



Sustainability
Report
2019





Introduction from our CEO

Welcome to the "Nobel Oil – Sustainability Report, 2019". This release coincides with the global pandemic that has had a profound impact on everyone on the planet, including business. The oil and gas industry has been one of the worst affected areas, but at these extremely challenging times, Nobel Oil has made every effort to deliver on its commitments.

We realize that long-term stability, competition and the capacity to create value for all stakeholders depend on sustainable development. As was the case in previous years, in 2019 we focused on socioeconomic progress, industrial and environmental safety, and corporate social responsibility – the primary directions of sustainable development.

Our goal is to become an international engineering and construction company capable of meeting all of its obligations in these fields in the safest, most efficient and dependable manner. To achieve this goal, Nobel Oil draws on the world's best practices in sustainable development.

Nobel Oil believes that the human factor is critical to achieving all of its objectives and always provides safe working conditions and occupational safety for the company and everyone working for it. We place a high priority on the development of an occupational safety culture in order to improve working conditions and occupational safety and reduce the number of occupational injuries. We believe that this is critical to providing industrial and environmental safety, which is another primary goal of the company.

Over the last 15 years, we have worked hard to establish an effective and transparent interaction with stakeholders. To accomplish this, we have always accommodated the opinions and requests of our stakeholders and shown respect for their rights and interests.

Nobel Oil believes that adherence to local and international ethical principles and guidelines is

absolutely necessary for business success. To that end, ever since our inception, we have complied with labor and human rights laws and worked to improve our corporate governance system. We strive to increase employee awareness of this area by providing and continuously developing comprehensive trainings.

To earn the trust of our stakeholders and be able to live up to it, we have established an effective corporate governance system and believe that this system helps us to enhance the company's investment attractiveness and, therefore, increase its shareholder value. Effective performance and investment attractiveness of the company are underpinned by trust among all participants of corporate interaction. Nobel Oil continuously improves its corporate governance system in the interest of sustainable development and operates in line with the requirements of local laws, internal documents, various industry standards, as well as the best local and international practices.

As a safe, reliable and responsible company in Azerbaijan and all the regions we operate in, we do tangible work to develop these regions, improve people's living standards, create and develop economic value. In addition to creating jobs in the countries of our operation, we can have a positive economic and social impact on society by purchasing a large amount of equipment and materials locally.

In addition to the above, the 2019 report examines our operations and projects in Azerbaijan and other regions, occupational safety and environmental performance, as well as our contributions to different segments of society. I do hope that you enjoy reading this report, because it has been prepared in a transparent and objective manner. We would love to hear your feedback on how we can improve and do a better job.

Vugar Samadli
CEO

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2

Number of published non-financial reports



GRI

Guidelines of the Global Reporting Initiative (GRI) Standards were used as the main reference document in the preparation of the 2019 report



15

Number of important topics



Organization of reporting process

This Sustainability Report (hereinafter referred to as the report) covers the period from January 1 to December 31, 2019. The primary goal of this report is to provide all stakeholders with comprehensive and transparent information about Nobel Oil's activities in the areas of sustainable development and corporate social responsibility. Our Sustainability Reports are the primary source of information on the company's economic, environmental and social performance, as well as ethical approaches to corporate governance and business operation. The report also provides information on the company's strategy, policies, management, activity areas, interaction with stakeholders, and the work we do.

The guidelines of the Global Reporting Initiative (GRI) Standards on the preparation of sustainability reports were used as a methodological basis in writing the 2019 report. In addition, the recommendations of other industry standards such as the Sustainability Accounting Standards Board

(SASB), the Climate Disclosure Standards Board (CDSB) and the London Stock Exchange's environmental, social and corporate governance guidelines were also taken into account in discussing certain topics. The financial and economic indicators presented in the report are based on the International Financial Reporting Standards (IFRS).

The company's Sustainability report is prepared by different teams and approved by the CEO. The report is based on principles such as materiality, stakeholder inclusiveness, sustainable development and integrity, as well as such notions as balance, comparability, accuracy, timeliness, transparency, and reliability, mentioned in the GRI guidelines.

Comments and requests related to sustainability reports are sent to the Email provided in the "Contact Information" section. All suggestions and comments received will be taken into consideration in the preparation of the next Report.

Quality assurance principles



BALANCE

The company discloses both positive and negative results of its operations, demonstrating openness and transparency in its interaction with stakeholders.



COMPARABILITY

The data contained in the report reflects both the company's approaches to managing various aspects of its operations and outcomes in each activity direction. All results are shown in a two- to three-year context, so that stakeholders can analyze important indicators in retrospect.



ACCURACY

The company provides accurate and detailed information on all major topics discussed in the report, enabling stakeholders to evaluate the effectiveness of the company's performance. The main emphasis in describing approaches to various aspects of the company's activities is placed on the explanation of internal documents (Policy, Regulations, Code, etc.)



TIMELINESS

The company publishes its reports in a scheduled manner in the third quarter of each year enabling stakeholders to make informed decisions.



CLARITY

The company prepares the report for stakeholder use as clearly and transparently as possible. All concepts, abbreviations and metric units used in the report are explained.



RELIABILITY

All information published in the report was provided by various teams within the company. The report is based on the principles of accuracy, reliability and completeness of information and approved by the company's experts, heads of subsidiaries and the CEO.

Content defining principles

In preparing the report, we identified important topics using two criteria: the degree of relevance to stakeholders and to business activities. By important topics for the company, we mean areas associated with Nobel Oil's impact on the economy, environment, society and employees, as well as those that can significantly influence stakeholder assessments and decisions. To identify the most important topics to be disclosed in the report, we carefully analyzed the data obtained with the participation of stakeholders.

The company uses various mechanisms to meet and exchange information with stakeholders on a regular basis (for more information, see Table ---).

In addition, in the interests of internal and external stakeholders, we have analyzed global trends and sustainability reports of leading companies, engaged with those responsible for different areas of sustainable development, reviewed media information about the company's activities, the Global Reporting Initiative (GRI) standards and other recommendations.

As a result, in contrast to last year, we have expanded the list of important topics. We hope that these procedures will help us meet stakeholder expectations in relation to information disclosure.

As a result of a comprehensive analysis, we have identified important topics in the matrix of important activities (Figure 1).

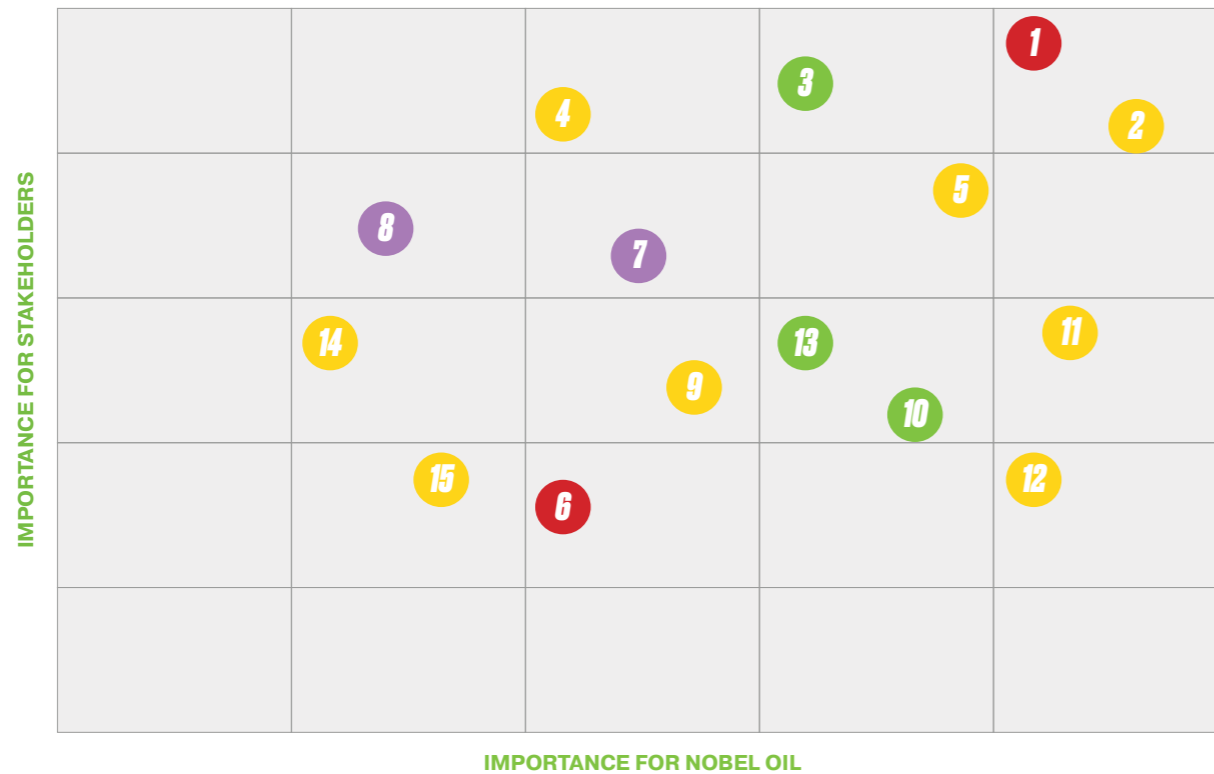
This report examines in greater detail a number of the company's priorities in the field of sustainable development in 2019. In particular, special emphasis has been placed on topics such as industrial and occupational safety in contractor organizations, greenhouse gas emissions, asset integrity and process safety, anti-corruption activities, employee

training, creation of decent working conditions and provision of quality services.

To enable comparability and collation of data, most of the main indicators are presented in a three-year context covering the 2017-2019 period, as well as the plan for 2020.

The coverage of the report is the same as last year. It includes Nobel Oil's head office, which provides supervision and management of Nobel Oil Group companies, subsidiaries such as Glensol, which provides maintenance services to customers in the energy sector, and Prokon, a company providing a full range of construction, engineering and procurement services.

Figure 1.. Matrix of important activities



Sustainable development topics:



LIST OF IDENTIFIED IMPORTANT TOPICS

Nº	CONTENT	COVERAGE	SECTION
1	Anti-corruption	Company Employees Suppliers and contractors Shareholders and Investors Customers Society State	Ethics and compliance
2	Occupational safety and health (OSH)	Company Employees Suppliers and contractors Shareholders and Investors State	Health, Safety and Environment
3	Our impact on climate change	Company Employees Shareholders and Investors Suppliers and contractors Customers Society State	Health, Safety and Environment
4	Subcontractor and supplier pre-qualification process	Company Shareholders and Investors Suppliers and contractors Society	Procurement
5	Diversity and inclusion	Company Employees Society	Labor relations
6	Economic indicators	Company Employees Shareholders and Investors Suppliers and contractors Customers Society State	Economic indicators
7	Business ethics and code of conduct	Company Employees Shareholders and Investors Suppliers and contractors Customers Society State	Ethics and compliance
8	Risk management	Company Employees Shareholders and Investors Customers Society State	Corporate governance
9	Quality management	Company Employees Shareholders and Investors Customers	Quality management
10	Environmental compliance	Company Shareholders and Investors Suppliers and contractors Customers Society State	Health, Safety and Environment
11	Qualified workforce	Company Employees Customers	Labor relations
12	Information transparency	Company Suppliers and contractors Society State	Ethics and compliance
13	Waste management	Company Suppliers and contractors Society State	Health, Safety and Environment
14	Social support	Company Suppliers and contractors Society State	Social support
15	Employee satisfaction	Company Suppliers and contractors Society State	Labor relations

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1926

Personnel



238

Revenue,
mln\$



4

Country



6

Service
lines



About Nobel Oil Group

Nobel Oil Ltd was founded in 2005 as a company providing drilling, assembly, well workover, construction, engineering, repair and maintenance services in the Caspian oil and gas industry.

In 2013, Nobel Oil completed a comprehensive strategic overview of its activities. As a result of the overview, the decision was made to assess the company's organizational capabilities, strategic goals, markets and opportunities for growth both regionally and globally.

In 2014, in order to place its Azerbaijan business under the umbrella of the UK-based parent company and align its business processes with international

standards, Nobel Oil transformed its corporate structure, moving the entire petroleum industry service segment under Nobel Oil Services (UK) Limited.

Today, Nobel Oil Services (UK) Limited is a group of companies associated with fast-growing and diversified energy sectors. Currently operating in the oil and gas, energy and construction sectors and offering a variety of services to its customers, Nobel Oil Services (UK) Limited includes four subsidiaries and five joint ventures.

We are a company that delivers innovative solutions by providing exceptional value to our customers and adhering to the highest ethical standards.

Our goal:

The company's goal is to become an international engineering and construction company by contributing to the socioeconomic development of the countries in which it operates, adhering to industrial, environmental, corporate governance and social responsibility standards.

Development history



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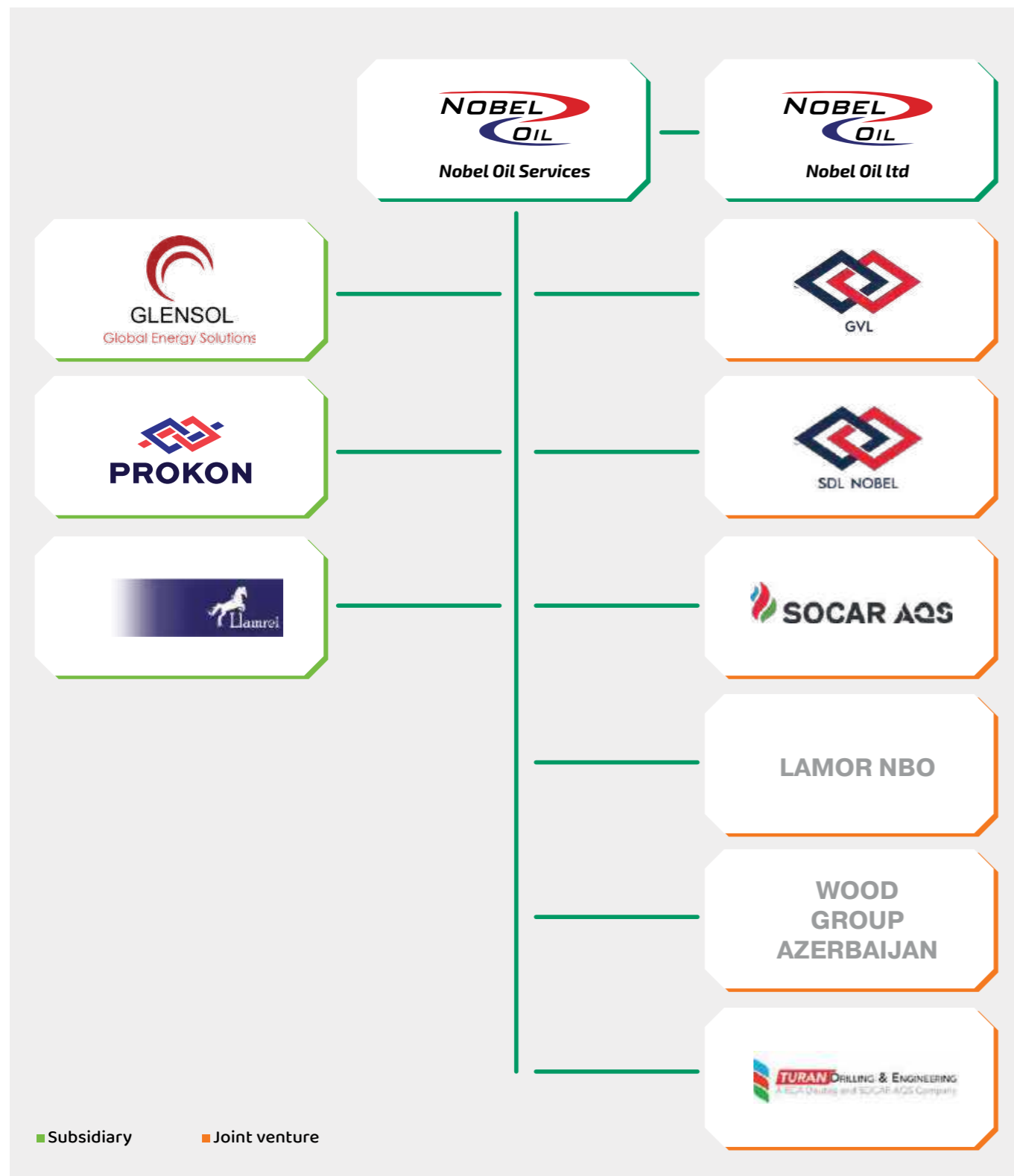
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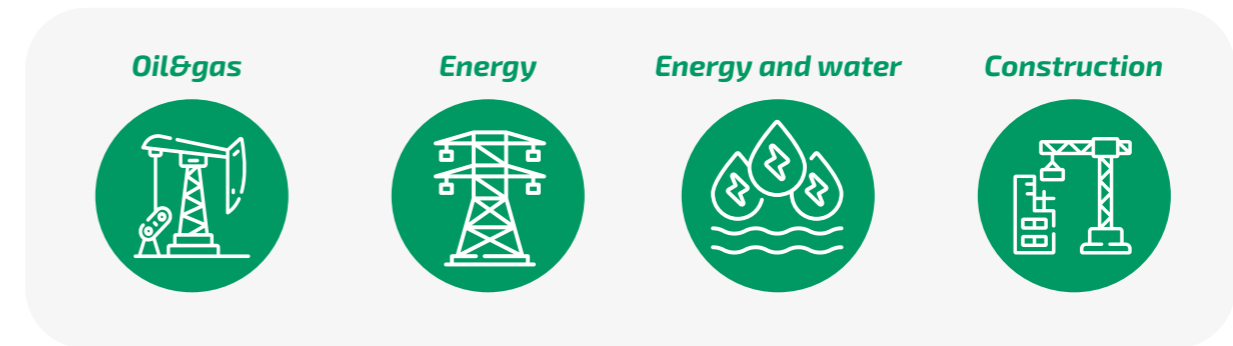
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Asset structure



Creating business value

Service industry



Service



Drilling and management
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, installation of casings.



Construction
We offer construction and management services specializing in the design and installation of offshore gas injection facilities and power plants, onshore and offshore oil and gas refining installations, polymer and fertilizer plants. We also provide infrastructure construction services.



Supply and logistics
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.



Production and installation
We provide onshore and offshore production and installation services, which include fabrication, installation and upgrade of offshore facilities and pipeline systems, high-pressure lines, tanks, reservoirs and related packages.

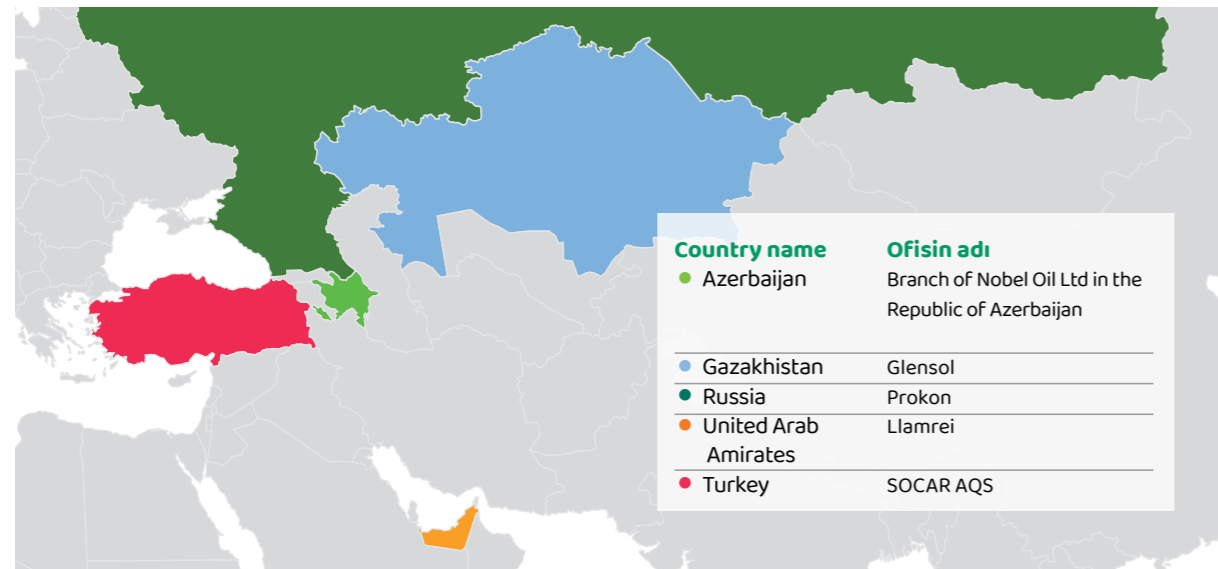


Engineering
We provide installation, commissioning, operation and maintenance of gas turbines and compressors, as well as inspection and maintenance of rotating and static equipment. GLENSOL, in cooperation with Suez, provides a variety of water treatment solutions.

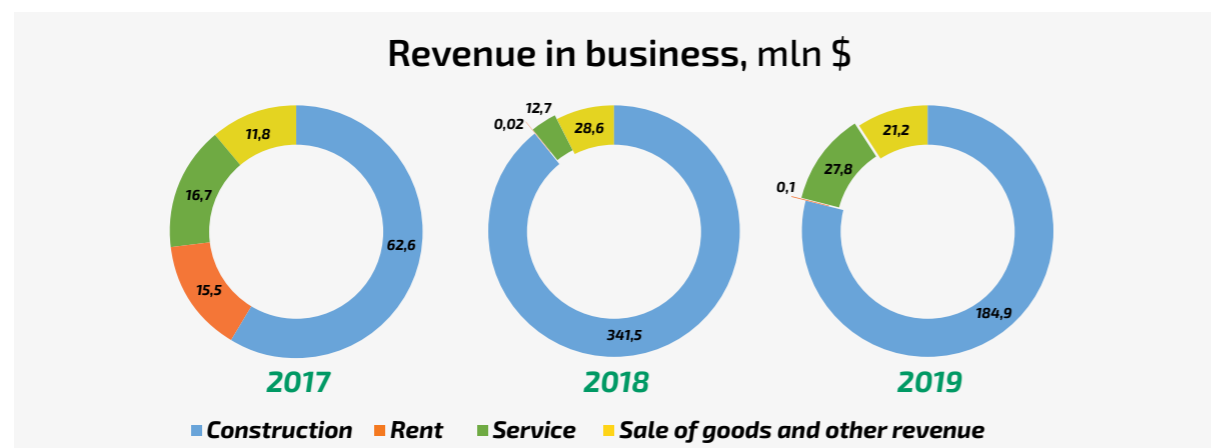
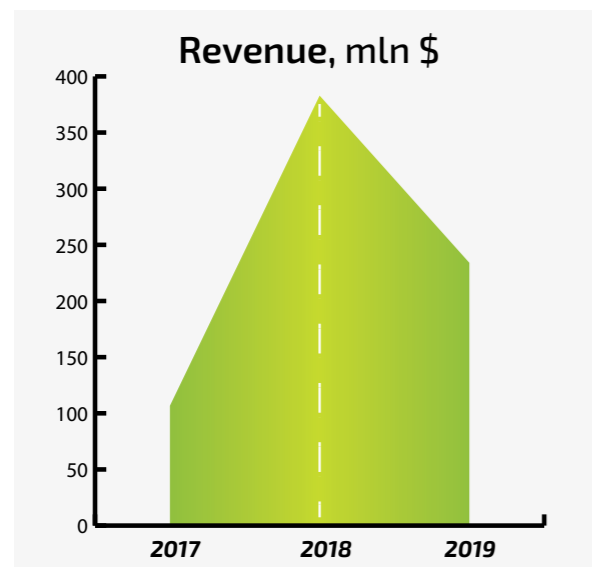


Project management
Our project management experience and qualified team offer project management services in engineering, procurement and construction in line with existing standards to deliver projects on time and within budget.

Geography



Financial performance



Group's new strategy

Nobel Oil Services (UK) Limited and McKinsey & Company agreed to work together in 2019 to assess the goals set and the development strategy to achieve them. Reviewing Nobel Group's development plans, including future investment in infrastructure, McKinsey & Company emphasized that it has ample opportunities for future development. Also, special measures have been proposed to delineate the activities of the Group's companies in order to avoid overlaps. As a result, since all companies of the Group work solely in the areas of their specialization, they are not in competition with each other.

Furthermore, McKinsey & Company have identified potentially effective areas in which companies of the Group could work together to enhance the ongoing collaboration. This approach has had a positive impact on the environment within the company, strengthened the relationships between subsidiaries, and created favorable conditions for building up and combining the skills of employees across the Group. As a result, McKinsey & Company have evaluated the development prospects of Nobel Oil Group and presented a development roadmap for the next five years.

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Provides services involving operation and maintenance of equipment in the oil and gas, energy and hydro sectors.

Glensol was established in 2012 to provide operation and maintenance of oil field equipment in Azerbaijan and the Caspian region.

The company demonstrates a high level of performance due to its experience and expertise in the fields of operation. Committed to an individual approach to customers, personal and professional development and exceptional value to stakeholders, Glensol has earned itself a reputation as the best-in-class service provider. The company's services are underpinned by extensive experience and professionalism of its

professional team, which allows the opportunity to improve the serviceability of equipment while lowering operating costs.

By applying advanced solutions, Glensol reduces downtime and ensures long-term viability of technological processes.

In 2019, in line with its Health, Safety and Environment (HSE) standards and in the interests of process optimization, efficiency and logistical flexibility, the company proposed an innovative solution based on the establishment of a new "one-stop" Glensol workshop for the maintenance of the customer's entire mechanical and electrical equipment fleet. As a result of the solution, the company is no longer dependent on multiple suppliers.

Company portfolio



- Maintenance of gas turbine generators and gas turbine compressors
- Maintenance of pumps
- Maintenance of compressors (centrifugal, valve, piston)
- Valve maintenance
- Electrical and instrumentation maintenance (installation and commissioning)
- Maintenance of electric motors, generators and alternators (alternating and direct current, low and high voltage)
- Chemicals supply (water treatment and technical treatment)
- Completion of mechanical assembly
- Asset management solutions
- Services for Top Drive drilling rigs
- Inventory and warehouse management
- Process control (upgrade of existing systems)
- Control over equipment (preventive maintenance)

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Major projects

High-voltage electric motor overhaul



CUSTOMER:
Karachaganak
PROJECT LOCATION:
Aksay / Kazakhstan

PROJECT DESCRIPTION:
The Karachaganak Petroleum Operating Company requested that the company repair a 6-megawatt motor. In this regard, the company successfully completed a full overhaul of this engine. Local EASA Ex-certified personnel worked 24 hours a day for three weeks.

Maintenance of gas turbine generator and gas turbine compressor



CUSTOMER:
SOCAR
PROJECT LOCATION:
Caspian Sea / Azerbaijan

PROJECT DESCRIPTION:
The scope of work, according to the contract with the customer, included maintenance and post-sale support of 32 offshore rotodynamic units of equipment.

- Engine and rotor overhaul
- Field service (24/7)
- Continuous engineering support (24/7)
- Problem solving
- Management of spare parts (minimum / maximum number of goods in stock)

Valve maintenance



CUSTOMER:
BP
PROJECT LOCATION:
Azerbaijan / Georgia

PROJECT DESCRIPTION:
The scope of work included the following items:

- Valve design and valve management
- Repair and maintenance
- Testing and certification
- On-site services

Electrical and instrumentation maintenance



CUSTOMER:
SOCAR, BP, AZENCO, WOOD
PROJECT LOCATION:
Caspian Sea / Azerbaijan

PROJECT DESCRIPTION:
The scope of work included the following items:

- Re-equipping vessels / drilling rigs, repair and maintenance
- Electrical installation and maintenance
- Fire and gas detection systems
- Electricity generation system
- Instrumentation
- CCTV systems
- Perimeter alarm systems
- Suspension of repair and maintenance
- Panel construction
- Commissioning
- Mobile laboratories
- Electrical installations and equipment
- Hazardous area installation

Rig maintenance



CUSTOMER:
SOCAR
PROJECT LOCATION:
Caspian Sea / Azerbaijan

PROJECT DESCRIPTION:
Top Drive Services is provided by the company, and it includes a full range of specially equipped and certified personnel:

- Onshore and offshore drilling rigs round-the-clock upstream system services
- Overhead transmission installation and commissioning
- Preventive maintenance and troubleshooting
- Drilling rig stops
- After testing at the company's facility, complete overhaul of the overhead transmission in the workshop, including the mechanical, hydraulic and electrical parts of the overhead transmission.

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It is a construction and project management company operating in the oil and gas industry and construction market in the Caspian region.

Prokon, founded in 2012, provides professional services in construction, engineering, procurement and integrated management of major projects in the Azerbaijani market.

Since its inception, it has earned itself the reputation of a company with “experienced staff and proven systems”, which enables it to complete projects with high quality, safely, on time and within budget. Prokon is proud of its track record of high-level customer service, commitment to work, successful project implementation and conscientious employees.

The company's strengths include not only the quality and depth of knowledge and skills of

its carefully selected professional and technical staff, but also the judicious and proactive approach to work. The project team always acts in the interests of the customer and exercises control over costs, demonstrating professionalism throughout the project.

Prokon gains a clear understanding of the client's vision and expectations, and approaches the project from this perspective. The company develops an understanding of the customer's business, budget goals, delivery deadlines and decision-making process. To ensure the successful implementation of the project, the company selects the most appropriate project management techniques for each project, along with construction workers and consultants. The company's management approach and the presence of qualified construction professionals contribute to the project being delivered safely, on time, within budget and above customer expectations.

Company portfolio



- Development of project implementation and management strategies
- Preparation of tender documents
- Evaluation of potential contractors and suppliers
- Project work and activity management
- Management and implementation of construction and assembly work
- Management of Health, Safety and Environment requirements
- Quality assurance and quality control
- Project cost assessment and control
- Risk identification and management

Major projects

Upgrade and Reconstruction of SOCAR's Heydar Aliyev Oil Refinery (PACKAGE A)



CUSTOMER:
KINETICS TECHNOLOGY
AND TECNIMONT JV
PROJECT LOCATION:
Baku / Azerbaijan

PROJECT DESCRIPTION:
The company's scope included:
Main process y units

- Diesel fuel hydrotreater block
- Isomerization / gasoline unit

Auxiliary equipment

- Sulfur regeneration unit
- Sour water softening unit
- Hydrogen unit
- Methyl-tert-butyl ether unit.

Utilities

- LPG storage
- Methanol storage
- Flare system / incinerator
- Cooling water system
- Substation buildings
- Pipe connectors

AZERKIMYA—Installation and commissioning of steam turbine



CUSTOMER:
SOCAR Uniper
PROJECT LOCATION:
Sumgait / Azerbaijan

PROJECT DESCRIPTION:
The scope of work included:

- Construction of the distribution facility
- Construction of steam turbine and cooling buildings
- Equipment and pipeline assembly
- Construction around the building and landscaping

Overhaul of LukoilNizhnyNovgorod petroleum synthesis



CUSTOMER:
Lukoil NizhnyNovgorod
petroleum synthesis
PROJECT LOCATION:
Kstovo - Nizhny Novgorod
/ Russian Federation

PROJECT DESCRIPTION:
Mechanical installation works during the overhaul of KstOvo Oil Refinery in 2020-2022. The first stop was in April/May 2020. PROKON ABT-6 completed the disassembly and installation of Flare pipes and diesel lines in 45 days. The second stop is scheduled for October 2020. PROKON has already started planning for this stop.

Multi-storey building



CUSTOMER:
RAVY PROPERTY LLC
PROJECT LOCATION:
Baku, Azerbaijan

PROJECT DESCRIPTION:
The scope of work included the design and construction of a 25-storey office building with a total area of 24,806 square meters.

COTTON OIL FACTORY



CUSTOMER:
"AQROLIZINQ" ASC
PROJECT LOCATION:
Ujar / Azerbaijan

PROJECT DESCRIPTION:
The scope of work, according to the contract with the client, included construction, mechanical and electrical installation, process piping and insulation. The following work was completed:

- 200 t/day production line for primary processing of cotton seeds and oil pressing
- 60 t/day production line for solvent separation for primary pressing
- 25 t/day cotton oil treatment line
- Flow generation process
- Cotton seed factory
- Oil storage tanks
- Boiler room

SOCIAL PROJECT – SCHOOL IN BINA SETTLEMENT



CUSTOMER:
Social Project supported
by the Heydar Aliyev
Foundation
PROJECT LOCATION:
Baku, Azerbaijan

PROJECT DESCRIPTION:
The social project's scope included design, supply and construction of a 1,400-pupil school, a 2-storey kindergarten, an ambulance station and a post office.

SOCIAL PROJECT – KINDERGARTEN IN SHAGAN SETTLEMENT



CUSTOMER:
Social Project supported
by the Heydar Aliyev
Foundation
PROJECT LOCATION:
Baku, Azerbaijan

PROJECT DESCRIPTION:
The social project's scope included design, supply, and construction of a two-storey kindergarten.

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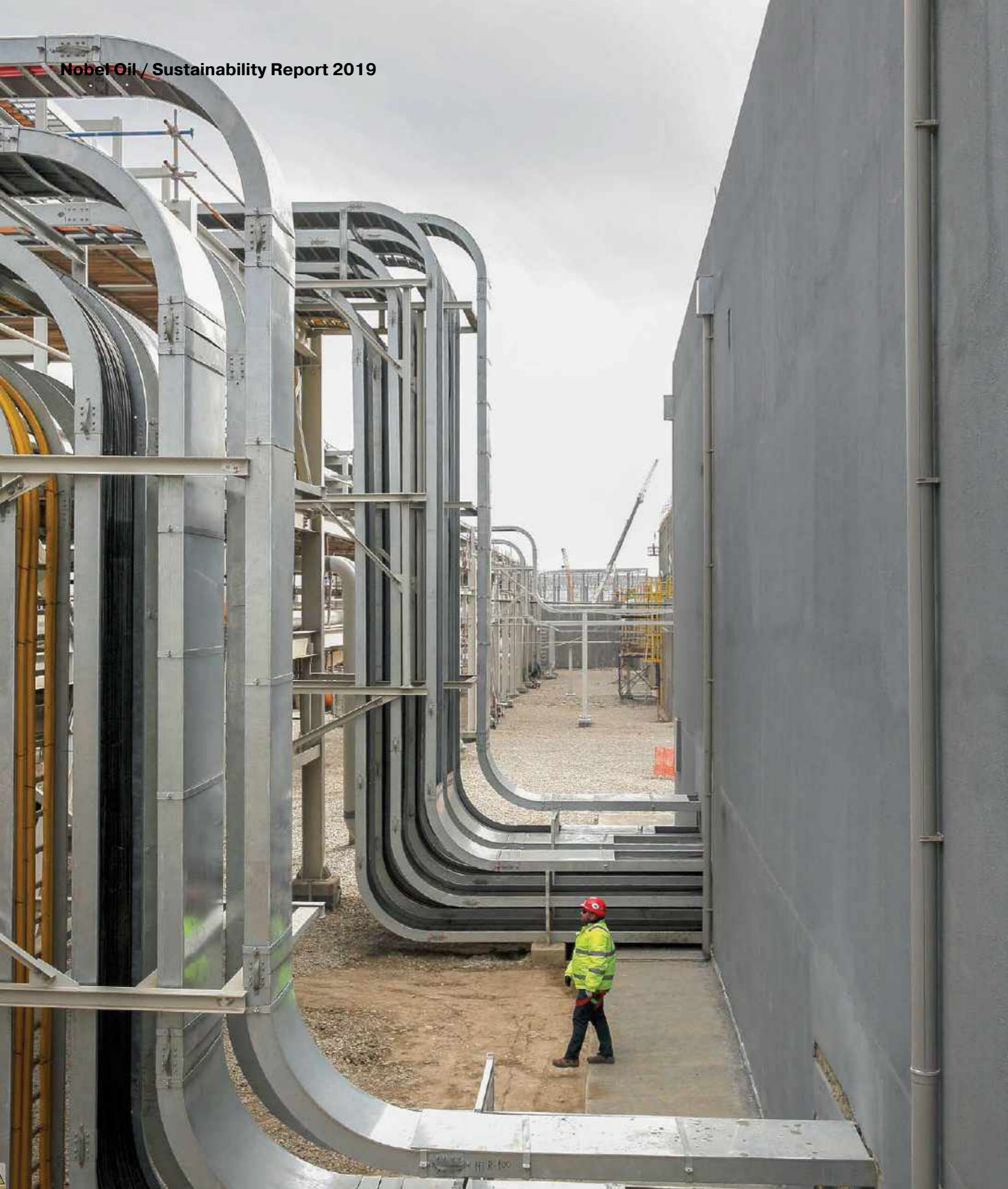
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Corporate governance



2/4

Independent member of the Board of Directors



10

Sustainable development decisions



4

Number of Board of Directors meetings in 2019



2

Number of committees



Corporate governance system

We are well aware that the reputation of an honest and conscientious partner is of great importance for the sustainable development of the business. For this reason, we have put in place an optimal corporate governance system that allows us the opportunity to gain and maintain the trust of our stakeholders.

We recognize that an effective corporate governance system contributes to the company's investment attractiveness and, as a result, shareholder value. Mutual confidence among all corporate players is the cornerstone of the company's effective activity and investment attractiveness.

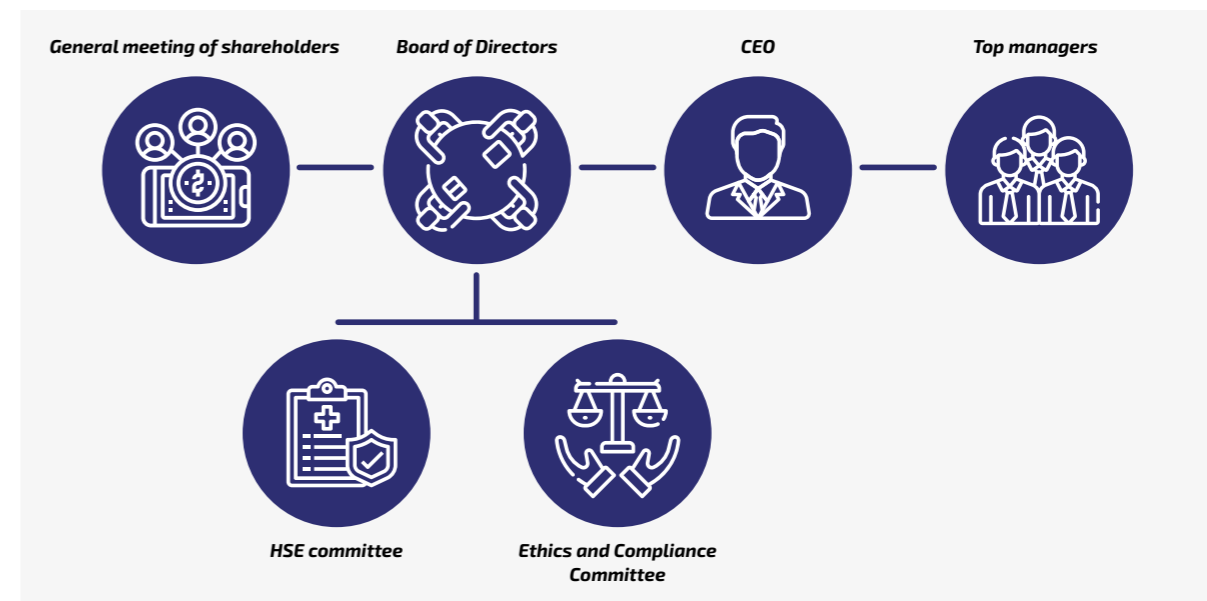
Nobel Oil continuously works to improve its corporate governance system to achieve sustainable business development, which is why the company acts in accordance with national stan-

dards and internal documents, industry standards and codes, as well as local and international best practices.

With our work, we shape up the interests of those who have extensive spheres of influence. For this reason, we believe that adherence to the best corporate governance principles in our interaction with stakeholders is critical not only for our own success, but also for the success of all our stakeholders.

Our corporate governance structure enables us to manage our activities effectively. Nobel Oil's governing bodies are the General Meeting of Shareholders, the Board of Directors and the Chief Executive Officer, who implements the decisions of the Board of Directors and the General Meeting of Shareholders.

Corporate governance structure



General meeting of shareholders



The General Meeting of Shareholders of Nobel Oil Closed Joint-Stock Company is the company's highest governing body which decides on the most important issues. The meeting approves the Charter and internal documents governing the activities of the company's management and control bodies, and makes decisions to approve annual reports and financial statements.

Participation in General Meetings of Shareholders is the primary mechanism of shareholder influence on the decision-making process. The procedure for holding General Meetings of Shareholders provides for equal opportunities to all shareholders. In our interaction with shareholders, our primary goal is to create favorable conditions for a simple, transparent, and efficient decision-making process.

Board of Directors

The Board of Directors acts in the interests of the company and its shareholders and reports to the General Meeting of Shareholders.

Except for matters within the competence of the General Meeting of Shareholders, the Board of Directors oversees all aspects of Nobel Oil's activities. It plays the primary role in shaping and advancing the corporate governance system, determining the company's priorities, strategic planning, control over business management, and is responsible for informing shareholders about the way these issues are managed. National legislation, the company's Charter and Regulations of the Board of Directors govern the Board's activities.



Members of the Board of Directors are elected by shareholders at the General Meeting. The Board consists of two non-executive and one executive member.

The Board of Directors is made up in such a way as to represent fundamental competencies required in day-to-day operations. Members of the Board can make informed decisions due to their knowledge and extensive experience in strategic and corporate governance, production and financial issues, risk management and HSE. These are required criteria in selecting members of the Board of Directors.

Board members meet with the company's senior management on a regular basis to learn about and understand their activities, development strategies and key risks. Additionally, members of the Board of Directors hold formal and informal meetings with medium-level managers on a regular basis to discuss various issues and share information, which enables them to make informed and timely decisions. Meetings of the Board of Directors are held at least four times a year. The meeting agenda is developed by the chairman of the Board of Directors on the basis of the request to convene the meeting.

In 2019, the Board of Directors of Nobel Oil made a number of critical decisions to further advance the company in the field of sustainable development.

Issues reviewed and decisions made by the Board of Directors in the field of sustainable development in 2019:

- Following a thorough review and analysis of the company's strategy, the decision was made to continue cooperation with McKinsey;
- Decision was made to continue the application of SAP (System Application and Products) modules to the company's business processes;
- Continue the promotion of company values;
- A new SoD (Segregation of Duties) procedure for Nobel Oil, Prokon and Glensol was reviewed and approved in an effort to improve internal controls;
- "Commercial Review Procedure" was reviewed and approved;
- Initiatives for staff training and development were considered to create long-term opportunities;
- By identifying strategic employment, the corporate office's capabilities were analyzed in terms of their relevance to the company's growing business;
- Decision was made to improve the customer satisfaction feedback system;
- Decision was made to fully apply ISO 37001 and ABMS:2016 certification;
- New investment opportunities were considered and evaluated.

Board of Directors committees

To increase the effectiveness of the Board's decisions, provide a comprehensive review of the most important issues and develop relevant recommendations, the Board of Directors had two committees at the end of 2019: the Health, Safety and Environment (HSE) committee and the Ethics and Compliance committee.

The committees play an important role in maintaining a high standard of corporate governance by conducting an initial review of various issues, performing a thorough analysis and preparing relevant recommendations for the Board of Directors. Every

year, the Board of Directors receives a report on the state of the management system and its performance, as well as the measures taken to improve the quality and efficiency of management.

In order to perform their functions, committees have the authority to request any information or documents from the company's executive body or heads of its structural units. Both committees may also attract foreign experts and consultants possessing the necessary knowledge and skills to objectively assess issues within their competence.

Committee on Health, Safety and Environment (HSE)

The Committee on Health, Safety and Environment (HSE) plays an important role in improving the management system and increasing the efficiency of Nobel Oil Group. The Committee supports the governance system by operating in full accordance with legislation and the highest standards of corporate governance, and oversees the implementation of the company's HSE strategy and goals.

This governing body conducts regular high-level HSE reviews and supports production and environmental safety issues as a top priority for the company. Nobel Oil is implementing plans to continuously improve the company's efficiency in this area and ensure that HSE risks are properly managed. The HSE Committee reviews production-related materials and reports on earlier performance in this area.

The Committee consists of five voting members and one non-voting member.

STRUCTURE AND MEMBERSHIP

The Committee consists of the following members:

- HSE team leader, chairman and secretary
- Chief Executive Officer, member
- Chief Operating Officer, member
- Chief Commercial Officer, member
- General Director for Drilling, member
- Project director, member
- GLENSOL General Director / Deputy General Director, member
- PROKON General Director / Deputy General Director, member
- SDL NOBEL General Director, member
- OGP General Director, member

Key topics examined by the Committee in the field of sustainable development in 2019 :

- Nobel Oil Group's HSE standards approved and adopted across the Group.
- Develop an Activity Tracking System (ATS) for Prokon;
- Define an HSE Management of Change protocol for the Group;
- Develop an incident reporting and investigation protocol;
- Develop a risk assessment protocol;
- Develop an HSE assessment and audit program for the Group;
- Develop a general audit plan and apply it across the Group;
- Develop a register of the Group's HSE legal and other requirements.

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Ethics and Compliance Committee

The Committee plays an important role by helping the Board of Directors oversee ethical conduct and compliance with regulatory requirements within the company, and resolve potential problems. One of its key responsibilities is to oversee compliance with ethical risks, monitor and mitigate the impact on business.

To support and promote an ethical culture that encourages the company to comply with national laws and ethical standards, the committee regularly prepares recommendations for the Board of Directors regarding steps to enhance the effectiveness of the governance system. The Committee supports the development and implementation of effective programs on compliance with ethical and legal norms, and maximizes the benefits of similar programs that ethical and law-abiding business practices.

The Committee consists of five voting members and one non-voting member.

STRUCTURE AND MEMBERSHIP

The Committee consists of the following members:

- Ethics and Compliance specialist, chairman and secretary
- Chief Executive Officer, member
- Chief Operating Officer, member
- Chief Commercial Officer, member
- Chief Financial Officer, member
- Group Legal Manager, member

Key topics examined by the Committee in the field of sustainable development in 2019:

- Risk assessment plan;
- Disciplinary proceedings and grievance procedure;
- Review of business proposals and procurement procedures;
- Risk prevention plan;
- Development of an e-learning portal;
- ISO 37001 ABMS (Anti-Bribery Management System): Evaluation of in-house application of the 2016 standard to 2019 and continuous application of the requirements of this standard, as well as preparation for a Lloyds Registry audit in 2020.

CEO



The CEO runs the company's operations and acts within the powers provided by the Nobel Oil Charter.

The CEO implements the tasks set by the Board of Directors and executes the company's development strategy by overseeing departments in such areas of activity as production and environment, finance and economics, social and legal.

Risk management



In order to achieve the strategic goals of the company, our management attaches great importance to risk evaluation, which helps us to identify, analyze and prevent potential threats and losses in good time. Our company views the risk management system as a collection of coordinated actions and processes. This applies to the company's organizational structure, national legislative and other regulatory acts, documents, norms, standards and regulations, as well as corporate culture norms and actions implemented by the company's management and employees to provide adequate guarantees for the achievement of the company's goals and resolution of problems. All this aims to support the management and employees in making important decisions.

For Nobel Oil, risk management is a process that lasts for the entire duration of the project. It includes risk management planning, identification, analysis, monitoring and control processes. Many of these processes are updated throughout the project because new risks can emerge at any time. The objective of risk management is to prevent and mitigate the impact of potentially unfavorable events on the project. At the same time, we try to take advantage of events that may have a positive impact.

To enhance the efficiency of the risk management system, two new procedures were developed and approved in 2019: the HSE Risk Assessment Protocol and the Anti-Bribery and Corruption Risk Prevention Plan.

HSE Risk Assessment Protocol

A Risk Assessment Protocol was developed and approved for all directions of the company's activity in 2019 to create a unified risk management system in the field of Health, Safety and Environment (HSE).

The Protocol describes the approach Nobel Oil Group is taking to meet the high quality standards required by the business. The purpose of the Protocol is to identify a consistent method of risk assessment within the Group and provide a guarantee that the company.

Objectives of the HSE risk management system



According to the Protocol, a risk assessment must be completed for any job being undertaken by Nobel Oil or any subsidiary acting on its behalf at the work site or beyond. In the absence of an agreed or a more stringent procedure, the protocol will apply

to partnership agreements and/or joint ventures. If a client submits a specific risk assessment procedure and forms to be applied at a facility, they may be used if a relevant manager ensures that these forms are consistent with the company's protocol.

Bribery and corruption risk prevention plan



Another significant milestone in 2019 was the development and approval of a bribery and corruption "Risk Prevention Plan" for the entire Nobel Oil Group.

The plan mainly deals with measures to be taken to reduce the risk of bribery and corruption within the company. The goal of the plan is to identify potential issues and provide specific examples of corruption risk mitigation actions. In addition, the plan is intended to document the processes, tools and procedures to be put in place to manage and monitor events that may have a negative impact on the company's projects.

The principles contained in the plan are applicable to the reduction of the bribery and corruption risk in the company and consistent with the international ISO 37001 ABMS (Anti-Bribery Management System): 2016 standard and other company policies. The bribery risk reduction form has been designed primarily to mitigate and plan the risk of unforeseen bribery and corruption.

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 Oil 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 Oil 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.

In order to improve transparency and efficiency of internal controls and management, we intend



Our internal control procedures are designed to provide a number of advantages, including:

- Financial stability, greater value and profitability;
- effective risk management in business processes;
- disciplined and effective economic activity;
- asset integrity;
- detection and prevention of irregularities;
- compliance with applicable laws and regulations;
- timely preparation of accurate financial statements and the resulting investment attractiveness.

to implement all bidding processes using SAP, create an SRM system for customers, and install and configure an advanced warehouse management and procurement module for Glensol and PROKON by 2020. A SOD committee will be set up in 2020 to strengthen the internal control mechanism.

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Ethics and compliance



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Decisions on ethics and compliance



100%

Employees trained in business ethics and rules of conduct



100%

Employees trained in anti-corruption policies

Compliance with antitrust and competition rules

We comply with the requirements of local and international law in the countries in which we operate. If there is a discrepancy between our rules of conduct and national laws, we give preference to the latter.

We believe that, regardless of the position, every single employee of the company doing business or implementing a project in the country is responsible for observing the requirements of that country's legislation. Every Nobel Oil employee is required to follow antitrust and competition laws, which protect competition by prohibiting anti-competition practices.

Our code of business ethics and conduct establishes fundamental principles of competitive activities in the markets in which we operate and rules of conduct for employees to follow to comply with antitrust laws.

Our code requires that no employee or agent of the company be engaged in any arrangements, agreements, contracts, plans or projects with competition regarding prices, sales or service terms; not discuss the value of sales and services with competition or exchange any information that may affect competition; and engage in any activity that runs counter to antitrust law.

We have put in place relevant regulatory and technical documents and implemented antitrust measures in all our organizations.

We increase our employee awareness of antitrust regulations by organizing seminars and round tables on the subject, develop and continuously update comprehensive measures to prevent antitrust violations.

Rules of business ethics and conduct



We realize the important role an honest and conscientious business partner plays in establishing and maintaining trust and confidence. In the interests of maintaining a good level of interaction with our stakeholders, we build our business in full accordance with law and on the basis of ethical values.

We view compliance with these requirements as a cornerstone of our activities in the field of sustainable development.

We have designed our corporate documents in accordance with UK and Azerbaijani laws, as well as the

best global practices in the rules of business ethics and conduct. These documents reflect the company's official position in relation to the rules of conduct and interaction with both internal and external partners.

The rules of business ethics and conduct define how employees should act in the event of a conflict of interest, establish zero tolerance of corruption, envisage equal opportunities for all employees, prohibit discrimination, and establish a mechanism for monitoring the enforcement of corporate ethical standards.

The rules of business ethics and conduct apply to all company personnel, including members of the Board

of Directors (including subcontractors or those providing permanent or temporary work on a voluntary basis). The principles and requirements of the rules also apply to contractors, consultants and suppliers entering into an agreement with the company on the supply of goods and services.

The rules of business ethics and conduct also apply to all joint ventures in which our company or any of its subsidiaries may own a controlling stake or be the operator of. We also seek to ensure that the principles and requirements of the rules of business ethics and conduct are reflected in the policies and practices of the joint ventures in which our company or any of its subsidiaries does not have a controlling interest.

Anti-corruption

We believe that corruption poses a threat to the rule of law, reduces the effectiveness of governance, creates an unfavorable environment for investment decisions and results in inefficient use of budget funds and financial resources. With this in mind, we have developed an internal regulatory framework for combating corruption and bribery in accordance with the requirements of international law, as well as anti-corruption recommendations of local and international organizations.

Nobel Oil has always kept issues related to the prevention of corruption in its spotlight. In order to create an effective anti-corruption system, we have developed anti-corruption guidelines based on the following legal acts and internal documents:

- Anti-Bribery Act in the United Kingdom, 2010
- Corruption Abroad Act of the United States of America, 1977
- 1997 Convention against the Capture of Foreign Officials in the Implementation of International Commercial Agreements
- United Nations Convention against Corruption, 2003
- International standard ISO ABMS 37001: 2016
- ISO 19011 Audit Management Systems Manual

Our anti-corruption policy specifies the main anti-corruption and prevention measures. This policy reflects the commitment of our company, the Board of Directors and all employees to working in accordance with the highest ethical standards, applying the best practices and corporate governance standards and maintaining the highest level of our business reputation.

The principle of rejection of corruption mentioned in our anti-corruption policy is evidence that every employee of our company, including senior executives, is strictly prohibited from participating in corrupt practices in Azerbaijan or any other country in which we operate. This policy prohibits our employees, as well as individuals or companies acting on behalf of our subsidiaries, from offering, giving, demanding or receiving bribes in any form. We encourage all our employees to comply with this policy and inform them about the main principles, requirements and potential penalties for noncompliance.

As part of our efforts to improve the anti-corruption system, we have implemented procedures to prevent, detect, report and investigate cases of actual or alleged bribery and corruption in accordance with the international standard ISO 37001: 2016 "Anti-Bribery System".

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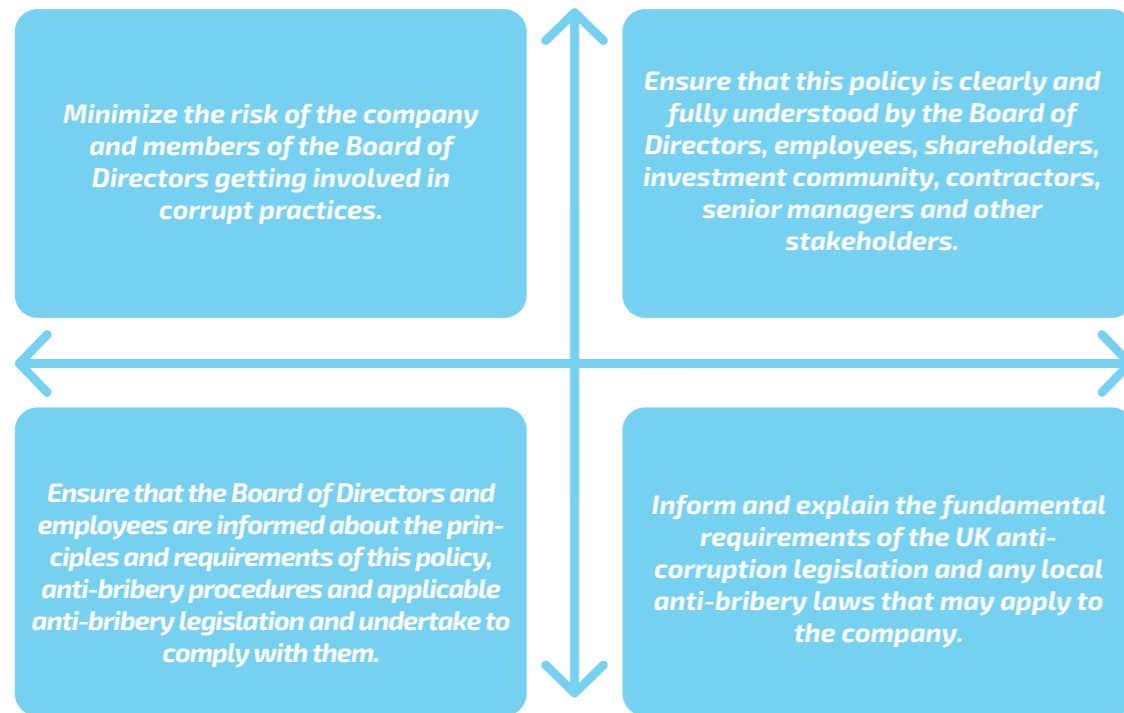
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Company's anti-corruption goals



We conduct regular monitoring to ensure that the procedures described in the anti-corruption standards are effective. When monitoring reveals areas that need to be modified or improved, we investigate them thoroughly and take the appropriate action.

In addition, the company's Board of Directors continuously monitors this area, reviews the company's anti-corruption policy on a regular basis and, if necessary, makes appropriate adjustments and updates.

Presentation and acceptance of gifts



According to the company's rules of business ethics and conduct, as well as our anti-corruption policy, one of the important measures taken to prevent corruption is to correctly determine the attitude towards gifts being offered, presented or accepted. If a gift is viewed as a bribe, the acceptance of such a gift, as well as an invitation to dinner, donation or similar benefits, are prohibited.

We discourage our employees from accepting gifts or rewards that could influence their impartiality, decisions or conduct, and from offering such gifts and rewards to other companies or individuals. We encourage our employees to inform the company's ethics and compliance officer when a gift offered to them does not meet the criteria set out in the company's rules

of business ethics and conduct and the anti-corruption policy.

In addition, our company follows a number of procedures in accordance with the provision of the ISO 37001: 2016 "Anti-bribery system" standard related to gifts. We develop these procedures with a view to such factors as the maximum value of a gift or dinner, the frequency of such occurrences, timing, logic, identity of the recipient, reciprocity and the regulatory environment.

We ensure that accepting and presenting gifts does not run counter to the company's anti-corruption policy, ethical principles and requirements, rules of conduct, as well as other regulations or applicable laws.

Corruption risk

Given the breadth of Nobel Oil's operations, we monitor each business process in order to eliminate and reduce the risk of corruption. To this end, we conduct special monitoring every year to identify potential corruption risks in all main and secondary business processes of the company. By detecting and updating corruption risk indicators typical of our operations and potential business processes, we provide regular evaluation of the corruption risk.

To develop risk assessment recommendations, the company refers to Transparency International's "Corruption Risk Diagnostics - Guide to Effective Corruption Risk Assessment", as well as the Risk Reduction Plan developed in accordance with the international standard ISO 37001 ABMS: 2016 Anti-Bribery Management System.

In approaching the risk reduction process, we focus on two key aspects: 1) Reducing the like-

lihood of an incident; 2) Implement a series of precautionary measures to prevent an incident from happening in an unexpected situation or develop a plan to eliminate the consequences of an incident.

We believe that it is important to assess the potential impact of risks before making a decision to implement an emergency response plan.

Another important step the company has taken in the fight against corruption is to make reasonable effort to reduce the risk of doing business with any party with a track record of corruption. To do this, we seriously assess the degree of a partner's tolerance of bribery, including whether it has its own anti-bribery policies and procedures and whether it is ready to comply with them. Furthermore, the company includes anti-bribery provisions in its contracts with other parties, thus contributing to overall business integrity.

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Trainings

We believe that anti-corruption awareness and training are a critical component of corruption prevention. All Nobel Oil Group employees are regularly trained on the rules of ethical conduct and encouraged to avoid illegal actions. The company regularly implements special training programs aimed at preventing corruption. Such trainings are provided both to our own employees and contractors. To properly understand the culture of bribery, new hires are familiarized with anti-bribery provisions during their foundation training program. Special training programs aimed at preventing bribery are regularly updated to reflect changes in the law.

In addition to the training programs, any employee may seek advice on anti-corruption policy, ethical

conduct, confidentiality and similar issues from the officer responsible for the organization and compliance with ethical and regulatory requirements.

Every year, all Nobel Oil Group employees, as well as newly-hired employees, attend ethics and compliance trainings and sign a written statement afterwards. This training will largely be provided online in 2020. Also, the risk-oriented approach will help identify target groups that are more likely to violate ethical and compliance requirements.

Reporting and communication



Nobel Oil pays special attention to the development of an effective method of reporting alleged or actual violations in order to prevent illegal actions, minimize the risk of corruption and fraud, and eliminate other forms of unlawful conduct. In particular, the company has implemented the "Reporting a concern" procedure in accordance with best UK practices of corporate governance. The goal of this procedure is to furnish employees with a methodology for reporting actual or suspected cases of bribery, corruption or unlawful conduct and support them in implementing the "report a violation" and "growing concern" principles.

As a responsible company, we require our employees to report a number of situations. These include actual or potential violations, potentially unlawful conduct, actual or potential cases of corruption or fraud, illegal acquisition, disclosure or misuse of confidential or private information, and other offences.

We make sure that our stakeholders are aware of the information channels for reporting violations of our code. The company has a business ethics hotline anyone can use to report an abuse. Ethical and compliance issues can be reported by email nbo@nobeloil.com. Alternately, the ethics and compliance officer can be reached at **+994 70 2994980**.

Our ethics and compliance officer is responsible for investigating alleged violations of the Code of Business Ethics and Conduct, preparing reports and submitting them to the CEO.

We guarantee that those seeking advice on business ethics or rules of conduct, expressing their concern or reporting an actual or suspected violation will not be subjected to any reprisals.

Prevention of conflict of interest

We always pay attention to avoiding a potential conflict of interest between members of the governing and executive bodies and strive to minimize the consequences of such a conflict. The company recognizes and respects the diversity and importance of its employees' private goals and interests. However, we cannot remain indifferent to situations in which the employee's loyalty and objectivity to the company may be compromised due to personal, family and other circumstances. Employees are required to view the company's business interests as a priority, declare any conflict of interest and avoid situations that may appear to create a conflict of interest, as this may reduce employee effectiveness. For this reason, we take steps to avoid such conflicts.

If the personal interests of Nobel Oil's managers and other employees enter into conflict with those of the company, they must report that immediately. Employees cannot have any proprietary or financial interest in companies working with Nobel Oil or participate in decision-making on transactions in which they have a personal interest. We strongly advise and encourage all employees to avoid situations in which the acceptance of gifts, services or other benefits could result in a conflict of interest.

To effectively manage the risk of a conflict of interest, we have implemented the practice of certain senior executives disclosing information about a conflict of interest by filling out a conflict of interest declaration.

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Human rights

We guarantee equal rights and nondiscrimination based on nationality, gender, origin, age, religion, etc., as well as the right of employees to communicate with any public organization of their choice.

The company complies fully with the Labor Code and overall legislation which prohibits any form of discrimination, as well as restrictions of labor rights and freedoms. As a responsible employer, we follow all legal requirements and employ the best practices from around the world.

Nobel Oil's human rights principles are reflected in key business documents such as the rules of business ethics and of conduct, anti-corruption policy, and the Health, Safety and Environment (HSE) policy.

We guarantee that our employees know their rights. We increase their knowledge through regular meetings and communication. We build relationships with



stakeholders to prevent any possible human rights abuses.

The company's procedure for filing and reviewing complaints and grievances allows us the opportunity to inform our employees and external stakeholders about any problems or suspicions related to human rights violations.

Discrimination

We allow our employees to fully and properly exercise their personal rights and provide them with a non-discriminatory, safe and healthy work environment. The company takes the necessary steps to support employees' personal development and voluntary participation in relevant social and community projects.

We treat all our employees fairly and with respect. We make fair decisions on recruitment, selection, development and promotion and do not discriminate based on gender, personal relationships, race, ethnicity, disability, religion, sexual orientation or age.

We will not tolerate exploitation or violence against our employees, customers, contractors, suppliers, visitors, government officials or any other stakeholder we have contacts with. We believe that threats, violence, racism, discrimination, rudeness, verbal and physical aggression, threatening behavior, insults or sexual violence are serious offences that will result in disciplinary action or dismissal.



The company respects the privacy of its employees and guarantees the confidentiality of personal information. Personal information is obtained solely for the purposes of managing the business and complying with legal requirements. Personal information is collected, stored and processed in a way that ensures its confidentiality and complies with applicable law.

Information transparency



We are responsible for ensuring that stakeholders have access to accurate information in order to make sound decisions. Nobel Oil strives to comply with all legal requirements in order to follow the best international practices in this field.

Our Rules of business ethics and conduct provides the foundation for information transparency and ensures that the company's oral and written communications with stakeholders are lawful, accurate and professional. Access to information and financial transparency are critical components of the corporate governance system, as are the protection of the company's interests and confidential information.

Nobel Oil regularly makes use of media opportunities to expand its public relations and inform the public in an accurate and timely manner. Only authorized personnel and the company's public relations manager handle issues such as oral and

written public statements or comments for the media.

In addition, the company uses its official web-site (<http://www.nobeloil.com>) and social media network (Twitter, Facebook, LinkedIn) to provide the public with objective information about its operations and maintain sound communication with stakeholders. Press releases about the company's production, financial and non-financial performance, as well as reports on sustainability and financial statements, are regularly published on the company's web-site.

To ensure compliance with ISO 37001 and ABMS: 2016, the company provides internal and external links for the anti-corruption system:

- Subject of the call
- Timing of the call
- Person being called
- Form of contact
- Person calling
- Communication language

The company's Rules of business ethics and conduct and the anti-bribery policy are provided to all Nobel Oil Group employees and business partners. In other words, these rules are accessible to both employees and business partners with the risk of bribery above minimum.

 [linkedin.com/company/nobel-oil-services-uk-ltd/](https://www.linkedin.com/company/nobel-oil-services-uk-ltd/)
 [facebook.com/Nobel.Oil.Services/](https://www.facebook.com/Nobel.Oil.Services/)
 twitter.com/NobelOil

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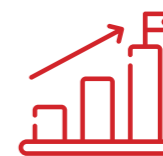


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Sustainable Development Goals of the company



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Our contribution to the UN Sustainable Development Goals



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Measures taken



Resistant in the field of development approach

Nobel Oil's goal in the field of sustainable development is to become an international engineering and construction company that contributes positively to the socioeconomic development of the countries in which it operates, while also adhering to industrial and environmental safety, corporate governance and social responsibility standards.

We strive to apply sustainable development principles and values to our day-to-day operations and use them as a foundation for strategic decisions. Nobel Oil recognizes that long-term stability, competitiveness and value creation opportunities for

stakeholders are dependent on sustainable development.

Our ability to balance economic, social and environmental factors in our decision-making processes is critical to our long-term sustainability. Investing in human capital, ensuring decent and safe working conditions, improving the social environment and quality of life in the regions where we operate, and minimizing negative environmental impact are all as important to us as successful operational and financial results.

Our approach to managing economic, environmental and social aspects of our operations is based on

the world's best practices in sustainable development. We try to consider the needs and expectations of stakeholders at all stages of our activities

in order to care for society, our employees and the environment. We believe that this approach is key to becoming a great company and that it assists us in identifying and managing risks and opportunities. Nobel Oil Group executives of various levels are in charge of managing activities related to sustainable development. The Board of Directors is responsible for the strategic management of issues concerning sustainable development, as well as the review and approval of high-level documents.

The operational management of sustainable development issues is carried out by various departments of Nobel Oil. In the Group's subsidiaries, these issues are managed by the heads of those companies. The Group's companies can develop their own documents that take into account the industrial characteristics of their activities in the field of sustainable development.

In general, every employee of Nobel Oil understands their responsibility to ensure a continuity of daily work. Our successful activity directly depends on the approach and principles applied by all our employees at work.

Vision, Mission and Values



Vision

Our vision is to be the main choice of our customers and the most reliable partner in all areas of business by successfully providing the best services with the enthusiastic and active participation of our employees.

Mission

Our mission is to provide high-quality service and solutions using quality processes in a safe, efficient and environmentally responsible manner.

Values

SAFETY

We operate in line with the highest standards of social and environmental safety. We try to be good corporate citizens. Our main priorities are the protection of occupational health, the safety of workers, integrity of our assets and the environment.

QUALITY

We guarantee quality and a quality assurance service. We follow all relevant quality standards and norms.

SINGLE TEAM

As an international company, we appreciate and respect the uniqueness of local cultures in the countries in which we operate. No matter where

we work, we offer a comprehensive environment and acknowledge a variety of people, ideas, talents and experiences. We try to create a healthy environment and work as a team.

CONSCIOUSNESS

We are truthful to both others and ourselves. In all business relationships, we adhere to the highest ethical standards. We keep our promises. We are responsible for all our actions.

PERFECTION

We strive to achieve a high level of productivity and operational efficiency and aspire towards perfection in everything we do.

Sustainable development objectives



Industrial and environmental safety

- Continuous improvement of the management system, including industrial and environmental safety issues;
- Developing an occupational safety culture to improve working conditions and occupational safety and reduce the number of industrial injuries;
- Application of the principle of reasonable caution in the implementation of projects;
- Minimizing the impact on the environment;
- Rational use of natural resources;
- Use of innovative technologies;
- Application of environmentally friendly technologies.

Interaction with stakeholders

- Creating an effective and transparent system of interaction with stakeholders;
- Respect for the rights and interests of all groups of stakeholders;
- Development of a dialogue with stakeholders, partnership relations;
- Accessibility and transparency of information;
- Keeping track of stakeholder feedback and surveys

Development of the regions in which we operate

- Contributing to the development of society and regions in which we operate;

- Support for local suppliers;
 - Implementation of educational and cultural programs.
- Responsibility to employees
- Creation of decent working conditions;
 - Equality and prevention of human rights abuses;
 - Maintaining a competitive level of wages;
 - Support for personal and professional development of employees;
 - Social support of employees;
 - Provision of safe working conditions and occupational safety

Business ethics

- Fight against corruption
- Good business reputation;
- Efficiency and transparency of corporate governance;
- Respect for labor and human rights
- Improving the corporate governance system.

Creation and development of economic values

- Creation of investment opportunities;
- Financial sustainability;
- Competitiveness

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Integration of UN Sustainable Development Goals

The United Nations established 17 Sustainable Development Goals (SDG) in 2015, with specific targets for each goal. These goals include prevention of poverty, strengthening education and health services, increasing the struggle against climate change, making the world more sustainable and fair and other issues to address the challenges facing the world.

Nobel Oil believes that the responsibility for achieving these goals lies not only with countries but also with the private sector and civil society. For this reason, we always try to coordinate our activities and initiatives

with the SDG to be able to contribute to this cause.

As was the case in previous years, we understand that by providing reliable and sustainable technological solution our company can directly influence the SDG and accelerate the achievement of these goals.

In 2019, we commissioned a detailed survey to identify the SDG areas that could benefit the most from our operational activities. Although each SDG is equally important to us, due to the nature of our operations and initiatives we primarily contribute to 13 of them.



UN SDG	Nobel Oil approach to achieving Sustainable Development Goals	Measures implemented in 2019
1 No poverty	The company pays decent wages to new hires and creates jobs in the regions where it operates. By implementing social programs, it also plays an important role in improving the well-being of the vulnerable population.	<ul style="list-style-type: none"> The salary the company paid to its employees was more than 200 percent above the minimum wage in the country where it operates. The company implemented social projects to provide jobs to vulnerable and low-income population.
3 Good health and well-being	Considering the protection of the life and health of workers as an unconditional priority, the company provides safe working conditions and strives to achieve injury-free production.	<ul style="list-style-type: none"> The company reviewed and updated health and safety procedures and initiatives. Regular meetings, workplace certification and monitoring were conducted to assess employee health and workplace safety. Training programs were organized to increase the knowledge and skills of our employees and those of our contractors. Our employees and those of our contractors are provided with health and life insurance, and free medical checkups.
4 Quality education	The company implements comprehensive programs to increase the knowledge and skills of its employees. The company also participates in social development programs in the regions where it operates.	<ul style="list-style-type: none"> Training, education and development programs on various topics were implemented for our employees throughout the year. The company participated in several social projects to support the development of vulnerable groups and young specialists.
5 Gender equality	Our business ethics envisages creation of equal opportunities for all and non-discrimination.	<ul style="list-style-type: none"> The company attaches great importance to gender equality and provides equal pay, rewards and career development for men and women.
7 Affordable and clean energy	Supporting the global trend of rational and prudent use of energy, the company considers it a priority to improve energy efficiency within the company and for customers.	<ul style="list-style-type: none"> The company sought to increase operational efficiency and the sustainability of design and construction of its assets.
8 Decent work and economic growth	By creating jobs, being an exemplary taxpayer and giving preference to local suppliers, the company makes a significant contribution to the socioeconomic development of the areas in which it operates.	<ul style="list-style-type: none"> The company implemented important projects to increase employee satisfaction and productivity. The company did important work to provide employees with decent wages, healthy and safe working conditions. The share of local suppliers was above 90 percent.
9 Industry, innovation and infrastructure	By initiating reliable and sustainable technological solutions, the company promotes the improvement of technological capabilities and efficiency of industrial sectors.	<ul style="list-style-type: none"> The company gave preference to high-quality and environmentally friendly technologies in its projects.
10 Reduced inequalities	The company's rules of business ethics and conduct provide equal opportunities for all, respect for human rights and non-discrimination.	<ul style="list-style-type: none"> The company implemented initiatives to engage youth and representatives of vulnerable groups, and to develop them.
11 Sustainable cities and communities	The company pays special attention to the efficient use of natural resources and energy, and waste reduction.	<ul style="list-style-type: none"> The company encourages people to use water and energy efficiently during the implementation of projects. The company managed to reduce hazardous waste by implementing effective waste management procedures.
13 Climate action	By continuously improving the technologies it uses and applying the best industry practices, the company seeks to increase the efficiency of its own operations and those of its customers and minimize the adverse impact on the environment.	<ul style="list-style-type: none"> By implementing initiatives to reduce greenhouse gas emissions, the company reduced the impact on the environment.
16 Peace, justice and strong institutions	The company pays special attention to compliance with the law, fight against corruption and fraud, and prevention of conflict of interest.	<ul style="list-style-type: none"> The company organized regular trainings on the rules of business ethics and conduct for its employees. The company developed and implemented additional procedures to improve the anti-corruption system. The company carried out an anti-corruption inspection of supplier companies.
17 Partnerships for the goals	The company continuously develops cooperation with stakeholders and seeks to maintain an open dialogue with partners for the sustainable development of the regions in which it operates.	<ul style="list-style-type: none"> The company partnered with leading and experienced organizations to achieve sustainable development goals.

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Topics discussed



16

Topics included in the report

Principles of interaction with stakeholders

The parties that have the greatest impact on our activities and efficiency, the parties we significantly depend on, the parties we have obligations to, and the parties cooperation with which is in our strategic interests are considered our stakeholders.

Nobel Oil sees achievement of Sustainable Development Goals in building an effective system of interaction with stakeholders. For this reason, we strive to build an effective dialogue with stakeholders using available channels and means of communication. As a responsible company, we guarantee prompt responses to stakeholder enquiries, openness to productive dialogue and consideration of stakeholder interests.

We cooperate with stakeholders in various formats and, in doing so, we respect the interests of all parties.

The company always adheres to the principles of regularity of communication and provision of timely information about the main aspects of its activities.

Key principles of interaction with stakeholders:

- Long-term sustainable and efficient development
- Transparency and openness
- Respect for the rights and interests of all stakeholders, non-discrimination
- Readiness for dialogue

Stakeholder groups



Forms of interaction and topics discussed

Stakeholder group	Form of interaction	Key topics
Shareholders	General meetings of shareholders; Regular meetings of company managers with shareholders; Shareholder requests (by phone and mail); Publication of annual reports.	Implementation of strategies; Financial sustainability; Corporate governance; Quality of service; Increasing efficiency; Compliance with regulatory requirements.
Investors	Regular meetings of company managers with investors; Publication of annual reports; Participation in conferences, summits; Conference calls for investors.	Company development strategy; Results of the company's operational and financial performance; Company's development prospects; Sustainable development issues.
Staff	Collective and private meetings of company managers; Internal communication system; Satisfaction survey; Organization of evaluation, training and professional development; Publication of annual reports.	Remuneration and social support of employees; Safe working conditions; Employee training and development; Improving the remuneration system.
State	Relations with regulators; Participation in working groups, Roundtables, conferences, forums; Publication of annual reports; Publication of press releases and information on important events.	Regulatory compliance; Impact on the local economy; Protection of health, safety and environment; Transparency of reports.
Customers	Internal communication system; Regular meetings; Suggestions; Contracts and agreements; Publication of annual reports.	Quality of services; Transparent evaluation; Ethical business experience; Timely and cost-effective project completion; Regulatory compliance; Protection of Health, Safety and Environment.
Society	Internal communication system; Charity and sponsorship projects; Reception days; Publication of press releases and information on important events; Publication of annual reports.	Charity; Employment; Interaction with educational centers.
Business partners	Internal communication system; Participation in working groups, roundtables; Participation in conferences, summits; Contracts and agreements.	Sustainable development; Joint projects; Cooperation prospects; Transparency of reports.
Suppliers and contractors	Supplier selection procedures; Internal communication system; Contracts and agreements; Business meetings; Participation in conferences and exhibitions.	Sustainable development; Joint projects; Cooperation prospects; Transparency of reports.
Media	Press conferences; Press releases; Special events; Written and oral communication.	Information transparency.

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Labor relations



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Total employees at Nobel Oil Services, Glensol and Prokon



18%

Total percentage of women hired in 2019



94%

Local staff



~84%

Employee commitment to the company

Approach to human resource management



The staff remains the most important asset for the company and the primary contributor to its long-term successful and sustainable development. Our approach to human resources is based on the principle of social partnership, which encourages us to be a responsible employer. This principle consists not only in legislative requirements but also in a number of the company's own obligations.

We realize that by attracting and retaining the best workforce, we can provide the highest level of cus-

tomers service in all our business segments. For this reason, Nobel Oil's personnel policy is aimed at attracting qualified personnel to the company, retaining the current personnel capacity, its sustainable development, career advancement and well-being, and improving the personnel management system. Human resource management is the responsibility of human resource departments of Nobel Oil and its subsidiaries and is governed by annual action plans. We operate in accordance with the Constitution of the Republic of Azerbaijan, the Labor Code and other relevant regulatory acts.



By following the company's policy of personnel selection and retention, Nobel Oil has developed a culture reflecting the values, goals and ambitions of its employees. Our workforce selection unit strives to build a team of qualified, responsible and motivated employees committed to the company's values, supporting it in achieving its goals and proud to be working for it. It is thanks to the employees possessing these qualities that we have reached the current level of development.

Workforce recruitment activities include interaction programs with institutions of higher education and the attraction of qualified professionals from local and foreign markets. As of January 1, 2020, the total number of employees in Nobel Oil and its Prokon and Glensol subsidiaries was 641. In 2019, these companies hired 452 people, including 369 temporary employees (for seasonal, construction and field work), three graduates of an internship program and 80 permanent employees.

Total number of hired employees

Company	Total employee number	2017		2018		2019	
		Men	Women	Men	Women	Men	Women
Nobel Oil	Permanent	27	15	28	12	37	12
	Temporary	0	0	4	0	1	4
Prokon	Permanent	857	43	13	2	15	4
	Temporary	0	0	324	24	428	42
Glensol	Permanent	23	9	60	13	84	14
	Temporary	27	3	0	0	0	0

Staff turnover¹

Company	Total employee number	2017	2018	2019
Nobel Oil	Hired	20	22	27
	Dismissed	36	21	18
	Staff turnover	72%	52.50%	40.45%
Prokon	Hired	1246	330	456
	Dismissed	369	833	113
	Staff turnover	79.96%	21%	26%
Glensol	Hired	16	44	46
	Dismissed	9	11	22
	Staff turnover	29.51%	21.15%	26.04%

¹High staff turnover is due to temporary jobs on the company's projects.

In 2019, we implemented a project called "How to live Values" to facilitate the company's human resources policy. The goal of the project was to support employees in the decision-making process, inform customers and potential partners about the company's qualities and values, and improve communication, motivation and employee engagement.

Within the project framework, the company values we

instill in our employees help to guide them forward, especially in challenging times.

We believe that this attitude is particularly important in the rapidly changing technological, environmental and social requirements of the global economy.

In the reporting year, eight trainings were provided for a total of 150 employees as part of the project.

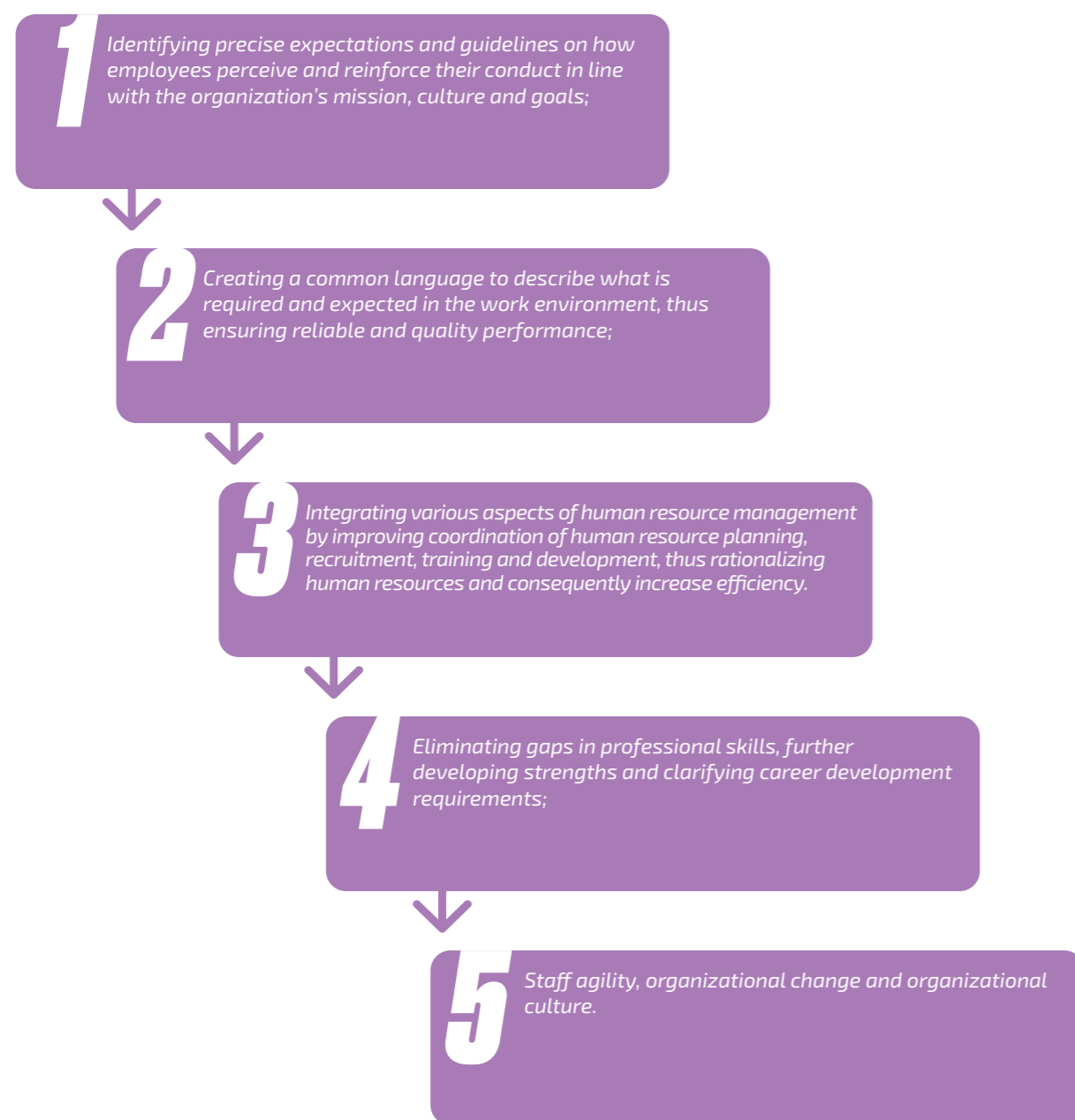
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One of the important steps taken to improve the effectiveness of staff management in 2019 was the implementation of the "Competency Development Program". The objective of the program was to show our employees what they need to do to be effective and how they are integrated into the company's goals and successes. By setting out powers in each direction of the company's activity, we demonstrated the ways of conduct required and valued by the company for employees to achieve their goals. This ensures that employees understand the conduct enshrined in the company's values and performance.

Our competency system enables our employees to have a clear understanding of the levels of activity expected from them and the rules of conduct required to achieve high results.

We believe that the use of a competency system will improve business practices and enhance efficiency by enabling our employees to successfully align their knowledge and skills with the organization's priorities.

Competency benefits:



Qualified workforce

Our investment in the training and development of employees remains an important area in our relations with the workforce. We believe that quality training and professional development of employees is key to the success of our business. For this reason, the company always keeps the formation of a team of qualified professionals, team loyalty, as well as the knowledge and skills of its employees in the spotlight. This, in turn, remains a key factor in minimizing the risks associated with potentially unprofessional conduct.

Staff training is based on the annual training and development plans of Nobel Oil, as well as Prokon and Glensol subsidiaries. Depending on the nature of activity, each company develops an action plan to improve the skills of its employees. The needs identified in the training of different groups of staff are arranged in the order of priority. Our main strategic partners in this area are training centers with a proven track record of leading education providers.

Our company also takes advantage of the comprehensive and modern teaching techniques such as seminars, training programs, internship programs and distance learning programs at universities.

Our annual human resources plan includes training and development of the necessary skills and competencies, as well as various programs aimed at attracting and developing young professionals. The training and development programs for our employees help us to maintain the required level of competitiveness and successfully address problems related to new areas of our activities.

In 2019, in line with its current and future training plans, Nobel Oil and its subsidiaries organized various training programs for all categories of staff. The trainings mainly focused on professional development and retraining, and were held in the form of seminars.

Average training hours per employee in 2019 (by gender and employee category)

Employee category	Nobel Oil	Prokon	Glensol
Executives	452	310	6
Specialists	696	658	39.2
Technical staff	8	0	57.4
Laborers	0	0	0
Men	690	732	38.4
Women	466	236	13.5

We believe it is also important to develop young people who are potentially our future employees. With this aim, we are implementing a "Paid Summer Internship" program for young professionals during the summer holidays. The program aims to increase the practical knowledge of young professionals in various fields of our work, familiarize them with hands-on working conditions, test their theoretical knowledge, and enable them to obtain more detailed information about the quality of work at Nobel Oil. According to the terms of the program,

students sign a temporary employment agreement for this period and are hired as specialists. Depending on the nature and place of their work, interns receive payment. Also, all the benefits applicable to Nobel Oil employees apply to interns as well.

As a result of a competition announced as part of the "Summer Internship Program" in 2019, 22 interns were provided with a job. After the summer internship, four students began to work in Nobel Oil Group as junior specialists.

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Remuneration and motivation



One of the company's main priorities is to provide an effective system of remuneration. We aim to maintain and increase our productivity by enhancing the motivation of employees. The base salary in the company depends on the tasks assigned to employees, their complexity and the level of responsibility involved.

By continuously monitoring the labor market, we provide our employees with a competitive salary. In 2019, our starting salary was 200 percent above the minimum wage for the country. The starting salary of employees of foreign companies is set at a level not lower than the minimum wage established by the

labor legislation in force in the country where the company operates or local regulations.

In 2019, in an effort to improve the human resource management system, we launched a joint project with Korn Ferry, an international consulting firm. As part of the project, we succeeded in improving the system of employee gradation. This has helped us to determine the real value and scope of our roles and responsibilities, appoint the right people to the right positions and apply fair remuneration methods.

Within this project, the gradation of positions plays a fundamental role in managing the remuneration system.

The clear structure of grades provides a logical basis for making objective decisions on remuneration and promotion of our employees. This allows us the opportunity to engage all stakeholders, determine the management structure and principles, establish the levels of wages and benefits, and provide employees with a feeling of being heard.

By implementing this system, the company has further enhanced transparency and fairness. This approach gives employees a clear idea of their career development and provides them with confidence that their remuneration is fair.

Another step the company took in the field of improving the system of remuneration and motivation in 2019 was the application of the "Business Management Procedure". The procedure defines ways of increasing company efficiency by aligning individual and team goals with the strategic goals of the organization and analyzing and evaluating the knowledge, skills and abilities of employees. This procedure is an important tool designed to facilitate the adaptation of employees to the new environment, their development and stay in the company, and to evaluate their effectiveness.

The remuneration system is based on key performance indicators developed with a view to the company's strategic goals. For this reason, key performance indicators of each employee are evaluated in accordance with the company's strategic goals at the beginning of each year. According to this procedure, the evaluation of employees is carried out at the end of each year. Depending on the approach, the performance evaluation can also be conducted in the middle of the year, as indicated in the relevant procedure.

Meetings are held with line managers to review the effectiveness of employees, confirm that they have achieved the goals set and provide feedback on the results of their performance. Changes to individual goals are made only with the consent of managers. At the end of the year, the employee's overall performance is evaluated on the basis of a balance of between the goals achieved and key performance indicators. With the consent of the General Director, high-performing employees are awarded bonuses in accordance with the procedure.

In addition, our company offers a number of benefits and compensations to motivate employees. We attach great importance to issues associated with the quality of life of our employees. Our benefits and compensation package includes voluntary health insurance, benefits for temporary disability, industrial accident insurance, social insurance, financial assistance, paid leave (e.g. maternity, paternity and medical). The benefits envisaged for permanent employees are also available to temporary and part-time employees.

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Employee satisfaction



Nobel Oil and its subsidiaries have an internal communication system that allows employees the opportunity to appeal to the management, report on problems and be informed about how a problem has been reviewed and resolved. By operating the internal communication system at the highest level, we have created a favorable environment for effective teamwork. We are fully aware that employees should be able to receive accurate and timely information about corporate events that affect their rights and responsibilities and communicate their views and concerns to the company's management.

One of the important elements of our internal communication system is the "open door" policy, which allows all employees the opportunity to meet with the management on a regular basis. Such meetings facilitate dialogue and stimulate openness and employee involvement in the solution of key issues for the company. This format increases employee productivity and provides management with a feedback channel to receive informal updates about specific aspects of the company's activity directly from employees.

An important role in the company's interaction with employees is played by the human resources team,

which is responsible for identifying, investigating and responding to both formal and informal issues raised by employees. Employees can raise an issue through several channels and their line managers act as the first link in this process. Internal complaints can be sent via e-mail, in a letter or by informing an HR representative in person.

Another important step taken to measure the level of employee satisfaction is the annual satisfaction survey. The information received as a result of this survey forms the basis of planning in the field of staff management and managerial decision-making. The objective of this tool is to maintain a high level of employee satisfaction in the company.

In 2019, a total of 84 percent of employees participated in the all-staff survey and, according to the answers of those polled, the degree of attachment to the company was 83 percent. The survey revealed issues in need of development and a focus group was established to work on them. The focus group consists of 12 people, including two leaders. The other 10 are people working in the Group's companies. Members of the focus group have the opportunity to have their say and share their views.

Diversity and inclusion



Nobel Oil is committed to providing favorable working environment to its employees by using the best employment practices, rules of business ethics and conduct, and supporting a diverse and inclusive culture. We appreciate that whether we can achieve good results depends on our ability to apply diversity and inclusivity to our corporate culture and way of working.

Creating a diverse and inclusive work environment helps us to find the best professionals who can demonstrate their full potential. This, in turn, increases the company's competitiveness. We offer equal opportunities to all and respect gender, racial, ethnic and cultural equality, way of thinking, life experience and all other qualities that make each of us unique. Proceeding from the company's approach, we strive to create a culture in which each individual is valued and believe in the power of cooperation and teamwork.

Creating an enabling environment for all our employees is of tremendous importance in achieving our company's mission of long-term success.

By hiring graduates, students, people with disabilities and senior executives, Nobel Oil is committed to building an inclusive and diverse working environment. While we support gender equality in the areas in which we operate, the nature of such work may prove challenging. There are certain difficulties in recruiting women, who account for 9 percent of our workforce, predominantly holding specialized positions.

In addition, we take part in various projects to support and facilitate the development of people with disabilities. We create a working environment that enables them to contribute to the overall work, experience a sense of satisfaction and be treated with respect in the workplace. The company currently employs 26 people with disabilities.

TOTAL NUMBER OF EMPLOYEES BY GENDER

Nobel Oil

Total number of employees	2017		2018		2019	
	Men	Women	Men	Women	Men	Women
Total number of employees by gender	27	15	32	12	38	16

Prokon

Total number of employees	2017		2018		2019	
	Men	Women	Men	Women	Men	Women
Total number of employees by gender	857	43	337	26	443	46

Glensol

Total number of employees	2017		2018		2019	
	Men	Women	Men	Women	Men	Women
Total number of employees by gender	50	12	66	13	91	14

TOTAL NUMBER OF EMPLOYEES BY SENSITIVE GROUPS

Total number of employees	2019		
	Nobel Oil	Prokon	Glensol
People with disability	2	11	0
Refugees and IDPs	2	12	3

NUMBER OF MEMBERS OF EXECUTIVE BODIES BY GENDER AND AGE

	Nobel Oil	Prokon	Glensol
Women			
Men	5	9	2
Under 30 years of age			
Between 30-50 years of age	5	9	2
Above 50 years of age			

BREAKDOWN OF EMPLOYEES BY AGE

Nobel Oil			Prokon			Glensol		
30 yaşdan aşağı	30-50 yaşlar arası	50 yaşdan yuxarı	30 yaşdan aşağı	30-50 yaşlar arası	50 yaşdan yuxarı	30 yaşdan aşağı	30-50 yaşlar arası	50 yaşdan yuxarı
8	37	4	118	350	21	15	72	18

BREAKDOWN OF NOBEL OIL EMPLOYEES BY GENDER AND AGE IN 2019

	Women	Men
Executives	0	6
Specialists	11	19
Technical staff	0	0
Laborers	1	12

BREAKDOWN OF PROKON EMPLOYEES BY GENDER AND AGE IN 2019

	Women	Men
Executives	0	9
Specialists	20	80
Technical staff	11	134
Laborers	15	220

BREAKDOWN OF GLENSOL EMPLOYEES BY GENDER AND AGE IN 2019

	Women	Men
Executives	3	9
Specialists	10	59
Technical staff	0	14
Laborers	1	6

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Health, Safety and Environment



**464 322
manat**

**Expenses on
HSE**



1.15

**Total injury factor
(including employees
of contracting
companies)**



0.12

**Time loss factor
due to injury
(including employees
of contracting
companies)**



**1699,24
ton eq.**

**Total carbon
emissions**



Our approach to Health, Safety and Environment

Providing safe and healthy working conditions for our employees and minimizing the impact on the environment remains one of our top priorities. We fully understand and accept our responsibility for operating safely, creating a safe working environment for our employees and protecting the health of our stakeholders.

We follow the "Zero harm" principle in our operations, which is evidence of Nobel Oil's vision of achieving the objective of zero harm to people,

zero impact to the environment and zero non-productive time.

This principle fully reflects our philosophy of "setting the highest standard of business" and demonstrates our attitude and priorities in relation to employees, customers and society. Our reliable management system, competence and loyalty to employees remain the key element of our success and the primary contributors to the zero harm performance.



Management system

We continuously improve and improve the operational performance of our management system to ensure compliance with the expectations of supervisory bodies and customers and our internal procedures on health, occupational safety and Environmental Protection. Our HSE management system is based on strict compliance with the Law on Occupational Safety and the requirements of local legislation and the Labor Code.

In order to provide the unified approach to HSE requirements we have developed HSE policy in 2019. This policy contains the key principles and approaches to ensure the sustainable development of the management system based on the experience and liabilities of our company. This policy is focused on the performance of all works without any occupational injury and accident regardless of complexity.

In addition, ISO 14001 and ISO 45001 international HSE management system has been successfully applied to align the operations of Nobel Oil's subsidiaries with contemporary requirements. As part of our overall management system, HSE has been adapted to the requirements of international standards, enabling the management of risks by prioritizing preventive measures to contain and eliminate the consequences of potential incidents.

Nobel Oil management system

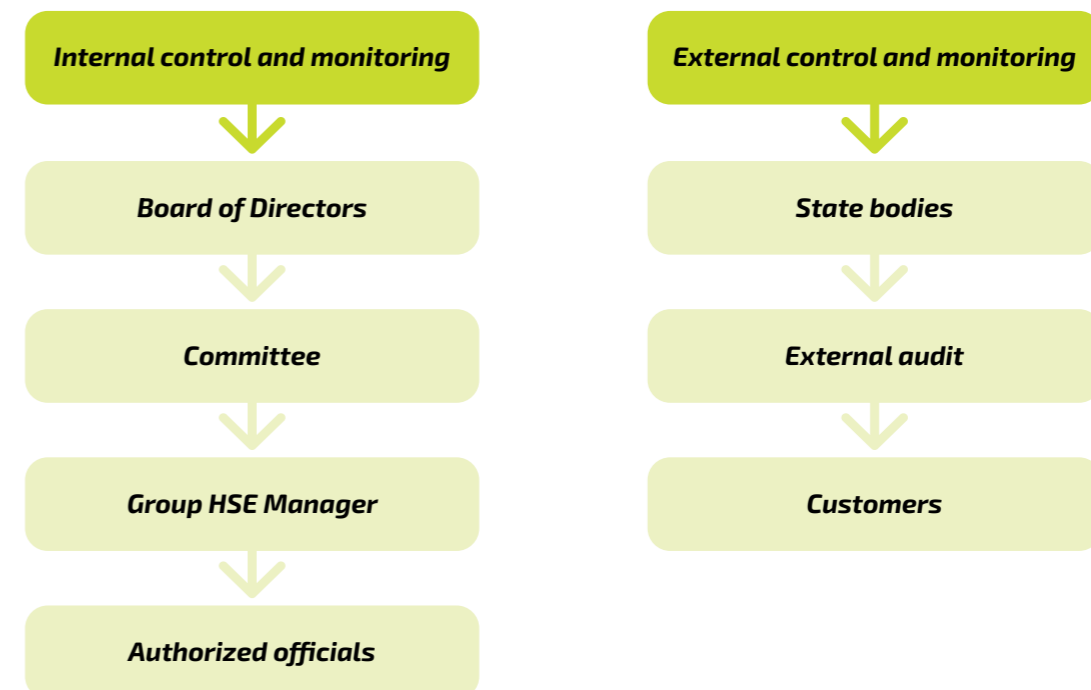


Control and monitoring

Control over Health, Safety and Environment is exercised by senior management of Nobel Oil, while the Board of Directors is responsible for reviewing the results of the company's HSE performance. The head of the Group's Health, Safety and Environment division monitors the progress of activities specified in the roadmap and the annual plan, and provides updates at monthly meetings of the HSE management committee.

In addition, authorized managers and specialists of Nobel Oil and its subsidiaries exercise control over the implementation of plans and measures to improve occupational safety, the state of safety in the workplace and compliance with industrial safety requirements and environmental regulations.

Our most important goal is to develop leadership in Nobel Oil Group and among contractor companies and reinforce the safety culture.



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As a responsible company, we understand the importance of involving not only senior managers and specialists but also the employees playing an important role in promoting a safety culture in the processes of control and self-control.

In 2019, we continued working to improve the control and monitoring system. To this end, we produced and implemented an HSE "Planned Audit Procedure".

The purpose of this procedure is to carry out scheduled audits by qualified professionals to verify compliance with programs, rules and overall standards. The procedure applies to all operations of Nobel Oil and its subsidiaries. According to the

procedure, audits are to be carried out in high-risk areas by supervisors and managers together with HSE representatives. One of the key provisions of the procedure is that representatives of various subsidiaries of the company must participate in each audit. We believe that this will make audits more efficient.

One of the most important ways of evaluating and increasing the effectiveness of the company's governance system is annual corporate control over compliance with the requirements of national legislation and corporate standards, as well as the measures taken following external audits. The inspections by government agencies and requests of our customers play an important role in this.

Workplace safety

Nobel Oil is convinced that the lives and health of its personnel are top priority and realizes its responsibility for operating safely and creating safe working conditions.

We care about the health and safety of all people involved in our operations and projects - employees, suppliers, subcontractors, customers and those living in surrounding communities. We demonstrate with our work our commitment to occupational safety and full compliance with regulatory requirements. We always strive to implement new initiatives in this area to further reinforce this approach to health and occupational safety.

In 2019, in accordance with the action plan on health and safety, Nobel Oil and its subsidiaries continues the implementation of organizational and technical measures to enhance safety and improve working conditions.

During the reporting year, a number of corporate programs were implemented in Nobel Oil Group to minimize production and occupational risks within the framework of our obligations on industrial, occupational and environmental safety.



Training



Assessment of working conditions and safety



Provision of employees with personal protective equipment



Preparation and implementation of HSE regulations



Investigation and reporting of industrial accidents and occupational diseases

Nobel Oil is implementing a number of important projects of various levels. Each of these projects is successful because we are committed to our core value of protecting the people by honoring our obligation to implement advanced health and safety initiatives. We continuously seek to introduce innovation and develop our Health, Safety and Environment programs so that they not only share the best industry practices but also meet the highest standards.

We believe that the key to optimizing productivity of each project, reducing the time spent and achieving perfection is the full compliance of our company and customers with HSE rules.

We perform our projects by designing completely safe workplaces. In order to prevent accidents and incidents, we make comprehensive preparations on injury prevention, hazard identification, and risk assessment and management.

We empower our employees and demand that they stop any work if they believe that it is dangerous. This approach is fully supported by the company's management.

To further improve working conditions and meet these requirements, Nobel Oil and its subsidiaries annually develop explicit contingency rules and action plans. The plan identifies measures on the protection of health, creation of a healthy working environment, prevention of potential accidents and occupational diseases, minimization of production risks, and other health, sanitary and hygienic measures.

As a responsible company, we attach great importance to the application of modern systems to improve the conditions of our employees working in operational sites and develop safe working techniques. Also, to ensure safe operation of process facilities, equipment and mechanisms performing complex technological processes, we provide their timely maintenance and testing.

Nobel Oil and its subsidiaries have put in place emergency response plans. These set out detailed requirements on what employees should do in the event of an accident and emergency, including evacuation and medical response measures.



Risk-based approach



One of the key measures to prevent incidents is the regular health and safety risk assessment both before and after a new operation. During the preparation of assignments, sources of danger, risk factors, the nature of potential incidents and their scenarios, the number and placement of staff are taken into account. The selection of the nature of an assignment is based on an all-round assessment of the facility characteristics, its location and associated risks.

The safety of production, as well as potential risks to the health and lives of Nobel Oil employees and contractors, are assessed using a risk-based approach.

Risks are assessed in accordance with the company's internal methodology described in the Risk Assessment Protocol. According to the Protocol, risk assessment is carried out for all jobs undertaken both within and outside the facilities of Nobel Oil and its subsidiaries.

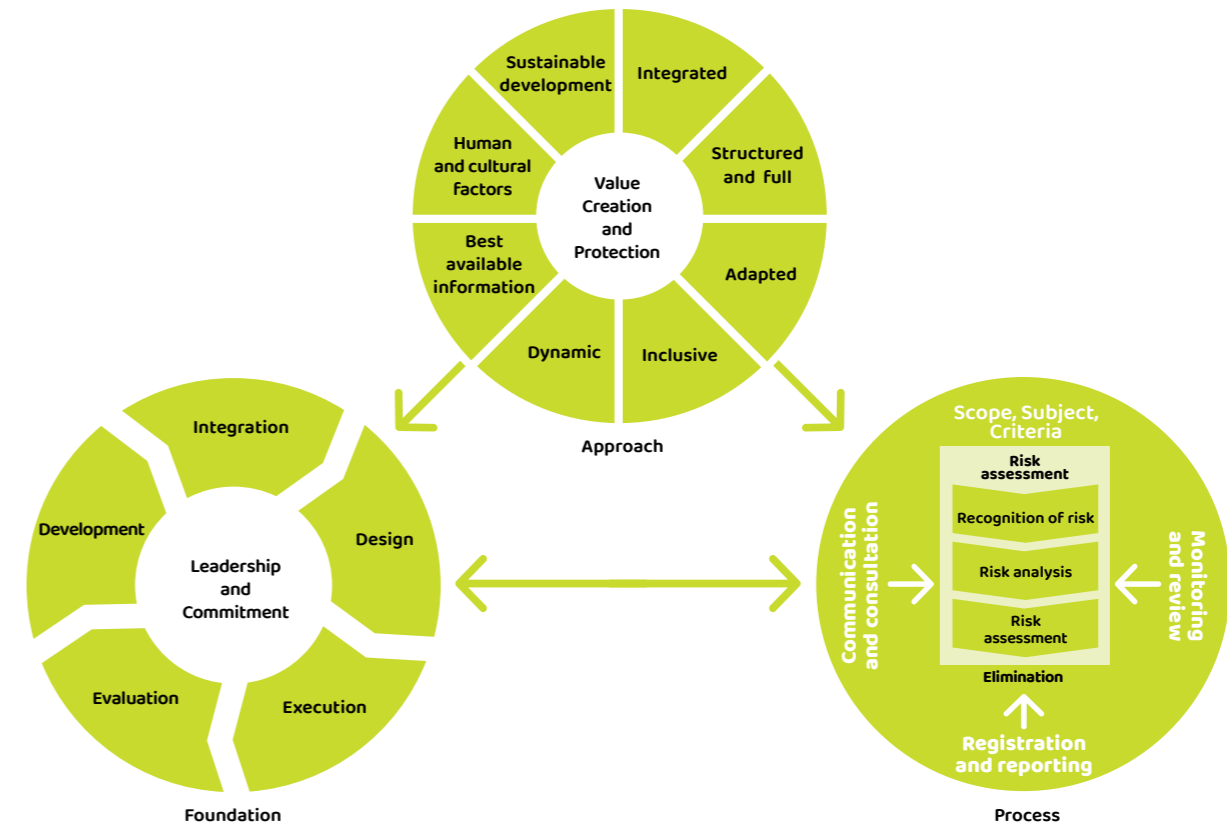
Within the framework of a unified risk management system in the field of occupational, industrial and environmental safety, we are working to identify, evaluate, eliminate or reduce risks in all areas of our operation. The participation of every employee in the identification of hazards and risk management procedures allows us the opportunity to fully and

accurately identify and assess potential hazards in the workplace.

If a customer does not have an approved replacement for our protocol or a more serious procedure, this protocol applies to our partner-

ship agreements or joint ventures. If a customer has a specific risk assessment procedure and forms it can use at its facilities according to the agreement, it may use that procedure if its risk management mechanisms are aligned with our protocol.

ISO 31000:2018 risk management principles enable a broad approach to this protocol.



Management of change

Our Management of Change (MoC) process is designed to identify potential hazards that may be brought about by change, assess the associated risks and systematically eliminate them.

The process requires that all operational and process changes be properly planned, analyzed and approved to avoid disruption to service and reduce the possibility of new threats.

All personnel and organizational changes capable of affecting the company's Health, Safety and Environmental performance or regulatory compliance, as well as physical, operational, chemical or process changes to any of Nobel Oil Group's assets, must be carried out in accordance with the MoC process.

When in doubt about the safety of a proposed change, all participants in the MoC process are responsible for stopping the job.

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Asset security assessment

The scheduled inspection procedure we introduced in 2019 requires us to carry out scheduled site audits.

This procedure allows us the opportunity to detect and prevent risks that may potentially lead to serious incidents, keep incidents at level zero and increase our value..



Third party oversight

In approaching occupational safety, we apply our principles and policies in the field of occupational health and safety to all employees, including those of contractors and subcontractors. We do this because they have a significant impact on the safe operation of our projects. When operating company facilities, we require that contractors rigorously follow the standards and norms we have adopted in the field of occupational safety and health. These requirements form an integral part of the agreements between Nobel Oil and its subsidiaries and contractors.

To ensure safe performance of work by contractors, Nobel Oil Group verifies the availability of contractor personnel's certificates aligned with the required specialization, provides a safety induction and initial "toolbox" safety briefings. Work is carried out on the basis of a permit system. Control over work and quality assurance are provided.

We are well aware that good safety performance is a direct contributor to the success of a project. These results are manifested in the attention, vigilance and responsibility in relation to every single detail at the work site. It is thanks to these efforts that we provide for the safety of our employees, improve their well-being and achieve the best result.

Assessment of working conditions



We attach more importance to creating and maintaining safe and decent working conditions for our employees than to technical and organizational issues.

In accordance with the national legislation and the measures Nobel Oil and its subsidiaries are taking to improve working conditions of their employees every year, an assessment of working conditions is conducted to identify harmful and hazardous factors of the production process and measure their impact on employees. According to the results, working conditions are classified and measures are taken to improve them.

In 2019, 80 percent of workplaces of our subsidiary Prokon LLC were certified. This process was carried out by an accredited state laboratory with the participation of the company's certification commission. Lighting, noise, air and radiation

monitoring were carried out in the company's head office and during the workplace certification process of the HAOR project implemented by the company.

It was determined as a result that the physical parameters of both site- and office-based workplaces of Prokon LLC (all parameters measured by a mobile laboratory) are within the norms established by the legislation. In terms of the difficulty and intensity of site- and office-based work in general, Prokon LLC belongs to the category of optimal workplaces.

To reduce the harmful impacts of production on our employees, we provide them with quality personal protective equipment and boots, hearing and vision protection, skin cleansing and decontamination aids.

Injury reporting

Nobel Oil registers all accidents involving its own employees and the employees of contractors and subcontractors. Such registration allows the company the opportunity to enhance control on the ground and put in place an efficient system of production safety. The registration of all incidents and the investigation of accidents are carried out in a timely manner in accordance with the requirements of national legislation and our internal procedures.

The company carefully investigates each accident, identifies its causes and performs the necessary analysis to make sure that similar events do not happen again in the future.

In 2019, in an effort to increase the transparency of reporting that encourages improvement of safety, we initiated the development of a protocol on Incidents and their investigation. The protocol applies to the entire organization.

The objective of this protocol is to determine when and how an investigation should be conducted after an incident. The protocol defines the

levels of awareness, investigation, observation and seriousness for all actual and potential events.

This protocol will allow us the opportunity to develop a consistent understanding of occupational health and safety concepts across the group and provide a consistent approach to incident investigation.

In addition, while a number of protocols on health and occupational safety reports focus on whether an incident has been registered, the new protocol gave us ample opportunities for improving the system of occupational and industrial safety. This protocol gives us three main advantages:

- **Management receives timely and accurate report about an incident**
- **Time and resources are focused on high-risk incidents**
- **Support the organization's training program to prevent a recurrence of an incident and apply engineering, administrative and personal protective systems within the company hierarchy**

PRODUCTIVITY

Category	2018		2019	
	Prokon	Glensol	Prokon	Glensol
LTIR (lost time through injury ratio)	0	0	0.12	0
TIR (total injury ratio)	0	0	0.35	0.80

In 2019, there was an incident involving an employee of Glensol. When a cable was being laid, a finger on the electrician's right hand got caught between a steel bar and the wall of the basket.

The operation was immediately stopped, the injured person was given first aid and taken to hospital. Since the injury was not very serious, the employee was able to come to work the next day.

Enhancing safety through employee awareness

The knowledge and skills of employees in the field of health and safety are highly important for the sustainability of our business. We arrange a process of compulsory training of all employees, including senior executives, and exercise rigorous control over it. This helps the company to develop the right approach to safety culture. Our training activities, first of all, include the implementation of visual programs on training, retraining and professional development with the aid of state-of-the-art materials, the application of a special training system for personnel working with hazardous equipment, and improvement of the quality of communication in the field of health and safety.

During the implementation of projects in our enterprises, a relevant safety plan is prepared at the initial stage. Before any important work commences, trainings are conducted for company employees and those of our contractors on key aspects and risks associated with the job. The company makes sure that work starts only after a detailed safety inspection has been completed.

To develop a safety culture and practice the required action, trainings on "Occupational Safety and Security" and "First Aid" were organized for company employees in 2019.

OCCUPATIONAL AND INDUSTRIAL SAFETY COURSES CONDUCTED IN 2019

Course subject	Attendees	Duration (man/hour)
Electrical safety	1650	1744
Working at heights	1552	1620
Manual lifting	1615	1710
Safety at sea	5	40
Fire safety	1594	1737
First aid	1413	1743
Driving safety	1236	1315
Working in confined spaces	1688	1751

Environmental compliance

Our Health, Safety and Environmental (HSE) policy requires the determination of minimum environmental standards for the assets we are committed to protecting and for each of our projects irrespective of local regulatory requirements.

Our environmental management program covers several processes to ensure compliance with internal and external regulatory requirements. To achieve this, Nobel Oil and its subsidiaries of

Prokon and Glensol employ precise rules and regulations in relation to the environment.

Thanks to our approach to project implementation and the environmental plan, systematic environmental risk management methods have been applied in a way that increases value not only for us but also for our stakeholders.

The company's environmental risk management is an integral part of our management system.



In carrying out our activities, we continuously analyze changes in existing legislation and regulations at the propose stage to identify environmental risks and opportunities, take them into account in the process of project implementation and manage them through regular monitoring. In addition, our HSE team conducts regular monitoring to assess the state of the environment at production sites.

In 2019, a new environmental management plan was developed and approved by our subsidiary Prokon. It sets out environmental procedures for all stages of the project from site preparation to the operation of all units of the process. The objective of this plan is to help Prokon and its contractors and subcontractors to comply with environmental requirements at all stages of the project.

Climate action

Nobel Oil supports the climate action and the Paris Agreement on Climate Change, which aims to limit global warming to below 2 degrees Celsius. We understand that responsibility for achieving this goal rests not only on the state but also on the private sector and civil society. For this reason, we always strive to align our activities and initiatives with sustainable development goals in order to be able to contribute to this direction.

As an engineering, procurement and construction contractor, we understand our responsibility for achieving sustainable development goals. Our capacity to address environmental impact problems through innovative solutions also helps our customers maximize the efficiency of their operations by reducing environmental impacts.

Measures to minimize greenhouse gas emissions from our sites

Minimizing harmful emissions and protecting the population and the environment are one of Nobel Oil's top priorities. Since most of the greenhouse

gas emissions come from the energy and fuel consumption, one of our main goals is to take measures to save energy and switch to cleaner fuel.

From this standpoint, one of the top priorities for the company is to provide innovative technology solutions that will help manage climate risks. This, in our opinion, enhances our own sustainability and the sustainability of our customers.

We also recognize that we must support the use of alternative energy and energy-efficient systems to reduce the harmful effects of climate change. To do this, in addition to operational action, we must also pay attention to ways of reducing adverse impacts on the environment. In order to contribute to the reduction of the total volume of carbon dioxide in the atmosphere, we are committed to reduce our carbon emissions by increasing the efficiency of our operations.

↓ 25%

In 2019, we purchased electric loaders to replace some diesel-powered ones. Taking into account that employees use these vehicles in project operations on a daily basis, we have managed to reduce harmful emissions and discharges to the environment. This machinery now consumes less fuel, oil, filters, radiator fluid and other products required for internal combustion engines.

↓ 50%

Another project we carried out in the reporting year was the construction of a new office with a transparent roof for our Glensol subsidiary. Since the office has natural light, it feels pleasant to work in it and this, in its turn, has a positive effect on human health. Also, the excellent thermal conductivity of the glass structure enables us to consume less energy for heating and lighting and, thus reduce harmful emissions.

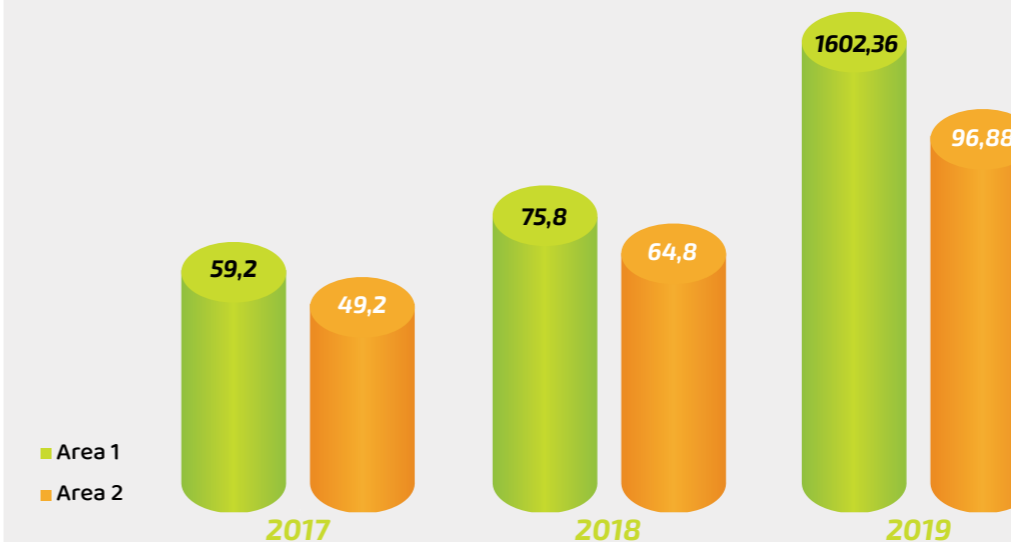
Carbon review

As a responsible business, we set ourselves various goals to reduce energy consumption in our offices and operating sites. Our direct energy consumption is mainly associated with electricity, natural gas and fuel.

As a service provider, we are unable to measure the actual energy consumption in rented offices and field operations, because energy consumption

in the field is usually measured and controlled by our customers. However, we are able to create added value by understanding what we can do to reduce our impacts. For this reason, we assess energy consumption for most of our rented offices using the per-person ratio. The inclusion of such average parameters in our carbon inventory helps us to define reserve and consumption management measures.

Company's greenhouse gas emissions. Direct greenhouse gas emissions (Area 1) and indirect greenhouse gas emissions (Area 2). The unit of measure used in the graph is a metric ton of carbon dioxide equivalent. (ton CO₂-eq.)



Energy consumption

	2017	2018	2019
Electricity, thousand kilowatt/hour	93	2474	2963
Fuel, ton:			
petrol	11,3	22	21,8
diesel	8,05	8,6	614 ³

Water consumption

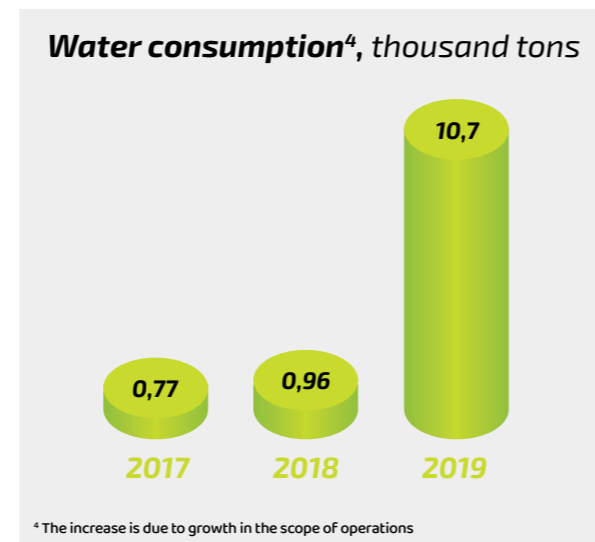
We understand that pollution and mismanagement of water resources can have a direct negative impact on our organization, as well as communities and the environment.

Our subsidiaries have developed all necessary measures to ensure effective management of water resources and eliminate potential negative impacts on them. Taking into account the nature and location of our projects, these measures are carried out in areas exposed to the risk of pollution and inefficient use of water resources.

Rational water consumption is an integral part of our approach to the environment. We urge our staff to use water efficiently both for project purposes and for day-to-day needs.

Water consumption data covers our stationary facilities and excludes field operations because the use of water in the field is usually measured and controlled by our customers.

Also, our capacity to regulate and report on water consumption depends on the location of our offices, because when we rent an office, we do not pay and manage water bills directly, which makes it difficult for us to track consumption savings. This being the case, we calculate the per-person ratio of water consumption.



Waste management

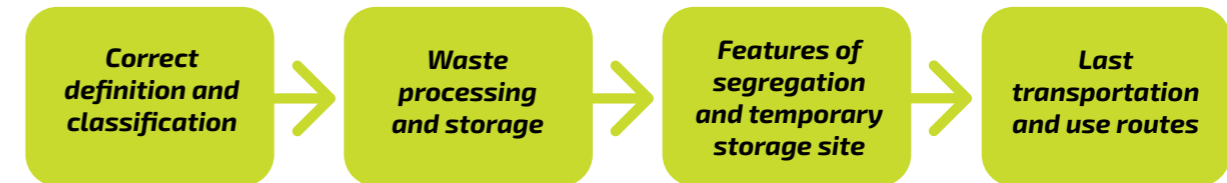
We take a responsible approach to the issue of waste by following safety guidelines and rules, and applying measures of environmental control.

In 2019, we continued a search for new opportunities to reduce the direct consumption of resources and the waste we generate. The transition to the maximum possible use of waste is one of the company's priorities. To ensure effective waste management, our Glensol and Prokon subsidiaries have

prepared new waste passports.

A new "Construction Waste Management Procedure" has been developed for contractors and subcontractors by Prokon, our construction subsidiary which generates the biggest amount of waste. The procedure sets out waste management rules for contractors and subcontractors during the pre-project and project phases and describes waste properties, processing and storage requirements.

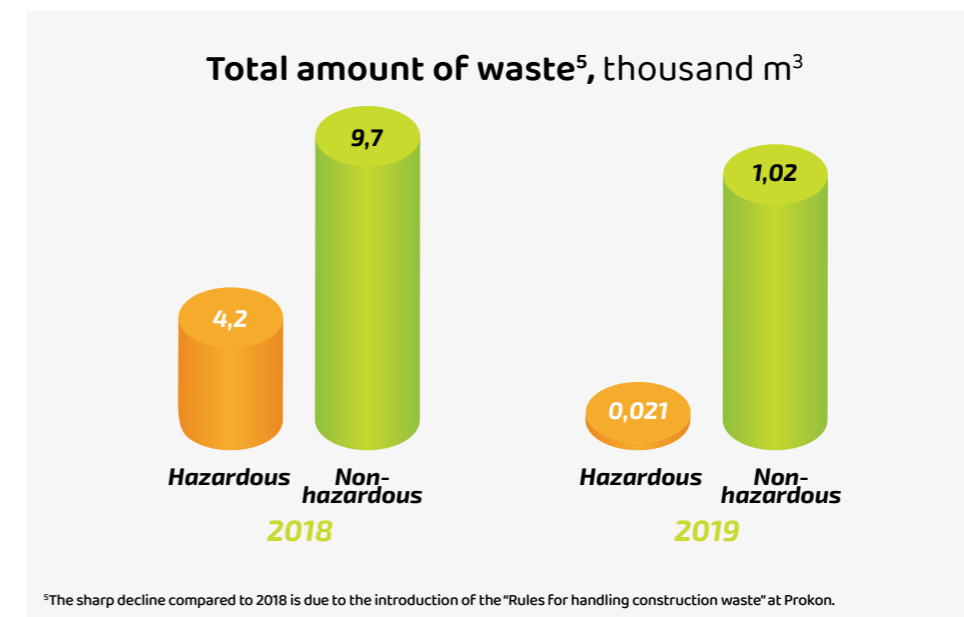
TYPES OF WASTE AND WAYS OF HANDLING



As is evident from the diagram, the company has two main types of waste: hazardous and non-hazardous. Most of the waste belongs is non-hazardous and its total amount varies from year to year depending on project scope.

When handling hazardous waste, contractors and subcontractors supply waste containers with

special labels stating the composition, hazard characteristics, the risk phrase (R phrase) and ADB safety (S phrase) guidelines of the relevant European directive. R phrases indicate specific risks of hazardous substances and preparations, while S phrases provide precautions to be followed when using and handling hazardous substances and preparations.



Biodiversity

Our offices are located in cities, not in protected areas or places of significant importance in terms of biodiversity. The project owner operating in the field is responsible for managing activities that could affect biodiversity of the region and for identifying any biodiversity issues that need to be addressed under the contract with Nobel Oil.

As a responsible company, we are very serious about the areas that can be potentially impacted by our operations, limited as they may be. Our company is working on solutions to assess potential damage and minimize the impacts, and applying appropriate mechanisms to maximize their use.



Quality management



**ISO
9001:2015**

International standard applied



100%

Customers completed satisfaction surveys



4/5

Result of customer satisfaction survey (points)

Quality management system

Nobel Oil continuously works to improve the quality of its services and enhance the reliability of the quality management system. Our Glensol subsidiary has a quality assurance system that meets the requirements of the international standard ISO 9001: 2015. This system is aimed at providing high quality services to achieve results that meet the needs of our customers.

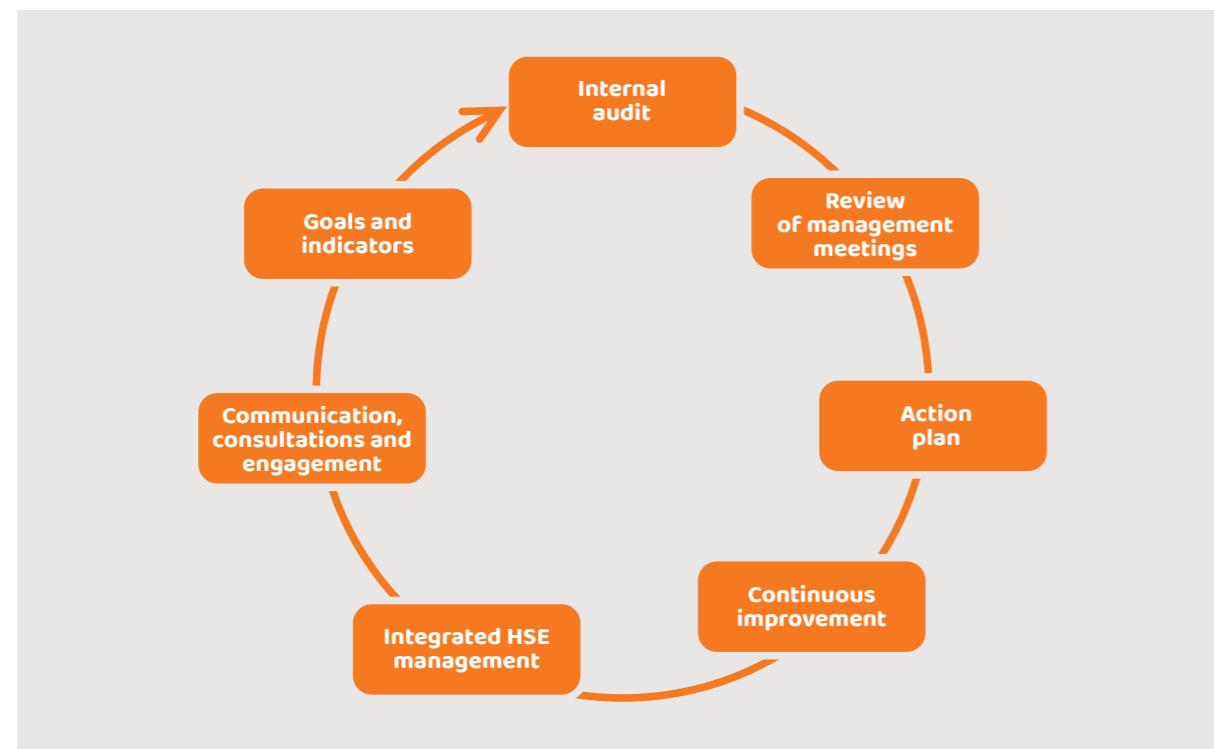
The assessment of the effectiveness of the quality management system is based on internal and external audits, the evaluation of the level of satisfaction of all customer groups, as well as the analysis of the results of our interaction with consumers.

At present, our Glensol subsidiary plans to start the production of spare parts and assembly of equipment in Azerbaijan. For this reason, we are trying to align the existing Quality Assurance System with the requirements of API Q1 and API Q2 standards.

To do this, we have analyzed the shortcomings of the existing system of compliance with ISO 9001:2015 requirements using the results of the audits conducted by qualified and certified internal auditors, as well as external independent audits, and evaluated our compliance with the requirements of API Q1 and Q2 standards. We are working to eliminate all the gaps identified to ensure compliance with the three standards.



QUALITY MANAGEMENT SYSTEM



Our approach

Our subsidiary Glensol aims to continuously improve the effectiveness of its quality management system by pursuing its strategic goals, as well as the goals and objectives in the field of quality assurance.

Quality management is based on two components: quality assurance and quality improvement. For this reason, we always attach special importance to the development of the following components within the "Quality Management System".

Document management system	Non-compliance reporting system	Management of change system
Effective document management is part of the quality management system in our company and is a process that forms the basis of excellence. All processes in our company are documented and designed in accordance with the established document hierarchy. All documents are consistently and efficiently updated, distributed, tracked and, if necessary, withdrawn or replaced.	Our quality management system is designed to identify and eliminate actual and potential cases of non-compliance. Our company operates a process to identify, document, analyze cases of non-compliance and manage corrective action. Cases of non-compliance arising from our products and management processes are investigated and measures are taken to prevent them from happening again.	Our Management of Change (MoC) process is intended to manage the new risks associated with changes to the operational plan. The MoC process requires that all operational and process changes be analyzed, planned and approved before implementation in order to reduce the likelihood of service disruption or new risks.

Customer satisfaction surveys

Our Glensol subsidiary conducts regular customer satisfaction surveys to increase the efficiency of our business and maximize customer satisfaction. With this aim, the company keeps a register of all opinions, including complaints and positive feedback.

By keeping such a register, we provide our clients with a summary of the company's performance and its quality. We are currently working to improve the system to make it more convenient for customers and ourselves.

RESULTS OF CUSTOMER SATISFACTION SURVEY

Category	2019
Results of customer satisfaction survey (points)	4
Customers completing the survey (%)	100%

- Report and reporting process
- About Nobel Oil Group
- Corporate governance
- Ethics and compliance
- Approach to sustainable development
- Interaction with stakeholders
- Labor relations
- Health, Safety and Environment
- Quality management
- Procurement experience
- Social support
- GRI Standards compliance table



Procurement



38%

Suppliers rated for
bribery and corruption
criteria



90%

Local suppliers

Sustainable project supply chain management

Nobel Oil attaches great importance to establishing mutually beneficial relationships with suppliers of goods and services. We try to act impartially and correctly and take into account the interests of all parties. For this reason, we ensure the transparency and competitiveness of the supply chain and take appropriate action to set high standards for ourselves and our suppliers. To ensure that our agreements with suppliers are concluded in a mutually respectful, fair and efficient manner, we continuously improve our operating methods and relevant internal procedures. Working with suppliers, we strive to enhance the efficiency of our supply chain management, which is a part of our commitment to sustainable development.

Our company has taken important steps to digitize internal documents by applying SAP and Opentext software programs to its procurement system. The programs envisage creation and approval of internal purchase requests, purchase orders and call-offs.

Depending on the nature of activity, we apply a supplier management system which includes several procedures regulating supplier participation and selection, and our subsequent work with them. The selection of a supplier of goods, work and services is regulated by the requirements of the Customs Code of the Republic of

Azerbaijan dated 24 June 2011 and a number of other internal procedures, including those on commercial control and procurement. An agreement is awarded to the winner of the tender and further regulation of relations between the two parties is carried out based on this agreement.

In 2019, Nobel Oil continued to work on the creation of an e-procurement system to develop the e-procurement process within the corporate office. We believe that this platform will be applied to all companies in the group and, as a result, will increase internal productivity. Our company has taken important steps to digitize internal documents using SAP and Opentext software in its procurement system. The programs envisage creation and approval of internal purchase requests, purchase orders and call offs. As a result of this, transparency and accountability in the procurement chain are fully ensured. Next year, we plan to digitize other procurement procedures using this and other software tools.

As a responsible company, we are fully aware that by supplying products and services, we contribute to the factors that may affect society and the environment. For this reason, one of our top priorities is to maximize our positive economic and social contribution and minimize our impact on the environment. We help engineers and designers to select more reliable building materials, equipment and services for our customers' projects considering budget constraints. We also perform a sustainability analysis on the basis of long-term agreements for the provision of as technology, services, stationery and interior items.

STAGES OF THE PROCUREMENT PROCESS



Subcontractor and supplier pre-qualification



Before embarking on a project, we review its specific parameters and objectives and select optimal partnerships consistent with our own goals and the efforts of our customers.

At the start of their relationship with the company, suppliers undergo a pre-qualification procedure. This structured and comprehensive assessment helps us to identify potential risks or threats a subcontractor or supplier may pose to Nobel Oil's operations or customer projects. The procedure applied by the company sets out a sequence of actions to check potential suppliers and provides a detailed description of each stage of the process. The introduction of this procedure has established a unified approach across the entire Group and enhanced its positive impact on the business.

The procedure is utilized only for suppliers invited to participate in a tender or those submitting bids. The list of suppliers available to the company does not guarantee the performance of a certain scope or the awarding of a contract because contract award is based on a competitive bidding process described in the company's procurement procedure.

Our comprehensive security checks involve the examination of suppliers on the basis of internal and external questionnaires sent by procurement managers before the qualification or at the bidding stage. All information collected during such an assessment is stored in ethics and compliance documentation and updated every six months. Depending on the tender, if further examination is required, the company's legal, finance and HSE teams may also be involved in the process if necessary.

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

This helps Nobel Oil 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.

Just as initial qualification, post-project review is highly important. At the end of each project, we analyze the results of our performance together with suppliers and subcontractors. A comprehensive supplier assessment is conducted on the basis of our database, which contains information about suppliers, their obligations and track record. Such an analysis allows us the opportunity to improve our relationship with suppliers and subcontractors and update the list of our partners so that each supply chain solution we develop for a new project is better than the previous one.

Based on the results of our assessment, suppliers not complying with our corporate requirements are not allowed to submit their bids. If a supplier is unable to provide services and materials at the expected level and such instances occur for reasons within its control, such a supplier is transferred into the quarantine list and the provision of services and materials by it is suspended until such reasons are eliminated and appropriate explanations provided.

Suppliers not resolving their problems related to low productivity and committing violations at the stage of bidding and contract execution are moved into the category of banned suppliers, which rules out their participation in any Nobel Oil Group projects. This approach also applies to suppliers not passing a comprehensive security check.

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Supporting supplier diversity

As one of the biggest buyers in the country, we purchase a large number of goods, works and services every year and engage with a large number of businesses. Nobel Oil is fully aware of the importance of building and maintaining a quality and competitive supply chain. We play an important part in developing local suppliers in the countries of our operation, thus contributing to their economic development both directly and indirectly. The company's procurement activities help our suppliers maintain and reinforce their financial stability, and create jobs.

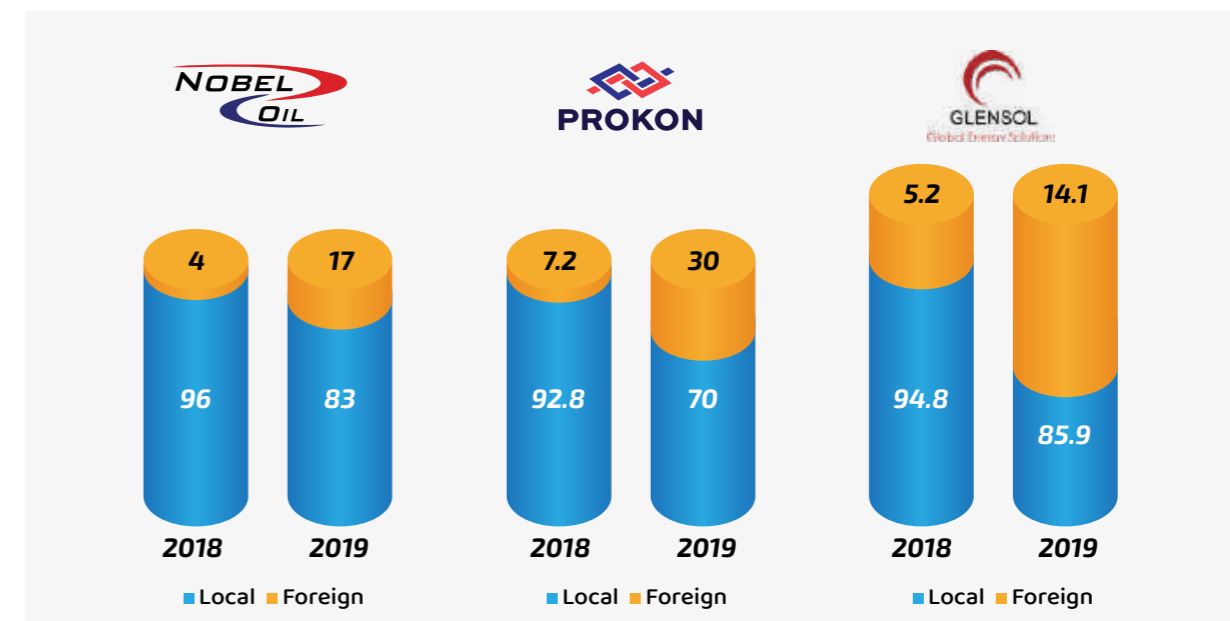
Nobel Oil strives to build strong relationships with suppliers which increase the value of all our services. We always seek to optimize our

supplier base and obtain the best commercial proposal without compromising the quality and reliability of the products, components and services we buy. We look for suppliers demonstrating commitment to strong values and business conduct and acting within the framework of law and ethical standards.

The organizational changes introduced to the company's supply chain in 2019 did not bring about significant innovations. Suppliers and subcontractors are still expected to provide materials, engineering equipment, finished products, technical and construction services for our projects. The main suppliers in the company's supply chain can be divided into the following categories:

Nobel Oil supply chain	Glensol supply chain	Prokon supply chain
Consulting; Banking and insurance; Information Technology; Hotels; Office supplies; Training; Travel	Raw materials and materials; Logistics and transportation; Industrial equipment and machinery; Electrical equipment; Rental of machinery and equipment; Personal Protective Equipment; Transportation	Construction services; Industrial equipment and machinery; Raw materials and materials; Electrical equipment; Rental of machinery and equipment; Personal Protective Equipment; Transportation

SHARE OF LOCAL SUPPLIERS IN NOBEL OIL AND SUBSIDIARIES



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Social support



3

Projects implemented



22

Internship programs



50+

Trainings for persons with disabilities

Project to increase employment opportunities for persons with disabilities



Nobel Oil has contributed to the implementation of a project in Baku to increase employment opportunities for persons with disabilities. The project was funded by BP and partners and implemented by British Council.

As part of the project, Nobel Oil provided professional training on "customer service". The objective of the project was to facilitate social integration of persons with disabilities. More than 50 persons with disabilities attended the two-day training, which covered four groups and lasted four hours.

Also within the project framework, we supported more than 20 open interviews to improve interviewing skills of people with disabilities in 2018 and 2019. To contribute to the continuity of measures in this direction, Nobel Oil plans to participate in a job fair to be organized by British Council in 2020.

One of our strategic goals is to contribute to the development and socioeconomic sustainability of the regions in which we operate through social programs and charity. As a responsible company with a strong focus on corporate social responsibility, we always search for ways to contribute to the countries of our operations. In line with our corporate social responsibility, Nobel Oil continuously supports local communities by implementing programs and projects in the fields of culture, sport and education.

Supporting young people with disabilities initiative

Nobel Oil always endeavors to create a working environment in which persons with disabilities can show their strengths. For this purpose, we have provided more than 90 people from vulnerable groups with jobs. We expect to recruit more through the above-mentioned job fairs.

In 2019, Nobel Oil participated in a job fair to support young people with disabilities. During the event, the company's representatives acquainted young candidates with the company's activities and informed them about available vacancies. At the next stage, we received dozens of applications for job from students and graduates.



Summer internship

In order to support the student community, Nobel Oil participated in four job fairs in 2019 and successfully implemented a summer internship program. During the summer internship program, more than 1,500 students applied to the company. Following interviews, 22 students were given

the opportunity to work in various departments for two months. By involving students from different regions in the summer internship program, Nobel Oil Group provided them with the opportunity to demonstrate their skills in a real working environment.

GRI standard and explanation	Note	Section of the report
GRI 102: General disclosures – Organizational profile		
102-1. Company name		Report and reporting process
102-2. Activities, brands, products and services		Creating business value
102-3. Location of headquarters		About Nobel Oil Group
102-4. Location of operations		Creating business value
102-5. Ownership and legal form		About Nobel Oil Group
102-6. Markets served		Creating business value
102-7. Scale of the organization		Creating business value
102-8. Information on employees and other workers		Labor relations
102-9. Supply chain		Supporting supplier diversity
102-10 Significant changes to the organization and its supply chain		Group's new strategy
102-11. Precautionary Principle or approach		Risk management Our approach to Health, Safety and Environment (HSE)
102-12. External initiatives		Throughout the report
102-13. Membership of associations		Throughout the report
GRI 102: General disclosures - Strategy		
102-14. Statement from senior decision-maker		Opening remarks by the Chief Executive Officer
102-15. Key impacts, risks and opportunities		Principles defining the content of the report Risks management
GRI 102: General disclosures – Ethics and integrity		
102-16. Values, principles, standards and norms of behavior		Vision, Mission and Values;
102-17. Mechanisms for advice and concerns about ethics		Rules of business ethics and conduct; Anti-corruption
GRI 102: General disclosures – Governance		
102-18. Governance structure		Corporate governance system
102-19. Delegating authority		Committees of the Board of Directors

GRI standard and explanation	Note	Section of the report
102-20. Executive-level responsibility for economic, environmental and social topics		Board of Directors Committees of the Board of Directors
102-21. Consulting stakeholders on economic, environmental and social topics		Principles of interaction with stakeholders
102-22. Composition of the highest governance body and its committees		Board of Directors Committees of the Board of Directors
102-23. Chair of the highest governance body		Corporate governance structure
102-24. Nominating and selecting the highest governance body		Board of Directors
102-25. Conflicts of interest		Prevention of conflict of interest
102-26. Role of the highest governance body in setting purpose, value, and strategy		Board of Directors
102-27. Collective knowledge of highest governance body		Board of Directors
102-28. Evaluating the highest governance body's performance		Board of Directors
102-29. Identifying and managing economic, environmental and social impact		Committees of the Board of Directors
102-30. Effectiveness of risk management process		Risks management
102-31. Review of economic, environmental, and social topics	Monthly, quarterly and annual reports on economic, environmental and social issues are submitted to management.	Hesabat boyu
102-32. Highest governance body's role in sustainability reporting		Throughout the report
102-33. Communicating critical concerns		Board of Directors Committees of the Board of Directors
102-34. Nature and total number of critical concerns		Principles defining the content of the report
102-35. Remuneration policies		Remuneration and motivation
102-36. Process for determining remuneration		Remuneration and motivation
GRI 102: General disclosures – Stakeholder engagement		
102-40. List of stakeholders groups		Stakeholders groups
102-41. Collective bargaining agreements		Approach to human resources
102-42. Identifying and selecting stakeholders		Principles of interaction with stakeholders
102-43. Approach to stakeholder engagement		Forms of interaction and topics discussed
102-44. Key topics and concerns raised		Forms of interaction and topics discussed

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GRI Standards compliance table

GRI standard and explanation	Note	Section of the report
GRI 102: General disclosures – Reporting practice		
102-45. Entities included in the consolidated financial statements		Structure of assets
102-46. Defining report content and topic boundaries		Principles defining the content of the report
102-47. List of material topics		List of important topics
102-48. Restatements of information		Principles defining the content of the report
102-49. Changes in reporting		Principles defining the content of the report
102-50. Reporting period		Organization of the reporting process
102-51. Date of most recent report		Organization of the reporting process
102-52. Reporting cycle		Organization of the reporting process
102-53. Contact point for questions regarding the report		Kamran Maharramov k.maharramov@nobeloil.com
102-54. Claim of reporting in accordance with the GRI Standards		Organization of the reporting process
102-55. GRI content index		GRI Standards compliance table
102-56. External assurance		
GRI 103: Management approach		
103-1. Explanation of the material topic and its Boundary		Principles defining the content of the report
103-2. The management approach and its components		Throughout the report
103-3. Evaluation of the management approach		Throughout the report
GRI 201: Economic performance		
201-1. Direct economic value generated and distributed		Economic performance
201-3. Defined benefit plan obligations and other retirement plans		Remuneration and motivation
201-4. Financial assistance received from the government	During the reporting year, no financial assistance was received from the government	
GRI 202: Market presence		
202-1. Ratios of standard entry level wage by gender compared to local minimum wage		Remuneration and motivation
202-2. Proportion of senior management hired from local community	60% of Nobel Oil's management representatives in Azerbaijan are Azerbaijani citizens.	

GRI standard and explanation	Note	Section of the report
GRI 203: Indirect economic impacts		
203-1. Infrastructure investments and services supported		Social support
203-2. Significant indirect economic impacts		Social support
GRI 205: Anti-corruption		
205-1. Operations assessed for risks related to corruption		Anti-corruption Subcontractor and supplier pre-qualification
205-2. Communication and training about anti-corruption policies and procedures		Anti-corruption
205-3. Confirmed incidents of corruption and actions taken		No information
GRI 206: Anti-competitive behavior		
206-1. Legal actions for anti-competitive behavior, anti-trust and monopoly practices		Compliance with anti-trust requirements
GRI 302: Energy		
302-1. Energy consumption within the organization		Carbon review
302-4. Reduction of energy consumption		Our impact on climate change
GRI 303: Water and effluents		
303-1. Interactions with water as a shared resource		Water consumption
303-2. Management of water discharge-related impacts	During the reporting period no such incidents occurred	
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	There are no operational sites of Nobel Oil in protected areas or areas of high biodiversity value.	
304-2. Significant impacts of activities, products and services on biodiversity		Biodiversity
GRI 305: Emissions		
305-1. Direct GHG emissions (Scope 1)		Carbon review
305-2. Energy indirect GHG emissions (Scope 2)		Carbon review
305-5. Reduction in GHG emissions		Our impact on climate change
305-6. Emissions of ozone-depleting substances	N/A	

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GRI standard and explanation	Note	Section of the report
GRI 306: Effluents and waste		
306-2. Waste by type and disposal method		Waste management
306-3. Significant spills	No such incidents occurred during the reporting period.	
306-4. Transport of hazardous waste		Waste management
306-5. Water bodies affected by water discharge and/or runoff	No such incidents occurred during the reporting period.	
GRI 307: Environmental Compliance		
307-1. Non-compliance with environmental laws and regulations		Compliance with environmental standards
GRI 401: Employment		
401-1. New employee hires and employee turnover		Approach to human resources and its management
401-2. Benefits provided to full-time employees that are not provided to temporary or part-time employees		Rewarding and motivation system
GRI 402: Employee and Manager relationships		
402-1. Minimum notification periods for operational changes	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		
403-1. Workers representation in formal joint management-worker health and safety committees		Committees of the board of directors
403-2. Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities		Damage report
403-3. Workers with high incidence of diseases related to their occupation		Occupational safety and health in the workplace
GRI 404: Training and education		
404-1. Annual training hours per employee		Ensuring of highly qualified labor force
404-2. Trainings on employee skills development and transition		Ensuring of highly qualified labor force
GRI 405: Diversity and equal opportunity		
405-1. Diversity of governance bodies and employees		Diversity and inclusion
405-2. Ratio of basic salary and remuneration of women to men	Salaries and bonuses in the company do not vary by gender.	
GRI 406: Non-discrimination		
406-1. Incidents of discrimination and correction actions taken	During the reporting period, no such incidents occurred	

GRI standard and explanation	Note	Section of the report
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	During the reporting period, there were no operations and suppliers at risk for limiting the right to freedom of association and collective bargaining	
GRI 408: Child labor		
408-1. Operations and suppliers at significant risk for incidents of child labor	During the reporting period, no cases of child labor were registered in any of Nobel Oil's operations or the operations of its suppliers and contractors.	
GRI 409: Forced or compulsory labor		
409-1. Operations and suppliers at significant risk for incidents of forced and compulsory labor	No such incidents occurred during the reporting period.	
GRI 410: Security practices		
410-1. Security personnel trained in human rights policies or procedures	All new employees receive initial training before they start work.	
GRI 411: Rights of indigenous peoples		
411-1. Incidents of violations involving the rights of indigenous peoples	No such incidents occurred during the reporting period.	
GRI 412: Human rights assessment		
412-1. Operations that have been subject to human rights reviews or impact assessments	There were no human rights breaches during the reporting period.	
GRI 413: Local communities		
413-1. Operations with local community engagement, impact assessments and development programs		Social support
GRI 414: Supplier social assessment		
414-1. New suppliers that were screened using social criteria		Subcontractor and supplier initial qualification process
414-2. Negative social impacts on the supply chain and actions taken	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	There were no political payments to Nobel Oil during the reporting period.	

Report and reporting process

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GRI Standards compliance table

GRI standard and explanation	Note	Section of the report
GRI 416: Customer health and safety		
16-1. Assessment of the health and safety impacts of product and service categories	Work is under way, including environmental monitoring, to develop products and services on a regular basis.	
416-2. Incidents of non-compliance concerning the health and safety impacts of products and services	There were no human rights violations during the reporting period.	
GRI 418: Customer privacy		
418-1. Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were no human rights violations during the reporting period.	
GRI 419: Socioeconomic compliance		
419-1. Non-compliance with laws and regulations in the social and economic area	There were no human rights violations during the reporting period.	

⁶Global Accountability Initiative

