounds, including gender, ethnicity, religion and other characteristics that are not related to the professional qualities of employees.

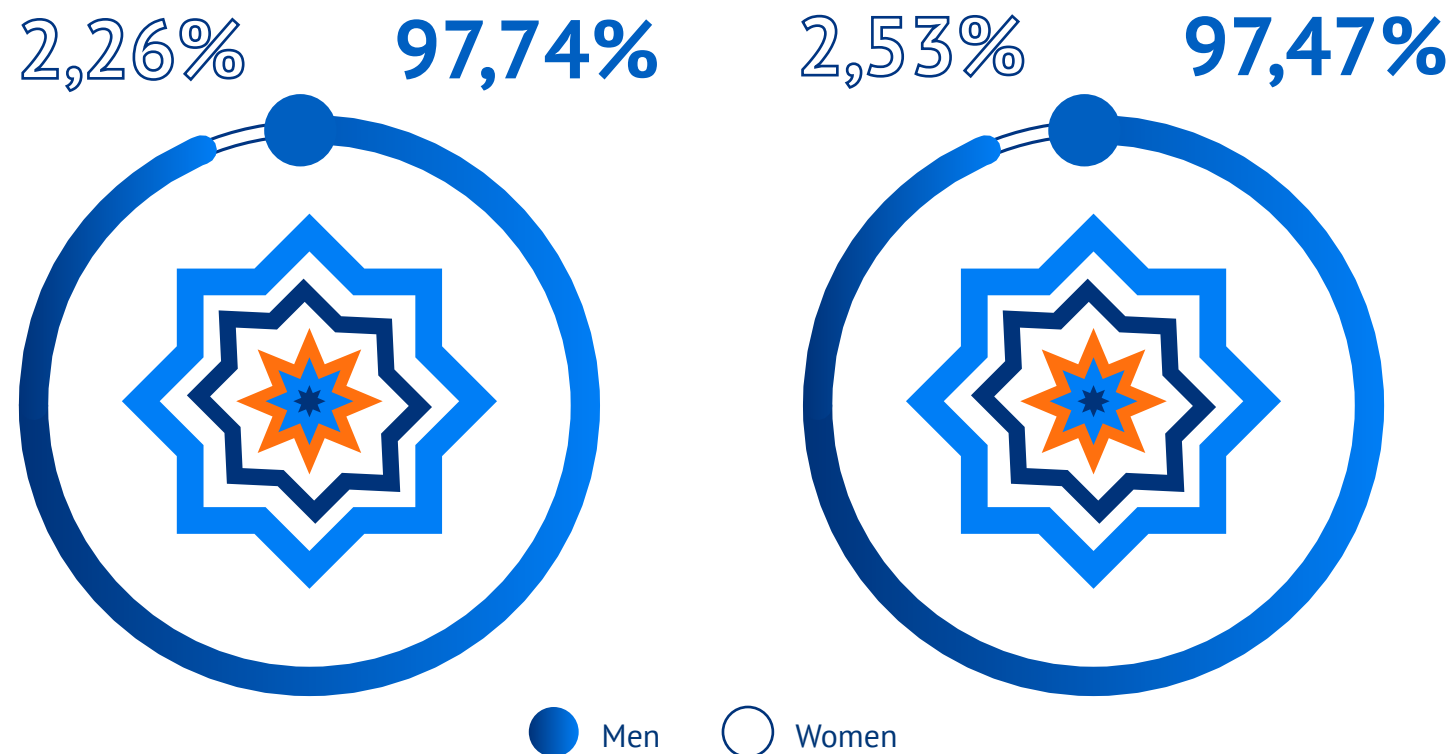
This approach ensures fair and equitable treatment of all members of the team, contributing to their professional and personal growth.

According to the Internal Labor Regulations of UzAuto Motors, discrimination in the field of labor and vocational training is prohibited. Violation of the provisions of the Labour Code of the Republic of Uzbekistan prohibiting discrimination in these areas is considered grounds for terminating the employment relationship with the employee. Diversity is intertwined with the Company's values.

Structure of members of supreme governing bodies by age groups, %



Structure of members of supreme governing bodies by gender, %



Structure of employees by age groups and categories of employees

	Heads of departments		Specialists		Work		Total	
	2022	2023	2022	2023	2022	2023	2022	2023
up to 30 years old	0.4%	0.3%	3.9%	3.9%	39.4%	45.8%	43.7%	50%
30-50 years old	2.0%	1.7%	5.6%	4.7%	42.3%	38.5%	49.9%	44.9%
after 50 years	0.3%	0.3%	0.8%	0.7%	5.3%	4.1%	6.4%	5.1%

Structure of employees by gender and categories of employees

	Heads of departments		Specialists		Work		Total	
	2022	2023	2022	2023	2022	2023	2022	2023
Men	2.6%	2.2%	9.5%	8.6%	84.9%	86.1%	97.0%	97.0%
Women	0.1%	0.0%	0.8%	0.8%	2.1%	2.2%	3.0%	3.0%

Due to the specifics of the automotive industry, 97% of UzAuto Motors employees are men. The company is aware of the need to increase the share of women both in the overall staff and in the management of the company. In this regard, it is planned to create additional conditions for improving the qualifications of women and girls in their specialties, mainly through internal and external training courses.

In accordance with Article 13 of the Law of the Republic of Uzbekistan «On Equal Rights and Opportunities for Women and Men» and on the basis of a letter of recommendation No 10/05-No 25-1064 dated October 23, 2023, Uzavtosanoat JSC decided to establish the bodies of the Advisory Council on Ensuring Equal Rights and Opportunities for Women and Men. In accordance with this recommendation, a model Regulation on the organization of the activities of these bodies of the advisory council was developed. It is planned that this advisory board will be formed in the Company. The activities of the advisory council will be carried out on the basis of the principles of legality, equality of women and men, non-discrimination on the basis of gender, humanity, patriotism, openness and transparency.

The Committee consists of 7 women employees of UzAuto Motors, who are actively involved in the development of initiatives aimed at supporting and developing women in the Company and provide advice and assistance on work and personal life.

In 2024, the Company plans to open a fitness room for female employees at the Asaka plant. The fitness room will be equipped with a trampoline, a treadmill, an exercise bike and various sports equipment. There will also be a nutritionist service for women, where you can get advice on a balanced and healthy diet, a healthy lifestyle and creating an individual menu.



GRI 405-2**Ratio of base salary between men and women**

Year	Heads of departments	Specialists	Workers	Technical and maintenance personnel
2022	0.74	0.73	0.74	0.67
2023	0.74	0.72	0.74	0.67

Ratio of the average amount of remuneration of men and women

Year	Heads of departments	Specialists	Workers	Technical and maintenance personnel
2022	0,61	0,73	0,74	0,67
2023	0,56	0,60	0,66	0,67

In UzAuto Motors, according to the Collective Agreement, the following benefits are provided for women aimed at creating favorable conditions for work and supporting their professional and personal development:

1. Working hours and vacations:

- One of the parents (guardians) of a child under three years old is set a working week of 35 hours.
- Paid maternity leave is provided 30 days earlier than the period established by law, while maintaining the average salary and length of service.
- The length of service includes the time spent on leave to care for a child up to two years old.
- One of the parents (guardians) of a child under two years of age is provided with additional breaks for breastfeeding, included in working hours and paid at the average wage.

2. Professional training and temporary employment:

- Ensuring that women whose jobs are shrinking are trained in professions that are in demand in the labor market.
- Creation of temporary jobs for dismissed women.

3. Additional benefits:

- At the request of one of the parents (guardians) of a child under eight years old, five days off a month without pay are provided.
- Women with two or more disabled children under 12 or 16 years of age are granted additional paid

leave for 4 days a year.

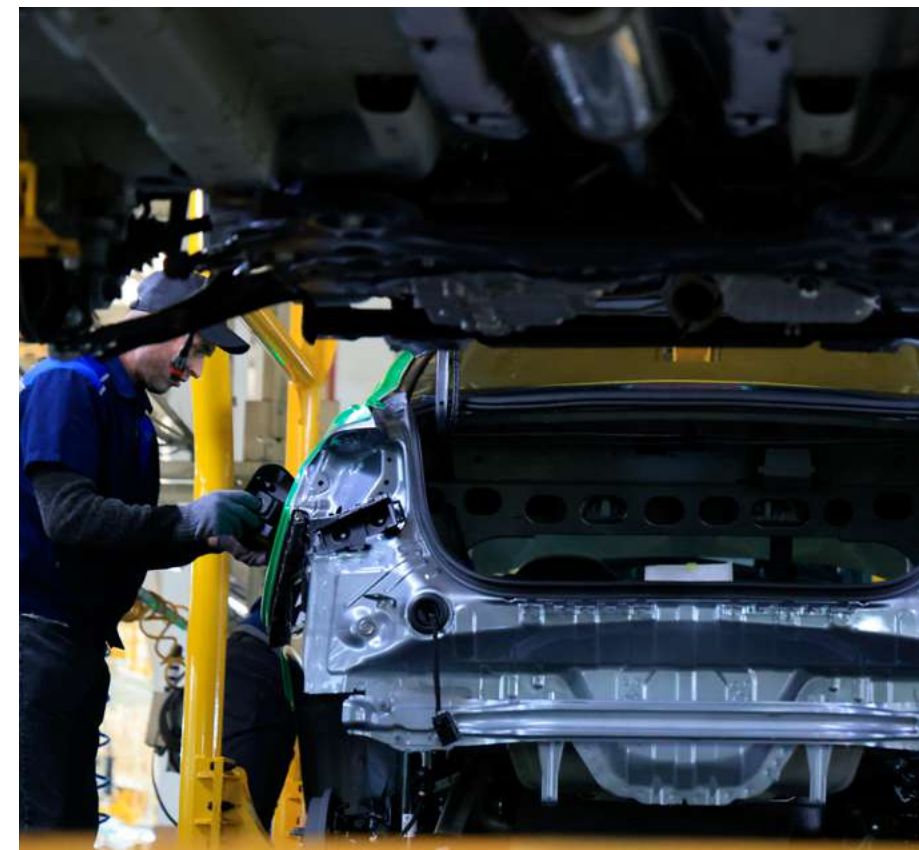
- 50% of the cost of medicines for women with difficult pregnancy and childbirth is covered by the Company.

4. Guarantees of equal rights and opportunities:

- Ensuring equal rights and opportunities for women and men in hiring and promotion.
- Elimination of wage inequality.
- Protection from harassment, violence and sexual harassment.
- Responsibility for ensuring equal rights and opportunities rests with the authorized person of the enterprise.

5. Exclusions in employment:

- When hiring employees from the «Women's Notebook¹⁶», «Youth Notebook¹⁷» and «Iron Notebook¹⁸», the initial test is not carried out.

**FROM TEACHER TO PAINT SHOP INSPECTOR****Gulirukhsorkhan Zokirova**

«Every day at work for me is not just a performance of duties, but a new challenge and an opportunity to become better. I strive not only to perform my tasks, but also to do it with love and care, putting my heart and soul into the future of our cars.»

Gulirukhsorkhan Zokirova was born in the Asaka district and worked her way up from a teacher to an inspector of the paint shop, becoming the first girl in the production of cars at UzAuto Motors JSC. Her life and professional path inspire: she combines studying at Andijan State University with a degree in Computer Engineering IT-Service with work and raising two sons. Her story is a story of perseverance, dedication and motherly love.

¹⁶ Database of individual families with difficult social situation and living conditions, as well as those taken under the control of sector leaders for registration, identification, elimination and control of problems

¹⁷ A database for identifying, solving and monitoring the problems of unemployed youth who need and want to receive social, economic, legal, psychological support, knowledge and skills.

¹⁸ Database of individual families with difficult social situation and living conditions, as well as those taken under the control of sector leaders for registration, identification, elimination and control of problems



UzAuto

Environmental Responsibility



Environmental Responsibility

GRI 2-24; 2-27; 301-1; 302-1; 302-3;
302-4; 303-1; 303-2; 306-1; 306-2; 306-3;

Significant topics:

- Water Resources Management
- Waste management
- Energy Efficiency and Greenhouse Gas Emissions
- Material Efficiency and Recycling

Highlights:

5,225
million UZS

Expenditures on environmental protection measures in 2023

1.36
million GJ

Total consumption of primary energy sources

Approach to environmental responsibility management

For the Company, environmental safety and sustainable use of natural resources in the process of production activities are the most important priorities. UzAuto Motors implements a number of measures aimed at protecting and improving the environmental situation, including effective management of water resources, minimizing the risks associated with waste and emissions into the atmosphere.

UzAuto Motors is aware of its role and responsibility in environmental protection. The company strives to ensure that its operations not only comply with environmental standards and environmental legislation, but also contribute to the improvement of the state of nature. This is achieved through the rational use of resources, the use of innovative technologies and continuous improvement of processes.



The goal of UzAuto Motors

is to minimize the ecological footprint and contribute to the sustainable development of society and the economy.

To manage environmental protection, the Company has adopted the Health, Safety and Environment Policy, which was approved by the General Director in 2023. The General Director of the Company is responsible for the implementation of the policy.

The Company's key commitments in the area of environmental protection:

- Minimization of the risks of accidents or other unforeseen situations, mitigation of the impact of their consequences on the environment.
- Environmental protection, including pollution prevention.
- Commissioning of new alternative energy sources and rational use of energy resources
- Use of technology, equipment and materials with a lower negative impact on the environment
- Optimization of production processes, reduction of specific consumption of natural resources and energy per unit of production
- Conservation of natural resources
- Reduction of production and consumption waste, their more efficient use and disposal
- Monitoring of the environmental impact of the enterprise on the environment in the production process.
- Training and involvement of department personnel on environmental issues.

Environmental Management System

UzAuto Motors has an environmental management system that aims not only to minimize the impact on the environment, but also to increase production efficiency through the rational use of resources. This system includes a whole range of standards and procedures that are focused on compliance with both national and international environmental legislation.

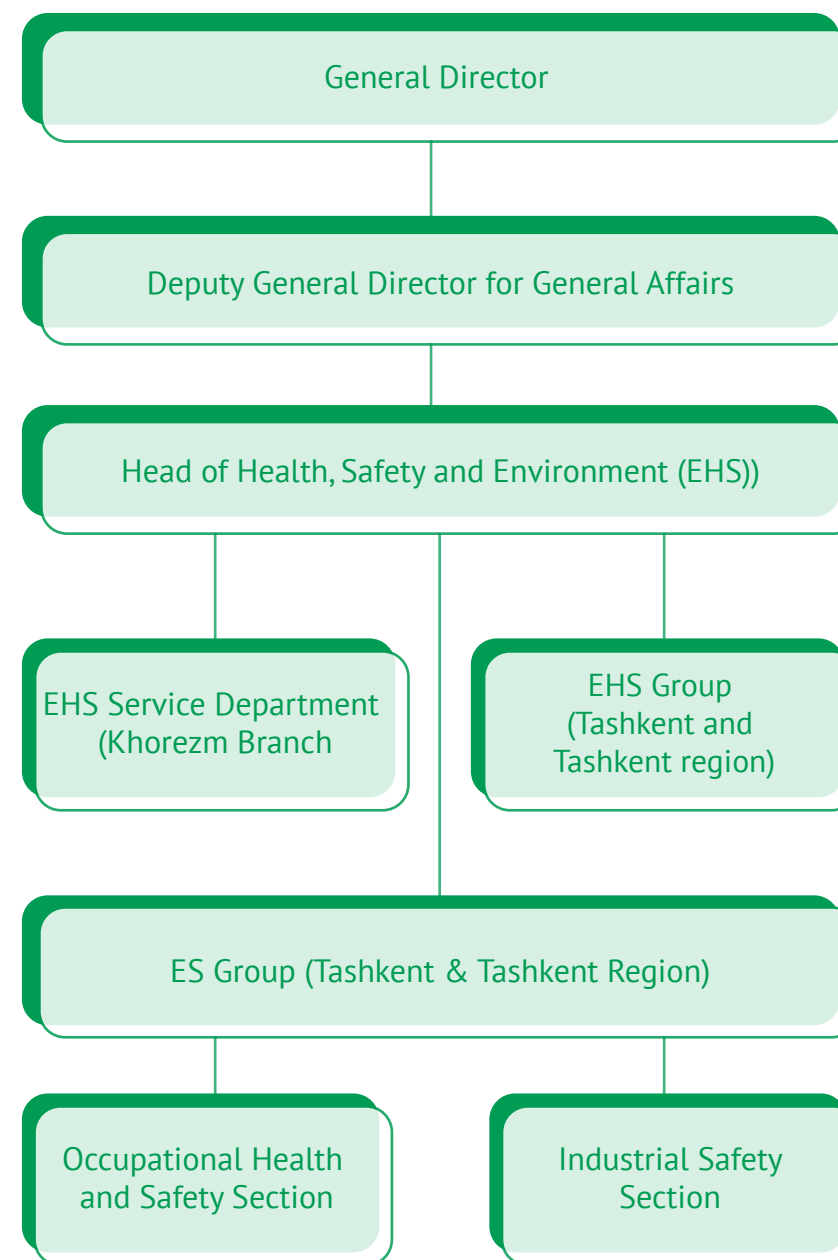
The Company's environmental policy is aimed at meeting the requirements of the current legislation of the Republic of Uzbekistan in the field of ecology and environmental protection, as well as compliance with international standards and norms. The main objectives of the policy include reducing and preventing the negative impact on the environment in the process of production activities.

As part of the company's environmental management system, a standard was introduced that determines the significant environmental factors of products and services. This standard was approved by the CEO in 2023. According to the established provisions of the standard, all production workshops, departments and divisions of the enterprise are obliged to identify, assess and manage environmental factors as part of their activities.

The Company has also approved a standard describing the procedure for identifying and assessing compliance with national and international environmental legislation. This standard, approved by the CEO in 2023, is aimed at ensuring that the Company's activities comply with the requirements of legislation in the field of ecology and environmental protection. In addition, internal documents regulate the issues of waste management, water resources and energy efficiency.

In accordance with the requirements of the Integrated Management System (IMS), internal audit is carried out annually, and external audit is carried out every three years, in accordance with the approved regulations for checking compliance with ISO 9001 and ISO 14001 standards. Based on the results of the external audit, a decision is made on the issuance or revocation of a certificate of conformity.

Organizational structure of the Health, Safety and Environment Service



Certification work is carried out by external auditors. In 2023, one internal audit was conducted. There was no external audit this year, as ISO certificates were recertified in 2022 and remain valid for three years. The next recertification audit is scheduled for 2025.

In 2024, recertification according to ISO 50001 is planned.

The environmental management system in UzAuto Motors supports environmental sustainability and is a key tool in the management of production processes, which allows the Company to be an example of responsible business in the automotive industry.

Environmental Management Structure

The General Director of the Company is responsible for the overall management of environmental protection. The Deputy Director General, in cooperation with the Head of Health, Safety and Environment (EHS), coordinates activities in these areas. The Head of the EHS Service is responsible for the management of the service, which includes organizational units of occupational health and safety, as well as industrial safety.

The Occupational Safety and Environment Section is responsible for ensuring compliance with environmental and occupational safety standards.

The Industrial Safety Section is responsible for ensuring the safety of production processes.

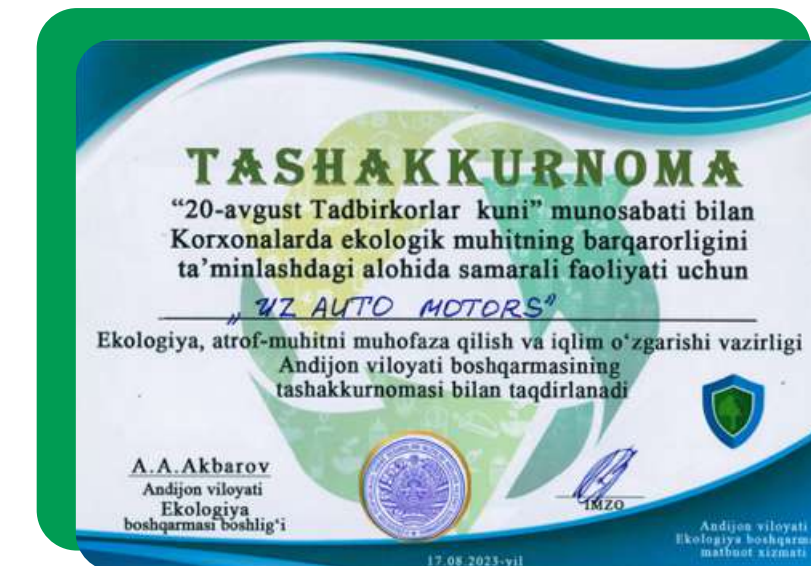
The Department and Group of the EHS Service, located in the Khorezm and Tashkent branches, are responsible for compliance with the requirements of labor protection and environmental legislation at the facilities subordinate to them.

Environmental Training

In 2023, the company organized external training for 17 employees of the health, safety and environmental service, spending about 20 million UZS on this. As part of this training, 2 staff members improved their environmental skills and 3 staff members completed ISO 14001 training and certifications. These educational programs are aimed at improving the professional knowledge and skills of employees, which confirms the desire of UzAuto Motors to comply with environmental standards..

Environmental monitoring and control systems

UzAuto Motors applies a systematic approach to the evaluation of its activities in the field of sociological and environmental management, which includes continuous monitoring, measurement, analysis and evaluation of environmental performance, as well as performance indicators. To achieve these goals, the company has developed and regularly updates the «Procedure for Conducting Health, Safety and Environmental Inspections»¹⁹. This procedure allows through careful monitoring and measurement to ensure that



In August 2023, UzAuto Motors JSC was awarded a letter of gratitude from the Andijan regional department of the Ministry of Ecology, Environmental Protection and Climate Change. The award was presented for particularly effective activities to ensure the stability of the ecological environment at enterprises as part of the celebration of the «Day of Entrepreneurs».

planned actions are carried out and corrective measures are taken immediately. The monitoring process complies with the standards established by the national legislation of Uzbekistan and the International Finance Corporation (IFC), including ISO 14001.

Reports on the results of environmental and social monitoring are regularly provided to stakeholders, confirming the company's openness and transparency in environmental management issues.

UzAuto Motors pays special attention to controlling emissions of pollutants into the atmosphere. The Company has developed a draft «ZEP» (Environmental Impact Statement) for emissions, which was approved by the State Committee of the Republic of Uzbekistan for Ecology. The project details the various contaminants coming from different production workshops. Emission standards are set depending on the production capacity of the enterprise. Based on the volume of production, the Company has a limit of emissions into the atmosphere, which is 658 tons per year.



¹⁹ Документ был утвержден начальником службы охраны труда промышленной безопасности и экологии (ОТПБиЭ), 07.09.2023

To ensure compliance with established standards and control emissions, the company uses a gas analyzer. This equipment allows you to constantly monitor the level of emissions and ensure that they do not exceed the permitted limits. Also, UzAuto Motors monitors emissions into the atmosphere on a monthly basis, which allows for continuous monitoring of the ecological state of the environment. This is an important part of the Company's environmental policy aimed at complying with environmental standards and minimizing the impact on nature.

In 2023, an internal audit of the Company's environmental activities was carried out, covering 25 IMS divisions. The audit was carried out by 14 auditors, who provided appropriate recommendations based on the results of the audit. No significant inconsistencies were identified.

According to the Resolution of the Cabinet of Ministers No 202, UzAuto Motors also keeps records of compensation payments. In case of exceeding the established limits on production capacity, the Company makes additional compensation payments in accordance with the current regulatory documents. These measures contribute to a more responsible approach to the use of natural resources and the management of environmental risks.

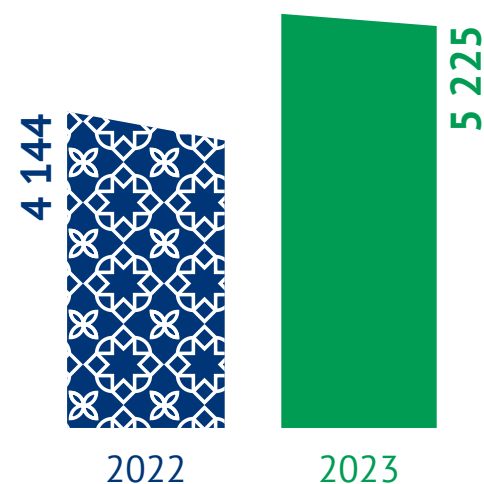
The Company's enterprises annually carry out state environmental monitoring of compliance with environmental legislation. This year, no significant violations were identified during the inspections. Environmental fines were not charged, and no accidents or incidents with significant environmental damage were recorded.

Measures in the field of environmental protection

In 2023, the Company implemented more than 10 environmental measures in the amount of 5,224.4 million UZS, covering three main goals:

- Rational use and protection of water resources, including the reconstruction of water treatment plants and wastewater treatment;
- Protection of atmospheric air;
- Rational use and protection of land resources.

Expenditures for environmental protection measures, million UZS

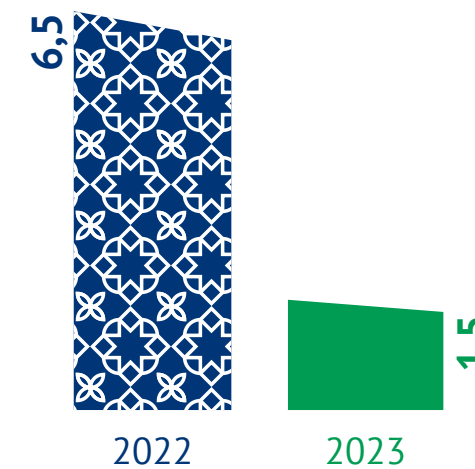


In addition, UzAuto Motors continues to invest in the environment. These investments are directed to the reconstruction of infrastructure, improvement of water supply, site improvement. In 2023, the volume of these investments amounted to 1.5 billion UZS, which is 75% less compared to the previous year, when they reached 6.5 billion UZS. Such a significant decrease in investment is due to the completion of several significant environmental projects and the decision to direct most of the payments from the 2022 profit to dividends.

In 2023, investments in the environment were directed, among other things, to the following activities:

- Reconstruction of the wastewater treatment plant in the city of Asaka
- Development of communal infrastructure in Asaka district.
- Landscaping and landscaping, improving the appearance of mahallas in the city of Tashkent.
- Implementation of the programs «Obod qishloq» and «Obod mahalla».
- Purchase of trees for landscaping.
- Reconstruction of the «Ukchi» and «Badalboy» water pressure facilities located in the Asaka district.

Investments in the environment, million UZS



Separately, it is worth noting that as part of corporate social responsibility and sustainable development strategy, the company annually holds an «Environmental Week». In 2023, various environmental initiatives were implemented during this event. In particular, in the city of Asaka the canals were cleaned in some areas, camps were organized for children from the orphanage in order to raise their awareness of the importance of nature conservation, as well as educational activities on ecology were carried out and herbariums were collected. In addition, work was carried out to clean the territory of the plant and adjacent areas

In addition, as part of the nationwide Yashil Makon project, in 2023, employees of the Andijan and Tashket branches of the Company planted 41,500 tree seedlings, and 15,134 tree seedlings were planted in Pitnak. These actions reflect the Company's contribution to the development of an environmental culture among employees and the local community, which is a key aspect of environmental responsibility.



Climate Change

GRI 3-3

The Company is aware of the importance of the global climate change agenda and actively supports the development of climate initiatives in the Republic of Uzbekistan. As part of these efforts, the official launch of a joint venture with the Chinese company BYD - BYD Uzbekistan Factory is scheduled for early 2024. This enterprise will specialize in the production and sale of cars on new energy sources, which will allow us to offer the market environmentally friendly and economical transport solutions.

Work on the climate agenda is at an early stage, and the Company plans to gradually introduce it into the corporate governance system. In the future, the climate agenda will become one of the central elements of the Company's management strategy.

Approach to managing climate change

At UzAuto Motors, internal standards and procedures related to work on greenhouse gas (GHG) emissions and pollutants are based on the Decree of the President of the Republic of Uzbekistan, which defines measures to improve the effectiveness of reforms aimed at the transition to a green economy until 2030²⁰.

The Health, Safety and Environment Service is responsible for coordinating activities to reduce the environmental impact of production processes and ensure compliance with environmental standards, which, among other things, coordinates work related to GHG and pollutant emissions.

The Company began systematic calculations of GHG emissions in 2022, focusing on two main production facilities in the cities of Asaka and Pitnak. This approach was maintained in the reporting year, given that these facilities make a significant contribution to total GHG emissions due to intensive production activities, including electricity consumption in production, as well as from stationary and mobile fuel combustion, in particular natural gas, diesel fuel and motor gasoline. The calculation was made based on the conversion factors of EPA²¹ (US) and EIA²² (US).

In the next reporting year, the Company plans to improve its approach to calculating greenhouse gas emissions using generally accepted methodologies for calculating emissions (GHG Protocol or IPCC) and ensure that information disclosures comply with the requirements of GRI standards. This will not only improve the accuracy of data, but also improve transparency as part of the Company's corporate responsibility to stakeholders.

Volume of greenhouse gas emissions by production facilities, in tons of CO2-eq

Sector	Type of fuel	2022			2023		
		Asaka	Pitnak	Total in the company	Asaka	Pitnak	Total in the company
Production	Total Renewable Energy Use (Quantity per Period)	-9.43	-55.42	-64.85	-50.83	-95.57	-146.40
Production. Supply of resources	Electricity	11,768.10	36,746.66	48,514.76	13,274.40	39,652.89	52,927.30
	Natural gas	7,163.61	21,816.10	28,979.71	8,811.59	17,939.84	26,751.43
Production emissions	Petrol	1,575.70	6,414.29	7,989.99	101.90	575.06	676.96
	Diesel	8,619.32	11,761.47	20,380.79	892.72	28,785.97	29,678.69
	Methane	685.47	717.40	1,402.87	662.07	671.92	1,334.00
	Butane Propane	-	3.61	3.61	-	85.46	85.46
	Other	-	6.73	6.73	-	-	-
Office	Electricity (administrative)	3,046.76	633.17	3,679.93	25.53	4.24	29.76
	Natural Gas (Administrative)	1,582.03	234.81	1,816.84	-	5.18	5.18
Waste disposal	Energy spent on internal recycling or waste management	-	6.43	6.43	-	4.30	4.30
Total estimated GHG emissions, CO2-eq			34,431.56	78,285.25	112,716.81	23,717.38	87,629.28



The largest contribution to greenhouse gas emissions is made by the consumption of electricity required for production processes. In 2023, a decrease of 1,370.15 tonnes of CO2-eq was recorded.

21.3% of GHG emissions come from the Asaka production facility and 78.7% from the Pitnak facility.

0.282 tons of CO2-eq per vehicle produced was the specific volume of greenhouse gas emissions in 2023. (2022: 0.344 tons of CO2-eq per vehicle produced).

Key measures taken and plans of the Company in the field of climate change

- **Increasing the use of renewable energy:** In 2023, solar panels were installed at the Asaka City branch, increasing the share of renewable energy in the Company's total energy consumption.
- **Installation of an automatic monitoring station (Ecopost)** for continuous monitoring of harmful emissions into the atmosphere.
- **Obtaining a Green Certificate (I-REC):** The Company is actively working to comply with the environmental laws of the Republic of Uzbekistan and implement measures aimed at improving environmental efficiency and reducing the carbon footprint, which will allow it to obtain a Green Certificate (I-REC).

²⁰Resolution of the President of the Republic of Uzbekistan «On measures to improve the effectiveness of reforms aimed at the transition of the Republic of Uzbekistan to a «green» economy until 2030»

²¹Environmental Protection Agency

²²Energy Information Administration

Energy Efficiency and Climate Impact

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

UzAuto Motors' production processes require significant energy consumption. In order to minimize the impact on the environment and reduce the ecological footprint, the Company attaches particular importance to programs to reduce and optimize energy use at all its enterprises.

The main types of energy consumed in the Company during production:

- electrical energy;
- diesel fuel;
- natural gas;

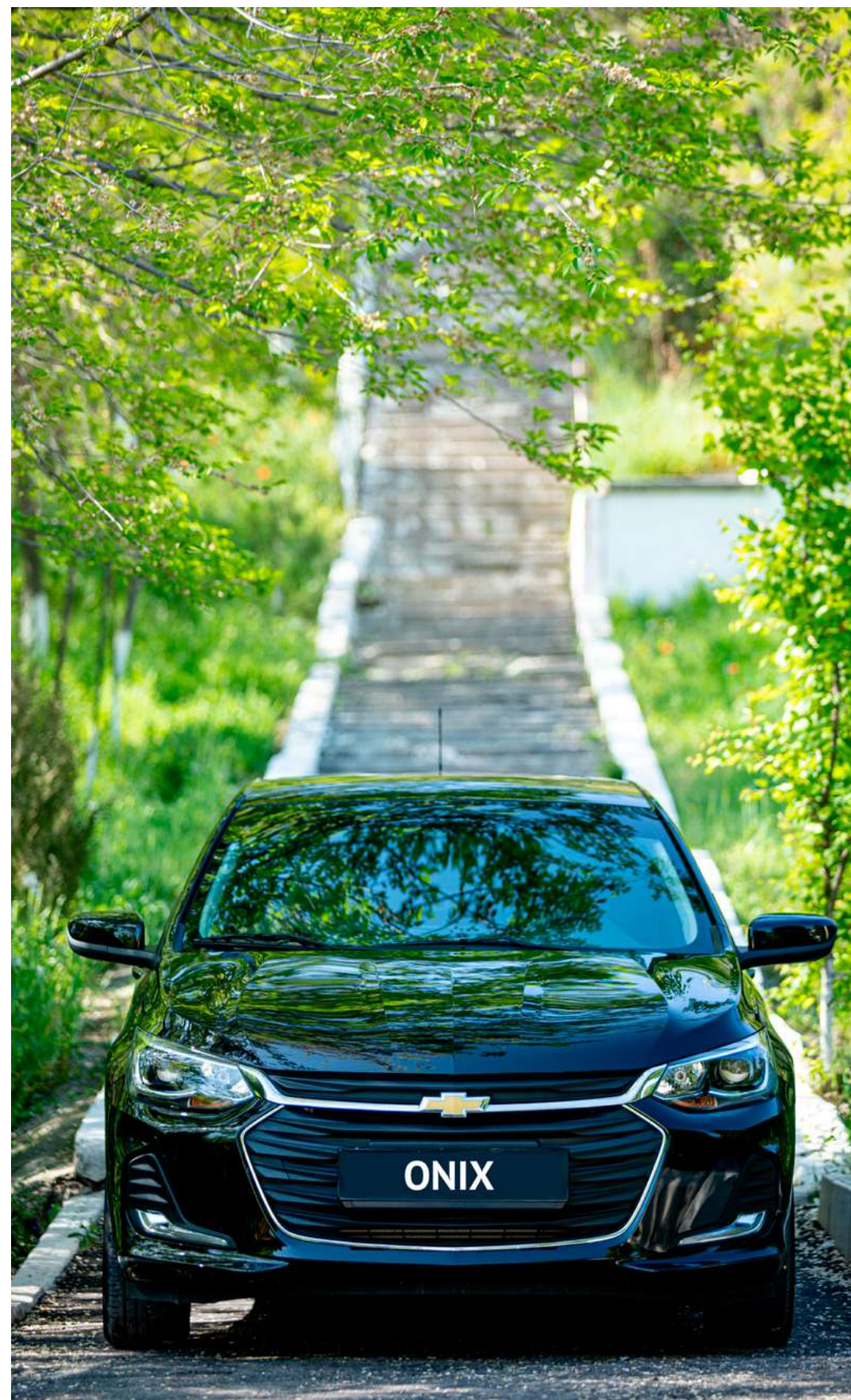
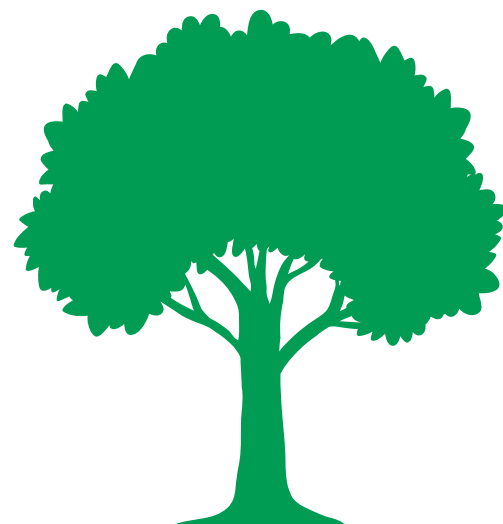
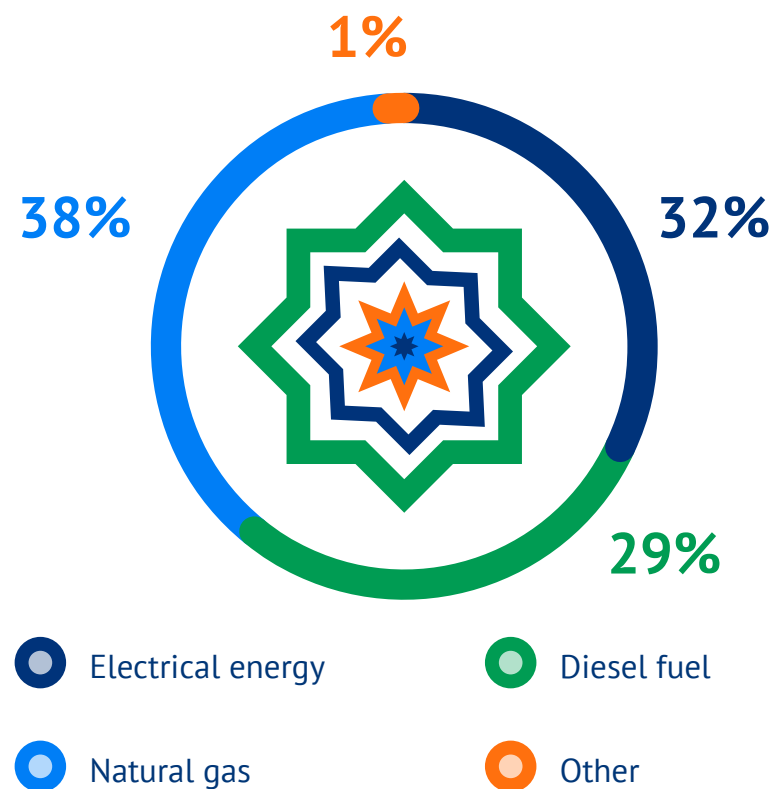
Energy Management System

Responsibility for the management of energy issues in the Company is assigned to the Utilities division. All energy initiatives are carried out in strict accordance with internal policies and procedures that comply with international standards. The main goal of the Company in the energy sector is to optimize consumption and increase the efficiency of energy use in production processes. The ISO 50001 certification underlines the seriousness of the Company's intentions to achieve these goals and demonstrates its commitment to improving the management of energy systems.

1.36 million GJ

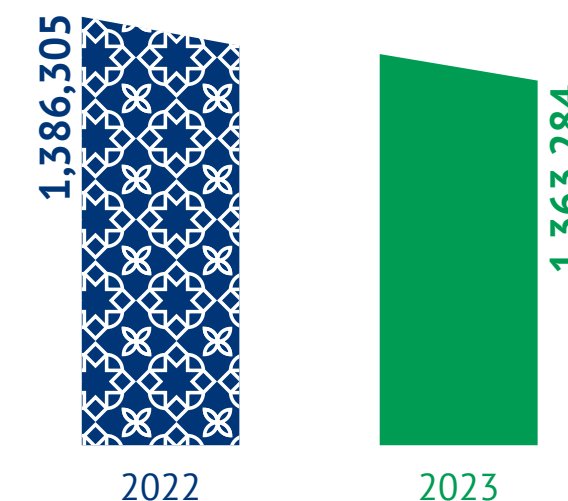
is the total consumption of primary energy sources for 2023

The structure of the company's primary energy consumption in 2023, %



The key sources of energy for the Company are natural gas and electricity, which are widely used in production and technological processes. Although diesel fuel is used in smaller volumes, it still plays an important role in the Company's transportation and production operations. Other energy sources still account for a small part of the Company's overall energy mix.

Total energy consumption within the organization, GJ



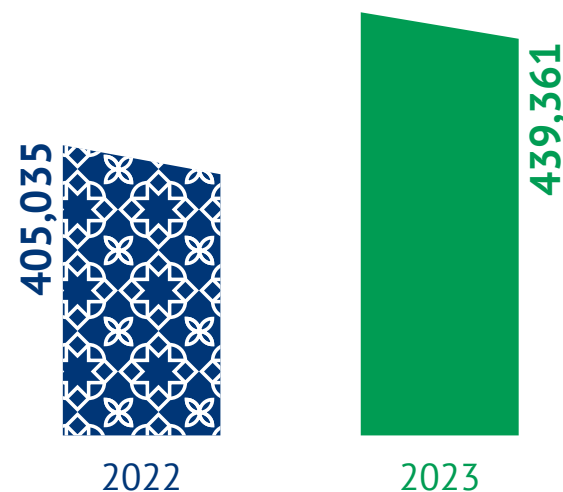
The Company's total energy consumption in 2023 decreased by 2% compared to the previous year. Commercial metering devices are used to accurately measure the consumption of electricity, heat and steam in production. The main consumer of energy resources is the production complex in Asak, which produces more than two-thirds of the annual volume of cars. The share of this plant in total energy consumption in 2023 was about 79%. The branch in Pitnak consumed approximately 21% of energy resources, while the branch in Tashkent, where production facilities are not located, accounted for less than 1% of consumption.

Diesel fuel and natural gas account for a significant part of the consumption of fuels and lubricants, and in recent years there has been a trend towards an increase in the use of diesel fuel in all branches. The main reason for the increase in diesel fuel consumption was the increase in the volume of transportation of finished vehicles.

Total consumption of combustible fuel GJ

Fuel Type	2022				2023			
	Asaka	Pitnak	Tashkent	Total in the company	Asaka	Pitnak	Tashkent	Total in the company
Diesel fuel	352,501	5,461	95	358,056	382,827	11,872	99	394,798
Propane	-	-	-	-	1,423	-	-	1,423
Natural gas	425,351	184,108	1,176	610,635	347,376	162,797	7	510,180
Petrol	3,717	787	4,220	8,725	8,474	1,502	3,714	13,690
Oil and lubricants	1,852	-	-	1,852	2,205	-	-	2,205
Total	783,421	190,356	5,491	979,268	742,307	176,171	3,820	922,297

Total electricity consumption* (GJ)



The company is actively introducing environmentally friendly technologies. In 2022, the total electricity consumption was 405,035.31 GJ, of which 78.37 GJ came from self-generation with solar panels, accounting for approximately 0.02% of the total consumption.

In 2023, total electricity consumption increased by 8.5%, reaching 439,361.59 GJ. In the same year, the share of consumption from its own solar power generation increased significantly – more than 15 times, reaching 1,217.18 GJ, which is about 0.28% of total consumption. This increase is due to the expansion of the solar panel fleet and the Company's efforts to reduce dependence on external energy sources.

UzAuto Motors continues to invest in the development of its own energy resources, in particular in solar panels, which allows the Company not only to reduce the environmental footprint of its activities, but also to optimize energy costs in the long term. These steps strengthen UzAuto Motors' position as an innovative and environmentally responsible company in the automotive market.

In 2023, a solar power plant consisting of 130 panels with a total capacity of 36 kW/380 V was successfully launched on the territory of the Asaka branch. The plant is expected to produce up to 108 MW of electricity per year. The installation of the station was carried out in cooperation with the company «SOLAR POWER» and includes the ON GRID

system, which allows you to effectively integrate solar energy into the overall energy system of the enterprise.

The company is also installing additional solar panels with a total capacity of 2100 kW, consisting of 3800 modules. The implementation of this project is carried out under a contract with the company «Yashil Energiya» LLC and is at the stage of launch. The projected annual capacity is 1,860,000 kWh.

26 solar water heating panels were installed in the SKD logistics paint shop and garage facilities, each capable of heating up to 300 liters of water, providing a total capacity of 7,200 liters. These panels are already in use and are covered by a 5-year warranty. It is planned to further expand the use of solar panels in production halls with the aim of installing an additional 100 kW of power over the next 10 years, which will amount to 10 kW per year. The warranty for new panels will be 15 years, and for inverters - 5 years.

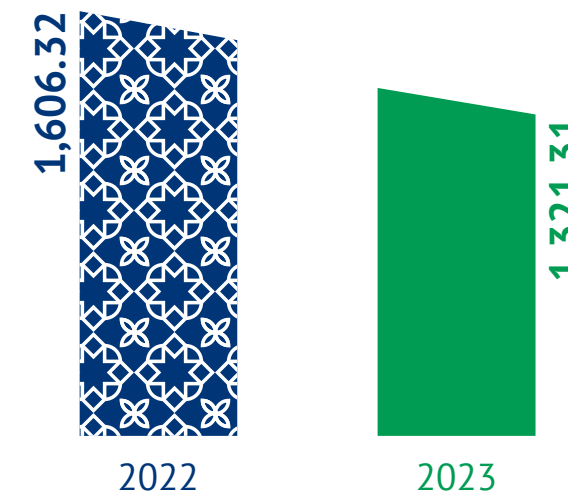
Energy saved through the implementation of the project for the use of solar water heating panels at the facilities of UzAuto Motors

Type of energy saved	Units. lsm.	Hourly savings	Save in 6 months	Amount of water heated per day (liter)
Electricity	kW*s	4	7,200	2,000
Natural Gas	m3	92.7	174,960	

The data presented demonstrate quantitative indicators of energy and resource savings achieved through the introduction of solar technologies at the UzAuto Motors enterprise.

In addition to the active use of solar energy to generate electricity, UzAuto Motors also produces steam at the production facility in Asak, which is used in various production processes. In 2022, the Company consumed 1,606.32 GJ of steam, while in 2023 the total amount of steam consumed by the Company was 1,321.31 GJ. This decrease in steam consumption is due to the replacement of the old boilers installed in 1996 with a capacity of 25 tons per hour with new energy-efficient boilers with a capacity of 10 tons per hour.

Total electricity consumption* (GJ)



* Total electricity consumption takes into account data for all branches, including both purchased and self-produced electricity.

Reduced energy consumption

1,924 billion UZS - made it possible to save energy-saving measures

UzAuto Motors is aware of the importance of efficient energy use and actively implements energy saving measures. These activities not only contribute to reducing the environmental impact, but also lead to significant financial savings. Starting with a focus on energy efficiency, the company has achieved impressive results.

The total amount of energy saved from the implementation of energy efficiency initiatives was **2,180.4 GJ**. A table is provided below with a breakdown of each initiative, showing the actual effect of the savings.

Energy efficiency and conservation initiatives

List of initiatives	Actual effect of savings from the implementation of initiatives	
	Saved GJ energy	Savings of financial resources, million UZS
Installation of a low-power air compressor.	157.1	142,045.2
Replacement of lighting lamps in warehouses in the container area with energy-saving lamps (16 pcs.)	38.7	32,864.4
Replacement of the DE 25-14 GMO type boiler unit located in the technological boiler house (Communal Center) with a 10 t low-power boiler unit.	330.2	280,704
Control of electric motors of cold and hot air fans in the welding shop No1 through a frequency converter (18 5 kW) (22 kW).	363	315,447
Installation of a solar power plant (Total capacity 75 kW).	273.8	237,262.5
Save energy by increasing the utilization factor of equipment and equipment on the factory floor	1,017.6	915,651.5
Total	2,180.4	1,923,974.6

Energy consumption

3.42 GJ

is the total energy intensity per 1 unit of vehicle in the Company²³

The calculation of the specific energy intensity of production was carried out taking into account the consumption of energy resources in Pitnak and Asak, where the Company's production facilities are located. These locations are key to the total energy consumption and represent the main points of analysis of the Company's energy efficiency. The branch in Tashkent is not involved in the production of cars, so its share in the total energy consumption is significantly lower compared to the production facilities in Asaka and Pitnak and is only 0.4% of total consumption.

3.75 GJ

is the total energy intensity per 1 unit of car in Asaka

2.52 GJ

is the total energy intensity per 1 unit of car in Pitnak



Plans for 2024 and the medium term

In 2024, UzAuto Motors plans to continue implementing measures to improve energy efficiency, which include plans for:

- Installation of a low-power air compressor.
- Replacement of lighting lamps in warehouses in the container area with energy-saving lamps.
- Replacement of the DE 25-14 GMO boiler unit located in the process boiler house (DC) with a low-power boiler unit of 10t type.
- Control of electric motors of cold and hot air fans in welding shop No1 through a frequency device (185 kW) (22 kW).
- Installation of a solar power plant (Total capacity 75 kW).
- Save energy by increasing the utilization factor of equipment and equipment on the factory floor

Waste Management and Use of Recycled Materials

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

Approach to waste management

UzAuto Motors strives to reduce the amount of waste generated during its production activities and increase the list of waste involved in recycling.

The Company has implemented programs aimed at improving the efficiency of waste management. An integrated approach to waste management is envisaged, including centralized and orderly collection, sorting and processing of waste - a system of a single recycling flow.

Containers for separate waste collection are installed in the areas for employees:

- Green containers - for collecting household waste;
- Yellow containers - for collecting industrial rags and gloves;
- Red containers - for collecting paper waste.

Household waste is collected in specially designated places and transferred for disposal to a state unitary enterprise under a contract.

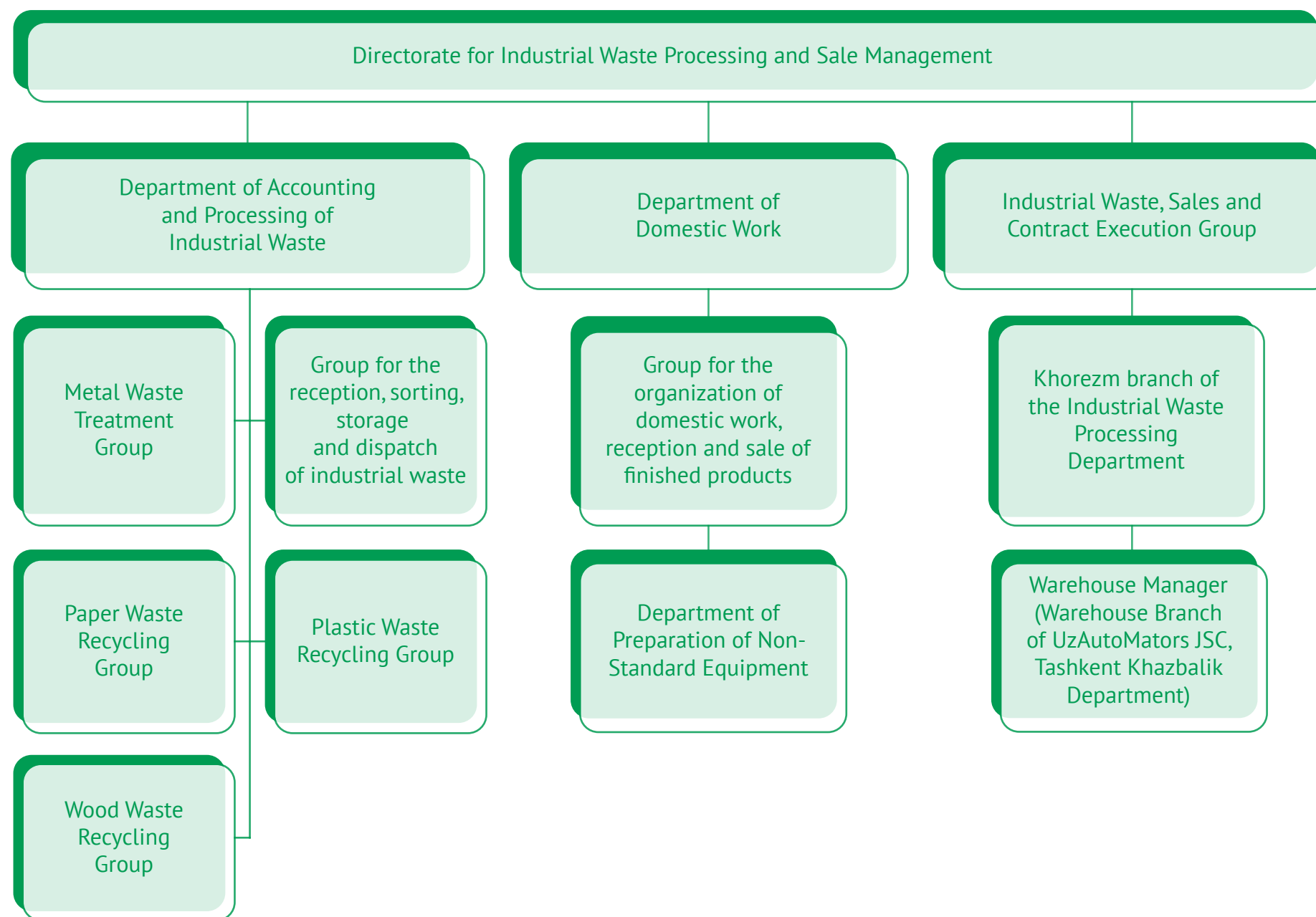
The company is responsible for the management of hazardous waste, ensuring its proper storage, labeling and disposal. To ensure the safe management of hazardous waste, the Company strictly complies with regulations and standards.

UzAuto Motors provides quarterly reporting for management and the Supervisory Board, which includes indicators such as waste reduction, recycling rates, resale of waste for upcycling and hazardous waste management.

²³The Company's energy efficiency is calculated by dividing the total energy consumption by the total number of vehicles produced.

The Directorate for Management of Industrial Waste Processing and Sale at UzAuto Motors is responsible for waste management operations. The structure of the Directorate is as follows:

Waste management structure at UzAuto Motors



Waste management in the Company is carried out in strict accordance with the regulatory and legislative documents of the Republic of Uzbekistan in the field of environmental safety and waste management.



Volume of resources used by UzAuto Motors to produce million tons

Resources	2023
Wastepaper	12,900.46
Metals	88,614.79
Wood	11,847.16
Others (plastic, polyethylene, sludge, plastic, rubber, etc.)	3,403.07

GRI 306-1; SASB TR-AU-440b.1

The bulk of the Company's waste is non-hazardous waste, in particular metals. Key processes at UzAuto Motors that lead to waste generation include:

Processes of generation of the main types of waste in UzAuto Motors

Type of waste	Operating process resulting in waste generation
Scrap	Formation of scraps and metal waste during stamping, cutting and welding of metal parts; Car maintenance and repair.
Wood waste	Use of wooden pallets, packaging and molds for transportation and storage of automotive components;
Cardboard, paper, waste paper	Using Cardboard and Paper to Pack Auto Parts and Components
Metal and plastic drums	Using drums to store and transport liquid materials such as oils, solvents and chemicals in the automotive manufacturing and maintenance process

GRI 306-2

UzAuto Motors is responsible for the safe management of waste. The Company strives to reduce the volume of waste generation: the reduction of industrial waste in the reporting year was achieved through the introduction of reusable packaging of components imported from local and joint ventures.

The company regularly monitors waste disposal sites in accordance with the internal standard of UzAuto Motors No 23ST-4610-00177 dated July 27, 2023.

GRI 306-2

Waste generation by hazard class, tonnes

	2021	2022	2023
Total hazardous waste generated, including:	1,737.77	2,321.24	2,247.96
Class 1	0.36	-	-
Class 2	135.38	190.98	161.07
Class 3	1,602.03	2,130.26	2,086.89
In total, non-hazardous waste was generated, including:	51,229.24	72,185.34	95,086.16
Wastepaper	6,090.56	9,213.53	11,498.23
Metals	37,975.07	53,926.12	70,348.22
Wood	4,874.41	6,726.46	10,365.58
Plastic	2,289.20	2,319.23	2,874.13

Recycling and Resource Management Initiatives

UzAuto Motors' waste management system is comprehensive and includes sustainable design and production, recycling and reuse, hazardous waste management, waste reduction and performance monitoring.

UzAuto Motors is actively implementing initiatives to reduce waste generation at its facilities. These initiatives include reducing packaging waste, phasing out single-use products and implementing composting programs to minimize the amount of waste originally generated.

The company is actively introducing waste recycling: paper waste is processed into cardboard, steel scraps are used to make metal pipes, and the remaining materials are sold through sale to individuals and the state.

Also, food waste generated at the enterprise is sold on a contractual basis as pet food.

The company sells a number of industrial waste through an online auction on the xarid.uzautomotors.com platform. This approach reduces the cost of production and promotes the reuse of industrial waste, which is in line with the principles of sustainable development.

During the reporting year, the following results were achieved through the xarid.uzautomotors.com platform:

- Volume of waste sold: **95,086.16 tons**;
- Income from waste sales: **168.08 billion UZS**;
- Number of auctions: **6,229 lots**.

Support for domestic workers (homeworkers)

UzAuto Motors actively supports the state initiative for the development of home-based work aimed at providing employment and increasing incomes of the population. As part of this initiative, the company maintains a network of 176 homeworkers who make various products from the Company's waste. All homeworkers are official employees of UzAuto Motors and their remuneration depends on the amount of work performed and the volume of sales. Homeworkers collect and store materials, manage contracts and sales, and organize teams of their family members to efficiently complete tasks.

Plans for 2024 and the medium term

- Optimization of industrial waste disposal: Implementation and development of mechanisms for the sale of industrial waste through auctions and other platforms such as UZEX and electronic auctions.
- Implement waste reduction programs: Develop and implement initiatives and strategies to reduce waste generation during production and operation, including the implementation of the principles of resource conservation and reuse of materials

Water Consumption and Protection

GRI 3-3; 303-1; 303-2;

Approach to water resources management

GRI 3-3, 303-1

UzAuto Motors adheres to a responsible approach to managing the impact on the environment, paying special attention to the rational use of water resources. The Company's Utilities Department is responsible for water management.

The Company's water management activities are regulated in accordance with the regulatory and legislative documents of the Republic of Uzbekistan related to water use and protection of water bodies.

UzAuto Motors, taking into account the geographical features of the region of location, faces a certain shortage of water resources. In order to minimize risks and improve the situation in this area, the Company is actively taking measures to modernize its infrastructure. In 2021, significant measures were taken in Asak, where UzAuto Motors plays a key role as a city-forming enterprise, to replace outdated pipelines and equip the region with a new sewerage system. These actions contribute to improving the quality of water supply and sanitation in the region, and also demonstrate the Company's commitment to solving environmental and infrastructure problems in the territory of its presence.

The Company also takes the following measures to reduce its impact on water resources:

- **Procurement of chemical pumps:** Purchase and installation of chemical pumps for water treatment plants.
- **Acquisition of facilities for the preparation of chemicals:** Purchase and implementation of equipment for the preparation of chemicals used in water treatment processes.
- **Installation of oil recovery plants:** Installation of oil separators for the efficient capture of oil products in wastewater.



To monitor the impact on water resources, the company conducts regular audits, which makes it possible to assess the effectiveness of the measures taken and adjust management decisions. UzAuto Motors has developed an action plan to obtain drinking water from an artesian well from the territory of the plant in Asaka city.

The Republic of Uzbekistan is experiencing a shortage of water resources. In this regard, UzAuto Motors is aware of the importance of rational use of water resources in the process of its activities. The Company is constantly striving to improve its water management system

Water consumption of UzAuto Motors facilities is carried out from groundwater and municipal water utilities. Water is used for industrial, drinking and fire-fighting needs.

To ensure uninterrupted water supply to production facilities, the Company diversifies water supply sources. UzAuto Motors carries out water intake through a third-party organization that provides reliable storage of water in factory tanks. In addition, the Company also uses artesian wells to expand water sources.

100% used by UzAuto Motors is fresh, since there are technical requirements for water quality in the production process. The company takes all necessary measures to mitigate the impact on water resources: wastewater is thoroughly treated, and a recycling water supply system is used, which significantly reduces the consumption of fresh water and minimizes the negative impact on the environment.

UzAuto Motors facilities are located in regions experiencing water stress. Andijan region, where the Asaka plant is located, has a water stress index of 3.39 (high stress), and the Khorezm region, where the Pitnak plant is located, has a water stress index of 2.95 (medium-high stress) according to the classification of the Aqueduct Atlas²⁴ for the manufacturing sector.

Wastewater

GRI 303-2

The Company strictly adheres to the maximum permissible discharge standards. The water used in the production process is renewed every 3-4 months, depending on its condition. After this period, the water is chemically treated at the Company's specialized treatment facilities, then passes through filters and sedimentation ponds.

Limits were set for each of the pollutants, which were regulated by the Company's maximum permissible concentrations (MPC), and more stringent standards were set for pollutants such as iron, nitrogen, ammonium and nitrate. The Company strictly complies with the established maximum permissible discharge standards.

After that, a laboratory analysis is carried out and, based on its results, the purified water in accordance with the established «Social and Environmental Standard» is also guided by:

- Water Treatment Plant Laboratory Operating Procedure Ts15359652-18100-01-2023
- Industrial Wastewater Treatment, Waste Collection and Disposal Procedure Ts15359652-18100-02:2023
- Decree of the President of the Republic of Uzbekistan No PQ-4040 dated November 30, 2018 «On additional measures for the development of drinking water supply and sewerage systems in the Republic of Uzbekistan»
- Resolution of the Cabinet of Ministers No 820 of October 10, 2018 «On measures to further improve economic mechanisms for ensuring environmental protection»

Wastewater is cleaned of pollutants. UzAuto Motors applies physical and chemical methods of analysis to accurately determine the composition and concentration of pollutants, which ensures high-quality cleaning and compliance with environmental standards.

Rainwater is also purified at the enterprises of UzAuto Motors for its subsequent use in domestic needs. Precipitation is accumulated in an accumulating tank, from where it is pumped by a submersible pump to the treatment unit «K80-50-160». In the unit, rainwater sequentially passes through a sedimentation tank, where suspended solids and sand are captured requirements for maximum permissible concentrations (MPC) of pollutants in water bodies.

Plans for 2024 and the medium term

- Installation and monitoring of a modern water meter for water consumption metering;
- Increasing the use of existing underground wells;
- Organization of control over the discharge of pollutants, including those generated with rain and storm water, into surface water bodies or into the territory of the enterprise (in accordance with the limits of permissible discharges);
- Development of new environmental standards and obtaining an environmental expert opinion to ensure compliance with environmental protection requirements.



²⁴Water stress in the regions of presence is determined according to the GRI recommendations.

UzAuto

Cooperation with customers and suppliers



Cooperation with customers and suppliers

GRI 2-6, 2-29, 204-1; 418-1

UzAuto Motors strives to provide the population of Uzbekistan and neighboring countries with cars of the highest quality. The company focuses on establishing productive business relationships with suppliers and contractors to effectively manage risks in the supply chain and ensure business continuity. Improving the quality and safety of products is one of the main goals of the Company, and customer focus is one of the key principles of work.

Significant topics:

- Product Safety
- Cybersecurity and data privacy

Highlights:

- The company increased car production by 20.7%.
- 2.8 billion dollars. USD volume of the Company's purchases in the reporting year
- 95 dealerships, 67 of them provide services
- 60% localization rate

Customer Engagement Approach

GRI 2-29

UzAuto Motors is a leading car manufacturer in Uzbekistan, offering a wide range of vehicles for both individuals and corporate clients. The company builds long-term relationships with customers, adhering to high standards of fairness and ethics in cooperation. UzAuto Motors is actively developing its dealer network and online platforms to increase the availability of products and reduce costs for customers.

Key documents of the Company in the field of customer relations:

- Rules of Retail Trade in the Republic of Uzbekistan, approved by the Decree of the Cabinet of Ministers dated February 13, 2003 No75;
- Code of Conduct for Business Partners of UzAuto Motors;
- Law of the Republic of Uzbekistan «On Protection of Consumer Rights».

Management systems

Certified management systems operate at the enterprises of UzAuto Motors, which is a guarantee of the quality of products that fully meet the requirements of the Company's customers.

UzAuto Motors has successfully passed certification according to the following international ISO standards:

- ISO 9001:2015 – a standard for a product quality management system that contributes to improving the Company's activities and meeting customer expectations;
- ISO 14001:2015 – a standard for environmental management systems that contributes to improving environmental performance through more efficient use of resources;
- IATF16949 is an international industry standard, as well as a technical specification that describes the requirements for quality management systems of enterprises engaged in the

design, development, production, installation and maintenance of automotive products.

- BIQ IV is the product quality standard by which GMS, General Motors' global manufacturing system, classifies all plants of the corporation.

Regular recertification confirms the compliance of the Company's management systems with international best practices and underlines our commitment to continuous improvement.

Customer service

GRI 2-29

UzAuto Motors offers customers various convenient ways of interaction to ensure high quality service:

- **Online forms on the official website of UzAuto Motors**, to which qualified specialists of the Company promptly respond
- **Dealerships** that provide personalized service and advice
- **The Company's communication channels** specified in the Corporate Governance section, through which information and assistance can be quickly obtained



Uz Auto Motors dealer network

Internal network in the Republic of Uzbekistan		External network abroad	
Location	Quantity	Location	Quantity
Tashkent	22 (incl. 9 service centers)	Republic of Azerbaijan	1
Andijan region	5 (incl. 5 service centers)	Ukraine	1
Bukhara region	5 (incl. 4 service centers)	Republic of Kyrgyzstan	1
Jizzakh region	7 (incl. 5 service centers)	Armenia	1
Kashkadarya region	5 (incl. 1 service center)	Republic of Tajikistan	1
Namangan region	6 (incl. 5 service centers)		
Navoi region	4 (and 4 service centers)		
Samarkand region	4 (incl. 3 service centers)		
Surkhandarya region	2 (incl. 2 service centers)		
Syrdarya region	3 (incl. 3 service centers)		
Tashkent region	12 (incl. 5 service centers)		
Fergana region	11 (incl. 7 service centers)		
Khorezm region	5 (incl. 2 service centers)		
Republic of Karakalpakstan	4 (incl. 3 service centers)		

Before buying a car, UzAuto Motors offers free test drives to help customers make an informed choice and evaluate the quality and performance of cars. Service is provided **in English, Russian and Uzbek**, providing convenience and accessibility for a wide range of customers.

The policy of UzAuto Motors guarantees its customers the maintenance and repair of cars in case of malfunctions. All cars purchased from authorized dealers are covered by a warranty that is valid for 36 months or 100 thousand km from the date of acceptance of the car by the owner - whichever comes first.

The car maintenance procedure at UzAuto Motors consists of several stages:

- First, the car is accepted and problems are analyzed: the client contacts the dealership or uses online forms on the official website. The Company's specialists accept the application and conduct an initial diagnosis of the malfunction.
- Next, a full diagnosis is carried out, the car is handed over to the task force to identify all malfunctions and determine the necessary repair work.
- Then the approval and ordering of spare parts takes place: a list of required spare parts is drawn up, which are ordered in the spare parts department.
- The next stage is repair work, where service specialists perform all the necessary work in accordance with the established quality standards. Once the repair is complete, the vehicle undergoes quality control, including a re-inspection of all systems, and is then handed over to the customer.
- The final stage is the provision of information about the work performed: after the completion of service work, all the necessary information is transferred to the Company's Quality Control Department

10 minutes

processing time at the dealership

25 minutes

processing time through the online form

24 hours

repair time

The company monitors the number of claims for warranty cases, which is also controlled by General Motors. In case of exceeding the targets for warranty cases, representatives of General Motors are involved in the process to conduct a detailed inspection. As part of cooperation with other factories of General Motors, measures are being taken to reduce this indicator.

Customer focus and product quality

GRI 2-6

Product quality

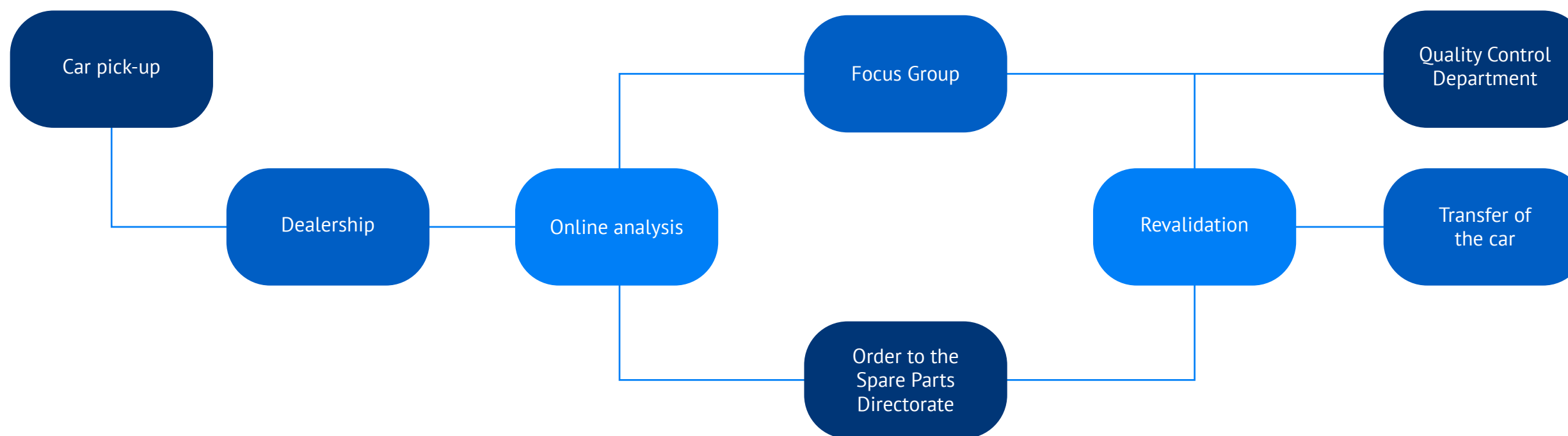
The Company is focused on developing competitive products and providing high-quality service that meets the expectations and requirements of consumers, which contributes to the Company's stable operations. UzAuto Motors has implemented a multi-level quality management system, which ensures a high standard of products at all stages of production and inspection of cars.

Structure of the Quality Control Department

Quality control			
GSQE Global Surface Quality Evaluation	Initial Quality Control Inspection Department	GCA control (Global Customer Audit)	Entrance Control Department
External assessment and audit of vehicle panel surfaces	Inspection and evaluation of the internal parts of the car	Checking customer satisfaction with the product	Inspection of Car Parts Brought by Suppliers

Procedures and requirements for quality control of finished products at various stages of production are regulated by the company's internal standard «Procedure for Quality Control of Finished Products at Sites», which was approved by the Executive Director of the company.

Car maintenance procedures in UzAuto Motors



The description of the procedures for checking the quality of finished products is as follows:

Global Surface Quality Evaluation (GSQE):

This process involves regularly checking the quality of the car panels every two hours. A special oil applied during the inspection helps to identify hidden defects, such as scratches or irregularities. Detected problems are recorded and sent to employees for correction. All results are carefully documented to ensure transparency and quality traceability.

- **Scheduled inspection:** Every two hours, quality specialists inspect the panels of the vehicles on the production line. This regular event helps to ensure that quality standards are always met.
- **Use of a special oil:** To detect defects that may not be visible at first glance, an anti-corrosion oil is used. It is applied to the surface of the panels, and thanks to its properties, it helps to highlight even minor imperfections, such as scratches, dents or irregularities.
- **Defect detection:** After applying the oil, technicians carefully inspect the surface for any defects. They can use a variety of tools and techniques, including visual inspection and touch, to assess the condition of the panels.
- **Fixing problems:** Once defects are detected, they are recorded in special reports or accounting systems. This may include photographing defects and recording their location and nature.
- **Communication of information:** Recorded defect data is passed on to the employees responsible for correcting defects. This can be production personnel who directly eliminate defects, or engineers who analyze the causes of their occurrence to prevent them in the future.
- **Documentation of results:** All inspection results and corrective actions are documented. This may include filling out forms, maintaining quality logs, or entering data into electronic quality management systems.
- **Analysis and improvement:** The collected data is analyzed to identify possible trends or systematic problems. Based on this analysis, changes can be made to the production process to improve the overall quality of the products.

Initial Inspection Department:

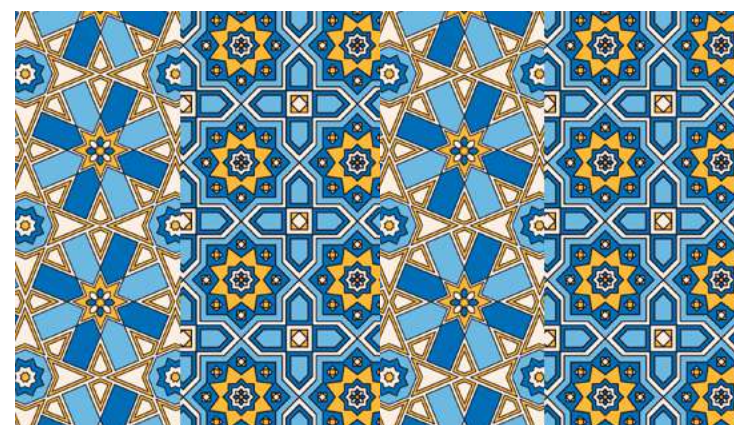
The initial inspection of cars is carried out in this department, where the workspace is divided into sectors, each of which is responsible for checking certain aspects of the car. This includes both the exterior and interior elements, as well as functional tests to verify that all systems are working properly.

GCA Control (Global Customer Audit):

This stage is a comprehensive check carried out in accordance with the GCA standard, which includes seven segments. The inspection is focused on meeting the needs of customers and meets international quality requirements. The results of the audit are analysed by the Company's management.

Entrance Control Department:

This department is responsible for carefully checking all deliveries for compliance with UzAuto Motors quality standards. The right choice of raw materials and components is key to guaranteeing the high quality of the final product.



Sequence of Main Processes

Suppliers enter details about the parts into the electronic system and send them to UzAuto Motors

Suppliers notify the Incoming Inspection* department and other departments about the loading of part

After the arrival of parts in departments such as Incoming Inspection, etc., the «Parts Control Ledger» electronic system is used for record-keeping

Part numbers are compared with the numbers in the documents

5-10% of the parts and the quality of the packaging are checked

If defects are found, they are marked as «NG» in the «Parts Control Ledger» system

If no defects are found, they are marked as «OK» in the «Parts Control Ledger» system

Additional Processes

Suppliers ship parts to UzAuto Motors according to the work plan

Suppliers notify about the specific parts being supplied to UzAuto Motors according to the work plan

Supervisors check the parts according to the documents, based on control standards

Specific defective parts are sorted and sent to the «Red Zone» and a return protocol is issued

«OK» parts are directed either to the production workshop or to the warehouse

* Incoming Parts Inspection Department

Each of these stages of quality control plays an important role in ensuring that the cars produced by UzAuto Motors meet customer expectations and maintain the company's reputation as a manufacturer of reliable and high-quality cars.

As part of the production process of UzAuto Motors, there is a system of shift work, which allows to optimize the use of labor and increase production efficiency. Shifts of 8 or 11 hours are organized in such a way as to ensure continuity of work and meet the demand for popular car models such as Chevrolet Cobalt. At the same time, the rights of workers are strictly observed, and they receive appropriate payment for the time worked, including supplements for night and overtime hours. Occupational safety is a priority, and all necessary precautions are taken to protect the health and safety of employees. The quality of products is maintained at a high level due to strict standards and control at every stage of assembly, which allows UzAuto Motors to maintain its reputation as a reliable car manufacturer.

Customer focus

GRI 2-27

The company attaches great importance to customer focus, which is reflected in key processes. The audit system, conducted by trained auditors, imitates the consumer's view of the product, ensuring its high quality and compliance with consumer needs. Strict incoming quality control of parts from suppliers and a thorough analysis of complaints from dealers are also carried out. If defects are detected, a report is generated, after which the parts are sent to a specialized area for further processing.

An important component of customer focus is also informing dealers and customers about the recommended type of fuel, which helps to prevent problems associated with the use of low-quality fuel. The company actively keeps statistics and analyzes warranty cases, which allows you to identify and eliminate frequently repeated defects, thus improving the quality of products.

If the targets for warranty cases are exceeded, UzAuto Motors attracts other factories and countries to cooperate to exchange experience and best practices. This underlines the Company's serious attitude to the quality of its products.

The company always strives to fulfill its obligations to customers and partners, prioritizing compliance with all agreements. However, in the reporting year, due to delays in the supply of components, and as a result of non-compliance with the deadlines for the delivery of cars in the amount of 10,383 units, the Company was fined about 5.6 billion UZS.

The company carefully analyzed what happened and took the following measures to avoid similar situations in the future:

- Increase in the localization of spare parts: The company strengthens the localization of spare parts, which can significantly reduce their delivery time and reduce dependence on external suppliers.
- Negotiations with alternative suppliers: For those spare parts that cannot be localized, the Company actively negotiates with alternative suppliers who are able to ensure faster delivery.

It should be emphasized that despite the financial losses, the Company was able to avoid job cuts. All salary payments to employees were made on time. This demonstrates the stability and reliability of the Company as an employer, as well as its commitment to maintaining social responsibility and ensuring the well-being of its employees even in the face of financial difficulties.



Eco-friendly cars

The company is committed to the continuous improvement of its vehicles, with a focus on sustainability. UzAuto Motors understands the importance of reducing environmental impact and actively develops and implements innovative technologies aimed at reducing emissions and improving fuel efficiency.

For example, the Chevrolet Tracker and Onix vehicles are equipped with modern 1.2-liter CSS Prime three-cylinder turbocharged engines, which turbocharge exhaust energy to increase engine power and reduce fuel consumption. These engines comply with the latest environmental standards and contribute to reducing the negative impact on the environment through the use of compressed gas energy.

Given the growing demand for environmentally friendly vehicles, the Company recognises the importance of developing a range of electric and hybrid models. In January 2024, UzAuto Motors, together with the Chinese company BYD, registered a new enterprise in Uzbekistan - BYD Uzbekistan Factory. This enterprise will specialize in the production of hybrid and electric cars, offering the market environmentally friendly and economical transportation solutions.

At the time of writing this report in 2024, the first phase of the project, with a total launch

cost of \$160 million, has already been successfully implemented, with plans to produce 50 thousand electric vehicles per year. Significant infrastructure improvements were made, including the construction of 2 kilometers of railway tracks and the construction of a warehouse for components for 1.2 thousand containers, which guarantees the continuity of the production process. The plant has modern equipment and robotic systems from China, and a laboratory has been created for high-precision verification of the geometric dimensions of electric vehicles. Production of new car models - Chazor and Song Plus Champion - was launched. The entire process at the plant is fully automated, which demonstrates the company's modern approach to production.

In the coming years, it is also planned to expand the model range of the plant. Within the framework of the second stage of the project, worth \$ 300 million, it is planned to increase production to 200 thousand electric vehicles per year, and within the third stage, worth \$ 500 million, it is planned to increase production to 500 thousand electric vehicles.

In 2024, it is planned to create 1.2 thousand jobs. Upon completion of all three stages, the number of jobs will reach 10 thousand.



Increased demand

Unlike many global automakers that faced problems with semiconductors and logistics and were forced to reduce production, UzAuto Motors was able to overcome these global crises without stopping production. Moreover, the Company achieved record volumes, increased the number of jobs and began production and sale of new modern models.

However, the increase in production volumes was insufficient, and in 2022 UzAuto Motors faced an abnormal increase in demand for Chevrolet cars in Uzbekistan. In response, in order to safeguard the interests of its customers and prevent further delays in deliveries, the Company has decided to temporarily suspend the acceptance of new applications for four models: Chevrolet Lacetti, Cobalt, Damas and Labo. This decision was driven by the need to focus on the production of pre-ordered cars, which minimized waiting times and improved customer service.

The company revealed that more than 90 thousand vehicles purchased in 2022 were resold by buyers, accounting for almost a third of annual production. This situation has caused an increase in waiting times for ordinary buyers and has led to the creation of an artificial shortage in the market.

As part of its customer-oriented strategy, UzAuto Motors in 2022 increased production capacity to 300 thousand cars per year, which is significantly higher than in 2021 (235 thousand cars). The average monthly number of contracts for the purchase of Chevrolet vehicles in 2021 was 21 thousand units, and in November 2022, more than 76 thousand new contracts were concluded, which indicates high customer confidence in the Company.

UzAuto Motors plans the following measures to eliminate the influence of resellers on the market and improve the availability of cars for end consumers:

- Increasing production capacity: The company intends to increase production to 500 thousand vehicles per year by 2026 and to 1 million units by 2030.
- Infrastructure development: Opening of new dealerships and service stations in key regions to improve the availability of customer service and support.
- Improving the quality of after-sales service: The quality of service at dealers will be improved based on customer feedback and other factors.
- Expansion of the range of models: New hybrid car models and modifications are planned to meet the diverse needs of customers and offer a wider range of choices.

Digitalization of processes to improve the quality of products and services

The digital transformation process at UzAuto Motors was launched in 2021, the Company took decisive steps to modernize its business processes by introducing advanced SAP S/4HANA modules. These changes have significantly improved management in key areas such as purchasing, sales, logistics and others, which has had a positive impact on the quality of products and services.

As part of digitalization, UzAuto Motors has limited the use of paper in all its offices and production facilities by introducing electronic document management (EDO). This has contributed to the company's sustainability efforts by improving collaboration and process automation. Digital solutions such as electronic signatures, digital documentation and cloud file sharing have been implemented, reducing paper consumption. This not only reduced the environmental impact of the company's operations, but also streamlined work processes, increased productivity and reduced costs.

Digitalization of processes in 2023

In 2023, UzAuto Motors was actively engaged in the digitalization of its processes, which significantly improved their efficiency. For example, the implementation of the SAP module for procurement and inventory management (MM) made it possible to optimize these processes. The Sales and Distribution (SD) module and the Extended Warehouse Management (EWM) module have improved coordination between the sales and logistics teams, contributing to improved customer service and inventory management.

The implementation of the Business Planning and Consolidation (BPC) process allowed the Company to plan and forecast financial flows more accurately and improve cost management. An important aspect of digitalization is also data management, where the system administration module (BASIS) and the data management module (Master Data Governance - MDG) provided a high level of data management and security of information systems.

In the field of electronic document management (EDO), changes were introduced that improved document management and processes for interacting with customers and partners. For example, the integration of the acts of the logistics company Uzlogistic into the electronic document management system, the creation of reporting modules and the introduction of a dealer request processing system have accelerated work processes and increased control and transparency of business operations.



Significant improvements have also been made in HR management, where the new KPI module allows for more accurate tracking and evaluation of employee performance. In the field of transportation, improvements have been implemented, such as taxi modules and integration with Telegram and GPS systems, which have improved traffic flow management and vehicle location tracking accuracy.

Digitalization has also affected inventory and engineering document management, where automation with mobile scanners and the creation of a system for managing technical documents have greatly simplified access to the right information. These digitalization efforts have resulted in more flexible and integrated systems that provide improved workflows, increased accuracy and speed, and efficient internal resource management and responsive customer service.



Product Security and Cybersecurity Management

UzAuto Motors attaches great importance to the satisfaction of its customers and partners, and actively monitors the security of the products provided, data protection, and ensuring the security of information systems.

The company strictly adheres to the safety standards set by General Motors, also additionally introducing advanced technologies to protect drivers and passengers. UzAuto Motors strengthens measures to protect the confidential information of customers and suppliers, applying modern practices and improving procedures for responding to cyber threats.

Product safety

SASB TR-AU-250a.1; TR-AU-250a.2; TR-AU-250a.3

UzAuto Motors strictly adheres to the safety standards set by General Motors (GM) to guarantee the safety of drivers, passengers and pedestrians. In the process of designing vehicles, the Company takes into account the requirements of the US National Highway Traffic Safety Administration (NHTSA) and the European New Car Assessment Program (Euro NCAP), conducting extensive crash tests and safety assessments during the development phase.

All of the Company's products are designed in accordance with GM requirements and comply with General Motors Worldwide (GMW) safety standards and United Nations Economic Commission for Europe (UNECE) regulations. At the IDIADA test center in Spain, the vehicles successfully passed tests according to UNECE 94 standards for the protection of the driver and passengers in a frontal collision and UNECE No 95 for side collision protection. The results of these tests are confirmed by official vehicle type approval documents. These measures ensure a high level of product safety and strengthen the trust of customers and partners in UzAuto Motors.

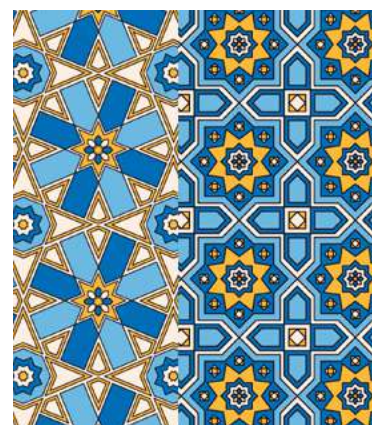
The Company's vehicles are equipped with state-of-the-art safety systems, such as Advanced Driver Assistance Systems (ADAS), including lane departure warning, forward collision warning, automatic emergency braking, blind spot monitoring, rear traffic warning and adaptive cruise control. These technologies help prevent accidents, reduce the risk of severe consequences and ensure the protection of all road users.

GM is actively involved in safety research and collaborates with organizations such as the NHTSA, the Insurance Institute for Highway Safety (IIHS) and the Global New Car Assessment Programme (Global NCAP) to improve vehicle safety and promote safety standards. UzAuto Motors, in turn, also implements best practices in production.

In addition, the vehicles produced by UzAuto meet the safety requirements established by the Government of the Republic of Uzbekistan. This includes minimizing distracting functions, ensuring overall vehicle reliability, and having the adaptive systems needed to operate vehicles efficiently on local roads.

UzAuto Motors attaches special importance to the safety of its products, putting them above financial considerations. The company strives to ensure that every car leaving our assembly line meets the highest safety standards. In order to ensure the safety of products, the Company voluntarily recalls vehicles when a defect is found. In the event of complaints, the Company conducts an investigation to determine whether they are valid. If the complaint is confirmed, the products are recalled and compensation is paid to the customer.

Below is the data on vehicle recalls in 2022 and 2023.



Recalled Vehicles

Reporting period	Number of voluntarily recalled vehicles	Number of forcibly recalled vehicles	Total number of recalled vehicles
2022	8,148	-	8,148
2023	2,585	-	2,585

The data shows that in the reporting periods under review, the Company recorded only cases of voluntary recall of vehicles, without a single example of forced recall. This is a reflection of the active participation of UzAuto Motors in quality control and safety of its products. This approach confirms the Company's readiness to respond promptly to identified shortcomings and maintain high safety standards, which is important for ensuring customer trust and satisfaction.

As part of the Company's commitment to continuous improvement of product quality and safety, UzAuto Motors has conducted several voluntary vehicle recalls. In 2022, 8,148 Cobalt, Nexia and Genra models were recalled to replace rear windows, which was caused by the discovery of manufacturing defects.

In 2023, similar measures were taken for Cobalt cars produced for the local market. A total of 2,585 vehicles were recalled in order to replace the rear side windows with tinted ones. This step was taken to improve the operating conditions of cars and increase driving comfort, which is also part of the Company's strategy to improve the consumer qualities of products.

The table below provides information on product safety defect complaints received in 2022 and 2023. The table shows the total number of complaints received, the number of complaints that were investigated, as well as the percentage of complaints considered out of their total number. These data demonstrate that during the two reporting periods, each complaint received was thoroughly reviewed and investigated. This confirms the Company's full responsiveness and its serious approach to ensuring the safety of products.

Defect complaints

Reporting period	Total number of product safety defect complaints	Number of security defect complaints investigated	Proportion of complaints about safety-related defects resolved
2022	2	2	100%
2023	8	8	100%

Cybersecurity Management

GRI 418-1

One of the key activities of the Company is to ensure the security of its information assets. Increased attention to information security allows us to guarantee the continuity of the Company's production and business processes.

Cybersecurity processes have always been part of the Company's activities, but in 2024 they were formalized. As a result of the creation of the Department of Information Security, clear rules and procedures have been established to govern information risk management and data protection. Also, the Information Security Policy of UzAuto Motors was developed, which is currently at the stage of approval.

The Information Security Department is responsible for organizing and coordinating information security activities in the Company. The company uses secure data centers to store data, access to which is strictly limited and possible only through the internal corporate network. This provides a high level of protection against external threats and unauthorized access. All employees working with personal data are required to sign a non-disclosure agreement, which is a legal obligation to maintain the confidentiality of information and prevent its possible dissemination.

The Information Security Department carries out activities in the field of information security on the basis of:

- Regulations on the Department of Information Security;
- The Law of the Republic of Uzbekistan «On Cybersecurity», adopted by the Legislative Chamber on February 25, 2022 and approved by the Senate on March 17, 2022;
- The Law of the Republic of Uzbekistan «On Commercial Secrets», adopted by the Legislative Chamber on June 18, 2014, and approved by the Senate on August 28, 2014;
- Internal labor regulations of UzAuto Motors.

Despite the fact that cyberattacks are not a frequent occurrence for UzAuto Motors, the Company takes all necessary measures to effectively respond and minimize potential negative consequences. On December 22, 2023, during the start of the process of online contracting of mass-segment cars, the UzavtoSavdo sales system was subjected to a series of cyberattacks. This led to technical failures and a temporary blocking of the online sales system. As a result of the attacks, the number of requests to the system reached 50-60 thousand per second, disrupting the process of authorization and processing requests. UzAuto Motors specialists immediately began troubleshooting, and the system was restored. Online contracting resumed on December 25. The company analyzed the incident and took a number of measures to prevent similar incidents in the future, including formalizing cybersecurity processes and creating an Information Security Department. All materials on this incident were transferred to the relevant structures for legal assessment.

The Company has a mechanism for managing complaints about violations of customer privacy. Customers and suppliers can contact us through the communication channels listed in the Corporate Governance section. If the complaint is related to data security, it is reviewed by an IT employee and transferred to the compliance department. The Compliance Department investigates the complaint and forwards it to the Information Security Department to determine the source of the data breach. The information security department identifies the responsible department or employee who last used the data and transfers the information to the compliance department. The Compliance Department notifies the client of the next steps and takes action against the responsible persons in accordance with the company's policies and procedures.



In the reporting period, the Company recorded no complaints or incidents confirming the facts of leakage, theft or loss of personal data due to insufficient information security measures.

Risk management is an integral part of activities related to information security management in UzAuto Motors. This process is aimed at determining the need to develop requirements for information assets, take protective measures and use information security tools. Integration of state information systems with the systems of other organizations is carried out in accordance with the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No516 dated September 20 2022 and the state standard DSt 2590:2012 «Information Technology. Requirements for the integration and interaction of information systems used by government agencies».

As part of risk management, the Company carries out:

- Risk identification;
- Risk assessment in terms of their consequences and likelihood of occurrence;
- Analysis of the possibility and consequences of these risks;
- Prioritization of risk handling;
- Prioritizing actions to reduce the likelihood of risks;
- Regular monitoring and analysis of risks, as well as the process of their management;
- Gathering information to improve the risk management approach;
- Communicating risks and taking the necessary measures to reduce them.

The Company determines the information security risk in accordance with the international standard ISO/IEC 27005:2022 «Information Technology. Methods of ensuring security. Information Security Risk Management». The results of risk identification determine the management actions and priorities of information security management, as well as the implementation of the selected protection measures and tools. Risk identification includes a systematic approach to their assessment (analysis) and comparison of assessed risks with criteria for determining their significance.

Risk management processes include risk handling, acceptance, monitoring, and analysis. The level of risk in the company is determined according to the established criteria.

Approach to interaction with suppliers

To meet the needs of the Company in goods and services, UzAuto Motors forms a network of reliable suppliers that meet the list of requirements and provide a high level of products or services supplied.

The Code of Ethics for Business Partners applies to all partners of UzAuto Motors, including their subsidiaries, subcontractors, authorized distributors and agents acting as authorized dealers. UzAuto Motors requires partners to adopt the principles set out in the Code at the appropriate level.

UzAuto Motors strives to be a socially responsible enterprise that respects human rights and adheres to the highest standards of ethical and professional behavior. The Company expects its business partners to share this commitment and comply with the relevant obligations.

The Code of Ethics for UzAuto Motors Business Partners covers the following key provisions:

- Ethics and compliance with legal requirements;
- Working rights and conditions;
- Compliance with environmental norms and standards;
- Ensuring safe working conditions;
- Privacy and data protection.

UzAuto Motors reserves the right to verify compliance with these requirements and take appropriate measures in case of violations.

The Code is a guide for all suppliers of the company, designed to ensure high standards of business ethics and social responsibility.

Supplier Evaluation and Selection

All suppliers of UzAuto Motors are subjected to a comprehensive assessment according to the PSA (Potential Supplier Assessment) system, based on the GM 1927-08 standard. Contracts are concluded exclusively with those suppliers who have successfully passed this assessment. PSA's criteria include quality, service, safety, service, and production. The purpose of PSA is to carefully assess the ability of suppliers to meet the Company's standards and requirements.

UzAuto applies a comprehensive approach to the assessment and selection of suppliers, starting with the use of the Advanced Product Quality Planning (APQP) methodology. This methodology provides for quality planning at all stages of product development and production, which is especially important when launching new projects. A key element of the process is technical verification, which assesses the technical capabilities, production capacity and competitiveness of potential suppliers. This allows UzAuto to select the most suitable partners who are able to meet quality standards and lead times. In addition, the Company conducts regular inspections to ensure that suppliers can maintain the required level of quality in the long term.

Audit and Evaluation Process

Audit and assessment of suppliers in UzAuto Motors include several key procedures aimed at maintaining quality and efficiency standards. The BIQ (Built-In Quality) system is used to assess the quality of products throughout the production process. Suppliers must achieve a quality level above 82% to meet UzAuto's requirements. In addition, a PSA (potential supplier assessment) audit is carried out, covering five main areas: production, quality, cost, technology and service. As part of this audit, the ergonomics of the workplaces and potential risks are also assessed. These measures allow UzAuto Motors to identify and eliminate possible problems at the early stages of cooperation with suppliers.

Localization of production

GRI 204-1

60.9% of deliveries are carried out by local suppliers, which confirms the desire of UzAuto Motors to support and develop the local economy, as well as strengthen ties with local manufacturers. At the same time, in order to provide a full range and meet specific needs, the Company imports a number of goods, including components and materials for cars, such as transmissions, control modules, sensors, suspension parts, as well as steel and aluminum products. These imported goods come from Brazil, Mexico, China, Korea and Europe.

One of the Company's key contributions to the integration of suppliers into sustainable development is the inclusion of new local companies in the expanding value chain of UzAuto Motors. These efforts, known as «localization efforts,» are aimed at developing Uzbekistan's economy. Each new car and each new option complicate the supply chain. The availability of parts procurement in the Asian region (in Korea and China, where General Motors' main suppliers are located) creates an economic burden due to the outflow of significant funds

outside Uzbekistan. Localization efforts help prevent these churns, create new jobs, and introduce advanced technologies, processes, and production methods.

To solve the problem of adapting to changes in the production cycles of cars (for example, multilayer components), the Cooperation Lab partnership system was created. It provides documentation, diagrams and production instructions to existing and developing companies seeking to become suppliers of UzAuto Motors. Manufacturers joining the value chain are often provided with the additional equipment and tools they need to meet the company's and General Motors' high-quality standards. UzAuto Motors does not have exclusive rights to all technologies and products, except for those related to the production of parts and components for cars. This allows local suppliers to apply new knowledge and technologies to expand their product lines and enter international markets.

The Cooperation Lab platform is an initiative that brings together leading experts to provide comprehensive support and advice to entrepreneurs and investors. The platform promotes business and creates new innovative projects and products.

Cooperation Lab Tasks:

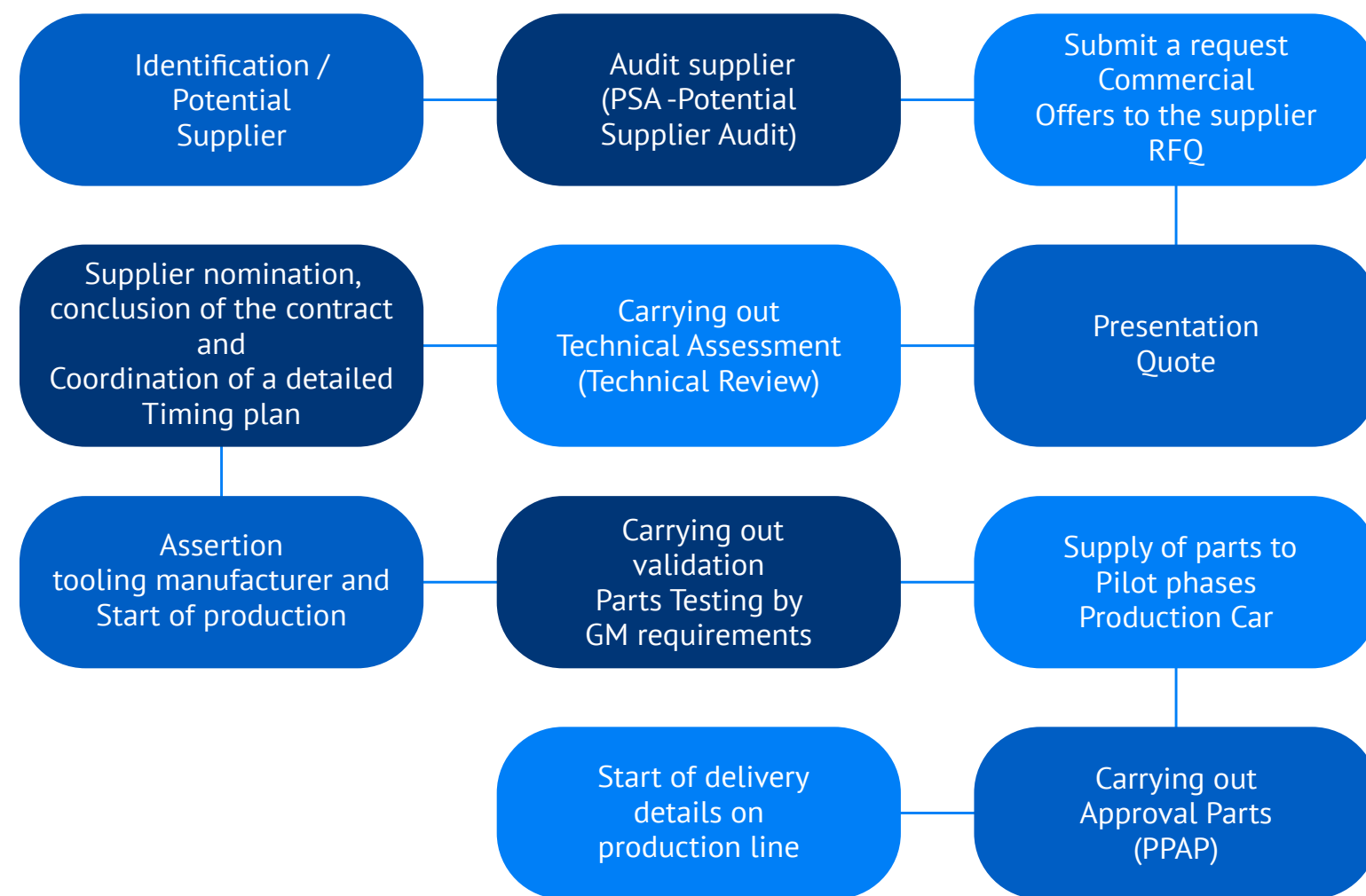
- Advising and supporting entrepreneurs in the framework of the localization program in the automotive industry.
- Providing information about imported and localized products.
- Search for investors to finance investment projects.
- Creation of new innovative products and services (startups).
- Advanced training through short-term courses in the field of production.
- Establishment of business relations between business participants.

At each production stage, UzAuto Motors strives to increase the level of localization by introducing new localized parts and components into the production process. This allows the Company to gradually increase the share of local production in the total volume of production and at the same time maintain high quality standards.

The process of localizing new parts in the Company includes several key steps: identifying the needs and selecting suppliers, auditing their capabilities, requesting and analyzing commercial proposals, as well as a technical assessment of the proposed solutions. After the supplier is selected, a contractual relationship is concluded and

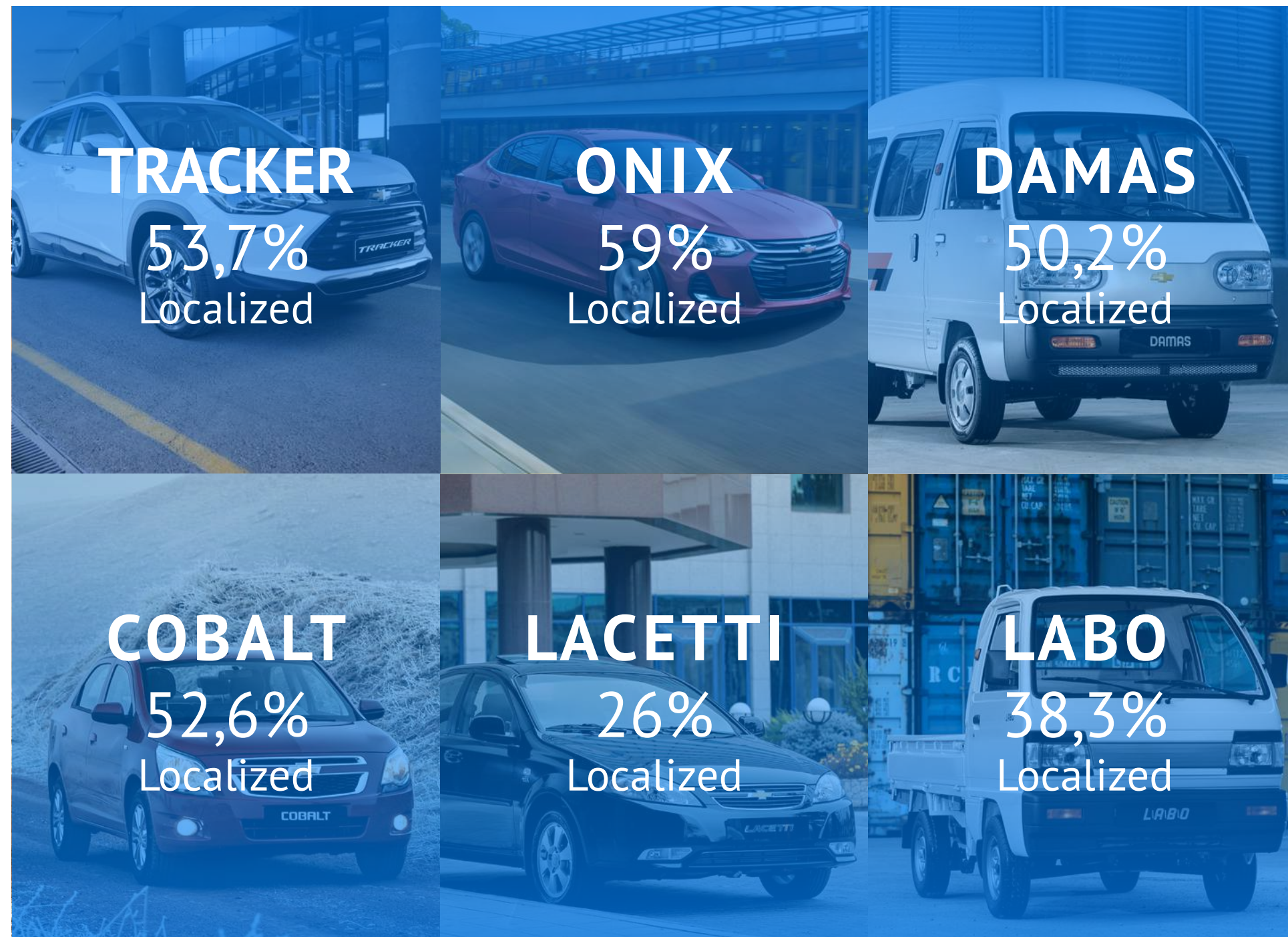
an implementation plan is developed. It includes the manufacture of tooling, testing to check the quality of parts and their testing in the pilot phases of production. The final stage is the approval of parts and the beginning of their serial delivery to production lines. This process ensures that new components meet high standards and are successfully implemented in the production cycle.

Localization in UzAuto Motors



To date, the Company has achieved significant success in the field of localization and has achieved impressive results in the production of car models.

Percentage of localization of production by car model



Supply Chain Management and Procurement Policy

GRI 2-6

UzAuto Motors cooperates with about 3 thousand suppliers, purchasing auto components, metals, materials, equipment, tools and spare parts, as well as services from them. Effective supply chain management is an important prerequisite for sustainable operations, cost reduction and increased competitiveness.

Supply Management Approach

Ensuring effective procurement activities and striving to comply with the principles of sustainable development are an important part of the Company's activities. The main principles of the Company's procurement activities include:

- Professionalism and responsibility;
- Compliance with deadlines;
- Rationality, transparency and efficient use of financial assets;
- Openness and transparency;
- Competition and honesty;
- Regulatory compliance;
- Uniqueness and integrity of the procurement system.

The procurement process in the Company includes: procurement planning, procurement, conclusion and execution of contracts, as well as procurement monitoring. Coordination of all aspects of procurement, including orders, control, planning and management of procurement processes is carried out by the Supply Chain Department of UzAuto Motors. Approaches, principles, requirements and standards for procurement activities of UzAuto Motors are reflected in the following documents:

- Procedure for conducting purchases in UzAuto Motors JSC dated August 10, 2021, Appendix 1 to Order No 97-T, approved by the director of UzAuto Motors JSC;
- Law of the Republic of Uzbekistan, dated 22.04.2021 No ZRU-684 on Public Procurement;
- Decree of the President of the Republic of Uzbekistan, dated 27.09.2018 No PP-3953 On measures to implement the Law of the Republic of Uzbekistan «On Public Procurement».

UzAuto also strictly adheres to ethical practices, including the prohibition of the use of child labor in agreements with suppliers, maintaining high standards of social responsibility in its supply chain.

The company pays great attention to ensuring that the procurement process is carried out transparently and in strict accordance with the established legal requirements. According to the Procurement Procedure of UzAuto Motors, cases of participation of persons with personal ties with participants in decision-making, discrimination of participants and provision of unjustified privileges are excluded. The Company does not allow the use of illegal methods, conflicts of interest, as well as illegal disclosure of information and artificial limitation of the number of participants.

When organizing and conducting purchases, a **procurement commission is formed**, the main purpose of which is to evaluate and regulate the bids of participants for compliance with the established requirements and to select the winner in the implementation of purchases by competitive methods.

All procurements and agreements in excess of the equivalent of \$1 million require approval from the Procurement Transformation Department, ensuring that government requirements are sound and compliant, including financial viability and compliance with funding regulations.

Supply chain structure

In the reporting year, the Company concluded 4,172 contracts in the amount of 59,207.19 billion UZS, including:

- Electronic contract – 2,948 contracts worth 110.27 billion UZS;
- Auction – 207 contracts worth 7.75 billion UZS;
- Tender – 134 contracts worth 174.69 billion UZS;
- Purchases made under direct contracts – 548 contracts worth 29,402.01 billion UZS;
- On the basis of the Resolutions of the President of the Republic of Uzbekistan and other regulatory legal documents – 335 contracts worth 29,512.47 billion UZS

GRI 2-6

Suppliers of indirect materials provide goods and services that are necessary to maintain the production process, but are not integrated directly into vehicles. Such goods include production equipment and spare parts, and services include consulting services, IT solutions and maintenance. Suppliers of direct materials. In turn, they are engaged in the supply of components that will be installed on cars. These suppliers can be either local manufacturers or companies that provide components in the CKD²⁵ (Completely Knocked Down) format.



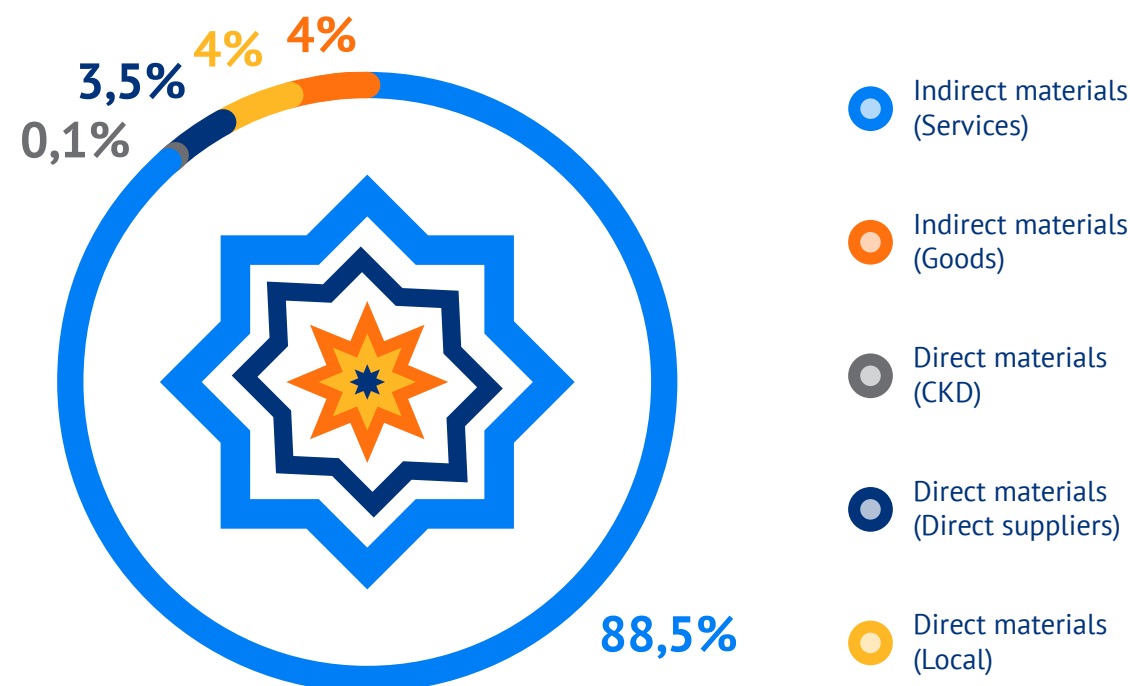
Supplier categories and their role in the supply chain:

Vendor Category	Description	Examples
Indirect Materials	Suppliers who provide goods and services that are not integrated into cars	Equipment, spare parts, consulting services
Direct Materials	Automotive Components Suppliers	CKD, Direct Suppliers, Local Manufacturers

Number of suppliers by category for 2023

Vendor Category	Number of suppliers
Indirect Materials (Services)	118
Indirect Materials (Products)	2,610
Direct Materials (CKD)	3
Direct Materials (Direct Suppliers)	110
Direct Materials (Local)	53

UzAuto Motors supplier category



To improve the supply chain, the Company has implemented a **Lean Manufacturing System (LMS)** aimed at continuously improving efficiency and minimizing waste. The LMS contributes to the optimization of inventory, reduction of storage costs and time resources, as well as improvement of processes through continuous monitoring and evaluation of their efficiency.

Logistics & Transportation

Logistics in Uzbekistan faces unique challenges due to its inland location and complex geopolitical environment. UzAuto Motors overcomes these obstacles by giving preference to rail transportation, which significantly reduces dependence on road freight transportation.

In 2022, the Company's expenses on land transport amounted to 1,749.1 billion UZS, and in 2023 they increased to 4,297.4 billion UZS. Air transportation costs amounted to 521 billion UZS in 2022 and decreased to 368.4 billion UZS in 2023.

To improve the efficiency of warehouse operations, UzAuto Motors has implemented the SAP S/4HANA MM (Materials Management) system, which automates the management of material flows. This system provides comprehensive management of all aspects of warehouse logistics, including procurement, inventory tracking and supply management. efficiency.



²⁵As part of CKD deliveries, auto components are delivered disassembled and assembled at a local plant.

UzAuto

Responsibility to the community



Responsibility to the community

Approaches to Engaging with Local Communities

GRI 3-3; 201-1; 203-1; 203-2; GRI 207-1; 207-2; 207-3

Significant topics:

- **Indirect economic impact**

Highlights:

96
billion UZS
allocated for charity



2.5
trillion UZS
amount of tax payments to the national budget



UzAuto Motors is one of the largest enterprises and employers in the Republic of Uzbekistan. The company has a significant impact on the lives of the local population, actively supporting the development of education, culture and sports.

Charitable and sponsorship activities of UzAuto Motors are an important part of its corporate social responsibility, aimed at developing and improving the quality of life in the regions of the Company's presence.



Principles of charity and sponsorship activities:

- **Legality:** Compliance with all regulations;
- **Transparency and openness:** Openness of UzAuto Motors' activities;
- **Effectiveness:** Achievement of socially significant goals;
- **Monitoring:** Analysis of recipients and their reporting on the intended use of assistance;
- **Targeting:** Direct and targeted assistance.

Priority areas of assistance:

- Environmental protection;
- Physical Culture and Sports;
- Health care;
- State and national events and holidays;
- Maqom National Art and Cinematography;
- Support for children from disadvantaged and low-income families, orphans, nursing homes and disabled people;
- Improvement of cities and towns;
- Disaster management.

Requirements for charitable and sponsorship assistance:

- Compliance with the legislation of the Republic of Uzbekistan, anti-corruption policy and internal regulatory documents of UzAuto Motors;
- Efficiency in achieving socially significant goals and positive impact on the Company's reputation;
- No risk to the reputation of the Company and other persons in the event of public disclosure of information;
- No hidden remuneration for services or attempts to influence the recipient to gain a commercial or competitive advantage.

Sponsorship Procedure

The company is actively engaged in sponsorship and charitable activities, following the decisions of the President of the Republic of Uzbekistan, the Government, the Cabinet of Ministers, and other higher bodies, ensuring the compliance of activities with legislative and regulatory requirements.

The source of funding for the Company's charitable assistance is the funds received as a result of its financial and economic activities. The limit on the provision of charitable and sponsorship assistance to the Company is set on an annual basis and approved by the Supervisory Board as part of the approval of the consolidated budget for the next calendar year, which is part of the business plan.

At the same time, annual charity expenses cannot exceed 3% of the net profit received in the previous year, and can only be carried out if the net profit plan for the previous year is met. Exceptions are possible only by decisions of the President or the Government of the Republic of Uzbekistan.

Funds allocated for charity and sponsorship under acts of the President and the Cabinet of Ministers of the Republic of Uzbekistan for socio-economic development projects, if they exceed the limit established by law, are considered dividends on the state share. These amounts are withheld when paying dividends to the state budget and are taken into account when assessing the Company's performance under the business plan.

In the event that resources are limited or the established limits for sponsorship are exceeded, the General Director of the Company initiates a review of the business plan. The corresponding proposal is submitted to the Supervisory Board for consideration, which makes it possible to adapt the strategy to the current conditions in a timely and effective manner.

The Company's charity and sponsorship activities are aimed at creating positive changes in society and maintaining high standards of corporate social responsibility.

Joint work and exchange of views with stakeholders in the regions of operation are an important component of the Company's approach. UzAuto Motors strives to take into account and minimize possible negative impacts on local communities, as well as to respect the rights of the local population, including human rights. To do this, UzAuto Motors collects and analyzes feedback to track the effectiveness of interaction with local communities and authorities. The main mechanisms for receiving feedback from local communities are described in the Corporate Governance section.

Creating economic value for stakeholders

GRI 201-1

The Company's economic impact on the regions where it operates is manifested through tax payments to the state budget, investments in the local economy, and job creation.

Direct economic value, created and distributed, billion UZS

Position	2022	2023
Direct economic value created:	36,086	53,847
Distributed economic value, including:	5,039	6,115
Operating expenses, including:	3,590	4,403
Salaries and other payments to employees	873	1,214
Dividends	720	1,035
Income tax expenses	397	581
Investments in the social sphere, including charity and social activities	332	96
Retained Economic Value = Direct Economic Value Created (Total Revenues) - Distributed Economic Value (Total Expenditure)	31,047	47,732

In 2023, the economic value created by UzAuto Motors reached more than

56 billion UZS

which is almost a 50% increase compared to 2022. This growth was driven by increased sales volume as well as higher product prices, which led to an increase in overall revenues.

The increase in payroll costs is due to a 25% increase in the average salary of employees due to the introduction of a 3-shift schedule, which also required the hiring of an additional

2,000 people

The increase in the profitability of products played a key role in changing the retained economic value.

Social investment and charity

GRI 203-1, 203-2

UzAuto Motors is actively involved in the social life of Uzbekistan, providing sponsorship and charitable assistance in various fields:



Sport:

UzAuto Motors is an important sponsor of sports events and tournaments, actively promoting a healthy lifestyle. The company is actively involved in the development and construction of training facilities available for public use throughout the country. The company believes that accessibility to sports facilities contributes to the professional development of young athletes and sports enthusiasts.

UzAuto Motors is also proud of its status as a financial patron of sports. The company supports Olympic athletes by financing the training process and the participation of athletes in competitions.

Support to the Gymnastics Federation of Uzbekistan:

UzAuto Motors is the general sponsor of the Gymnastics Federation of Uzbekistan. For several years, the Company has been providing significant financial support to the National Gymnastics Federation, helping young athletes to strive for high results.



In 2023, UzAuto Motors allocated

18.63 billion UZS

to support the Gymnastics Federation of Uzbekistan, including for the preparation of athletes of the national artistic gymnastics team for the XXXIII Summer Olympic Games, which will be held in Paris in 2024, as well as to finance training, purchase equipment and provide all necessary resources for the development of this sport.

Andijan Football Club:

UzAuto Motors is the sole sponsor of the Andijan football club, supporting its promotion in the national football league. The company provides financial support to the club to cover maintenance costs, including the salaries of players and coaching staff, as well as the purchase of uniforms and equipment. UzAuto Motors actively involves the local population in the activities of the football club, sponsoring events and initiatives aimed at benefiting the local community, supporting local charities and promoting the development of youth sports. As a result of the Company's activities and the success of the football club, both the Company and the club have gained recognition among the local population, contributing to the popularization of football.



Culture and education:

UzAuto Motors is actively involved in the preservation and development of cultural heritage and supports significant initiatives in the field of art and education.

Youth center in Yukorichirchik district:

In 2021, UzAuto Motors launched the Astrum IT Academy, investing the authorized capital through Uzavtosanoat Injinerin in the construction of a modern complex in the Yukorichirchik district of the Tashkent region. This project is aimed at supporting specialists in the field of information technology and young people who want to get a profession in IT.

The Academy is located on an area of 8,500 square meters on an area of 3.5 hectares and is equipped with more than 700 workplaces. It functions as a training and production cluster, where students learn programming under the guidance of experts from Silicon Valley. Learning progress is assessed using artificial intelligence technologies. The two-storey building of the academy is equipped according to modern requirements, more than 700 computers are installed here.

At the moment, the company employs about

100 employees.

About 1000 students take courses in programming, cybersecurity, and 3DMax. After graduation, a QWASAR certificate is issued, which allows you to work in the Silicon Valley of America. With this certificate, you will be able to work in prestigious European and American companies.



In 2023, UzAuto Motors allocated

22,79 billion UZS
to support the club.



National Olympic Committee:

UzAuto Motors is committed to promoting greater participation of local athletes in the Olympic and Paralympic Games. In 2023, the Company acted as one of the sponsors in the process of preparing for the 2024 Summer Olympic and Paralympic Games.

Additional sponsorship:

In the reporting year, the Company provided sponsorship for the preparation for the Asian Canoe Sprint and Paracanoe Championships among teenagers and young men, and the holding of the Central Asian Open Weightlifting Championship. As part of its sponsorship activities, UzAuto Motors has converted vehicles for the needs of the Triathlon Federation of Uzbekistan.

NGO «Maqom School» and Uzbek National Center for Maqom Musical Art:

The company is the main sponsor of these organizations, supporting the preservation and development of the national art of maqom («maqom» is a Central Asian vocal and instrumental genre with extensive use of improvisation and cyclical structure of works).



Tashkent International Film Festival «Masterpiece of the Silk Road»:

UzAuto Motors supports the annual film festival, which is held at the Uzbekfilm film concern under the leadership of the Cinematography Agency.

Branch of the All-Russian State Institute of Cinematography named after S.A. Gerasimov in Tashkent:

In March 2023, UzAuto Motors provided support to the new branch of VGIK in Tashkent, contributing to the development of film education in Uzbekistan.



Milliy Tiklanish newspaper:

In addition to its sponsorship activities, UzAuto Motors has also made a significant contribution to the development of the editorial office of the Milliy Tiklanish newspaper, strengthening information coverage of socio-economic processes in Uzbekistan.

Foundation for the Support of Gifted Youth under the Agency of Presidential Educational Institutions:

The company supports the development of young talents, promoting their professional and personal development in various fields of knowledge and arts. In the reporting year,

the Company allocated
10,3 billion UZS
to the Fund



Socio-economic support for the regions:

Construction of the coastal zone of the Salar Canal and the park area of the Kushbegi massif

In June 2023, the construction of a project to improve the coastal zone of the Salar Canal and the park area of the Kushbegi massif in the Yakkasaray district began, for the implementation of which the Company has allocated funds. The new park area with a total area of about 1 hectare is intended for family recreation and sports.

The park is equipped for a comfortable stay for visitors of all ages: a playground, a sports workout area and a bicycle path.

Asaka City

In 2020, a socio-economic project was initiated and implemented aimed at improving the architectural appearance of the Andijan region, the construction of a modern residential area Asaka City.

7,700 people were involved in the construction process. The construction includes 71 multi-storey residential buildings with 4,631 apartments, as well as infrastructure facilities: 2 preschool institutions for 320 children, a school for 1,500 children, a hospital for 250 children, a park, a shopping center with an area of 10,000 square meters and other facilities.

Upon completion of construction, employees of the automotive industry were provided with preferential terms for the purchase of apartments in the residential complex.

The greening of the park includes more than
300 trees,
for the irrigation of which a sprinkler system with 900 irrigation points has been installed.



UzAuto Motors invested
3,315.1 million UZS
in construction.

Additional sponsorship:

In the reporting year, UzAuto Motors allocated funds to support various initiatives for the development of the regions of Uzbekistan. In particular, the Company allocated funding to provide sewing tables to local production facilities in the Andijan region, the initiative was aimed at creating new jobs and developing the textile industry.

Also, in April 2023, UzAuto Motors supported the development of mahalla infrastructure in the Tashkent region, helping to improve the living conditions of local residents and create comfortable conditions for living and working in urban areas.

In addition, the Company invested in sustainable energy supply to the residents of the city of Tashkent and the development of the city's energy infrastructure.

In 2023, UzAuto Motors made a donation of

169
million UZS

to the International Charitable Foundation «Soglom Avlod Uchun» to support public health. The Foundation implements a number of medical, humanitarian and educational projects, covering primarily children, youth and women of childbearing age

In 2023,

96
billion UZS

was allocated for charitable purposes. Due to the increase in dividends compared to the previous year, the amount of funds directed towards social projects in 2023 was less than in 2022. For comparison:

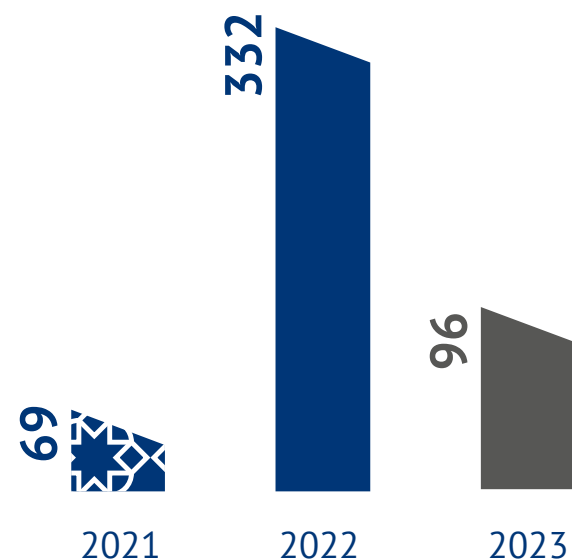
in 2022,

720
billion UZS

was paid in dividends, while in 2023, this amount was

1,035
billion UZS

Payments to charity, billion UZS



UzAuto Motors demonstrates its commitment to the development of local communities through investments in the economy of the regions and support for social initiatives. Commercially, the Company invests in localized production, producing car models such as the «Midnight Blue» designed by an in-house team of researchers, contributing to the growth of the local market.

The company has a significant economic impact, creating thousands of jobs. In 2023, UzAuto Motors hired more than 3,500 employees, helping to reduce unemployment and strengthen the economic stability of the region.

UzAuto Motors also contributes to improving the lives of local communities through social initiatives. UzAuto Academy provides training to improve skills. In partnership with the University of Turin, the Academy offers professional development programs, contributing to the development of the professional community.

The company is actively involved in social and environmental projects, such as the restoration of mosques, the construction of children's centers and the Yashil Makon tree planting program. These initiatives are aimed at improving social and environmental conditions in the region of operation.

UzAuto Motors' multifaceted strategy in engaging with local communities underlines its commitment to sustainable and inclusive economic growth.

The Company's participation in industry and government organizations and initiatives

GRI 203-1, 203-2

UzAuto Motors actively participates in government programs aimed at developing the regions and strengthening the economy. This participation underlines the Company's commitment to promoting social and economic progress and improving life in the regions where it operates. Thanks to this cooperation with government agencies, UzAuto Motors makes a significant contribution to the long-term sustainable development of the regions.

Construction of the Fergana Center for Preparation for Gymnastics Sports with modern material, technical and training base, as well as a dormitory for 160 places.

Contract date: 23.11.2023

Contract amount: 59.25 billion UZS.

In 2023, 7.00 billion UZS were paid.

Construction of the Samarkand Training Center for Gymnastics Sports with modern material, technical and training base, as well as a dormitory.

Contract date: 23.11.2023

Contract amount: 80.52 billion UZS.

In 2023, 7.50 billion UZS were paid.

Uzbekistan's Club is a global platform created to unite Uzbeks who have achieved success at the international level. The company sponsored the «O'zbekistonlik» project, implemented to introduce thousands of Uzbeks to the great potential and talent living in different regions of the world and operating thanks to this platform.

Contract date: 11.09.2023

Contract amount: 1.5 billion UZS.

In 2023, 1.5 billion UZS were paid.

Projects for the construction, repair and improvement of four multi-storey buildings in the Amur Temur microdistrict in the area of the Asaka plant, as well as social facilities and territories at a distance of 5 km.

Contract date: 30.10.2023

Contract amount: 1.0 billion UZS.

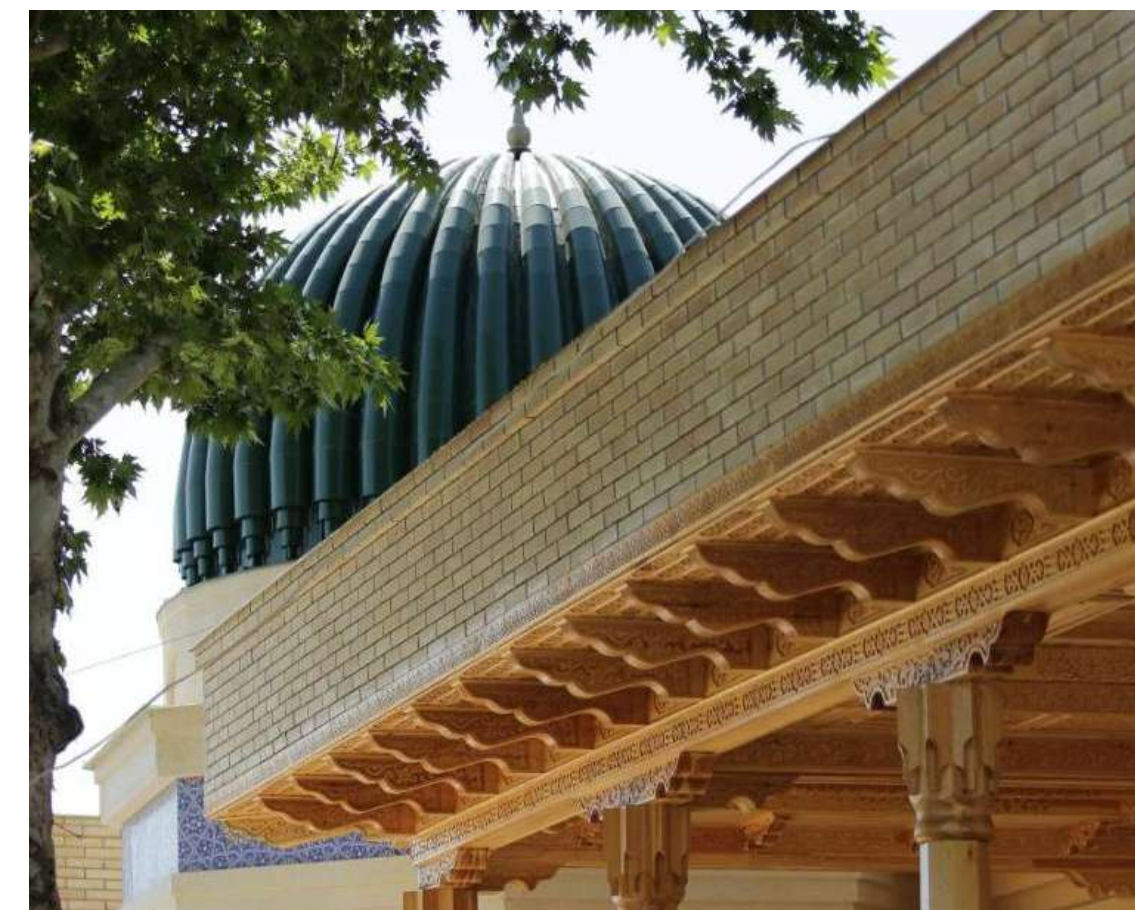
In 2023, 1.0 billion UZS were paid.

Participation in national organizations and associations:

UzAuto Motors is a member of national organizations and associations, contributing to the development of the economic environment and strengthening the business community in the Republic of Uzbekistan.

Chamber of Commerce and Industry. Uz Auto Motors is a member of the Chamber of Commerce and Industry, the purpose of which is to create favorable conditions for the development of the private sector, support small, medium and large businesses, as well as strengthen the rights and legitimate interests of entrepreneurs. Participation in the Chamber allows the Company to actively interact with state and public bodies to ensure the stable development of the country's economy.

In addition, **UzAuto Motors is also a member of the non-profit multi-industry association GS1 Uzbekistan.** The association brings together more than 5,000 members who apply the same global GS1 standards for automatic identification, bar coding, electronic exchange and data synchronization. Participation in GS1 Uzbekistan allows UzAuto Motors to introduce advanced technologies and standards, increase the efficiency of its production and logistics processes, as well as improve the quality of products and services provided.



Tax policy and payouts

GRI 207-1; 207-2; 207-3

UzAuto Motors adheres to strict compliance with all tax rules and standards, in accordance with the requirements of the Tax Code of the Republic of Uzbekistan. The Company's internal tax regulations are an important component of financial management and reflect the Company's commitment to corporate responsibility. Approval of these documents is carried out by the General Director, after agreement with the Chief Accountant of the Company and the Managing Director for Economics and Finance.

The Company annually, as well as in cases of changes in the Tax Code of the Republic of Uzbekistan, reviews its tax policies, ensuring their relevance. The main principle followed by UzAuto Motors is full compliance with tax laws, which directly affects the sustainable development strategy and internal business processes. Effective management of tax liabilities maintains high standards of corporate responsibility and transparency.

The Company actively supports the principles of transparency in tax matters, striving for an open dialogue with tax authorities and other stakeholders. Access to information on tax deductions is provided through the reports of an independent auditor, which builds trust and provides additional clarity for all stakeholders.

Tax risk management

GRI 207-2

UzAuto Motors strictly adheres to the principles of transparency and responsibility, especially in the management of tax risks, which contributes to full compliance with the Tax Code of the Republic of Uzbekistan, as well as maintains a high level of business integrity in relation to taxation.

To ensure effective management of tax risks, the Company applies a comprehensive approach, which includes regular monitoring and identification of potential vulnerable areas. This is led by the Tax Accounting Unit, which monitors compliance with tax laws and coordinates the efforts of tax advisors.

An important role in ensuring tax transparency is assigned to the Interregional Tax Inspectorate for Large Taxpayers. The Inspectorate regularly monitors financial statements and, if any discrepancies are detected, informs the Company, which allows for a prompt response to possible violations.

The Company's tax activities are carefully documented and available for verification through the electronic portal of the tax office. This not only ensures compliance with tax laws, but also promotes an open dialogue with tax authorities and other stakeholders. In case of tax-related issues, the Company actively uses the electronic portal of the tax authority to conduct business correspondence, which ensures strict compliance with the tax policy of the state.

The Company's comprehensive approach to tax management is combined with active interaction with stakeholders, which ensures compliance with current legal requirements and contributes to the achievement of long-term sustainable development goals. This builds trust and maintains a high level of tax discipline. Tax reporting is included in the consolidated financial statements of UzAuto Motors JSC and is independently audited as part of the external audit of the annual consolidated financial statements.



The Company's contribution to the achievement of the UN Sustainable Development Goals

In 2023, the Company initiated an assessment of priority sustainable development goals (SDGs). The assessment consisted of the following stages:

Step 1: Strategic Priorities Analysis

- The Company's internal strategic documents and international initiatives in the field of corporate responsibility and sustainable development were studied to determine aspects and directions of strategic development in the field of sustainable development.
- A survey of the Company's employees was conducted with a ranking of the significance of the UN SDGs on a 5-point scale (5 points is the most important priority, 1 is the least important priority).

The structure of the respondents:

- 67 respondents, including employees and managers of UzAuto Motors.

Step 2: Industry Practice Analysis

- An analysis of the focus UN SDGs among peer companies was carried out in order to identify the most relevant UN SDGs for the automotive industry, to the achievement of which the Company can make the greatest contribution.

Step 3: Stakeholder Input

- A survey of a wide range of external stakeholders (34 respondents) was carried out with a ranking of the significance of the UN SDGs on a 5-point scale. Representatives of external stakeholders:
 - Consumers
 - Suppliers and partners
 - Shareholders
 - Communities
 - Mass media
 - Government departments
 - Financial institutions

Phase 4: Prioritizing the UN SDGs

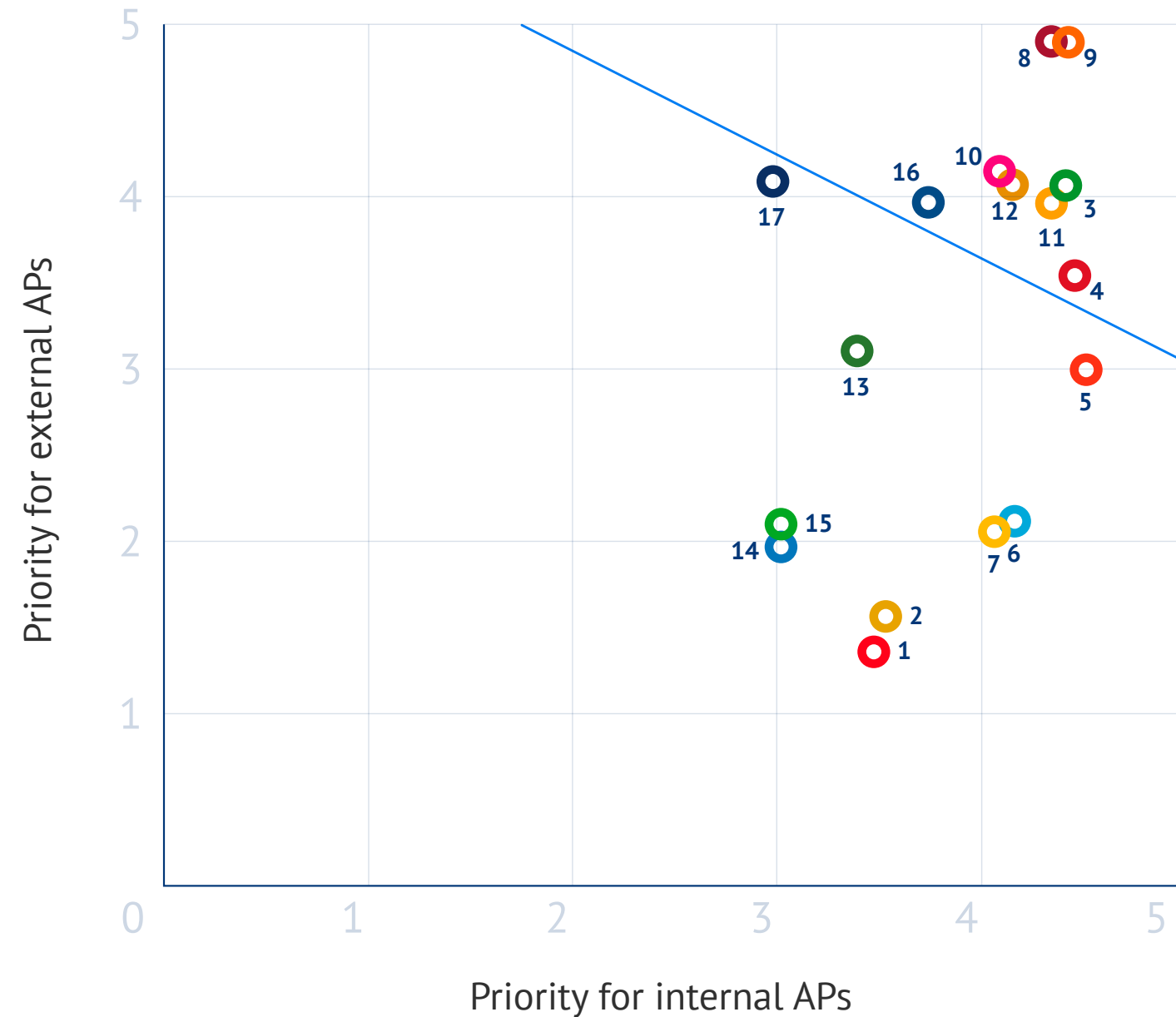
- Ranked each UN SDG in terms of importance to internal and external stakeholders. As a result, a matrix of priority UN SDGs was formed.
- Based on the results of the analysis of questionnaires, focus UN SDGs among peer companies and the formation of a materiality matrix, it was decided to select 8 UN SDGs with an overall priority of more than 3.8 points as priorities²⁶. In total, representatives of eight interest groups took part in the survey of the Company's parties:

- Employees of the Company
- Consumers
- Suppliers and partners
- Shareholders
- Communities
- Mass media
- Government departments
- Financial institutions

During the survey, 101 answers were received from **respondents**.

²⁶ The overall priority of each UN Sustainable Development Goal (SDG) is defined as the average of assessments received from external and internal stakeholders. Goals for which the overall priority exceeds 3.8 points out of a maximum of 5 were identified as priorities.

SDG Prioritization Matrix for Internal and External Stakeholders



SDG prioritization topics for stakeholders, %

	LRC	Priority in points			
		Internal ZS	External ZS	Total	
1	9	Innovation & Infrastructure	4.40	4.97	4.69
2	8	Decent work and economic growth	4.40	4.94	4.67
3	3	Good health and well-being	4.36	4.03	4.19
4	12	Responsible consumption and production	4.09	4.12	4.10
5	11	Sustainable Cities and Communities	4.28	3.91	4.10
6	10	Reducing inequalities	4.07	4.12	4.10
7	4	Quality Education	4.49	3.50	4.00
8	16	Peace, justice and strong institutions	3.76	3.97	3.87
9	5	Gender equality	4.58	3.03	3.80
10	17	Partnerships for the Goals	2.97	4.09	3.53
11	13	Climate action	3.48	3.18	3.33
12	6	Clean water and sanitation	4.12	2.18	3.15
13	7	Affordable and clean energy	4.03	2.09	3.06
14	15	Conservation of terrestrial ecosystems	3.00	2.12	2.56
15	14	Marine Conservation	3.00	2.09	2.54
16	2	Zero hunger	3.52	1.53	2.53
17	1	Poverty eradication	3.51	1.26	2.39

Outcomes of the UN SDG Prioritization Process:

- 8 priority SDGs were identified based on the results of the analysis. Goals with an overall priority of more than 3.8 points out of 5 were selected as priority SDGs.



UzAuto Motors' contribution to the achievement of the UN SDGs



3.87

Combating corruption Cybersecurity and data privacy

- All employees are informed about existing policies and methods of combating corruption.
- Anti-corruption requirements are included in all standard forms of employment contracts, as well as in the Company's Internal Labor Regulations.
- In 2023, 908 employees underwent training on anti-corruption issues.
- Channels for confidential or anonymous reporting of corruption cases are available through the virtual reception of the President, the official website and social networks of UzAuto Motors, as well as the Company's hotline.
- In 2023, the Company did not record any cases of leakage, theft, or loss of customers' personal data;
- The Company uses secure data centers for data storage, access to which is strictly limited and possible only through the internal corporate network.



4.10

Waste management Material efficiency and recycling Water resource management

- In 2023, the consumption of solar energy in the Company, generated by its own production, significantly increased – by more than 15 times, reaching 1,217.18 GJ.
- The total amount of energy saved due to energy efficiency initiatives amounted to 2,180.4 GJ.
- The Company actively implements the secondary use of waste: paper waste is recycled into cardboard, steel trimmings are used to manufacture metal pipes, and some materials are sold to private individuals and the state. In 2023, 95,086.16 tons of waste were sold through auctions.
- As part of digitalization, UzAuto Motors has limited the use of paper media in all its offices and production facilities by implementing an electronic document management system.
- UzAuto Motors actively supports the government initiative to develop home-based work, collaborating with a network of 176 home workers who manufacture various products from the Company's waste.
- The Company uses a closed-loop water supply system in production.



4.10

Energy Efficiency and Greenhouse Gas Emissions

- As part of corporate social responsibility and sustainable development strategy, the Company annually conducts "Environmental Week." In 2023, in the city of Asaka, cleaning of channels in several districts was organized, as well as educational events for children from an orphanage to raise their awareness of the importance of preserving nature.
- Within the framework of the national project "Yashil Makon," employees of the Andijan and Tashkent branches of the Company planted 41,500 tree seedlings, and in Pitnak, 15,134 seedlings.
- In 2023, a reduction in greenhouse gas emissions by 1,370.15 tons of CO2 equivalent was recorded.
- The Company is the main sponsor of the "School of Maqom" non-governmental organization and the Uzbek National Center for Maqom Music Art, supporting the preservation and development of this national art.
- In June 2023, the construction of the project for the improvement of the coastal zone of the Salar channel and the park area of the Kushbegi massif in the Yakkasaray district began, for the implementation of which the Company allocated funds.
- In 2020, a socio-economic project aimed at improving the architectural appearance of the Andijan region, the construction of the modern residential complex Asaka City, was initiated and implemented. The Company invested 3,315.1 million UZS in this project.



4.10

Human rights

- UzAuto Motors employs 68 people with disabilities.
- The company has a Committee for Working with Women and Girls.
- 100% of contracts with suppliers include criteria prohibiting the use of child and forced labor.
- The company adheres to the principles of the International Labour Organization conventions, including the Convention concerning the Abolition of Forced Labor and the Convention concerning Minimum Age for Admission to Employment.



4.19

Health, Safety and Wellbeing in the Workplace (OHS)

- 8,059 employees of the Company underwent training in occupational health and industrial safety.
- The Company invested 31,384 million UZS in occupational health and industrial safety measures.
- In 2016, a specialized portal safety.uzautomotors.com was launched, allowing for the management of risk data and monitoring the implementation of occupational health measures.
- The Company ensures regular medical examinations for all employees, maintaining a high level of health in the workplace.
- Employees are provided with free medical services and insurance against accidents at work.



4.00

Personnel training and development

- The company established the UzAuto Motors Academy to enhance employee qualifications and develop human capital potential.
- In 2023, internal training covered 17,106 employees, which is 35% more compared to the previous year.
- In 2023, external training was organized for 1,159 employees, with total investments of over 9 billion UZS.
- UzAuto Motors is forming and developing a talent pool to prepare future management.
- In 2023, the average training time per employee was 34.66 hours, which is 19% more compared to 2022.



4.67

Human Resources and Employment Management

- UzAuto Motors is among the top 10 largest employers in Uzbekistan in 2023. The average number of employees in the company was 15,969 people.
- In 2023, the Company hired 2,904 employees under the age of 30.
- Regular anonymous surveys are conducted to assess employee satisfaction with working conditions, as well as compliance with the corporate values and mission of the Company.



4.69

Presence in the local market Indirect economic impact Product safety

- In the city of Asaka, the Company carried out significant work on replacing outdated pipelines and installing a new sewage system.
- UzAuto Motors provided sponsorship support for the development of mahalla infrastructure in the Tashkent region, contributing to the improvement of living conditions for local residents and creating a comfortable environment for living and working in urban areas.
- 60.9% of the Company's supplies are provided by local suppliers.
- The Company operates the Cooperation Lab platform, which offers comprehensive support and consultations to emerging companies aiming to become suppliers for UzAuto Motors. The platform facilitates business development and the creation of new innovative projects and products.
- The Company's vehicles successfully passed tests according to UN ECE standards at the IDIADA testing center in Spain.
- The Company's vehicles are equipped with Advanced Driver Assistance Systems (ADAS), such as lane departure warning, automatic emergency braking, and adaptive cruise control, which helps to prevent accidents and increase road safety.



UzAuto

Human rights compliance, business ethics
and anti-corruption

9



Human rights compliance, business ethics and anti-corruption

GRI 2-23; 408-1; 2-16, 2-25, 2-26, 205-1, 205-2

Approaches to ensuring human rights

GRI 2-23; 408-1;

Significant topics:

- Anti-corruption
- Human rights

Key indicators

68

the number of people with disabilities among the employees of UzAuto Motors JSC

100%

Proportion of contracts with suppliers that include criteria prohibiting the use of child and forced labor

UzAuto Motors adheres to strict principles of respect, observance and protection of human rights, which are a key aspect of the corporate policy and culture of the Company. These values are deeply rooted in the company's mission and strategy, and we actively implement them in all areas of our activities.

Respect for human rights is at the heart of our code of ethics and corporate standards. We strive to create an environment in which every employee and partner of the company feels valued and respected, as well as to ensure that all our business processes comply with international human rights norms and standards.

UzAuto Motors JSC implements a comprehensive approach to the observance of human rights, which includes:

- Continuous improvement of internal communication channels to ensure the openness and accessibility of information for all employees.
- Involving employees in social initiatives and projects aimed at improving the quality of life both within the company and in the regions where we operate.
- Disseminating human rights principles to our suppliers and partners to ensure they are respected throughout the value chain.



Legal framework for human rights

GRI 2-23

The Company's human rights standards are based on key international and national regulations and are enshrined in internal corporate documents that ensure their implementation in daily activities

<p>International legal acts</p>	<p>The Company supports the principles set out in a number of International Labor Organization (ILO) conventions, such as:</p> <ul style="list-style-type: none"> • Conventions against Forced Labor • Convention on Freedom of Association and Protection of the Right to Organize • Convention on the Right to Organize and Collective Bargaining • Convention on Equal Pay • Convention on the Elimination of Forced Labor • Convention on Discrimination in Respect of Employment and Occupation • Convention concerning Minimum Age for Admission to Employment • Convention concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labor • Convention on the Framework System for Occupational Safety and Health • Convention on Labor Inspection • Convention on Employment Policy • Convention on Tripartite Consultations on International Labor Standards • Convention on the Forty-Hour Working Week • Convention on Holidays with Pay • Convention on the Protection of Wages • Maternity Protection Convention • Convention on Workers' Representatives • Convention on the Working Environment (Air Pollution, Noise and Vibration) • Convention on Collective Bargaining • Convention on Safety and Health in Buildings
<p>National regulations</p>	<ul style="list-style-type: none"> • Constitution of the Republic of Uzbekistan²⁷ • Labor Code of the Republic of Uzbekistan²⁸ • Law of the Republic of Uzbekistan «On guarantees of equal rights and opportunities for women and men»²⁹ • Law of the Republic of Uzbekistan «On Trade Unions».³⁰
<p>Internal regulatory documents</p>	<ul style="list-style-type: none"> • Collective agreement for 2021-2023 • Internal Labor Regulations • Code of Conduct • Code of Conduct for Partners

²⁷ 30.04.2023. Constitution of the Republic of Uzbekistan (lex.uz) ²⁸ 28.10.2022. Labor Code of the Republic of Uzbekistan (lex.uz)

²⁹ ZRU-562-sleep 09/02/2019. On guarantees of equal rights and opportunities for women and men (lex.uz) ³⁰ ZRU-588-sleep 06.12.2019. Trade unions (lex.uz)

Company's commitment to human rights

The Company has the following key commitments in the field of compliance with and protection of human rights, which we strive to comply with at all stages of its activities:

- Prohibition of Child and Forced Labor
- Protection of human dignity and privacy
- Recognition of the right to freedom of thought, conscience and speech; Open and multi-stakeholder dialogue with all stakeholders
- Decent wages for all employees of the Company and proper social security
- Priority attention is paid to ensuring the safety of working conditions, reducing the impact of production factors on employees, creating safe and favorable working conditions for business partners
- Considering the risks of negative impact on local communities as a result of the Company's activities
- Respect for the right to a favorable environment, reduction of negative environmental impact in the regions of operation
- Compliance with the principles of fair and honest competition, countering monopolization and corruption
- Non-discrimination in all its forms and manifestations
- Maintaining an ongoing dialogue with stakeholders, considering their views on the protection of human rights, as well as proposals for improving approaches to ensuring respect for human rights
- Informing employees about the possibility of contacting the Hotline in case of violations in the field of human rights protection

The company's activities in the field of human rights

Compliance with human rights in the Company's internal activities

The Company strictly observes human rights in relations with employees, acting in full compliance with the norms of the Labor Code of the Republic of Uzbekistan, the provisions of the Collective Agreement and the Internal Labor Regulations. These documents serve as a foundation for minimizing the risks associated with human rights violations and cover the labor, socio-economic and professional aspects of relations between the employer and employees. The focus is on preventing all forms of discrimination and ensuring equal opportunities and fair working conditions for all employees.

Compliance with human rights in the value chain

Throughout the entire value chain, the company adheres to the principles set out in the Code of Business Ethics of UzAuto Motors Partners. The Code obliges all business partners to respect and observe the human rights defined by the UN Universal Declaration of Human Rights. The company's partners must avoid any involvement in human rights abuses and always respect the personal dignity, confidentiality

of personal data and the rights of each individual. They are also obliged to actively oppose all forms of unacceptable treatment of workers, including psychological pressure, physical violence, slavery, violation of the rights of persons with disabilities and forced labor.

Prevention of child labor and forced labor

As part of the Company's regular work to respect human rights, special attention is paid to the problem of forced and child labor. UzAuto Motors is committed to preventing any form of unacceptable labor in all aspects of its activities and supply chain.

At the internal level, the Company ensures the observance of human rights through strict adherence to the Labor Code of the Republic of Uzbekistan, as well as the provisions of the Collective Agreement and the Internal Labor Regulations. These documents provide clear guidance on how to minimize the risks associated with the use of underage labor and establish a strict framework for protecting workers from unacceptable working conditions.

In relations with business partners, UzAuto Motors puts forward clear requirements regulated by the Code of Business Ethics of Partners. This document guarantees compliance with international human rights standards, with a particular focus on the exclusion of forced and child labor. Business partners are obliged to conduct their activities in such a way that they do not involve the exploitation of minors and are not based on coercion:

- Prohibition of the transfer of personal documents: partners do not have the right to require their employees to hand over documents such as passports or work permits, which excludes the possibility of forced labor.
- Voluntariness of labor relations: relations between partners and their employees should be based on voluntariness and the absence of coercion, threats or intimidation.
- Compliance with the minimum age for employment: according to the Company's policy, the minimum age for employment must comply with the standards of the International Labor Organization (ILO), which prevents the use of child labor.

These measures help ensure that all parties involved in the UzAuto Motors value chain act within the framework of established international norms and standards, ensuring respect for human rights at all levels of interaction.

This strategy and approaches to managing the risks associated with forced and child labor are part of the Company's overall efforts to ensure respect for human rights.

Human rights management

Responsibility for managing processes aimed at preventing human rights violations, including measures to counteract child and forced labor, as well as the exclusion of any forms of discrimination, is assigned to the Human Resources Management Department, the trade union committee, the compliance service and, if necessary, the women's council. These units coordinate the development, implementation and monitoring of corporate policies and procedures in this area.

The Company's complaints mechanism allows for effective management and response to any cases of human rights violations. The effectiveness of these processes is assessed through regular analysis and feedback from employees, which contributes to the improvement of internal control systems.

To file complaints, the company has a hotline and e-mail of the compliance department, where employees and other interested parties can send their appeals:

- Hotline: +998781405630
- Email: compliance@uzautomotors.com

Each appeal received by the company is registered and sent to responsible persons for further analysis and establishment of facts. The process of consideration of complaints is regulated by the internal Regulations for receiving and considering reports of corrupt behavior through communication channels in UzAuto Motors JSC³¹, which maintains confidentiality and guarantees objectivity when considering each case of appeal. organized the installation of special boxes for anonymous appeals, controlled by the Department for the Control of Executive Discipline.



³¹ The Regulations for Receiving and Considering Reports of Corrupt Behavior through Communication Channels in UzAuto Motors JSC were approved by the Director General in May 2022.

Business Ethics

GRI 2-23

As part of its activities, UzAuto Motors adheres to the principles of honesty, openness and transparency, striving to comply with high ethical business standards, which are the basis of the Code of Corporate Ethics and the Code of Ethics of Business Partners.

The Code of Corporate Ethics covers relations within the team, and the Code of Ethics for Business Partners covers relations with external business partners of the Company. UzAuto Motors is convinced that ethical principles of doing business make a significant contribution to the sustainable development of the Company, contribute to the growth of corporate culture and strengthen reputation.

The Code of Ethics for Business Partners defines standards of conduct for external partners, including suppliers, contractors, and distributors. This document requires compliance with the norms of fair competition and responsibility, obliging partners to follow the principles of transparency and integrity in business.

The Code of Corporate Ethics is aimed at regulating behavior within the company and is mandatory for all employees. It enshrines the company's core values such as teamwork, honesty, and continuous improvement. These principles contribute to the creation of effective teamwork and strengthen the corporate culture.

Both codes contribute to the prevention of all forms of misconduct and conflicts by establishing clear criteria for all those involved in the company's activities. They also play a central role in the development of a corporate culture based on ethics and adherence to high moral standards.



Anti-corruption

GRI 205-1; 205-2;

Key indicators

100%

Number of employees informed about existing anti-corruption policies and methods

UzAuto Motors strictly adheres to a zero-tolerance policy for corruption in all its forms. In 2022, the General Director of the Company approved a publicly available Anti-Bribery and Corruption Policy in UzAuto Motors JSC³². This policy is developed in accordance with the national legislation of the Republic of Uzbekistan and international norms, such as the US and UK anti-corruption laws, and aims to strengthen measures to control and detect corrupt practices.

The Company has established that each employee, regardless of their position, is obliged to comply with the principles of the anti-corruption policy. In this regard, all employees of UzAuto Motors are required to familiarize themselves with the Anti-Corruption Policy. In addition, anti-corruption requirements are included in all standard forms of employment contracts, as well as in the Company's Internal Labor Regulations.

The process of familiarization with the Anti-Corruption Policy is monitored by the Compliance Service and the Human Resources Directorate. These units are responsible for informing all employees, both new and existing, about the need to comply with the Company's policies and procedures related to the prevention of corruption. Familiarization takes place through a variety of communication channels, including internal corporate mail, the Company's website, as well as an electronic document management system to ensure full understanding and compliance with the established requirements.

In 2023, 100% of employees, including members of governing bodies, were informed about the Company's anti-corruption policy.

The Company is actively improving its corporate regulatory framework in the field of anti-corruption control. In addition to the Anti-Bribery and Anti-Corruption Policy, this framework includes other key documents aimed at combating corruption. Each of these documents makes a significant contribution to the creation of a transparent and responsible corporate culture:

- Regulations for Reception and Consideration of Reports on Corrupt Behavior in UzAuto Motors JSC through Communication Channels
- Regulations «On Assessment of Corruption Risks»
- Code of Corporate Ethics of UzAuto Motors JSC
- Code of Ethics of Business Partners of UzAuto Motors JSC

Principles of stakeholder engagement in the field of anti-corruption

According to the Code of Ethics for Business Partners, the Company categorically rejects any actions of partners that may lead to unethical consequences or violations of the law, including anti-corruption. The requirements established in the Code determine the minimum standards of conduct for partners, but the Company recommends adhering to

higher standards, even if they are not provided for by the current legislation of the Republic of Uzbekistan.

When selecting business partners, the Company conducts a thorough check, considering corruption risks. All business partners undergo an anti-corruption check before concluding a contract. During the audit, partners are required to actively cooperate, fully provide the requested data and documents, as well as provide transparent information about owners and affiliates within the established time frame.

The Code of Ethics for Business Partners requires partners to comply with all applicable laws and standards of the country where they operate. If a country's legislation and the Code govern the same issue and do not contradict each other, a stricter standard should be followed. In case of contradictions between the requirements of the Code and the law, stricter norms that do not contradict the current legislation are applied.

Governance structure

To implement anti-corruption policy measures and procedures, the Company has approved the Compliance Service as a responsible unit. Together with the Compliance Service, the HR Directorate is actively engaged in informing employees about the current anti-corruption policies and related processes.

The Anti-Corruption and Ethics Committee, which operates under the Supervisory Board, monitors the effectiveness and reliability of the Company's anti-corruption system.

Anti-corruption training

As part of the Company's strategy to develop corporate culture and comply with high standards of business ethics and anti-corruption control, UzAuto Motors actively organizes training for employees at all levels. The statistics shown in the table below show the number of employees who received anti-corruption training during the reporting period.



³² Anti-bribery and corruption policy in UzAuto Motors JSC (uzautomotors.com)

³³ The Regulations were approved by the General Director of the Company on 05.05.2022

³⁴ The Regulation was approved by the General Director of the Company on 05.05.2022

Number of employees trained on anti-corruption issues in 2023

Category	Unit Measurement	Region			Total
		Asaka	Pitnak	Tashkent	
Senior Executives	person	30	8	10	48
Middle managers	person	190	24	-	214
Specialists	person	646	-	-	646

The training covers key elements of anti-corruption policy, including understanding and use of anti-corruption methodologies and procedures, as well as developing skills to identify and prevent potential corruption risks. Particular attention is paid to the training of senior and middle managers, who play a central role in the formation of a compliance culture in the Company.

UzAuto Motors intends to continue to improve the awareness and competencies of its employees in the field of anti-corruption in order to guarantee compliance with high standards of business ethics and legality in all areas of its activities.

Corruption risk assessment

The risk assessment and management process are carried out in accordance with the approved Regulation «On Assessment of Corruption Risks», approved by the General Director of the Company on 05.05.2022 and supported by the Decree of the President of the Republic of Uzbekistan dated May 11, 2022 «On measures to improve mechanisms for eliminating corruption risks in the field of public administration and expanding public participation in this area».

In 2023, the Company assessed corruption risks in 10 out of 50 business units, which is 20% of the total. It is planned to expand the scope of the evaluation to other units in the future. As a result of the assessment, 8 risks were identified. The results of the assessment are detailed in the table below:

Corruption risks identified by the Company in 2023

Name of corruption risk	Risk response measure
Performing actions that conflict with the interests of the Company in favor of personal benefits. Colluding with third parties in matters related to corruption.	Implementation of a program to increase awareness and qualification of employees regarding the rules, procedures and methods of resolving conflicts of interest.
The risk of entering marketing research contracts with outsourcing companies that develop marketing proposals in the interests of suppliers of raw materials or services related to the Company's officials or their acquaintances.	Organization of audit and monitoring in the field of procurement and supply to identify related risks and ensure the development and implementation of measures to eliminate the identified risks.
Abuse of the powers granted through the involvement of familiar persons in the processes of project implementation.	Development and implementation of a detailed control plan aimed at strict compliance with anti-corruption norms and procedures
Claiming personal advantage in exchange for failure to provide the Company's management with information on the identified deficiencies in the course of control activities related to compliance with internal labor regulations.	Implementation of a unified electronic record system for all screened candidates hired to ensure transparency and control of the selection process.
Unjustified overstatement of costs associated with the organization of exhibitions, fairs and auctions.	Strengthening control over financial assets and liabilities, auditing financial activities, identifying and eliminating potential risks, as well as taking measures to improve the efficiency of the use of resources and minimize financial risks
Claiming material benefits in exchange for non-compliance with labor regulations	Strengthening control over compliance with labor relations and safety rules, analysis of potential risks with their subsequent elimination
Overpayments in the interests of oneself or third parties when calculating wages.	Advance control over the expenditure of budget funds by ensuring the correct formation of a business plan designed for the current year.
Transfer of defective cars in exchange for material benefits. Obtaining a positive opinion from quality control	Implementation of a risk assessment system in production, development of methods for their prevention. Coordination of tasks with job descriptions of the heads of technical services and administration.

Anti-corruption hotline

There are a number of channels for reporting corruption offenses. This allows employees and other stakeholders to confidentially or anonymously report their well-founded observations and suspicions of corruption violations:

- Virtual Reception of the President of the Republic of Uzbekistan (<https://pm.gov.uz/>)
- official website of the Company (www.uzautomotors.com) or e-mail (info@uzautomotors.com)

Official channels and pages of the company in social networks:

- [Facebook](http://www.fb.com/UzAutoMotorsOfficial) (<http://www.fb.com/UzAutoMotorsOfficial>)

- [Instagram](https://instagram.com/uzautomotorsofficial) (<https://instagram.com/uzautomotorsofficial>)
- [Telegram](https://t.me/uzautomotorscom) (<https://t.me/uzautomotorscom>)
- [Company phone numbers](tel:+998781417777) (+998781417777, +998781471414)

Communication channels of the Compliance Service:

- Hotline: +998781405630
- Email: compliance@uzautomotors.com

Upon receipt of appeals, they are registered and sent to responsible persons to establish the facts. Anonymous appeals are also subject to review for facts and follow-up. The entire process is governed by the Regulation on the Acceptance and Examination of Reports of Corrupt Practices Received through Communication Channels. At the initiative of the Compliance Service and by special order of the CEO, the Company has installed special boxes for reports, including anonymous ones, which makes it possible to report possible or actual corruption offenses.

Communicating critical issues

GRI 2-23

In order to ensure transparency and efficiency of corporate governance, the Company strictly follows the established principles of reporting on the most significant issues that can have a significant impact on its activities. In accordance with these principles, information about critical issues is collected by executive bodies, subjected to analysis (considering legal, financial, technical, and other key aspects, as well as assessing the potential impact on public activities), and proposals for solving these issues are formulated for further transmission to the highest body of corporate governance.

The Company is constantly working to improve its corporate governance system, paying special attention to timely informing about all significant aspects of its activities. This contributes to building trust on the part of stakeholders. In the reporting period, the Company did not encounter any critical issues requiring notification of the supreme governance body.



UzAuto
APPENDICES



Appendix A: GRI Content Index

Indicator	Determination of GRI indicator	Section of the report	Page Number	Comments
GRI 1. Basic provisions 2021				
Statement on the Use of GRI Standards		About the Report	14	The current report prepared by UzAuto Motors JSC is in accordance with GRI standards and covers the period from January 1, 2023 to December 31, 2023
GRI version				GRI Foundation 2021
GRI Indicators Table		Appendix A: GRI Content Index	89	
GRI 2. General reporting elements 2021				
Brief information about the organization and report preparation				
2-1	Organization Information	Company Info	6	
2-2	Legal entities included in the organization's sustainability reporting	About the Report	14	
2-3	Reporting period, reporting frequency, and contact information	About the Report	14	
2-4	Restatement of information	About the Report	14	This report is the first official sustainability report of UzAuto Motors JSC
2-5	Independent assurance of the report	About the Report	14	
Activities and Employees of the Organization				
2-6	Information on the organization's activities, value creation chain, and other business relationships	Company Info Interaction with customers and suppliers	6, 64	
2-7	Permanent employees of the organization	Interaction with staff	40	
2-8	Workers who are not employees	Interaction with staff	40	
Corporate Governance				
2-9	Structure and composition of governance	Corporate Governance	18	
2-10	Procedure for the election and approval of the highest governance body	Corporate Governance	18	
2-11	Head of the highest governance body	Corporate Governance	18	
2-15	Conflict of interest	Corporate Governance	18	
2-16	Communication / informing about critical issues	Respect for human rights, business ethics and anti-corruption	84	

Indicator	Determination of GRI indicator	Section of the report	Page Number	Comments
2-17	Collective knowledge of the highest governance body	Corporate Governance	18	
2-18	Evaluation of the highest governance body's performance	Corporate Governance	18	
2-19	Remuneration policy	Corporate Governance	18	
2-20	Procedure for determining remuneration	-		Not disclosed due to confidentiality considerations
2-21	Overall annual compensation ratio	-		Not disclosed due to confidentiality reasons
Strategy, Policies, and Practices				
2-22	Sustainable Development Strategy Statement	Message from CEO	3	
2-23	Commitments enshrined in the organization's internal documents	Corporate Governance Respect for human rights, business ethics and anti-corruption	18, 84	
2-24	Implementation of commitments enshrined in the organization's internal documents into its activities	Corporate Governance	18	
2-25	Mechanisms for mitigating negative impact	Corporate Governance	18	
2-26	Mechanisms for seeking advice and reporting concerns	Corporate Governance	18	
2-27	Compliance with legislation	Interaction with customers and suppliers	64	
2-28	Membership in associations	Responsibility to the community	75	
Stakeholder Engagement				
2-29	Approach to stakeholder engagement	Corporate Governance	18	
2-30	Collective agreements	Interaction with staff	40	
GRI 3. Material Topics 2021				
3-1	Process for determining material topics	About the Report	14	
3-2	List of material topics	About the Report	14	
GRI 201: Economic Indicators 2016				
201-1	Direct economic value generated and distributed	Responsibility to the community	75	
201-3	Organizational commitments related to established benefits and pension plans	Interaction with staff	40	
201-4	Financial assistance received from the government	Company Info	6	During the reporting period, UzAuto Motors did not receive any government financial support, including tax incentives.

Indicator	Determination of GRI indicator	Section of the report	Page Number	Comments
GRI 202 Market Presence 2016				
3-3	Management of Material Issues	Interaction with customers and suppliers	64,75	
202-1	Ratio of standard entry-level wage by gender compared to local minimum wage	Interaction with staff	40	
GRI 203 Indirect Economic Impacts 2016				
3-3	Management of Material Issues	Responsibility to the community		
203-1	Investments in infrastructure and services provided pro bono	Responsibility to the community	75	
203-2	Significant indirect economic impacts	Responsibility to the community	75	
GRI 204: Procurement Practices 2016				
204-1	Proportion of spending on local suppliers	Interaction with customers and suppliers		
GRI 205. Anti-Corruption 2016				
3-3	Management of Material Issues	Respect for human rights, business ethics and anti-corruption	84	
205-1	Assessment of business activities for risks related to corruption	Respect for human rights, business ethics and anti-corruption	84	
205-2	Communication on anti-corruption policies and procedures and training on them	Respect for human rights, business ethics and anti-corruption	84	
205-3	Confirmed incidents of corruption and actions taken			Not disclosed due to confidentiality considerations
GRI 207: Taxes 2019				
207-1	The organization's approach to tax payments	Responsibility to the community	75	
207-2	Tax management and risk management	Responsibility to the community	75	
207-3	Engagement with stakeholders and addressing tax-related issues	Responsibility to the community	75	
GRI 302: Energy 2016				
3-3	Management of Material Issues	Environmental Responsibility	53	
302-1	Energy consumption within the organization	Environmental Responsibility	53	
302-3	Energy intensity	Environmental Responsibility	53	
302-4	Reduction of energy consumption	Environmental Responsibility	53	

Indicator	Determination of GRI indicator	Section of the report	Page Number	Comments
GRI 303: Water 2018				
3-3	Management of Material Issues	Environmental Responsibility	53	
303-1	Interaction with water as a shared resource	Environmental Responsibility	53	
303-2	Management of impacts related to water discharge	Environmental Responsibility	53	
GRI 306: Waste 2022				
3-3	Management of Material Issues	Environmental Responsibility		
306-1	Waste generation and significant impacts related to waste	Environmental Responsibility	53	
306-2	Management of significant impacts related to waste	Environmental Responsibility	53	
306-3	Total mass of waste generated	Environmental Responsibility	53	
GRI 401: Employment 2016				
3-3	Management of Material Issues	Interaction with staff	40	
401-1	Newly hired employees and employee turnover	Interaction with staff	40	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Interaction with staff	40	
401-3	Maternity leave	Interaction with staff	40	
GRI 402: Labor/Management Relations 2016				
402-1	Minimum notice period regarding significant operational changes in the organization	Interaction with staff	40	
GRI 403: Occupational Health and Safety 2018				
3-3	Management of Material Issues	Occupational health and safety	34	
403-1	Occupational health and safety management system	Occupational health and safety		
403-2	Hazard identification, risk assessment, accident investigation	Occupational health and safety	34	
403-3	Health protection services	Occupational health and safety	34	
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational health and safety	34	
403-5	Occupational health and safety training	Occupational health and safety	34	
403-6	Enhancing employee health	Occupational health and safety	34	
403-7	Prevention and mitigation of adverse health and safety impacts directly associated with the organization's business relationships (in the supply chain)	Occupational health and safety	34	
403-8	Workers covered by the occupational health and safety management system	Occupational health and safety	34	
403-9	Occupational injuries	Occupational health and safety	34	

Indicator	Determination of GRI indicator	Section of the report	Page Number	Comments
GRI 404: Training and Education 2016				
3-3	Management of Material Issues	Interaction with staff	40	
404-1	Average annual hours of training per employee	Interaction with staff	40	Information disclosed without breakdown by employee categories
404-2	Upskilling programs designed to support employability of workers	Interaction with staff	40	
GRI 405: Diversity and Equal Opportunity 2016				
405-1	Ethnic and sociocultural diversity among staff and company management	Interaction with staff	40	
405-2	Ratio of basic salary and remuneration of men to women	Interaction with staff	40	
GRI 407: Freedom of Association and Collective Bargaining 2016				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Interaction with staff	40	
GRI 408: Child Labor 2016				
408-1	Operations and suppliers at significant risk for incidents of child labor	Respect for human rights, business ethics and anti-corruption	84	
GRI 418: Consumer Privacy				
3-3	Management of Material Issues	Interaction with customers and suppliers	64	
418-1	Total number of substantiated complaints regarding breaches of consumer privacy and losses of customer data	Interaction with customers and suppliers	64	

Appendix B: SASB Content Index

Indicator definition SASB	Section in Report	Page	Comments
SASB 1. 2023-12 FRAMEWORK			
Statement on the use of the SASB standards	About the Report	14	
SASB version			Standard for sustainability accounting in the automotive industry Industry standard version 2023-12
Table of SASB indicators	Appendix B: SASB Content Index	94	

SASB 2. Common reporting elements 2023-12

Indicator	Breakdown	Section in Report	Page	Comment
TR-AU-000.A	Number of vehicles manufactured	About the company	6	
TR-AU-000.B	Number of vehicles sold	About the company	6	
TR-AU-310a.1	Percentage of active workforce employed under collective agreements	Interaction with staff	40	
TR-AU-440b.1	Total amount of waste from manufacturing, percentage recycle	Environment Responsibility	53	
TR-AU-250a.1	Number of complaints regarding product safety-related defects	Interaction with customers and suppliers	64	
TR-AU-250a.2	% of complaints addressed regarding product safety-related defects	Interaction with customers and suppliers	64	
TR-AU-250a.3	Number of recalled vehicles	Interaction with customers and suppliers	64	

Appendix C: Additional information

To the section «Interaction with staff»

Administrative and working staff hired, by gender, percentage
GRI-401-1.a

Year	2022		2023	
	Admin. staff	Working staff	Admin. staff	Working staff
Men	8.3%	90.5%	5.4%	92.1%
Women	0.4%	0.8%	0.5%	2%

Administrative and working staff hired by age group, percentage
GRI-401-1.a

Year	2022		2023	
	Admin. staff	Working staff	Admin. staff	Working staff
under 30	5.6%	71.82%	3.22%	78.19%
30-50 years	2.9%	19.56%	2.41%	15.87%
Over 50 years old	0.1%	0.02%	0.25%	0.06%

Administrative and working staff hired by region, percentage
GRI-401-1.a

Year	2022		2023	
	Admin. staff	Working staff	Admin. staff	Working staff
Asaka	6.3%	72.7%	4.06%	56.71%
Pitnak	0.1%	17.68%	0.06%	36.14%
Tashkent	2.2%	1.02%	1.77%	1.26%

To the section “Environmental Responsibility”

Total energy consumption from renewable sources, GJ
GRI 302-1

Source	2022		2023	
	Pitnak	Asaka	Pitnak	Asaka
Solar energy	78.37	0	422.60	794.58

Total electricity consumption
GRI 302-1

Year/ City	Asaka (GJ)	Pitnak (GJ)	Tashkent (GJ)	Total in the company (GJ)
2022	305,515.08	97,919.36	1,600.87	405,035.31
2023	327,252.79	110,787.08	1,321.72	439,361.59

Energy intensity in Asaka, GJ per 1 unit of car
GRI 302-3

	Unit of measurement	2022	2023
		Total energy consumption	GJ
Total product production	unit	234,577.00	285,291.00
Total energy intensity	GJ per 1 unit of car	4.65	3.75

Energy intensity in Pitnak, GJ per 1 unit of car
GRI 302-3

	Unit of measurement	2022	2023
		Total energy consumption	GJ
Total product production	unit	93,120.00	113,809.00
Total energy intensity	GJ per 1 unit of car	3.10	2.52

Appendix D: Glossary and Abbreviations

IPO (Initial Public Offering)	Process by which a private company becomes a publicly traded company by offering its shares to the public for the first time.
I-REC	International Renewable Energy Certificates are a market-based instrument that certifies that electricity was generated using renewable energy sources. I-REC certificates are issued to energy producers for each MWh of green electricity.
ISO 14001:2015	International standard for environmental management system
ISO 50001	International standard for energy efficiency management system
ISO 9001:2015	International standard for quality management system
SEC	The Securities and Exchange Commission is an agency of the United States government that is the primary authority responsible for the supervision and regulation of the American securities market.
UzDaewoo	original name of UzAuto Motors JSC when the company was a joint venture with Daewoo Motor Company
Anticompetitive conduct	company actions aimed at limiting competition in the market
Risk Owner	person or organizational unit that has authority and responsibility for risk management in a company
Greenhouse gas emissions	gas emissions that contribute to global warming and climate change
Groundwater	gravitational groundwater of the first permanent aquifer from the Earth's surface
Double materiality	this is a concept that involves considering not only the financial aspects of a decision (for example, reducing energy costs), but also its social and environmental consequences (for example, improving working conditions or reducing emissions into the atmosphere)
Climate Change	this is the process of changing the long-term weather regime, temperature, and other conditions characteristic of a particular locality
Talent Pool	group of employees who have undergone special selection and training to occupy key positions in the future
Kaizen	The philosophy and practice of continuous improvement of processes and activities in an organization
Compliance	compliance of the company's activities with established laws, standards and internal regulations
Conflict of interest	A situation in which an employee's personal interests may affect their professional decisions and actions
Corporate Social Responsibility (CSR)	The company's obligations to conduct business ethically and with consideration of social, environmental, and economic impacts
Indirect economic impact	The organization's impact on the local economy through job creation, investments, and other economic activities
CIT	Corporate Income Tax - a tax on corporate profits
Credit ratings	Company creditworthiness ratings issued by rating agencies such as Fitch

Localization of production	The process of creating domestic production of goods to reduce dependence on imports
Local presence	company's participation and influence in the economic and social life of the local community
Materiality matrix	A tool for visualizing and prioritizing material topics that affect stakeholders and the company
Municipal water utilities	Enterprises that provide collection, treatment, and distribution of water in urban conditions
Indirect Materials	Materials used in the manufacturing process but not directly included in the final product
Industrial Injury	Accidents and injuries occurring in production
Direct Materials	Materials directly used in the production of final product
Risks Associated with Human Capital	Potential personnel-related problems, such as employee turnover, lack of qualifications, etc.
Performance Evaluation System	Methods and tools for assessing employees' work and their contribution to achieving company goals
Environmental Management System	The structure of the organization and procedures aimed at managing the environmental aspects of the company's activities
Social Responsibility	The company's obligations to society, including respect for human rights, ensuring equal opportunities, and fair working conditions
Employee Turnover	An indicator reflecting the change in the number of employees in an organization over a certain period
Cybersecurity Management	A set of measures aimed at protecting information systems from digital threats
Financial Institutions	Organizations that provide financial services, such as banks, investment, and insurance companies
Digitalization	The process of implementing digital technologies in all aspects of the company's activities
Economic Value	The company's contribution to the economy through job creation, tax contributions, and investments in production development and innovation
Energy Intensity	The amount of energy required to produce a unit of product or service
GMW	General Motors Worldwide is an American multinational automobile manufacturing company headquartered in Detroit, Michigan, United States. The company is best known for owning and manufacturing four car brands: Chevrolet, GMC, Cadillac, and Buick.
SAP	German software company known for creating the enterprise resource planning (ERP) system, founded around 1972 by five IBM engineers
SMART	an approach to goal setting that helps you define your desired outcome, provides a sense of direction, and helps you organize and achieve your goals. SMART stands for Specific, Measurable, Achievable, Relevant, Time-bound
GEM	the name of an automotive platform in use by General Motors for various vehicles sold in markets of the developing world, where many GM vehicles designed for the United States and wealthier parts of China are too expensive for most consumers
GS1	International organization responsible for standardization of accounting and bar coding of logistic units

Abbreviations

ADAS	Advanced Driver Assistance Systems
APQP	Advanced Product Quality Planning
BIQ	Built-In Quality
BIQ IV	Built-In Quality Level IV
BPC	Business Planning and Consolidation
CIM	Center for Innovative Machining
CO₂	Carbon Dioxide
CO₂-eq	Carbon Dioxide Equivalent
CRM	Customer Relationship Management
EDMS	Electronic Document Management System
EPC	Electronic Parts Catalog
ESG	Environmental, Social, and Governance
Euro NCAP	European New Car Assessment Programme
FCPA	Foreign Corrupt Practices Act
GCA	Global Customer Audit
GHG	Greenhouse Gas
Global NCAP	Global New Car Assessment Programme
GM	General Motors
GMS	Global Manufacturing System
GRI	Global Reporting Initiative
GSI	Global Service Information
GSQE	Global Surface Quality Evaluation
GWM	Global Warranty Management
HR	Human Resources
IIHS	Insurance Institute for Highway Safety
ISO	International Organization for Standardization
IT	Information Technology
KPI	Key Performance Indicators
LMS	Lean Manufacturing System
MPV	Multi-Purpose Vehicle
NHTSA	National Highway Traffic Safety Administration
PSA	Potential Supplier Assessment
PVM	Passenger Vehicles Management
SASB	Sustainability Accounting Standards Board
STAR	Situation, Task, Action, Result- assessment method

UKBA	UK Bribery Act
JSC	Joint-Stock Company
OSH	Occupational Safety and Health
VGIK	All-Russian State Institute of Cinematography
GJ	Gigajoule
UNECE	United Nations Economic Commission for Europe
IDP	Individual Development Plan
KABA	Kazakhstan Automobile Business Association
MBA	Master of Business Administration
MSU	Moscow State University
IPCC	Intergovernmental Panel on Climate Change
MOU	Memorandum of Understanding
ILO	International Labour Organization
IFRS	International Financial Reporting Standards
NPO	Non-Profit Organization
SB	Supervisory Board
UN	United Nations
LLC	Limited Liability Company
EP	Environmental Protection
OSISE	Occupational Safety, Industrial Safety, and Ecology
GHG	Greenhouse Gases
MAC	Maximum Allowable Concentration
RAS	Russian Academy of Sciences
RSE	Republican Stock Exchange
PPE	Personal Protective Equipment
MM	Mass Media
CIS	Commonwealth of Independent States
ISS	Industrial Safety System
SDGs	Sustainable Development Goals

Appendix E: Contact Information

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