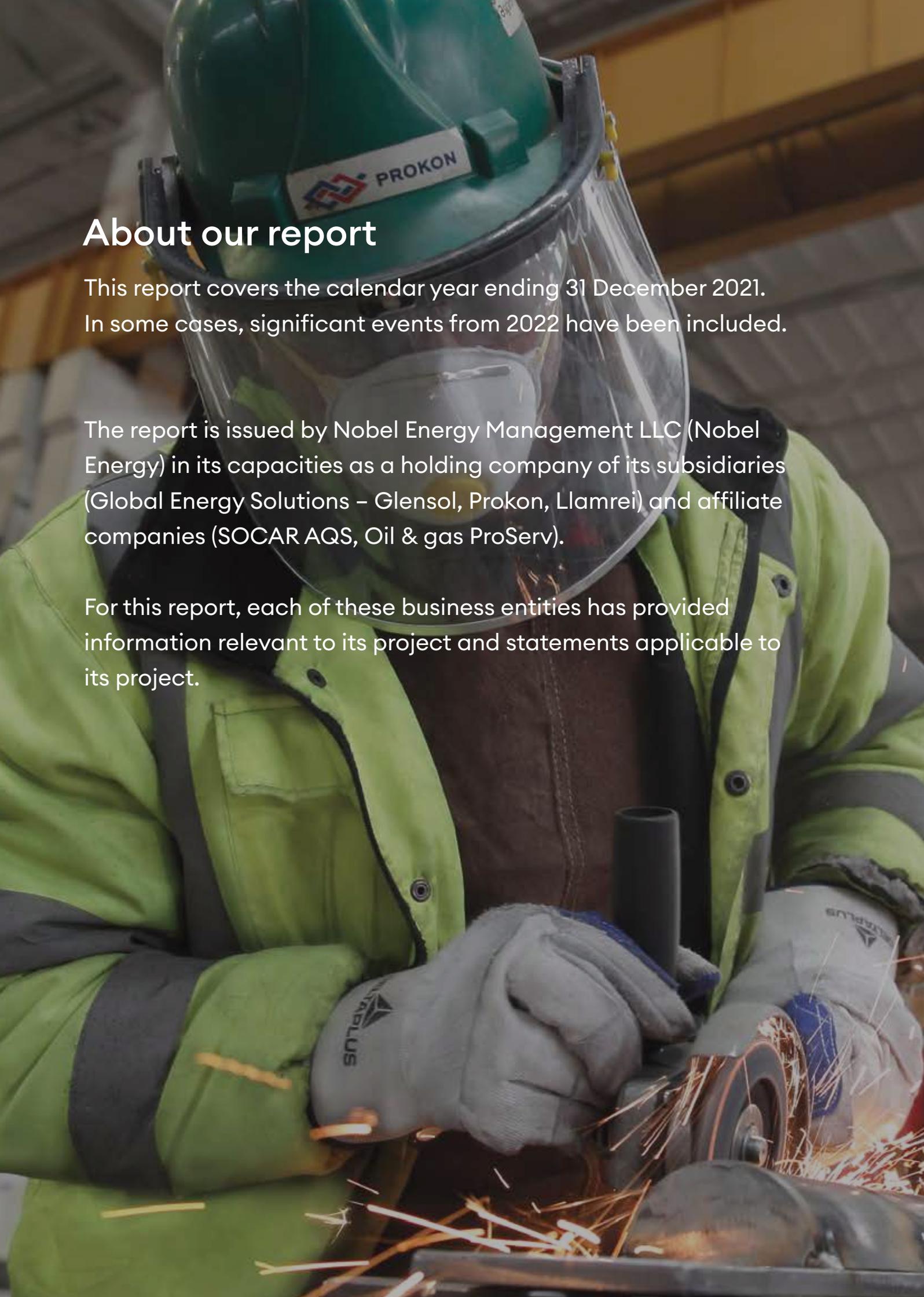




Nobel Energy

Sustainability Report
2021



About our report

This report covers the calendar year ending 31 December 2021. In some cases, significant events from 2022 have been included.

The report is issued by Nobel Energy Management LLC (Nobel Energy) in its capacities as a holding company of its subsidiaries (Global Energy Solutions – Glensol, Prokon, Llamrei) and affiliate companies (SOCAR AQS, Oil & gas ProServ).

For this report, each of these business entities has provided information relevant to its project and statements applicable to its project.

What's inside?

The Nobel Energy Sustainability Report 2021

covers our business operations, our safety and environmental record, and other activity during 2021. Some significant events from 2022 have been included.

Table of contents

Introduction	4
Report profile	6
About Nobel Energy Group	10
Our operations	20
Sustainable development management	27
Ethics and Compliance	34
Our people	44
Environmental stewardship	54

Message from our CEO

Welcome to the Nobel Energy Sustainability Report 2021. The year had been tough in the wake of the disruption in the global supply-chain, an aftermath of the pandemic, and human resources related challenges. Nevertheless, our integrated services business model and years of proven experience, both inside and outside the country, had allowed us to deliver safe, reliable and efficient results.



Vugar Samadli,
Chief Executive Officer

In 2021, we have achieved some significant milestones and displayed some outstanding performance across our businesses. Clearly, the biggest milestone of the year was major rebrand of our company, including the change of the company name to Nobel Energy and renewal of the corporate logo.

This extensive rebranding reflects our new corporate vision and strategy, which was launched the same day. The new strategy will see Nobel Energy transform from an Oil and Gas Services Company to an Integrated Energy Production, Development and Services company.

As part of the rebranding, we have refreshed our corporate values too, keeping the two of them – Safety and People Oriented – untouched which has depicted our unwavering approach to safety and people since the outset of our business operations.

Protecting our people, customers, communities and environment where we operate, has always been a top priority for us, and 2021 was no exception. During the year, we remained committed to the development of a sustainable and strong safety culture. We used our best practices and lessons learned to improve the safety culture, and partnered with our people at all levels including our contractors to ensure both their safety and well-being, and to improve and maintain our process safety.

I hope you enjoy reading the report and find it informative. We encourage you to share your opinion with us that could help Nobel Energy to improve where required and become even a better company.



Our transformed company will focus on delivering agile, efficient and more importantly, sustainable solutions for our customers. This change follows big energy companies' transformation efforts – to become a net zero company and ensure sustainable development – to address the dual challenge.

Vugar Samadli,
Chief Executive Officer

Report profile

The Sustainability Report of Nobel Energy (formerly Nobel Oil) for 2021 is the third public, non-financial report prepared by the Company and communicated to a wide range of stakeholders. The report covers the main results of Nobel Energy's activities in the field of sustainable development for the period from January 1, 2021 to December 31, 2021, as well as the Company's plans for 2022 and medium term perspective. Electronic versions of the reports are posted on the Nobel Energy's corporate website: <https://nobelenergy.com/en/sustainability>

The Report has been prepared in accordance with the “Core” option of the Global Reporting Initiative (GRI) Standards to comprehensively cover the economic, social and environmental aspects of our activities. To disclose information on specific sectors, we have followed the principles of Sustainability Accounting Standards Board and ISO 26000. Financial data in the Report are presented in accordance with the consolidated financial statements prepared in accordance with the International Financial Reporting Standards (IFRS). To ensure data comparability, the most significant indicators related to the Company's activities are presented in three-year dynamics. There were no significant changes in the methodology for calculating indicators in 2021. The report demonstrates the Company's commitment to the principles and concepts of sustainable development and corporate social responsibility, and contribution to achieving the UN Sustainable Development Goals for the period up to 2030 (hereinafter referred to as the UN SDGs).

The content of this Report is built on the principles of materiality, coverage of stakeholders, the context of sustainable development and completeness. Additionally to Glensol and Prokon - Nobel Energy affiliate companies - SOCAR AQS has also been included to this reporting. Direct participation share of Nobel Energy in SOCAR AQS is 85%. Due to these changes in the report, the quantitative indicators for previous years have been changed. The information contained in the Report is confirmed by the heads of functional units, and the final document is approved by the Chief Executive Officer of the Company.



Stakeholder engagement

An important prerequisite for the implementation of our development strategy is effective interaction with our stakeholders based on the principles of partnership, equality and mutual respect, which are fixed in the Code of Conduct and Business Ethics of the Company.

Nobel Energy closely studies the views of stakeholders on the issues that are important to them and uses a wide range of mechanisms for the interaction. The Company, using feedback channels, evaluates the satisfaction of stakeholders with various aspects of its activities, determines the reasonable expectations and concerns of stakeholders and consistently responds to them, including through reporting in the field of sustainable development. By developing approaches to communication with different stakeholder groups, we try to ensure the involvement of all stakeholders, initiate a two-way dialogue and provide an opportunity to leave feedback.

We are confident that our approach based on the open communication and transparency of information is the basis for building a constructive dialogue with stakeholders, so we strive to use the best and most convenient ways of communication. The company's publications in the media and on the corporate website are the main channel for the interaction with all stakeholder groups. We are constantly improving communication channels so that they become more efficient and easy to use.

Key stakeholders for Nobel Energy are the Company's employees and contractors, customers, local communities, government agencies and the media.

In 2021, our key focus for stakeholder engagement was to communicate our new sustainability strategy, mission and vision to our stakeholders and engage them in the initiatives to support our strategic development plan.

The table on page 8 provides a summary of the engagement activities carried out in 2021, as well as the key themes and issues raised.

Table 1. Our stakeholders

	<i>Why we engage</i>	<i>2021 Engagement activities</i>	<i>Key Topics of Interest</i>
Shareholder	Active engagement with shareholder gives the company an opportunity to learn about their priorities and concerns. Directors can better understand the driving forces behind their voting decisions.	General meetings of shareholder; Regular meetings of company managers with shareholder; Annual Financial Reports; Annual Sustainability Report.	Implementation of strategies; Financial sustainability; Innovation; Climate Change & Carbon Emissions
Investors	The relationship with its financial community ensures access to the capital market and funding for investment opportunities	Regular meetings of company managers with investors; Publication of annual reports; Participation in conferences, summits; Conference calls for investors.	Financial sustainability; Innovation; Ethics and anti-corruption; Occupational health & safety
Employees	Nobel Energy keeps an open dialogue with its people on all levels to capitalize on the full potential of its diverse workforce.	Development programs; Employee engagement surveys; Trainings; Collective and private meetings of company managers.	Occupational health & safety; Ethics & Compliance; Development & leadership
Suppliers	Supplier engagement and collaboration ensure Nobel Energy's suppliers have high standards in business ethics and respect for people and the environment.	Contracts and agreements; Participation in working groups roundtables; Supplier selection procedures; Annual Sustainability Report.	Adaptation of procurement processes to environmental, economic and ethical requirements; Quality service;
Customers	Engaging with customers enables Nobel Energy to understand their needs, anticipate market trends, and develop corresponding solutions.	Regular meetings; Meetings and calls with account and project; Daily, monthly, semi-annual and annual reports;	Occupational health & safety; Quality service; Innovation; Climate Change & Carbon Emissions
Local Communities	Engagement with the community allows us to create a more socially responsible organization. A deep, strong and trusting relationship between us increases the level of satisfaction with the Company.	Community development programs; Charity and sponsorship projects; Publication of press releases and information on important events; Publication of annual reports.	Financial support; Community Partnerships; Interaction with educational centres.
Government authorities	To understand regulatory changes and regulators' concerns, Nobel Energy engages with local governments and regulators.	Relations with regulators; Participation in working groups, roundtables, conferences, forums; Publication of annual reports;	Regulatory compliance; Job creation and national capacity; Protection of health, al safety and environment;
Media	Establishing and sustaining strong Media Relations is important for informing the public about Nobel Energy's projects and activities.	Meeting with the journalists in the Energy and Construction sectors, dissemination of press releases.	Energy sector developments; Renewable energy field; Carbon Emissions; SDG Goals;

Materiality assessment

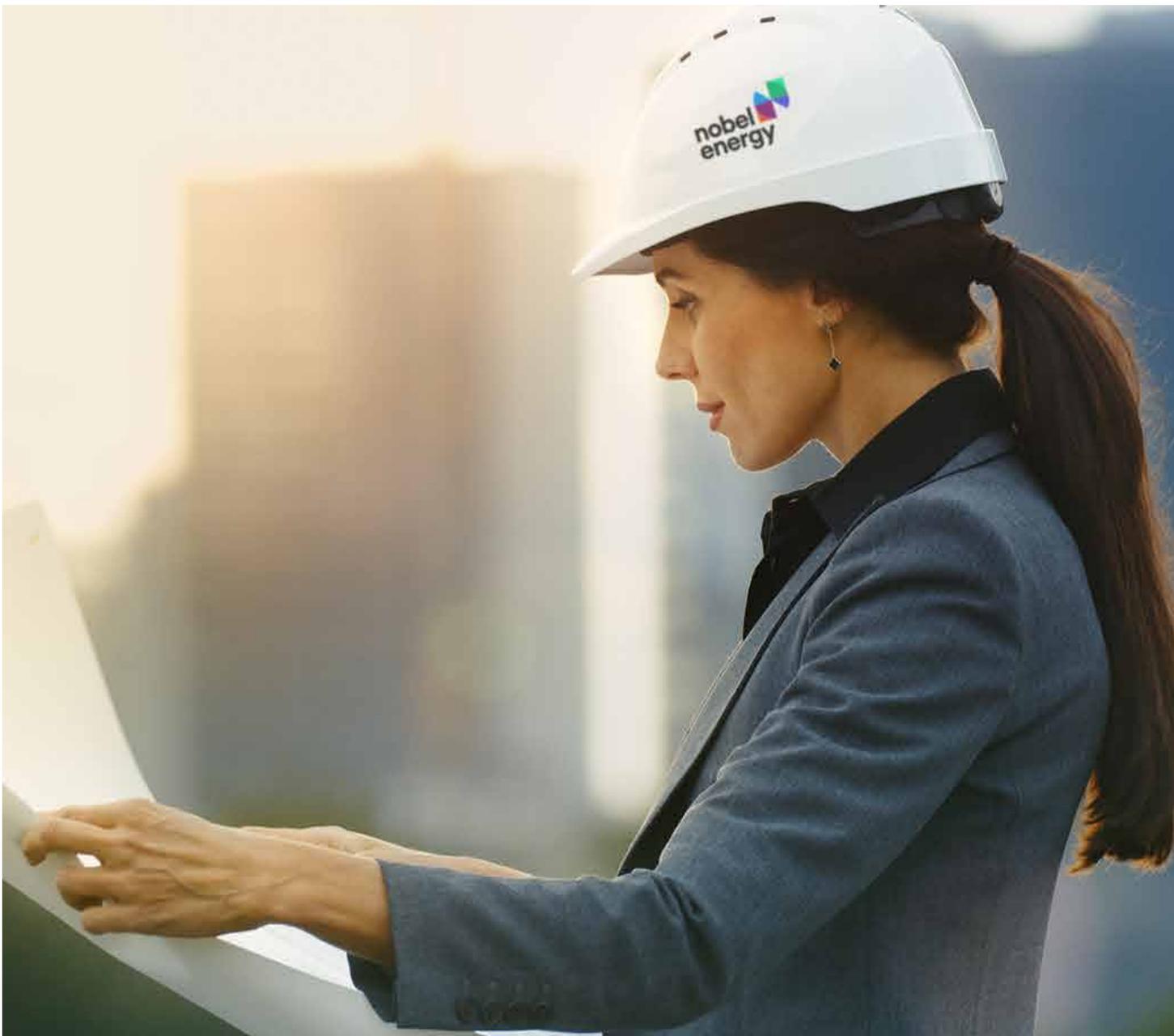
In accordance with the GRI Standards, as a part of the preparation of the sustainability report, a materiality analysis was carried out to create a matrix that defines the most priority topics, risks and opportunities for sustainable development for our business and key stakeholders. The assessment took place in three stages: determining the list of material topics, ranking the aspects of sustainable development and approving the list of material topics. This assessment was based on two main criteria: the significance of the economic, environmental or social impact to our stakeholders and to our business.

The results have shown that strategic priorities of Nobel Energy Group continue to meet stakeholder expectations, as well as the areas where we have the greatest opportunity for positive impact. The highest priority was given to the following sustainable development themes: Corporate Governance, Ethics & Compliance, Climate change and Carbon emissions, Managing environmental risk, Waste management, Occupational health and safety, Quality management, Anti-corruption, Economic performance.

Figure 1. Materiality assessment results



About Nobel Energy Group



Nobel Energy in Brief

We are Nobel Energy (part of NEQSOL Holding) and our integrated services business model have positioned us to optimize end-to-end service delivery and provide effective and efficient solutions to our customers over the past 16 years.

We are now transforming our business to become an Integrated Energy Production, Development and Services company. We want to be a catalyst for meeting the changing energy needs of our world, by increasing our focus on people, technology and sustainability of resources.

Nobel Energy is a parent company of Global Energy Solutions (Glensol), Prokon, Oil and Gas Proserv and Llamrei. It also has several joint venture companies such as SOCAR AQS, Turan Drilling & Engineering, GVL, SDL NOBEL, Lamor NBO, and Wood Group Azerbaijan.

Drilling services

We provide a variety of services involving drilling and comprehensive well management. This includes drilling, design and planning of horizontal, multi-bore and deviated boreholes, well completion, overhaul and geo-technical measures in wells, drilling of sidetracks and installation of casings.

Engineering, procurement and construction services

We specialize in the management of integrated infrastructure, the construction process of plants and facilities from design, procurement, construction through closeout and further maintenance, including repair and operations. In addition, the scope of activities includes EPCM and fabrication services on onshore & offshore platforms in the Caspian region.

Integrated services

We provide oilfield operations and equipment maintenance services in the oil & gas, power & water industries. We provide installation, commissioning, operation and maintenance of gas turbines and compressors, as well as inspection and maintenance of rotating and static equipment.

Nobel Energy in Brief

We provide our customers with a broad range of materials and equipment for drilling, design, maintenance and production operations with the goal of optimizing the flow of materials and equipment from their origin to delivery.

Our markets and Customers

A detailed and precise understanding of markets and customers is an important basis for the strategy at all levels of the enterprise. Nobel Energy serves customers in both the public and private sectors, within our business segments. Our experience allows us providing engineering and construction solutions in the Oil and Gas, Energy, Energy and Water, Construction sectors as a diversified engineering and construction contractor.

Since the formation of the company, our main customers are state-owned and private oil-gas companies that carry out their business in the Republic of Azerbaijan.

Azerbaijan

Service type
Drilling services
EPC&CPM
Integrated services
PSCM

Türkiye

Service type
Drilling services

Kazakhstan

Service type
Drilling services
Integrated services

United Arab Emirates

Service type
Integrated services



SOCAR AQS

SOCAR AQS

SOCAR AQS

Vias

Vias

RE

Our strategy

We are laying out a new strategy that will help us transform from an Oil and Gas Services company to an Integrated Energy Production, Development and Services company, focused on delivering agile, efficient and sustainable solutions for customers. Our aim is to be a catalyst for meeting the changing energy needs of our world, by increasing our focus on people, technology and sustainability of resources.

We are transforming our company to be part of the solutions that will help all our stakeholders to get affordable and reliable energy, while reducing environmental impacts.

We have been proudly following the Nobel Brothers heritage – which underpins focus on people, their safety and well-being – the driving force behind all our accomplishments. Through this transformation, we will put even greater focus on our people to make this significant change another success story.

We have years of experience and the right ingredients to achieve our key goals: visionary approach, the best expertise, integrated solutions.



Strategic plan

The new strategy is built around three key areas of activity that support our enhanced approach to sustainability

We have two key enablers that will support our transformation



Add sustainable energy line

Clean energy solutions – grow renewables business to help our customers and the world achieve safe, efficient and sustainable energy



Become diversified

Diversification and scaling up – diversify services and products in targeted markets and expand Nobel Energy’s business horizons to scale revenues.



Keep innovating

Innovation and agility – leverage the benefits of advanced technology and agile ways of working to invest in rational, risk-balanced initiatives, valued by all stakeholders.



Integrated systems

Across our diverse business units, we will be pulling together all Nobel Energy’s resources and expertise to deliver overarching and agile solutions for customers.



Strategic partnerships

We will partner with tech giants who can help us drive progress, provide skills we may not have to deliver agile and sustainable results.

Mission and Values

Our Mission

Our mission is to be a catalyst for meeting the changing energy needs of our world – by increasing our focus on people, technology – to deliver safe agile, efficient and sustainable solutions for all stakeholders.

Safety: We conduct our business according to the highest standards of social, environmental and safety practices. We are committed to being a good corporate citizen. We place a high priority on the health, safety and security of our workforce and everyone we work with, and the protection of our assets and the environment.

People-oriented: We treat people – the driving force behind all our success stories – as our most valuable asset. With great focus on well-being and growth of our people, we are committed to creating an inclusive workplaces that embrace a diversity of cultures, ideas, talents and experiences. We ensure a

Integrity: We are honest with others and ourselves. We meet the highest ethical standards in all business dealings. We do what we say we will do. We accept responsibility and hold ourselves accountable for our actions and inactions.

Excellence: We strive for excellence in what we do, delivering a high level of performance and operational excellence, underpinned by continuous improvement of our systems and ways of working.

Innovation: We regard innovation-led growth as critical. We leverage the benefits of advanced technology and agile ways of working to invest in rational, risk-balanced initiatives, valued by all

Sustainability Approach

Sustainable development is an integral part of our business. We are firmly convinced that responsible approach to business contributes to economic, environmental and social prosperity, as well as the sustainable growth of our business. We are confident that the integration of the principles and values of sustainable development into our business processes is a prerequisite for the development and success of the Company.

Nobel Energy revised its vision and approaches to sustainable development, which contributed to the adoption of a new strategy in 2021, and the renewal of strategic goals.

In the new strategy the principles of sustainable development have been taken as the basis for the development of the Company. For us, compliance with these principles is important both for the long-term development of business, and for the formation of Nobel Energy's fundamental corporate values.

To develop and implement the new strategy, the Company is carrying out a comprehensive work, which is a necessary condition in order to implement our strategy over time, strengthen our market positions and at the same time comply with our basic principles in the area of sustainable development. By integrating sustainable development perspectives into our own operations, as well as into our customers' projects, we will create great growth potential for the Company.

As Nobel Energy seeks to ensure that sustainability principles are integrated into all its business processes, the organizational structure of sustainable development covers all levels of the Company. The Company's Board of Directors and its committees are actively involved in the sustainability management process and determine the overall course for Nobel Energy's development.



SDGs and business priorities on sustainable development

Nobel Energy shares the desire of the world community to achieve the 17 UN Sustainable Development Goals (SDGs) by 2030 and, as a business representative of one of the parties that can contribute to the achievement of SDGs, takes actions and improves its activity in the field of sustainable development.

As a parent company, Nobel Energy contributes to the promotion of the SDGs in all its business units. Our joint venture SOCAR AQS, as a member of the UN Global Compact, has joined the “Decent Work in Global Supply Chains” Action Platform, which aims to create an alliance of companies, local networks of Global Compact and partner organizations that are committed to respecting human and labor rights using supply chains. This platform justifies the need for advancing decent work in global supply chains through sustainable procurement methods and supplier engagement, and demonstrates that labor and human rights are vital for the achievement of the United Nations Sustainable Development Goals.

We believe that through the SDGs, we will build an effective sustainability culture and demonstrate our commitment to sustainability to investors, shareholder and other stakeholders. In addition, we believe that by supporting the UN agenda on SDG, we can contribute to a sustainable future for all.

The Company is committed to all 17 SDGs; nevertheless, taking into account the areas of its activities, the Company mainly focuses on those areas and tasks that it can implement as efficiently as possible by managing its capabilities and resources.

In 2021, in connection with the rebranding of the Company and development of a new development strategy, we again reviewed all 17 SDGs, examining in detail the sub-goals of each SDG and their relevance to our new business strategy and approach to sustainable development. Since then, we have identified five goals where we can make a particularly significant impact through our core businesses and seven goals to which we can contribute throughout our corporate activities. We see the last six goals as relevant to our entire business and governance strategy and having an impact on corporate sustainability.





Our operations



Drilling services

Bulla-Deniz

Bulla-Deniz field is located in the northern part of the Baku archipelago, 10 kilometers southeast from the Sangachal-Duvan-ny-Khara Zira island field. SOCAR AQS became the first drilling company in the Caspian region, which successfully carried out geophysical surveys and formation pressure measurements at the Bulla-Deniz field.

Moreover, SOCAR AQS was the first drilling company in the Azerbaijan area of the Caspian Region to conduct coring operations from Horizon V and Horizon VII of HP/HT Bulla-Deniz field in compliance with international standards. To date, SOCAR AQS has successfully delivered two wells to customer. Drilling operations are ongoing at the field.

Umid

Umid field is the second largest gas field in Azerbaijan situated in the South Caspian Sea, approximately 75 kilometers southeast of Baku. In 2019, we completed the drilling of the deepest well #16 on platform #1 at the “Umid” field. Well #16 broke a new ground in “Umid” field exploration history with the pipes laid to the target well depth, with unmatched well cementing and without any recorded case of the backpressure.

Productive reservoir formation pressure and core sampling at “Umid” field represent other attainments of the Company. In 2021, SOCAR AQS completed drilling of well No. 18 with a depth of 6,270 meters.

Guneshli

Guneshli is an offshore oil field in the Caspian Sea, located 120 kilometers east of Baku. Recently, for the first time, SOCAR AQS applied modern well diverter technologies in the shallow part of the Guneshli field. These technologies are necessary to eliminate unexpected flow of formation fluids from shallow sediments. We plan to continue using the mentioned technologies in future as well.

During 2019 and 2020, the company was engaged in drilling seven directional wells and one exploration well from platform № 7. In 2021, SOCAR AQS completed the drilling of well 356 from the offshore platform № 7 in compliance with all quality, environmental protection and safety standards.

West Absheron

The West Absheron field is located on the North of the Absheron Peninsula of the Caspian Sea, 65 kilometers from Baku. By 2021, SOCAR AQS has drilled and delivered 32 wells from two platforms. Besides, SOCAR AQS has also successfully completed engineering and drilling operations for the first multilateral well in the West Absheron field.

Türkiye

SOCAR AQS signed a contract in 2019 to drill and deliver 40 wells in the Tuz Golu area of Aksaray, Türkiye. According to the project, it is planned to complete the drilling of 40 wells, and the gas storage expansion project within a year. The expansion of Tuz Golu underground gas storage is vital for meeting the natural gas demand of Türkiye.

Engineering, Procurement, Construction services

SOCAR's Heydar Aliyev Oil Refinery

Prokon started the HAOR project in November 2018 as a subcontractor of Kinetics Technology & Tecnimont JV. SOCAR initiated the revamp and upgrade of the refinery for facilities to manage processing of 7.5 MMTPA crude oil, while meeting quantity and quality requirements of products both to feed Azerkimya revamped petrochemical plant and to produce Euro V quality automotive transportation fuels.

Prokon's scope includes construction of main process units, auxiliary units, utilities and off-site units.

In 2021 year, Prokon successfully completed fabrication and installation of five-section flare boom as part of SOCAR's Heydar Aliyev Oil Refinery (HAOR) modernization project. The flare boom, also known as burner boom, is one of the essential parts of the refinery aimed to protect the asset and the lives of personnel in it. Following the successful construction of this truss (of four riser and five construction sections) structure, with the total height and weight of 116 meters and 201 tons, it was successfully installed on its permanent house at the HAOR.

Noteworthy, the total DIA, during the fabrication of the flare boom, had reached 1191 inch.

Azerkimya Steam to Power

In 2019 year, Prokon and Azerbaijani-German joint venture SOCAR-Uniper have signed an agreement on the installation of a third steam turbine unit for the power supply of the Azerkimya Production Union (PU), which is part of the SOCAR.

Under the contract, Prokon took on the responsibility over the general construction and commissioning works, coordinating and managing all the construction works of SOCAR-Uniper and the purchase of structural materials for the steam turbine plant. In 2021, Project continued to be finalized and progress reached over 95%. Commissioning is planning to do by involving reputable parties, Uniper Technologies, SIEMENS, ABB, HAMON, from the world in different scopes in 2022.

The contract will make a significant contribution to increasing energy supply to the operator of the polyethylene plant - Azerkimya Production Association.

Prokon Türkiye

Prokon's subsidiary in Türkiye, Prokon Makina, Insaat, Imalat, Montaj, Sanayi ve Ticaret Ltd (Prokon Türkiye), has signed a contract with Türkiye Petrol Rafinerileri A.S. (Tüpraş) to provide brownfield modifications and repair works of miscellaneous tanks for Izmit Refinery Tank Farm.

Within the framework of the contract, Prokon Türkiye will carry out brownfield modifications and repair works of six storage tanks, more specifically crude oil, diesel, benzene, gasoline and water tanks, aimed at extending production life of these facilities.

The scope of the contract includes scaffolding works, blasting and painting works for six tanks and metal works for two tanks. The diameter of the tanks varies between 25 meters to 60 meters and the average height of the tanks are 14 meters. The period of the contract is 14 months.



Integrated services

8 offshore platforms, Sangachal Terminal and 4 export pipelines within Azerbaijan and Georgia.

In 2018 year, Global Energy Solutions (Glensol) entered into next project for bp to provide electrical & instrumentation services in the Azerbaijan-Georgia-Turkey (AGT) region. Duration of the project is 3 years with possible extension up to 2 years.

Glensol's services include Sangachal Terminal, BTC and WREP oil export pipelines onshore and 8 bp platforms offshore. The project scope includes execution, service, installation, commissioning, modification and inspection services designed to maximize uptime and optimize assets life cycle.

Electric motor maintenance services

Based on the contract between Glensol and bp Exploration (Caspian Sea) Limited, the Company provides a full range of maintenance services for electric motors. The contract includes repair, overhaul and refurbishment of AC and DC electric motors, electric motors for hazardous zones, field service, condition monitoring, supply of equipment, as well as supply and replacement of spare parts. Glensol also ensures temperature and humidity-controlled storage and preservation of all electric rotating equipment.



PSCM services

Glensol was awarded multiple contracts for the provision of maintenance, repair, operation, as well as facility and stock management services for a highly strategic asset in Azerbaijan and Georgia.

The contracts scopes include the following services:

1. Operation and maintenance services and supply of spare parts for RB211 and Taurus 60 gas turbines of a strategic asset in Georgia.

2. Maintenance, facility management and stock management services for all the valves of a strategic asset in both Azerbaijan and Georgia.

3. Routine inspection and maintenance, and breakdown response and repair works of equipment at a critical asset component in Azerbaijan.



Economic performance

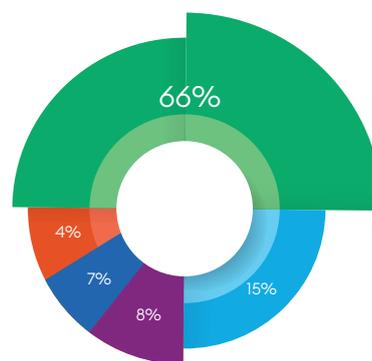
Financial Indicators (USD'000)	2019	2020	2021
Direct economic value generated			
Revenue	234 039	277 935	267 705
Economic value distributed			
Wages and salaries	27 436	41 248	47 260
Social security and pension costs	5 218	7 147	7 722
Other operating expenses	138 779	201 329	150 017
Economic value retained	62 606	28 211	57 706
Total Capitalization	243 826	213 647	202 783
EBITDA Margin	26.8%	10.2%	22.0%

Revenue by business



- Construction
- Rental income
- Provision of service
- Sale of goods

Revenue by business, %



- Construction
- Rental income
- Sale of goods
- Provision of service

Sustainable Development Management



Corporate governance

Nobel Energy has built an optimal corporate governance structure that allows effective management of the Company's activities. In addition to the requirements of local and UK legislation, the Company takes into account a number of requirements of various standards and codes, as well as best international practices, constantly improving its own management system to form transparent and fair relations with the stakeholders. Activities of the Company, including the management of sustainable development issues, are regulated by the Board of Directors, which is accountable to the General Meeting of Shareholder.

The Board of Directors reviews and approves the strategic priorities of the Company. It plays an important role in setting the company's priorities, strategic planning, as well as in the formation and development of the corporate governance system. Members of the Board of Directors are elected by shareholder at the General Meeting. During the reporting period, the Board of Directors consisted of five members, of which one is executive and four are non-executive.

For a detailed study and understanding of the Company's activities, development strategy and key risks, members of the Board of Directors hold regular meetings with members of the Management Board and heads of the specialized divisions of Nobel Energy, as well as with the mid-level executives.

Work of the Board during the year

During 2021, the Board met three times. During the financial year, the Board not only reviewed financial statements, but also considered issues related to the transformation of the company, strategic policy, budgets, business planning, audits, investments, corporate ethics and compliance, risk management, as well as issues related to the agenda of the day of purchase. Recurring themes were the impact of COVID-19 on business and mitigation measures.



Committees

The Board of Directors includes four committees that assist it in its activity. The primary role of the committees is to provide advice to the Board of Directors on matters within their area of responsibility, including social, environmental and governance (ESG) issues. To perform their functions, the committees have the right to request any necessary information or documents from members of the Company's executive bodies or heads of structural division.

	<i>Function</i>	<i>Committee members</i>	<i>Issues reviewed by the Committee</i>
Ethics and Compliance Committee	The Committee regularly reviews ethics and compliance issues, including measures to control key ethical risks. The Committee participates in facilitating the development, implementation and functioning of effective programs for compliance with ethical and legal standards.	Specialist on ethics and compliance, chairperson and secretary; Chief Executive Officer, member; Chief Operating Officer, member; Chief Commercial Director, member; Chief Financial Director, member; Manager of legal team.	Findings of external audits; Completion statistics of the compliance training; Matters related to non-compliance on vendor validation procedures (no any major cases); Revision of internal policies and procedures; Revision of the training materials; Recommendations and actions on the improvement of the awareness of compliance matters.
Health, Safety and Environment Committee	The Committee regularly reviews health, occupational safety and environmental issues, including materials on production activities, summary reports on performance results, and makes decisions to achieve the Company's goals.	Leader of HSE team, chairperson and Secretary; Chief Executive Officer, member; Chief Operating Officer, member; Chief Commercial Director, member; SOCAR AQS – General Director, member; SDL Nobel – General Director, member; Glensol – General Director; Prokon – General Director; OGP – General Director, member.	Monthly Group HSE report review; Serious Incident review; Nobel Energy Stop Work Authority policy; Nobel Energy Welfare Policy review; Safety Leadership walk schedule review; Safety Climate Survey review; HSE Targets - Quarterly review.
Audit Committee	The Audit Committee is established by the Board of Directors and its scope is to assist the Board of Directors in fulfilling its responsibilities for overseeing the financial reporting process, adequacy and effectiveness of the Company's internal control and risk management frameworks, monitoring and reviewing the effectiveness of internal and external audits.	Independent consultant, chairman; Member of Board of Directors; Member of Board of Directors.	Execution status of Internal Audit Plan for 2021; Internal Audit Reports submitted during 2021; Financial Statements audited by external auditors; Implementation status of management action plans on completed audit engagements; Development of 2022 Internal Audit Plan.
Emergency COVID-19 Committee	The committee coordinates the response to the COVID-19 Pandemic.	Deputy Chief Financial Officer, chairman; Chief Operating Officer, member; Ethics and Compliance Officer, member; Group QHSE Manager, member; Group HR Manager, member; Senior Lawyer, member; PR Specialist, member; Glensol – General Director; Prokon – General Director.	A set of measures for the security and safety of employees and business continuity.



CEO & other senior executives

The management team consists of the Chief Executive Officer and Chief Financial Officer, Chief Operating Officer, Chief Commercial Officer and Chief Drilling Officer.

The heads of the four divisions responsible for business operations in each area report directly to the CEO. The respective divisions are organized by functions that manage the strategic and operational initiatives of divisions throughout the global organization. The Chief Executive Officer is responsible for the day-to-day management of the Company's activities, including development of a sustainable business model, and is responsible for the implementation of strategic decisions made by the Board of Directors.

In addition, Chief Executive Officer must keep track and inform the Board about the development of the Company's business, results and financial position, liquidity, key business events and all other events, circumstances or conditions that may be considered important.

Internal audit

To achieve our strategic goals, as well as to increase the efficiency of operations and the effectiveness of business processes, the reliability and effectiveness of corporate governance practices, the Nobel Energy uses an internal audit service.

Our internal audit service operates in accordance with the International standards on internal audit and relevant legal provisions on internal audit. In this connection, this service is independent of the business and is not responsible for the operational business management. This ensures the fairness and objectivity of its reviews.

If the independence or objectivity of the Internal Audit are actually or potentially undermined, details of that should be communicated to the Audit Committee for discussion and decision-making. Any identified conflicts or similar actions must be resolved in accordance with the Company's Code of Ethics and the Code of Ethics of the Institute of Internal Auditors.

The Internal Audit Service and Group Compliance Officer work closely together to detect bribery, unfair competition or fraud. The Internal Audit Service may detect fraudulent or corrupt practices during regular audits. All reports of bribery, unfair competition or fraud must be reported to the Group Compliance Officer, regardless of who is reporting, or where they took place. In this case, the Internal Audit Service also informs the compliance officer, who, in turn, registers the identified cases of corruption, unfair competition or fraud in the record-keeping system of the Group and issues recommendations for sanctions and improvements to the relevant line management.



Internal control

Our company has designed a SOD procedure to enhance the effectiveness of internal controls, enable the functional division of responsibilities between business process participants and provide an overarching instrument that would define the functions, roles and basis of interaction between different players. This procedure is aligned with the company's existing regulations and has been agreed with senior discipline managers. The primary goal of the SOD procedure is to exercise effective internal control over the business, which provides significant benefits to the company by minimizing the risk of error and fraud. This document establishes a sequence of actions each individual must follow to move the business in the right direction. Additionally, the document provides a thorough understanding of business processes, establishes corporate and individual responsibilities and improves the efficiency of business processes.

We realize that modern competition necessitates the use of automated internal controls. For this reason, we are expanding the automation of our internal procedures, including reporting and monitoring practices, in order to enhance the efficiency of management. To do that, Nobel Energy continues the application of SAP software modules, which enable us to fully automate reporting and management processes by utilizing the most efficient business tools.

Nobel Energy and its subsidiaries are applying computerized management methods for a variety of operational functions, including accountability, project management, human resource management, salary calculation and cash flow, commercial supply and procurement processes, and controls. Furthermore, the SOD procedure is integrated into the SAP and OpenText operating systems for disciplines such as finance, procurement, human resources, law and commercial law.

Risk management

A prerequisite for achieving strategic goals in a company is risk management. At Nobel Energy, this task is solved on a systematic basis and is focused on the identification, tracking, control and management of all risks associated with the Group's activities.

In order to determine common principles and approaches to the organization of a risk management system, Nobel Energy Group in 2021 developed and approved the Risk Management Policy and Procedure. Risk Management Policy establishes the standards, processes and accountability structure to identify, assess, prioritize and manage key risk exposures within Nobel Energy and its related companies. It enables the executives and managers at all levels to systematically evaluate implications of decisions and actions to the highest priority goals and objectives, and effectively manage a broad array of risks in an informed and strategic manner to within an acceptable tolerance level.

Objectives

The objectives of ERM implementation are specific, measurable, achievable and relevant. It is the Policy of the Company to embed risk management into the culture and operations; an integrated view of risks and a systematic approach to mitigate them; achieve the strategic objective while ensuring appropriate management of risks; provide clear & strong basis for informed decision making at all levels of the organization; ensure protection of stakeholders' value by implementing risk management procedure; periodically re-assess the Company's risk profile and the effectiveness of risk response; strive towards strengthening the risk management through continuous learning & improvement.

Risk Management Process

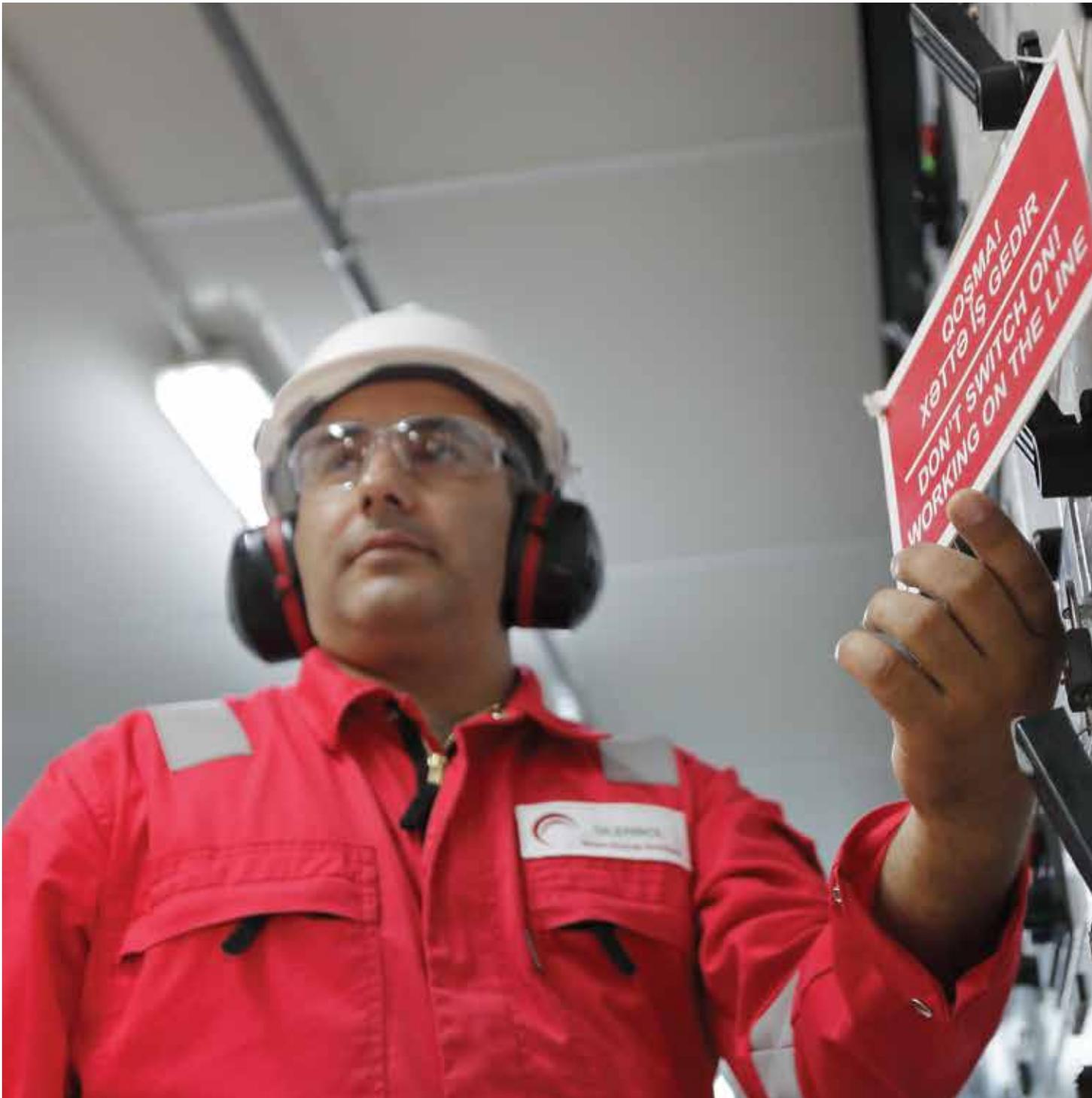
Effective risk management process requires continuous & consistent assessment, mitigation, monitoring and reporting of risk issues across the full breadth of the enterprise. The risk management framework adopted by the Company is mapped as per the ISO Standard 31000: Risk Management - Principles and guidelines and is in-line with recommendations of The Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). The risk management process incorporates the stages of establishing the context; risk assessment (identification, analysis & evaluation); risk treatment (mitigation plan); monitoring, review and reporting; communication and consultation.

Reporting

Reporting is an integral part of any process and critical from a monitoring perspective. Results of risk assessment need to be reported to all relevant stakeholders for review, inputs and monitoring. Risk management reporting mainly includes presentation of risk dashboard and risk maps for both current and newly identified risks. In addition, financial indicators and stress-tests may be included in risk management reports or presented in other management reports in regards to the requirements of this document.



Ethics & Compliance



Business ethics

Nobel Energy recognizes that business transparency helps building trust with all stakeholders and improving the economic and social environment in which the Group operates. The Company places high demands on employees and contractors with regard to good business practice and pays special attention to responsible approach to complying with legal requirements, human rights, preventing, detecting and responding to cases of bribery, corruption and other types of dishonest actions.

The organization of effective work in these areas is a guarantee that we will be able to win a reputation as an honest and conscientious partner, which is necessary for the gaining and maintaining the trust of stakeholders.

The main documents that define the Company's position in the field of business ethics are the Code of Conduct and Business Ethics and the Anti-Corruption Policy.

The above documents tell our employees and employees of contractors how to respond when they have to make ethical decisions, and provide a variety of channels to report anything that (as they believe) is not in line with our values, policies or the law. In 2021, we took a close look at our core values and Code of Conduct to align them with our new goals and strategic outlook.

Anti-corruption

We are convinced that one of the most important conditions for sustainable business development is the existence of measures to combat corporate fraud and corruption. The main document regulating the fight against corruption at Nobel Energy is the Anti-Corruption Policy, which contains a set of principles and approaches to prevent and eliminate the causes of corruption, aimed, among other things, at creating an anti-corruption culture.

When drawing up the Anti-Corruption Policy of the Company, the requirements of normative acts of international and foreign legislation, as well as recommendations of local, foreign and international agencies and organizations on anti-corruption issues were taken into account.

The main documents in the field of combating corruption and bribery are UK Bribery Act, 2010, US Foreign Corrupt Practices Act, 1977, Code of Conduct and Business Ethics of Nobel Energy, OECD Convention Combating Bribery of Foreign Public Officials in International Business Transactions, 1997, The United Nations Convention against Corruption, 2003, ISO 37001:2016 Anti-bribery management.

Our anti-corruption component is an important part of risk management mechanisms. The Company uses a systematic approach to identifying, assessing and managing risks associated with corruption and bribery. The Company analyzes corruption risks, their causes and sources, as well as the severity of the consequences and the likelihood of their occurrence. The risk assessment system includes the development of corrective measures to mitigate or eliminate risk, the integration of control procedures into business processes, as well as the identification and analysis of changes caused by the risk and the measures taken.

The Company does not carry out or encourage corrupt practices, including by business partners, and also makes every effort to prevent them. There is a multilayer approval flow for the potential vendors and all the vendors are required to provide vendor validation documents. All the vendors are going through background check by the security and compliance team. When appropriate, we develop a risk mitigation plan and decide not to work with a counterparty or reject tenders if we conclude that the risks are too high. We also conduct audits for anti-corruption compliance of selected suppliers subject to the availability of contracts. Since the anti-corruption clause is incorporated in all agreements between the Company and third party organizations, the partners assume obligations to comply with the provisions of the anti-corruption policy and ethical conduct.

Preventing the Conflict of Interests

In order to ensure maximum efficiency of the Company's activities and to protect the interests of shareholder, Nobel Energy pays great attention to measures on preventing the conflicts of interest. To effectively manage the risk of such conflict, the practice of disclosing information about a conflict of interest (or its absence) has been introduced by filling-in the appropriate declaration by the employees of certain positions.

Managers and other employees of Nobel Energy are obliged to fulfil their official duties, based on the principle of the priority of the Company's interests, and to avoid the influence of personal interests on the decision-making process.

In the event that the personal interests of Nobel Energy managers and employees conflict with the interests of the Company, they are obliged to immediately report this. In addition, employees should refrain from competing with the Company in any business transactions and investment projects.

Employees may not have any property or financial interest in the activities of Nobel Energy competitors. They should refrain from participating in decision-making when the Company makes transactions in which they have a personal interest. Situations where the receipt or transfer of gifts, services, and any other benefits may entail a conflict of interest should be avoided.



Protecting Human Rights

One of the key factors in the field of business ethics for Nobel Energy is respect for human rights. Although we have identified our human rights risk as low, this topic is still being tracked in our materiality analysis because we strongly believe in protecting and advancing the rights of others, as a fundamental element of our corporate values. The Company complies fully with the Labor Code and legislation of the countries in which it operates.

In our Code of Conduct, the Anti-Corruption Policy, the Health, Safety and Environment Policy, Nobel Energy company has defined minimum standards of human and labor rights to be applied in all subsidiaries, including the prohibition of forced, slave, compulsory or child labor, freedom of association, prohibition of any form of discrimination, as well as guarantees of fair remuneration and equal opportunities for all employees.

All decisions regarding the work of current and potential employees are made solely based on their professional skills and qualities, experience and abilities.

In terms of labor relations, the Company identifies such risks related to human rights as a threat to health and safety (e.g. injuries, occupational diseases), discrimination on any grounds, the use of forced and child labor, violation of the terms of collective labor agreements and limited opportunities for creating associations. Management of this risk of violation of human rights in terms of labor relations consists primarily in full compliance with the Labor Code and other laws of the Republic of Azerbaijan, which in itself means the impossibility of violating human rights.

The complaints mechanism applied in the Company allows our employees, as well as external stakeholders, to report any concerns or suspicions of rights violations. In the event of human rights violations and improper behavior, the complaints system allows employees to contact HR department to resolve their concerns or, using existing communication mechanisms, directly contact our CEO.



Reporting and communication

The Company encourages employees and stakeholders to adhere to transparency principle and report cases of inappropriate behavior or topics that they consider questionable or suspicious through the reporting channels.

To report any offenses, cases of fraud, corruption, conflicts of interest and other situations of concern for interested parties, the Company has a “Safety hotline”: ethics_nbo@nobel-energy.com, +994702994980.

Internally, our employees can report on misconduct using the Reporting Procedure, Hotline and by directly speaking to the Compliance Manager. During the last two quarters there were only 2 cases reported. Both cases were behavior matters and both cases are resolved. Compliance Manager also conducts periodic meetings with vendors in order to promote the awareness on how to report any concerns in case they occur.

In particular, the Company's “Report a Concern” procedure, which has been implemented in accordance with the British Corporate Governance Best Practices, provides employees with a methodology for reporting actual or suspected cases of bribery, corruption or misconduct.

The Company guarantees to all its stakeholders that it will not tolerate any retaliation against anyone who seeks advice, raises a concern, or reports an actual or suspected violation.

Training

Commitment to ethical behavior is at the heart of Nobel Energy’s corporate culture; therefore, the Group pays special attention to raising awareness of employees and contractors about ethical principles.

To raise employee awareness of compliance with the regulatory requirements and prompt response to possible violations of the Code, the Company organizes regular trainings for employees, including employees of its contractors. The trainings are provided upon the start of the new employee, as well as the annual re-certification training required to be passed by all the staff. Comprehensive or group trainings ensure that our employees are familiar with the requirements of the Code.

Launched last year, the “Ethics & Compliance Session” channel gave us the opportunity to provide ethics and compliance training to all Nobel Energy Group employees. This year the training materials are updated and to be presented across the organization shortly.



Supply Chain

Consistently implementing the principles of sustainable development into its strategic activity and operations, Nobel Energy builds a sustainable and transparent supply chain.

When dealing with suppliers, we strive to be an honest and fair partner, firmly believing that relationships built on the trust and honesty will be sustainable and beneficial for all parties.

In this regard, when working with suppliers, we adhere to our principles of full transparency of decisions taken, competitive advantages and assessment of compliance with the principles of sustainable development adopted by the Company.

To implement this approach, the Company takes all necessary and appropriate actions to set high standards for both the Company, and our suppliers.



Supply chain management

The supply chain management system at Nobel Energy is a cross-functional process consisting of interrelated elements: resource and demand planning, inventory management, supplier management, sourcing and procurement, supplier selection, contract management and control.



The sourcing and Procurement processes are being managed in accordance with the Company values and the main Procurement and Supply chain principles, by ensuring the transparency, integrity and accountability at all stages. The Procurement process contributes the competitive environment development on market.

In 2021 Nobel Energy had implemented the Digitalized Due Diligence and Vendor management process, which allows synchronize and control separate processes under one vendor onboarding umbrella. Vendor database has been redesigned in accordance with UNPD PSCM Category Management principle, which allows to apply relevant qualification requirements to suppliers in accordance with their portfolio and area of expertise.

Company had implemented PSCM KPI monitoring tools that allows to track PSCM performance in real time. Contract management with extended data recordings has been also implemented. As a feedback to the changing environment, Nobel Energy ensures its processes are up to date and are responsive to the market needs.

Activity of Nobel Energy Company in the supply chain area is carried out in accordance with the legislation of the Republic of Azerbaijan, the Code of Conduct and Business Ethics, as well as a number of other regulations.

Our Code of Conduct and Business Ethics reflects the principles and requirements that apply to all contractors and suppliers in relation to quality, ethics, environment, health and safety and other ESG issues.

In line with our approach, we expect our suppliers to live up to our values and requirements in all material respects. Where the Company becomes aware of violations of the code, it notifies the relevant supplier and expects the supplier to investigate and resolve any such non-compliance issues quickly and within the agreed period. If the supplier is unwilling to correct such problems, the Company reserves the right to take legal action, from requiring corrective action to complete termination of the business relationships.

The principles and requirements of Nobel Energy regarding responsible supply chain management apply to all suppliers. All suppliers undergo a pre-qualification process in the interests of mutual confidence in the quality, reliability and security of the supply of goods and services.

The pre-qualification procedure of the Company describes the sequence of supplier verification operations and provides a detailed description of each stage of the process.

The system of decision making when choosing a supplier at Nobel Energy is regulated and ensures maximum transparency and objectivity of decisions made. Bidder proposals are reviewed by various project teams, which include representatives from the Applications and Procurement departments. The commercial and technical evaluations of proposals are then checked against the set limit values. CCO and CEO approve decisions at the corporate level.

Following our principles and requirements, potential suppliers are considered for compliance of their activities with the environmental and social responsibility. If the subject of the tender requires checking the state of the labor protection and industrial safety system, as well as assessing the environmental impact of a potential supplier, the relevant expertise may include a request to confirm the availability of the necessary licenses, certificates, including ISO. Besides, as a part of tender procedures, the Company requests information related to the social aspects of the potential supplier's activities.

In addition, one of our key approaches to the company's anti-bribery and corruption regulations and the Audit Law article into the contract with the supplier.

This helps Nobel Energy to ensure that suppliers comply with its internal rules and procedures to avoid potential corruption and fraud risks. In the event of suspicious transactions and violations, the company may institute regular inspections of the supplier.

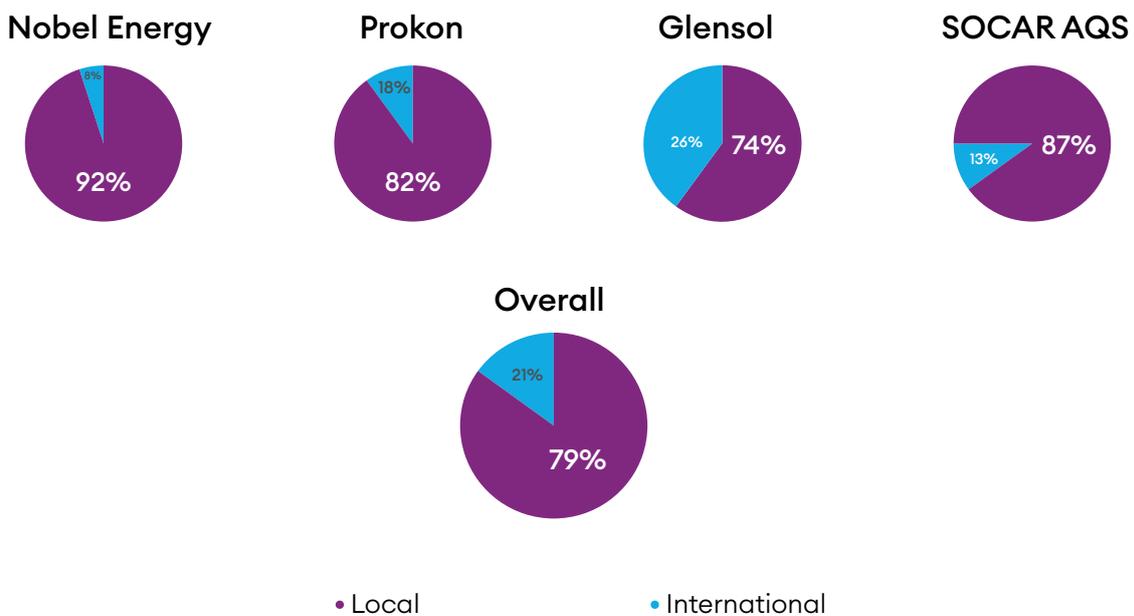
This helps Nobel Energy to ensure that suppliers comply with its internal rules and procedures to avoid potential corruption and fraud risks. In the event of suspicious transactions and violations, the company may institute regular inspections of the supplier.

Procurement results

Our company purchases various goods, works and services, thereby interacting with a large number of suppliers and contractors from different sectors of the economy.

This demonstrates significant importance of the supply chain for the Company's operations. In this regard, we are committed to maintain the stability of the supply chain by providing our customers with high quality products and services.

Nobel Energy is committed to working with local suppliers wherever possible; to reduce lead times, risks and transportation costs, as well as to improve availability and quality control.



Our people

Our employees form the backbone of our business and are a key factor in the long-term success and sustainable development of the company.

In this regard, effective personnel management is of utmost importance for us. The company develops and improves in line with its approach to management, regularly introducing advanced tools and methods in this area.

To be the best at solving our clients' problems, we use significant resources to attract, develop and retain talented people. We set ourselves the goal providing employees with competitive wages and of other financial incentives, as well as opportunities for the realization of professional capabilities and personal development.



Employee engagement

The Company has introduced a system that allows employees to contact management, report about the problems, and receive feedback on the consideration and resolution of problems that have arisen.

In this regard, Nobel Energy and its structural subdivisions implement an "open door" policy. This policy encourages transparency and employees' engagement, improves their performance, and provides management with a critical feedback channel, which in turn opens the way for up-to-date, informal information about the individual aspects of activity directly from employees. This approach allows us to act on results and take targeted measures.

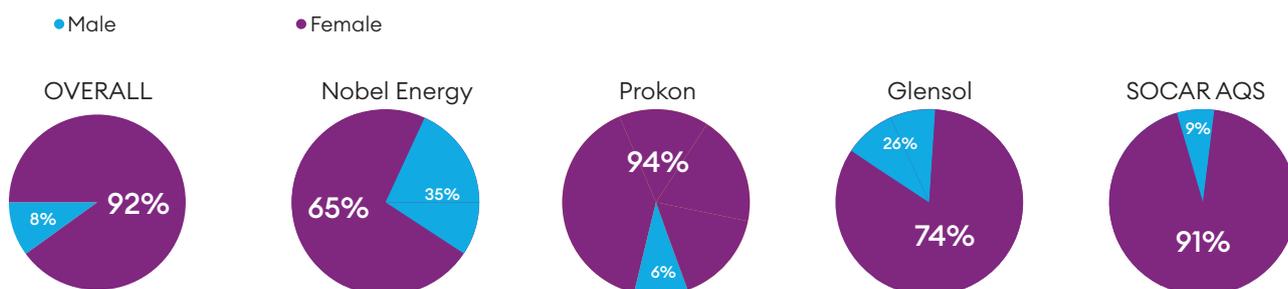
Another important channel for employee engagement is through surveys, which give us insight into employee engagement and our culture. Such surveys are conducted in a form of annual questionnaires, where the Company's employees can share their opinions. These surveys include questions and track the employees' opinions about the trust, performance, professional growth, development, and engagement. An important aspect of the survey is its anonymity, which enables employees to express their opinions freely.

Our approach to diversity and inclusion is supported by our Policy, Code of Conduct and Business Ethics and Procedures for the employees.

Inclusive diversity

At Nobel Energy, we regard diversity and inclusion as necessary conditions for the creation of the innovative and inspiring work environment, and actively promote equal rights and opportunities in the workplace, regardless of gender, ethnicity, nationality, religion, functional variations, sexual orientation or age.

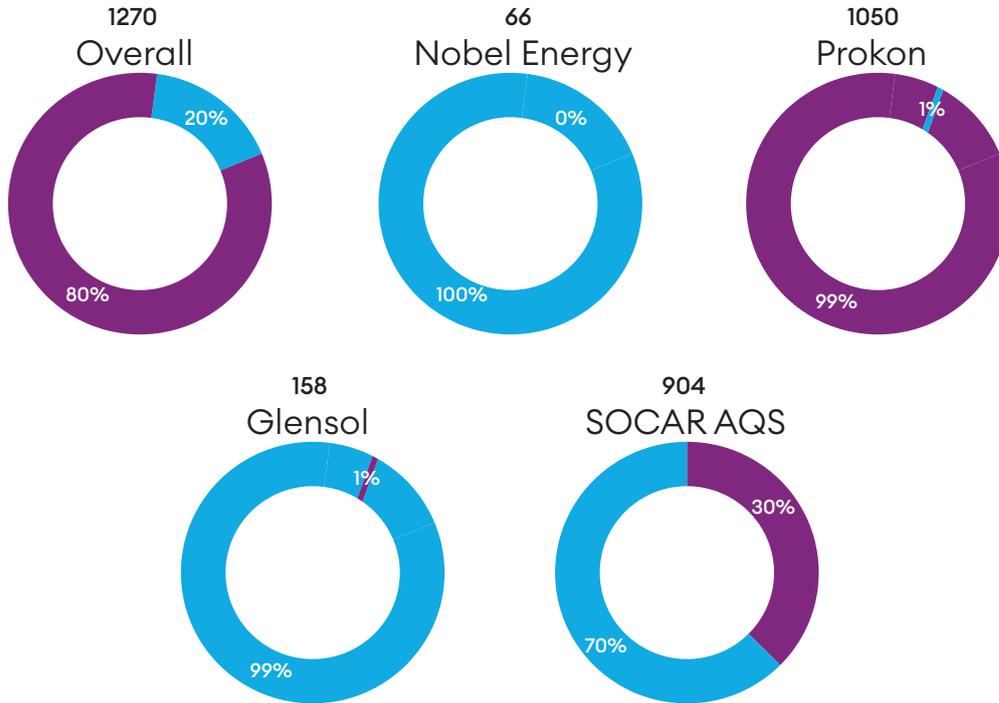
Our policy is to ensure equal access to opportunities, as well as fair wages based on the market conditions, ability and performance, not on gender or other characteristics. Based on our aspirations in this area, we have identified a number of internal priorities for the entire Nobel Energy Group, which are reviewed annually in order to correspond to modern realities and retain their effectiveness. These measures will change over time as our culture evolves and becomes more diverse and inclusive, so that our standards are continually raised.



EMPLOYEE DEMOGRAPHICS

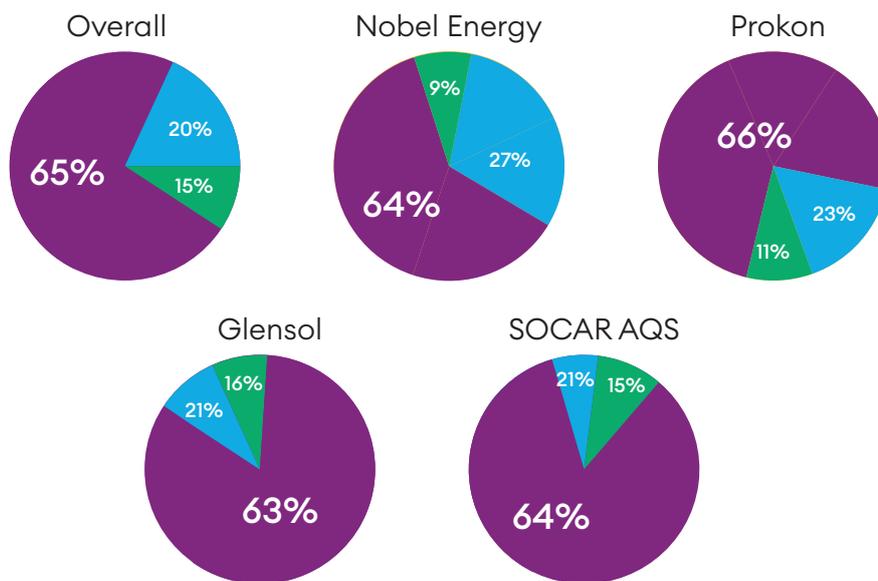
Total number of employees, %

● Permanent ● Temporary



Total number of employees by age, %

● Below 30 ● Between 30-50 ● Over 50



Development and leadership

We strive to provide development opportunities for our employees, which is a key factor in our ability to attract and retain talents, so we encourage each employee to actively participate in their own career growth and development.

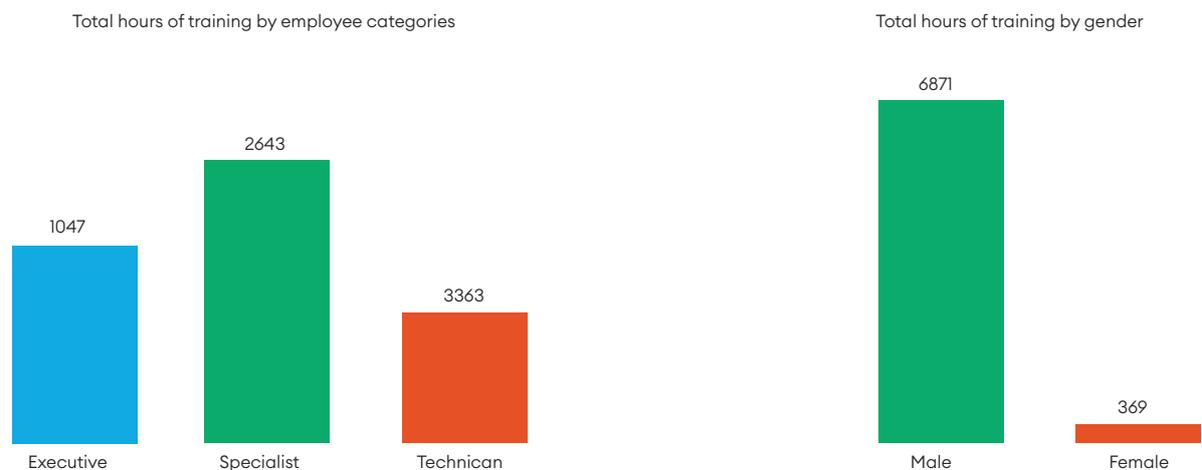
Nobel Energy offers a wide range of learning opportunities so that our employees could complement their on-site training with the classroom and online courses necessary for the improvement of performance and professional growth.

Young people in particular expect from the companies good opportunities for personal development. Therefore, attractive training and professional development programs are critical for the recruiting and retaining talented staff.

Our training programs apply to all functional units of the Company, and all categories of employees are involved in the training. Training is carried out both by the Company's specialists and external providers.

Topics such as safety, environmental protection, information security and our Code of Conduct and Business Ethics are mandatory and apply to all employees of the Nobel Energy Group.

Other training activities are carried out based on annual Advance Training Plans. Depending on the characteristics of the industry, each structural subdivision of the Company draws up its own action plan to improve the skills of its employees.



Remuneration and benefits

The system of remuneration for the results of work in Nobel Energy is aimed at attracting, motivation and retaining employees with necessary qualifications to perform the tasks set for the Company, with optimal costs and maximum efficiency.

Nobel Energy uses an integrated approach to the system of employee remuneration. The remuneration system adopted in the company ensures a reasonable and justified ratio of the fixed part of the remuneration and the variable part of the remuneration, which depends on the results of the Company's work and the employee's personal contribution to the final result.

In order to raise the internal fairness of wages and its competitiveness, Nobel Energy pays special attention to the improvement of the remuneration system.

Salary packages include a fixed part, bonus, compensation payments for work on a night shift or for harmful work conditions. Standard entry-level wages for blue-collar jobs in average is almost 666.67 the minimum.

The system of motivation implemented in the um wages. Company based on the ranking of employees ensures the unity of the remuneration systems in various entities of the Group.

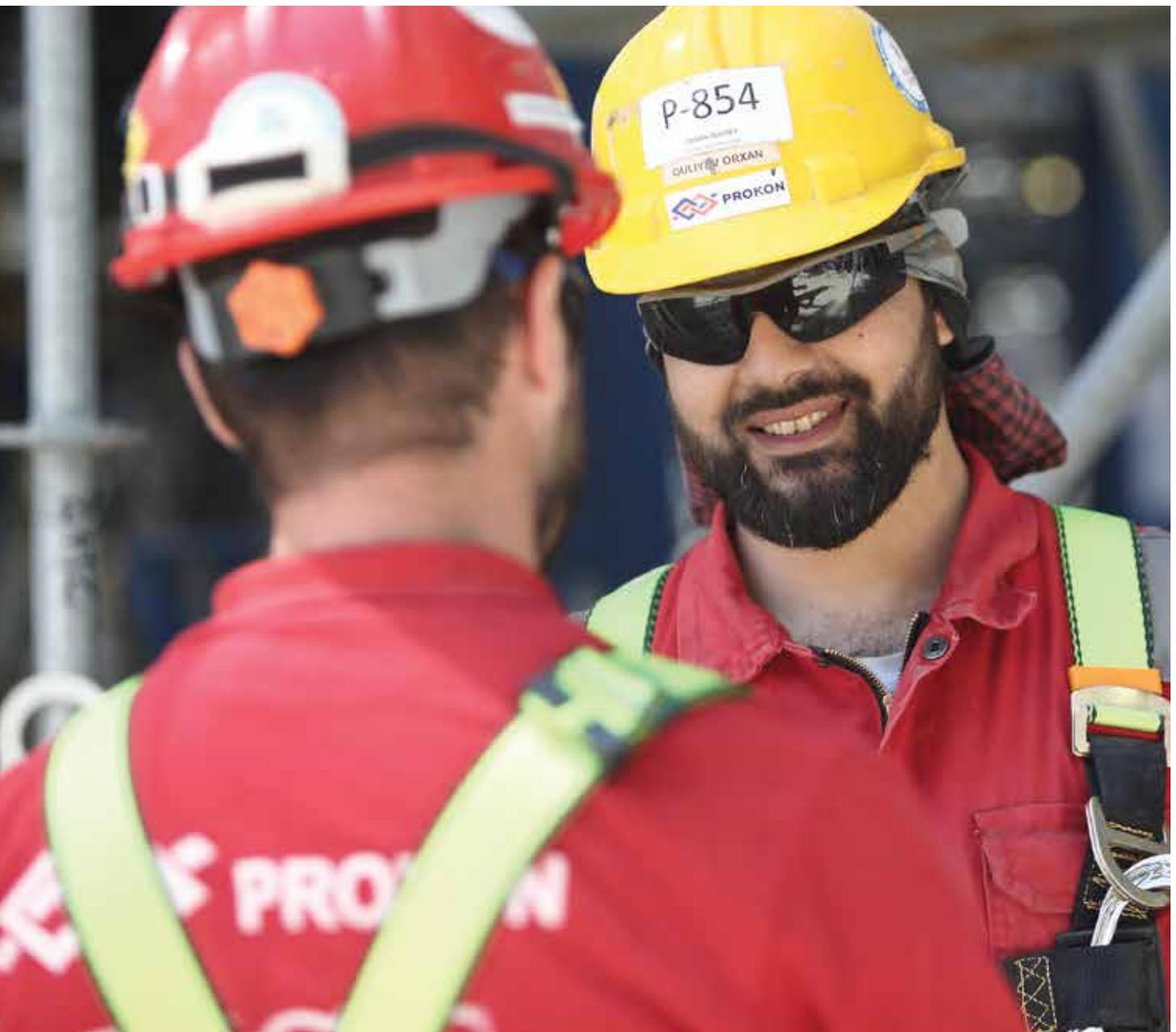
Another important part of our remuneration system is the compensation and benefits package provided by the Company.

Among other things, Nobel Energy offers a wide range of benefits and compensations to motivate its employees. We attach great importance to issues associated with the quality of life of our employees. Our benefits and compensation packages include voluntary health insurance, allowances for temporary disability, work accident insurance, social insurance, financial assistance, paid leave (e.g. parental and medical), work and study grants and benefits. The benefits envisaged for permanent employees are also available for temporary and part-time employees.

The ratio of entry-level wage to the official minimum wage in the country during 2020-2021

	2020		2021	
	Male	Female	Male	Female
Minimum wage (for Azerbaijan)	250	250	300	300
Ratios of standard entry level wage by gender compared to local minimum wage	2.5	1.5	1.5	1.5

Occupational health and safety



The preservation of the life and health of employees, partners and customers, as well as ensuring safety at all stages of production activities are among the key values of the Company.

At Nobel Energy, we strive to be the best and fully integrated company in the field of health and safety, where everyone returns home safe and sound. We understand that responsible health and safety management creates value and positive impact on business. Every year, the company improves its health and safety management system by introducing various initiatives, thereby contributing to the achievement of our strategic goals.



Health and safety management

Our key document expressing our principal commitment to health protection and safety is the Company's Health, Safety and Environment Policy (the Policy).

The Nobel Energy policy proclaims the principle of prioritizing the life and health of employees in relation to the results of production activities and declares the Company's interest in creating healthy and safe working conditions and forming a sustainable motivation for safe behavior in the workplace among employees.

To implement this Policy, Nobel Energy uses the HSE Management System of Nobel Energy Group (Management System), which in practice implements the provisions of the Policy and is part of the overall management system and one of the key elements that ensure the protection of life and safety of work of the employees. This management system is based on the "Plan-Do-Check-Act" cycle.

This Management System facilitates compliance with the requirements of local legislation, international labor standards and internal rules of the Company for occupational health and safety and is based on the basic principles of the international standard ISO 45001 (Occupational Health and Safety Management Systems).

As a priority, the Management System is oriented towards proactive action aimed at preventing incidents, and not just responding to negative events that result in injury to someone or serious risks to property.

The Management System expands the understanding and establishes minimum requirements for our employees, who must plan, organize and manage our activities in such a way that we can control all risks in this area.

Promotion of Safe Work Practices

One of the key issues for Nobel Energy is the development of a sustainable and strong safety culture. In this connection, the Company uses its best endeavors to improve the safety culture by involving employees and managers at all levels, as well as the personnel of contractors, in the management of labor protection and industrial safety.

Nobel Energy welcomes feedback from the employees on emerging work risks and hazardous situations. Employees and contractors of the Company have sufficient authority to suspend and stop work in the event of a potential hazard.

This is evidenced by our Stop work authority policy, which empowers and obliges the employees not to perform tasks or perform actions that in their view pose an unjustified risk to themselves, their colleagues, or the environment. Examples of such hazards are insufficient qualifications, unclear understanding of the task, changes in working conditions at the workplace, faulty equipment.

Similar policy also exists in SOCAR AQS. The company has developed a non-conformance reporting procedure that authorizes the employees using the Safety observation card system to log incidents for corrective actions.

Training in the field of occupational health and safety is comprehensive, as Nobel Energy organizes regular mandatory briefings, including induction, initial, follow-up, ad hoc and targeted trainings for employees whose work goes beyond the established daily duties. In addition, the Company considers first aid training to be an important area of training that can be vital in the event of emergencies or accidents.



Hazard Identification, Risk Assessment and Incident Investigation

One of the key incident prevention measures is routine health and safety risk assessment both before and after a new operation.

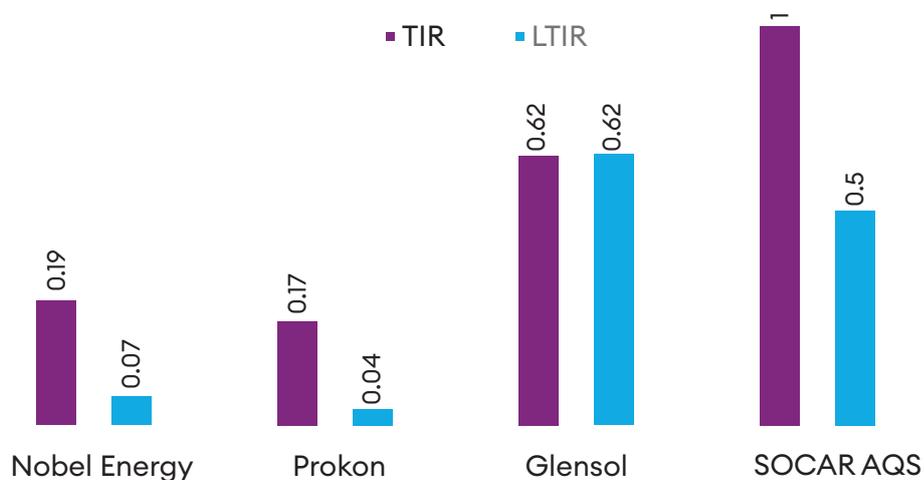
In this connection, the main direction of the Company's efforts in the field of health protection and safe working conditions is competent and effective risk management. The risk management system allows assessing and identifying risks at all facilities and in all projects of the Company. In the case of a project, risk analysis is carried out during front-end engineering design, at the design stage, at the operation stage, and also at the decommissioning stage. Each operation that poses a risk to the life and health of Nobel Energy employees or contractors is assessed and controlled by responsible persons.

In addition to the risk management system, the company has a Risk Assessment Protocol in the field of health, safety and environment. This protocol ensures the involvement of employees and personnel of contractors in the risk management process. The participation of each employee in the risk management process enables us to fully and accurately identify and evaluate potential hazards in the workplace.

In addition, this protocol applies to our partnership agreements or joint ventures unless there is an approved replacement for our protocol or more serious procedure. SOCAR AQS has also developed its own Hazard Identification and Risk Assessment (HIRA) procedure to identify work-related hazards, assess risks, and determine necessary control mechanisms. Any type of work goes through this procedure on a regular and non-standard basis.

In addition to the risk management process, another key element in our management system is the correct and timely investigation of each accident. Prompt investigation enables us to identify the causes of injuries and take corrective action to prevent similar incidents in the future, as well as decide on the responsibility of guilty persons and compensation for the damage caused to the victims.

Incident Reporting and Investigation procedure introduced in the Company standardizes our HSE reporting and applies to all businesses. The procedure defines both working time reporting requirements and injury classification requirements, and ensures the logical and consistent reporting and investigation of incidents and potential incidents. This procedure applies to all sites operated by Nobel Energy, as well as to all operations of contractors and joint ventures bound by contractual requirement to report incidents to the company. The main purpose of this procedure is to conduct a comprehensive analysis of the events preceding the incident and take corrective actions to prevent their recurrence in the future.



Our approach to environment



Responsible use of natural resources and minimization of the negative impact on the environment is one of the main components of Nobel Energy's commitment to the principles of sustainable development.

We are committed to reducing the negative impact of our day-to-day activities on the environment, in order to meet our environmental commitments and meet the expectations of our stakeholders.

As a service company, we understand our responsibility to effectively manage our environmental commitments as it directly benefits our customers, in order to build trust with local communities and regulatory bodies.

In this regard, Nobel Energy strives to create a culture of the environmental awareness for our employees to be aware of their environmental responsibilities and be able to fulfill them.

Environmental management

Our Health, Environment and Safety Policy (the Policy) sets out our approach to management of the environmental impacts of both our own facilities and the projects we operate and control. This policy is based on the duties, expectations and responsibilities that we follow in our activities.

The procedures and practices are part of our HSE Management System in Nobel Energy Group, which is based on the fundamental principles of the international standard ISO 14001. The management system defines the responsibilities and actions of relevant employee and project team, to achieve the set goals and objectives in each area of the environment.

The methodological guidelines describe the methods used to identify and assess environmental aspects and their impacts, and, if necessary, to identify goals and targets. The assessment includes detailed reviews at each stage of the project, and the results are recorded in the Project Register of the environmental aspects.

Nobel Energy is constantly working on the implementation of the best practices in the field of environmental management, studies the implementation of the best available practices in order to increase the environmental efficiency and comply with the applicable environmental legislation. During the reporting period, there were no environmental incidents and fines related to the Company's activities.

Managing Environmental Risk

Identification and assessment of environmental risks is an important point when determining environmental goals, objectives and environmental protection measures.

The risk management system of the Company ensures that environmental risks are managed at all of our facilities and in our clients' projects from start to completion. The results of the environmental risk assessment provide transparent and objective information that is a guideline for the formation of management procedures, allowing the development of sound decisions to reduce the negative impact on the environment.

Carrying out our activities within the framework of the HSE Management System of Nobel Energy Group, we are constantly reviewing changes in the applicable laws and regulations at the stage of service development in order to identify environmental risks and opportunities to take them into account in the project implementation process and manage them through regular monitoring.

This approach of the Company enables us to strictly comply with the today's environmental requirements. Government agencies and third parties annually carry out external environmental audits of our activities to confirm that the Group complies with the environmental requirements.



Climate change

Nobel Energy recognizes the need for a rapid global response to the threat of climate change in all areas of social-economic activity and the need to promote the implementation of the Paris Agreement aimed at holding the increase in the global average temperature to well below 2°C and preventing the temperature growth above 1.5°C.

As a service company, we believe that we can play a certain role in the development of a low-carbon economy. We understand that we have a unique opportunity to support our customers in reducing their environmental emissions by providing innovative technology solutions and services.

This is evidenced by the efforts we are making to transform our Company to be a part of solutions that will help all our stakeholders to obtain affordable and reliable energy whilst simultaneously reducing an environmental impact.

Apart from this, we also understand that in addition to providing services to our customers, we must also pay special attention to our own efforts to reduce the environmental emissions.

With this in mind, the Company constantly analyzes its performance to find ways to reduce harmful emissions into the atmosphere in the course of its activities.

Our carbon footprint

How we implement and report our carbon footprint within the framework of our business is critical to the realization of our carbon reduction ambition. The Company adheres to the standards of the Greenhouse Gas Emissions Protocol in respect of inventory, within which we carry out real-time monitoring of emissions. The base unit of measurement used in the inventory of GHG emissions is metric tons of carbon dioxide equivalent.

Our main sources of greenhouse gas emissions are mostly related to the consumption of electricity and fuel that we use in our offices and facilities.

Group greenhouse gas (GHG) emissions, tonnes CO₂

Scope	2020	2021
Scope 1	11 678	15 139

Waste management

Waste can have a significant negative impact on the environment and human health if not handled properly. At Nobel Energy, we constantly work on reduction of our environmental impact through responsible waste management.

At Nobel Energy, our Nobel Energy Group HSE Management System for waste management is guided by the "Waste management control procedure" and with normative documents. All these procedures comply with relevant local legislation and international standards.

To ensure efficient waste management, we have outsourced all our waste transportation, recycling and disposal operations to licensed subcontractors, which we constantly monitor. This approach guarantees compliance with all rules for the safe and efficient waste management.

Sorting, storage and transportation of waste

The main areas of the Company activity in the field of waste management are reduction of waste generation, increase of the share of reuse and recycling of wastes, and safe disposal of wastes.

The procedures implemented by the Company establish the rules for waste handling and describe the properties of wastes, the requirements for processing and storage. When handling wastes, employees of the company, as well as personnel of contractor companies, supply special labels for sealed containers that indicate the composition, hazard characteristics, risks and safety rules. Knowledge of the characteristics of wastes allows you to optimize sorting and processing depending on the specifics of each category. As in previous years, SOCAR AQS continues its drilling activities in accordance with the international DNV certificate. The company uses a drying method to process drill cuttings to improve the environmental performance and to reduce the volumes of drilling fluid and transported wastes.

As can be seen from the diagrams, because of the Company' activities, two main types of wastes are generated: hazardous and non-hazardous.

Company	Waste	2020	2021
Prokon	Hazardous, ton	2522	3961
	Non-hazardous, ton	2386	5335
Glensol	Hazardous, ton	62	391
	Non-hazardous, ton	225	213
SOCAR AQS	Hazardous, m ³	832	243
	Non-hazardous, m ³	744	731

Water consumption

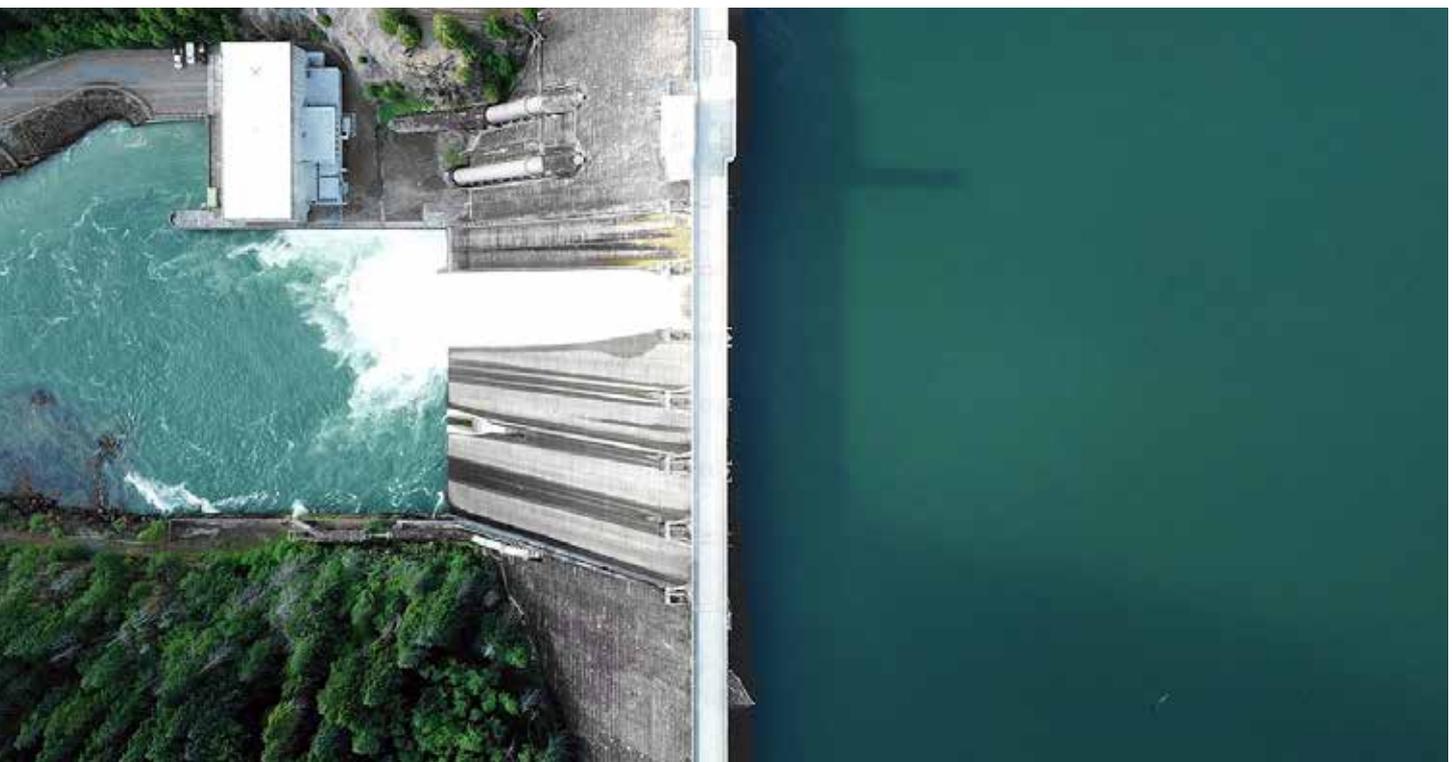
Nobel Energy is aware of their commitment to the responsible management of water resources and sets the goals for responsible water use.

At our managed facilities, as well as at our clients' sites, water conservation and protection aspects are part of our environmental assessment in accordance with the Nobel Energy Group HSE Management System. Our management system ensures that the Company's activities do not jeopardize local surface or ground water, which ensures compliance with the international standards and local legal requirements.

Our ability to track and report on our own water use depends on our office location. At our facilities, we carefully monitor water consumption by preparing monthly reports. In the case of rented offices, we do not directly pay water bills or manage the process, so it is difficult to track water consumption and quantify the results of our efforts on water conservation.

SOCAR AQS employs the most recent technology and international best practices to prevent water pollution as well as routine examination of our set up tools and procedures.

To ensure that our operations do not cause a negative impact on the environment, even inadvertently, we work closely with our customers to use the Reverse Osmosis (RO) system of water purification, which is a water treatment technique that uses pressure to extract impurities from seawater.



Biodiversity

Nobel Energy recognizes the importance of biodiversity conservation and aims to minimize the possible impact of its activities on biological resources. In its activities in the field of biodiversity, the Company applies an integrated approach based on risk assessment of potential impacts on biological diversity in the regions where the Company operates. Biodiversity impact assessment is carried out as part of the mandatory environmental impact assessment at the stage of development of design documentation. The results of the assessments go through several stages of approval at the stage of approval of project documentation. Our monitoring of the state of the environment shows that the ecosystems at the territories adjacent to our production facilities comply with the applicable standards.

The main area of activity of SOCAR AQS is the Caspian Sea, water reservoir with a very diverse and at the same time delicate biological marine flora and fauna. In this regard, in order to reduce the risk of water pollution during offshore drilling operations, the Company implements sophisticated control systems in offshore equipment, which helps to prevent any spills and blowouts.

In addition, the Company strives to invest in modern technologies to minimize underwater noise and vibration. Our goal is to minimize the negative impact on the marine ecosystem and wildlife caused by drilling and exploration equipment and mobile offshore drilling rigs.

We employ a number of procedures, such as water and plankton sampling, blowout prevention, and a strict waste management system, to ensure that we do not adversely affect the wildlife in the vicinity of our operations.

Quality service



Our mission is to provide the customers with quality products and services that meet or exceed their expectations.

The quality management system in place in the Company makes it possible to take the most effective management decisions, control quality at all stages of production and provision of services, and improve business processes.

Quality management

Nobel Energy, being a service company, has created, certified and implemented an effective quality management system to ensure the achievement of its strategic goals, to make the quality of provided services stable.

The quality management system in place in the Company includes various policies and procedures complying with the international standard such as ISO 9001.

This system applies to all operations of the company, whether major operations or the projects, in accordance with its objectives and extends to our partners and suppliers. In addition, depending on the specifics of business, internal procedures in the field of quality management at the enterprises of Nobel Energy Group, as well as joint venture SOCAR AQS, have been brought in line with the requirements of API Q2, API SPEC Q2 and IADC CAA.

Certified quality management system requires a company to both comply with local legislation and establish rules and processes to achieve its own goals within the company. One of these goals is to optimize internal business processes in terms of quality and provision of services, and to support customers and suppliers in collaboration with Nobel Energy.

Our quality management system makes it possible to plan and conduct internal audits, record and eliminate nonconformities, plan and implement corrective and preventive actions, analyze customer satisfaction and provide management with objective data, which allow analyzing the functioning of the system.



Document management system

Effective document management is a part of the quality management system of the company; it is a process that forms the basis of excellence. All processes in our company are documented and executed in accordance with the established hierarchy of documents.

All documents are consistently and promptly updated, distributed, tracked and, if necessary, are withdrawn or replaced.

Non-compliance reporting system

One of the main components of our quality management system is the non-compliance conformity reporting system implemented in the company.

Our companies use this reporting to identify, document, analyse cases of non-compliance and manage corrective actions.

The companies collect and use activity data for defect-free quality management and provide information on measures to prevent recurring problems with quality in a timely manner.

Management of change system

Our management of change process is designed to manage new risks related to the changes in the operating plan. The management of change process requires all operational and technology changes to be reviewed, planned, and approved prior to the implementation to reduce the likelihood of service irregularities or new risks.

In the event of any change, a “Management of Change” form is completed, which includes an overview of existing processes, a description of a change, proposed action plans, and risk assessment. Prior to the implementation of change, responsible and affected personnel and/or contractors are notified of the change via different communication channels.



Sustainable Innovation



Continuous improvement and innovation

The introduction of the latest technologies, the development and application of science-driven products and solutions, as well as a quick response to new technological challenges, consumer demands and preferences are important factors that determine the Company's competitiveness.

Our Companies spare no efforts for continuous improvement to support performance, considering not only financial, but also social and environmental results.

Due to our new development strategy, we are focused on the future and the exciting evolving energy transition. The company is taking important steps to provide services and solutions that will support our customers in their low-carbon future. This development focus will be constantly strengthened due to our cooperation with the customers, advanced technology, continuous improvement, safety and quality of service.

Sustainable innovation

SOCAR AQS for the first time made changes to the technology of drilling and installation of wellhead equipment at the “Umid” field, using innovative top-range equipment. In addition, we were also able to conduct geophysical exploration at the Bulla-Deniz field, which made SOCAR AQS the first drilling company in the Azerbaijani sector of the Caspian Sea to conduct drilling operations in V and VII horizons, in accordance with the international standards.

The company has incorporated numerous foreign methods to make sure that our maintenance function adheres to international standards and follows best practices from around the world.

International Standards and Product Manufacturing and Maintenance Practices (PMMP): Guidelines for equipment maintenance that include provisions for data gathering in order to forecast and monitor equipment maintenance status and foresee potential dangers related to their operation.

Computerized Maintenance Management Systems (CMMS): These systems help us to control and regulate our Preventive Maintenance and Inspection Test Programs.

Financial indicators

Financial Indicators (USD'000)

Year	2019	2020	2021
Direct economic value generated			
Revenue	234 039	277 935	267 705
Economic value distributed			
Wages and salaries	27 436	41 248	47 260
Social security and pension costs	5 218	7 147	7 722
Other operating expenses	138 779	201 329	150 017
Economic value retained 62 60628 211 57 706	62 606	28 211	57 706
Total Capitalization 243 826 213 647 202 783	243 826	213 647	202 783
EBITDA Margin	26.8%	10.2%	22.0%

Revenue in business, (USD'000)

Year	2019	2020	2021
Construction contract revenue	184 912	223 400	177 108
Rental income	66	4 935	11 133
Provision of service	27 782	24 522	39 707
Sale of goods	19 326	23 310	20 410
Other income	1 953	1 768	14 347

Employee demographics

Total numbers of employees, by gender

Year	2019		2020		2021	
	Male	Female	Male	Female	Male	Female
Nobel Energy	38	16	42	15	49	17
Prokon	443	46	1105	77	989	61
Glensol	84	14	107	18	125	33
SOCAR AQS	1021	106	972	92	830	74
Total	1586	186	2226	202	1993	185

Total number of employees by employment position

Company	Nobel Energy		Prokon		Glensol	
	Male	Female	Male	Female	Male	Female
Executive	26	4	2	0	10	2
Specialist	14	9	247	25	82	30
Technician	0	0	663	24	20	0
Manual labor	9	2	77	11	13	1

Total number of employees by employment contract (permanent and temporary) and gender

Company	Contract	2019		2020		2021	
		Male	Female	Male	Female	Male	Female
Nobel Energy	Permanent	37	12	42	15	49	17
	Temporary	1	4	0	0	0	0
	Full-time			39	15	44	17
	Half-time			5	0	5	0
Prokon	Permanent	15	4	5	2	7	3
	Temporary	428	42	1100	75	0	0
	Full-time			1105	77	989	61
	Half-time			0	0	0	0
Glensol	Permanent	84	14	99	18	123	33
	Temporary	0	0	8	0	2	0
	Full-time			99	18	123	33
	Half-time			0	0	0	0
SOCAR AQS	Permanent	0	0	0	0	191	15
	Temporary	1021	106	972	92	639	59
	Full-time	1017	105	971	92	829	74
	Half-time	4	1	1	0	1	0

Turnover indicators

	Total employee number	2019	2020	2021
Nobel Energy	Hired	27	22	23
	Dismissed	18	14	12
	Staff turnover	40.45%	26.42%	19.51%
Prokon	Hired	456	1028	696
	Dismissed	113	350	828
	Staff turnover	26%	34.06%	47.30%
Glensol	Hired	46	31	61
	Dismissed	22	9	28
	Staff turnover	26.04%	7.56%	19.73%
SOCAR AQS	Hired	147	68	59
	Dismissed	122	131	219
	Staff turnover	7.10%	12.31%	24.23%

Employee indicators, by age

	Nobel Energy			Prokon			Glensol			SOCAR AQS		
	below 30	between 30-50	over 50	below 30	between 30-50	over 50	below 30	between 30-50	over 50	below 30	between 30-50	over 50
	18	42	6	244	689	177	34	99	25	143	583	190
Hired	14	9	0	191	436	69	20	33	8	17	32	10
Dismissed	7	3	2	189	544	95	7	19	2	24	134	61

Total hours of training by gender

Gender	Nobel Energy	Glensol	SOCAR AQS
Male	402	2443	4026
Female	180	42	147

Diversity of governance body

	2019		2020		2021	
	Male	Female	Male	Female	Male	Female
Number of individuals within the Company's governance bodies, by gender					5	0
Percentage of individuals within the Company's governance bodies, by gender					100%	0

Health and Safety

Safety performance

Company	Category	2019	2020	2021
Nobel Energy	TIR	0	0.12	0.19
	LTIR	0	0.17	0.07
Prokon	TIR	0.35	0.19	0.17
	LTIR	0.12	0.26	0.04
Glensol	TIR	0.80	0	0.62
	LTIR	0	0	0.62
SOCAR AQS	TIR			1
	LTIR			0.5

Environment

Greenhouse gas emissions at Nobel Energy, tons in CO2 equivalent

Year	2019	2020	2021
Direct	1602.3	11 678	15 139

Energy consumption at Nobel Oil Group

Year	2019	2020	2021
Fuel, ton	635.8	2143	8347

Supply chain

Total amount of waste at Nobel Energy, Prokon, Glensol, tons

Year	2019	2020	2021
Hazardous	1020	2584	4352
Non-hazardous	1206	2611	5548

Total amount of waste at SOCAR AQS, m3

Year	2019	2020	2021
Hazardous, excluding drilling cuttings	1.200	832	243
Non-hazardous	811	744	731

Share of local suppliers, %

Year	2019	2020	2021
Nobel Energy	83%	97%	92%
Prokon	70%	84%	82%
Glensol	85.9%	63%	26%
SOCAR AQS	76.7%	80%	87%

GRI Indicator	Disclosure	Disclosure status	Page	Notes
GRI 102: General Disclosures - Organizational profile	102-1. Name of the organization	Disclosed, About the Report	5	
	102-2. Activities, brands, products, and services	Disclosed, About Nobel Energy Group	10	
	102-3. Location of headquarters	Disclosed, About Nobel Energy Group	10	
	102-4. Location of operations	Disclosed, Our markets & customers	12	
	102-5. Ownership and legal form	Disclosed, About Nobel Energy Group	10	
	102-6. Markets served	Disclosed, Our markets & customers	12	
	102-7. The scale of the organization	Disclosed, About Nobel Energy Group Our People	10.45	
	102-8. Information on employees and other workers	Disclosed, Inclusive diversity	45	
	102-9. Supply chain	Disclosed, Supply chain management	41	
	102-10. Significant changes to the organization and its supply chain	Disclosed, Supply chain management	41	
	102-11. Precautionary Principle or approach	Disclosed, Risk management	32	
	102-12. External initiatives	Partially disclosed, Our operations	20	
GRI 102: General Disclosures - Strategy	102-14. Statement from senior management	Disclosed, Message from the CEO	4	
	102-15. Key impacts, risks, and opportunities	Disclosed, Our Strategy; Risk Management	14;32	
	102-16. Values, principles, standards, and norms of behavior	Disclosed, Mission and values; Ethics and compliance	15;34	
	102-17. Mechanisms for advice and concerns about ethics	Disclosed, Ethics and compliance; Anticorruption; Preventing the Conflict of Interest	34;37	

GRI 102: General Disclosures - Governance	102-18. Governance structure	Disclosed, Organizational structure of Nobel Energy	30	
	102-19. Delegating authority	Disclosed, Committees	29	
	102-20. Executive-level responsibility for economic, environmental and social topics	Disclosed, Committees	29	
	102-22. Composition of highest governance body and its committees	Partially disclosed, Committees; Organizational structure of Nobel Energy	29;30	
	102-23. Chairman of the highest governance body	Disclosed, Organizational structure of Nobel Energy	30	
	102-24. Nominating and selecting the highest governance body	Partially Disclosed, Corporate governance; Committees; CEO & other senior executives	28-30	
	102-25. Conflicts of interests	Disclosed, Preventing the Conflict of Interest	37	
	102-26. Role of highest governance body in setting purpose, values, and strategy	Disclosed, Corporate governance	28	
	102-27. Collective knowledge of highest governance body	Disclosed, Corporate governance	28	
	102-28. Evaluating the highest governance body's performance	Partially Disclosed, Corporate governance	28	
	102-29. Identifying and managing economic, environmental, and social impacts	Partially Disclosed, Committees; Risk management	29;32	
	102-30. Effectiveness of risk management processes	Disclosed, Risk management	32	
	102-31. Review of economic, environmental, and social topics	Disclosed, Throughout the report		
	102-32. Highest governance body's role in sustainability reporting	Disclosed, About the Report	5	

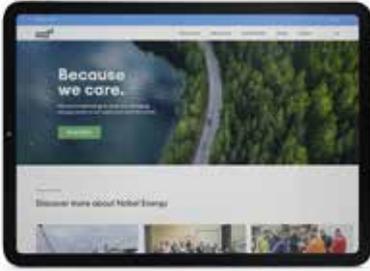
	102-33. Communicating critical concerns	Disclosed, Corporate governance; Committees	28-29	
	102-34. Nature and number of critical concerns	Disclosed, Corporate governance, Anticorruption	28;36	
GRI 102: General Disclosures - Governance	102-40. List of stakeholder groups	Disclosed, Stakeholder engagement	7	
	102-42. Identifying and selecting stakeholders	Disclosed, Stakeholder engagement	7	
	102-43. Approach to stakeholder engagement	Disclosed, Stakeholder engagement; Materiality assessment	7-9	
	102-44. Key topics and concerns raised	Disclosed, Stakeholder engagement; Materiality assessment	7-9	
GRI 102: General Disclosures - Reporting practice	102-45. Entities included in the consolidated financial statements	Disclosed, Economic performance	26	
	102-46. Defining report content and topic Boundaries	Disclosed, About the Report; Materiality assessment	5;9	
	102-47. List of material topics	Disclosed, Materiality assessment	9	
	102-48. Restatements of information	Disclosed		During this reporting period, there was no change in the data reflected in the previous reports.
	102-49. Changes in reporting	Disclosed, About the Report;	5	
	102-50. Reporting period	Disclosed, About the Report;	5	
	102-51. Date of most recent report	Disclosed, About the Report	5	
	102-52. Reporting cycle	Disclosed, About the Report	5	
	102-53. Contact point for questions regarding the report	Disclosed, About the Report		
	102-54. Claims of reporting in accordance with the GRI standards	Disclosed, About the Report	5	

	102-55. GRI content index	Disclosed, GRI Content Index Table		
	103-1. Explanation of the material topic and its Boundary	Disclosed, Materiality assessment	9	
GRI 103: Management Approach	103-2. The management approach and its components	Disclosed, Throughout the report		
	103-3. Evaluation of the management approach	Disclosed, Throughout the report		
GRI 201: Economic performance	201-1. Direct economic value generated and distributed	Disclosed, Economic performance	26	
	201-2. Financial implications and other risks and opportunities due to climate change	Partially Disclosed, Climate change	57	
	201-4. Financial assistance received from government	Disclosed		No financial assistance was received from the state during the reporting year
GRI 202: Market presence	202-1. Ratios of standard entry level wage by gender compared to local minimum wage	Disclosed, Remuneration and benefits	48	
GRI 204: Procurement Practices	204-1. Proportion of spending on local suppliers	Disclosed, Procurement results	43	
GRI 205: Anti-corruption	205-1. Operations assessed for risks related to corruption	Disclosed, Anticorruption	36	
	205-2. Communication and training about anti-corruption policies and procedures	Disclosed, Anticorruption	36	
GRI 206: Anticompetitive behavior	206-1. Legal actions for anticompetitive behavior, anti-trust, and monopoly practices	Disclosed, Ethics and compliance;	34	
GRI 302: Energy	302-1. Energy consumption within the organization	Disclosed, Our carbon footprint	57	
GRI 303: Water and effluents	303-2. Management of water discharge-related impacts	Disclosed, Water consumption	59	
GRI 304: Biodiversity	304-1. Operational sites owned, leased, managed in, or adjacent to protected areas and areas of high biodiversity value outside protected areas to protected areas and areas of high biodiversity value outside protected areas	Disclosed, Water consumption	60	None of Nobel's operational areas include protected areas or areas of high biodiversity value.

	304-2. Significant impacts of activities, products, and services on biodiversity	Disclosed, Biodiversity	60	
GRI 305: Emissions	305-1. Direct (Scope 1) GHG emissions	Disclosed, Our carbon footprint	57	
	305-6. Emissions of ozone depleting substances (ODS)	Not disclosed		Not related to the Company's operations
	305-7. Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions	Not disclosed		Not related to the Company's operations
GRI 306: Waste	306-1. Waste generation and significant waste-related impacts	Disclosed, Waste management	58	
	306-2. Waste by type and disposal method	Disclosed, Waste management	58	
	306-4. Waste diverted from disposal	Disclosed, Waste management	58	
	306-5. Waste directed to disposal	Disclosed		No such cases occurred during the reporting period.
GRI 307: Environmental compliance	307-1. Non-compliance with environmental laws and regulations	Disclosed, Environmental management	55	
GRI 308: Supplier Environmental Assessment	308-1. New suppliers that were screened using environmental criteria	Disclosed, Supply chain management	41	
GRI 401: Employment	401-1. New employee hires and employee turnover	Disclosed, Employee demographics		
	401-2. Benefits provided to fulltime employees that are not provided to temporary or part-time employees	Disclosed,		All payments, benefits, and privileges applicable to full-time employees also apply to temporary and part-time employees.
GRI 402: Labor/ Management relations	402-1. Minimum notice periods regarding operational changes	Disclosed,		Detailed information on this is provided in last year's report. We fully comply with the Labor Code of the Republic of Azerbaijan.

GRI 403: Occupational Health and Safety	403-2. Hazard identification, risk assessment, and incident investigation	Disclosed, Hazard Identification, Risk Assessment and Incident Investigation.	52	
	403-3. Occupational health services	Disclosed, Hazard Identification, Risk Assessment and Incident Investigation.	52	
GRI 404: Training and education	404-1. Average hours of training per year per employee	Disclosed, Development and leadership	47	
	404-2. Programs for upgrading employee skills and transition assistance programs	Disclosed, Development and leadership	47	
GRI 405: Diversity and Equal Opportunity	405-1. Diversity of governance bodies and employees	Disclosed, Inclusive diversity	45	
	405-2. Ratio of basic salary and remuneration of female to male	Disclosed Remuneration and benefits	48	Salaries and bonuses in the Company do not vary by gender.
GRI 406: Nondiscrimina- tion	406-1. Diversity of governance bodies and employees	Disclosed		No relevant cases occurred during the reporting period.
GRI 407: Freedom of Association and Collective Bargaining	407-1. Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Disclosed		During the reporting period, there were no transactions or suppliers that endangered freedom of association and the right for collective agreements.
GRI 408: Child labor	408-1. Operations and suppliers at significant risks for incidents of child labor	Disclosed, Protecting Human Rights	38	During the reporting period, no cases of child labor were detected in any of Nobel's operations or in the operations of its suppliers and contractors.
GRI 409: Forced or compulsory	409-1. Operations and suppliers at significant risk for incidents of forced or compulsory labor	Disclosed, Protecting Human Rights	38	No such occurrence was found during the reporting period.

GRI 411: Rights of Indigenous peoples	411-1. Incidents of violations involving rights of indigenous peoples	Disclosed		No relevant cases occurred during the reporting period.
GRI 412: Human Rights Assessment	412-2. Employee training on human rights policies or procedures	Disclosed, Protecting Human Rights	38	
GRI 413: Local Communities	413-1. Operations with local community engagement, impact assessments, and development programs	Disclosed		All operations carried out by the company go through the process of environmental impact assessment.
GRI 414: Supplier Social Assessment	414-1. New suppliers that were screened using social criteria	Disclosed, Supply chain management	41	
	414-2. Negative social impacts in the supply chain and actions taken	Disclosed		During the reporting period, no significant negative social impacts were found in the Company's supply chain.
GRI 415: Public Policy	415-1. Political contributions	Not disclosed		During the reporting period, Company did not make any political payments
GRI 416: Customer Health and Safety	416-1. Assessment of the health and safety impacts of product and service categories	Not disclosed		To improve product and service quality, significant work is being carried out through environmental monitoring and other internal processes.
	416-2. Incidents of non-compliance concerning the health and safety impacts of products and services	Not disclosed		No relevant cases occurred during the reporting period.
GRI 418: Customer Privacy	418-1. Substantiated complaints concerning breaches of customer privacy and losses of customer data	Not disclosed		No relevant cases occurred during the reporting period.
GRI 419: Social and economic consistency	419-1. Inconsistencies with laws and regulations regulating social and economic issues	Not disclosed		No relevant cases occurred during the reporting period.



Find out more online

Our bilingual website nobelenergy.com is the main information source about our projects and operations. Browse through latest news, our businesses, partnerships, previous sustainability reports and other documents.

We value your feedback

You can send it online through <https://nobelenergy.com/en/contact>
You can also telephone +994 12 310 44 44
or write to:
PR and Communications
Nobel Energy

Acknowledgements

Design	Ali Hasanov
Photography	Chingiz Samadzade, Etibar Jafarov, Envato Elements, Pexels