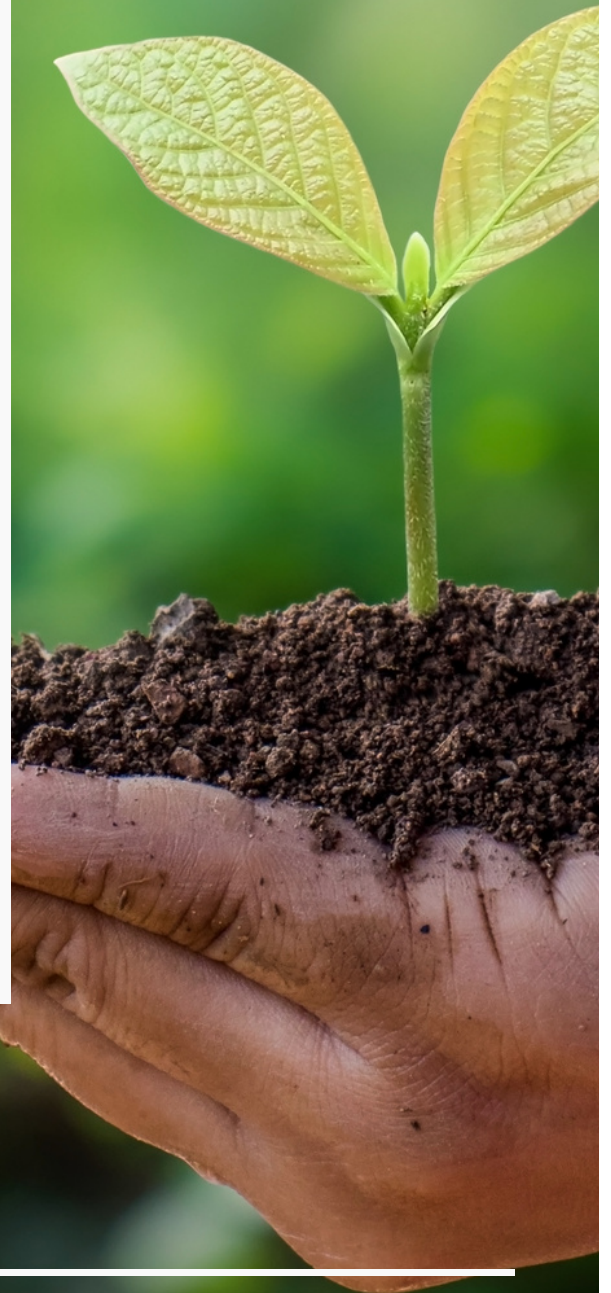


2021 SUSTAINABILITY REPORT ALKAGESTA

**ALKAGESTA
ANNUAL
SUSTAINABILITY
REPORT
2021**



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ABOUT ALKAGESTA

Founded in 2018 in Malta, today Alkagesta has grown into an avant-garde commodity trading house operating globally. Alkagesta is specialized in the trading of the full range of Petroleum products, Petrochemicals, Fertilizers, and Agricultural commodities. Our expertise in physical and paper markets accompanied by well-managed logistics enables Alkagesta to meet the world's growing demand for commodities safely and responsively and serve our counterparties around the globe.

Our Business

A trustful and Transparent relationship with our counterparties is at the core of the Alkagesta business. We create value for our partners through the commodity supply chain. We share our expertise with you on commodity, logistics, risk management, and trade finance. We lead the business and our relationship within well-established corporate governance and ethical framework.

A Business in Transition

We believe that all actions, no matter how small or big, have consequences and leave their mark on the world. Therefore, Alkagesta has Environmental Social Governance Targets aligned with UN Sustainable Development Goals in order to leave a better world for future generations. Alkagesta is committed to contributing to the end of world hunger and poverty, to ensure healthy lives, clean water and sanitation access, quality education, a decent work environment, and sustainable consumption all over the world. Reducing inequalities, making human settlements more inclusive, and combating climate change are also among our commitments.

Environmental Goals

- Zero Prosecutions by environmental regularity authorities in relation to Alkagesta
- Involvement in Carbon Trading to control overall direct emissions
- 90 % of vessels chartered are undergoing Chartering Liability Insurance
- Investment in Environmental projects
- Control and prevent environmental risks associated with shipping and transportation of commodities
- Increase the awareness of the team and communities we work in on environmental topics

Social Goals

- 100% of employees of Alkagesta to be trained on Human Rights
- Zero human rights infringements
- Investment in support in projects under UN Sustainable development goals



“OUR VISION IS TO BE IN TOP 10 LIST OF GLOBAL COMMODITY TRADING COMPANIES. WE ADMIT, BELIEVE, AND COMMIT THE BEST SERVICE ACROSS THE VALUE CHAIN”.

ORKHAN RUSTAMOV, CEO

OUR GOVERNANCE

Alkagesta is led by CEO and Management team.

CEO is responsible for both the commercial business and core business-critical functions. In addition to the business's financial performance, CEO is responsible for setting the strategy. Decisions, such as investments or participation in a financing arrangement where Alkagesta's capital is at risk, are governed by established procedures and protocols that assess the financial implications, as well as consider broader issues such as reputational risk and ESG impact.

At Alkagesta, we are constantly working on improving our Corporate Governance Structure, and for 2022 we have established the framework of the new structure to optimize the decision-making process.

Committees

Audit Committee

The primary purpose of a company's audit committee is to provide oversight of the financial reporting process, the audit process, the company's system of internal controls, and compliance with laws and regulations.

ESG and Compliance Committee

The Committee oversees the company's activities in the area of compliance ("Compliance Program") and Environmental Social Governance that may impact the company's business operations or public image, in light of applicable government and industry standards, as well as legal and business trends and public policy issues.

Risk Committee

The Committee assists the CEO in fulfilling its oversight responsibilities concerning the risk appetite of the company, the company's risk management and compliance framework, and the governance structure that supports it.

CEO

Responsible for providing direction for the organization. The CEO has a strategic function in establishing the vision, mission, and goals of the company.

Management Board

Appointed by UBO and CEO are responsible for developing and implementing strategy, operational plans, policies, procedures, and budgets.

Finance and Investment Committee

Appointed by the joint decision of the CEO and UBO to oversee Alkagesta's responsibilities relating to the financial affairs of the company and to make recommendations to the Board in connection with the company's investment guidelines, and investment assets allocations, and financing activities.

Trading and Business Development Committee

Serves as a focal point for the consideration and coordination of work on development in the Alkagesta. It considers a broad range of issues relating to trading and business development..

OUR LOCATIONS



- St. Julian's, Malta
- Ashgabat, Turkmenistan
- Turkmenbashi, Turkmenistan
- Baku, Azerbaijan
- Tbilisi, Géorgia,
- Istanbul, Turkey
- Izmir, Turkey
- Kiev, Ukraine
- Constanta, Romania
- Sao Paulo, Brazil

* Alkagesta expects expansion to Switzerland, Geneva and India, Mumbai during 2022.

OUR VALUES

We choose to be good corporate citizens. We choose to go beyond the law's requirements in protecting the environment and contributing to social welfare. It is widely accepted as an obligation for all employees of Alkagesta. Our approach is clear communication of the fundamental values to all employees that makes us aligned and consistent in the delivery of business outcomes.



Entrepreneurial Zeal

We are innovative in business. We are keen to bring new ideas and challenge the accepted norms. We are innovative in business. We are keen to bring new ideas and challenge the accepted norms.



Passion

Our passion for learning and culture of belief in continuous performance improvement pushes us to surpass ordinary conventional standards.



Unity

We believe and follow the view that a united group outperforms the sum of individual efforts. Team spirit is the core to the company success.



Integrity

We are committed to the integrity in all our communications and relationships within the team and partners.



Do - or - Do

Each team member is a locomotive of the business that must drive performance to achieve results. We appreciate relentless effort, accountability and decision making of each employee.

ALKAGESTA'S ESG FRAMEWORK



Since its incorporation, Alkagesta has been focused on the safety and environmental risks associated with its operations. In this report, we outlined our fundamental ESG framework that covers all business activities and sets out Alkagesta's beliefs and requirements for ESG.

In 2021 we started to implement and embed the requirements of the ESG framework and support our investments from an ESG perspective. As a part of that framework, we have established internal policies which provide internal guidance on how to apply it to business activities.

Standards were created to cover some of the key risks faced in the industry, such as the selection and management of contractors and suppliers, and to provide guidance where required by our investments. Alkagesta continues to add to these procedures and standards as needed.

ESG PERFORMANCE MONITORING PROCESS

Alkagesta has established KPIs covering personal safety, process safety, environment, auditing, human rights, and community topics.

Monitoring KPIs will enable Alkagesta to understand performance and take appropriate action, report performance to the ESG committee and the CEO, and adjust the ESG audit programme as appropriate.



COMPLIANCE

COMPLIANCE IS A KEY PILLAR UNDERPINNING ALKAGESTA'S COMMITMENT TO THE HIGHEST STANDARDS OF CORPORATE SOCIAL RESPONSIBILITY AND TO DOING BUSINESS WITH INTEGRITY.



Alkagesta's Compliance Department is bound by strong corporate governance, which provides a robust process for identifying risks and sound oversight to ensure effective risk mitigation. ESG and Compliance Committee will serve as the main point of accountability for Alkagesta's Compliance activities.

Currently, all aspects of the Compliance risk mitigation are reviewed by the representatives of the Legal and Compliance Officer. The compliance team oversees operations, ensuring that all activities are conducted within the requirements of applicable laws, regulations, and Alkagesta's principles of Ethics and Integrity as stipulated in the Code of Conduct & Ethics.

Know Your Customer (KYC) Policy

Alkagesta Ltd's collaborator due diligence policy adheres to the highest industry standards. We designed our KYC questionnaire and list of documents that we usually require during the process based on both applicable jurisdiction and our internal rules and regulations.

Customer Clearance

As a corporation that promotes transparency and integrity, clearance and compliance procedures are among our most crucial company functions. Due to the nature of our business, Alkagesta works with third-party operators regularly. Collaboration with World-Check is a new checkpoint in our customs clearance system, in addition to previously designed KYC techniques such as KYC form and document screening.

With World-Check's features such as risk intelligence, sophisticated software, greater customization, control at the name-matching level, and UBO Check database World-Check will enable Alkagesta to take a targeted approach to Know Your Customer (KYC) verification and third-party screening. This cooperation will provide access to detailed screening and monitoring of politically exposed persons (PEPs) and heightened risk individuals.

WORLD - CHECK

World-Check formed part of the Thomson Reuters Risk Management Solutions suite before being transferred to Refinitiv after a merger deal with The Blackstone Group in October 2018.

World-Check provides trusted information to help businesses comply with regulations and identify potential financial crimes. Since its incorporation, World-Check has served the Know Your Customer (KYC) and third-party screening needs of the world's largest firms, simplifying day-to-day onboarding and monitoring decisions and helping businesses comply with anti-money laundering and countering the financing of terrorism legislation.

Vessel clearance

Logistics is at the core of Alkagesta's trading operations. We operate a significant fleet of vessels and work closely with ship owners, investors, and partners around the globe. At Alkagesta, we constantly evolve our clearance and compliance procedures as they are among our most crucial company functions.

The cooperation with the industry trusted independent partner, Lloyd's Intelligence product Seasearcher will enable Alkagesta to navigate challenges in global trade moving and validate maritime compliance risk faster, and reduce AIS gap investigations with expert analytics built on models approved by the industry.

Anti-Money Laundering and Countering Financing of Terrorism Policy

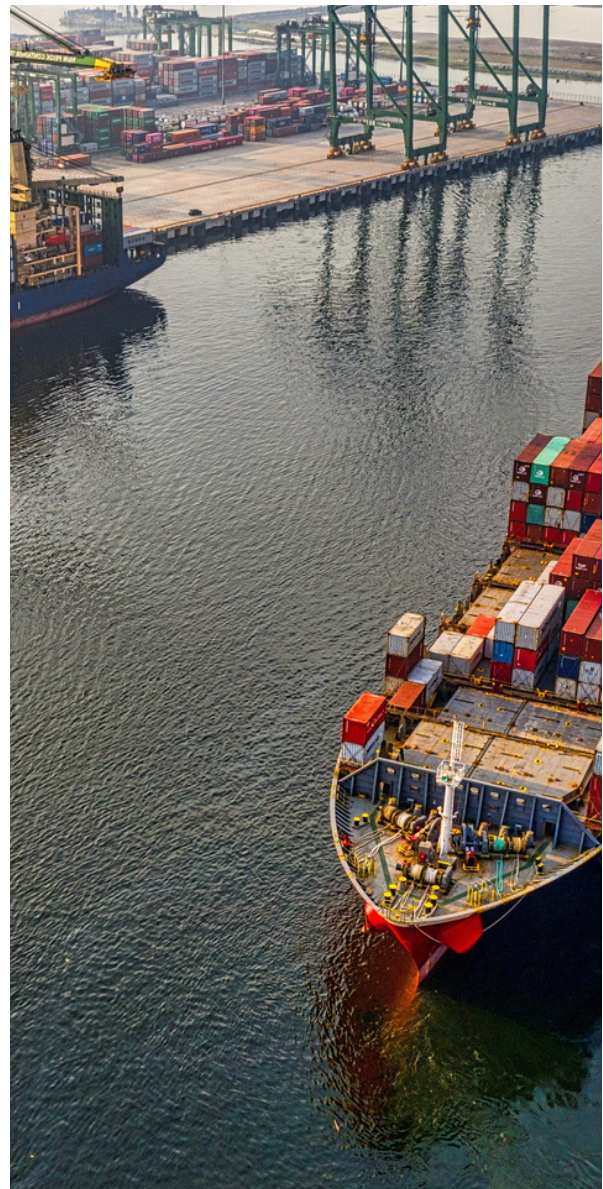
The purpose of this policy is to prevent, detect, and not knowingly facilitate money laundering and terrorism financing activities. Alkagesta, together with its affiliates and subsidiaries, does this to protect its reputation, comply with relevant laws and requirements, as well as to be a good corporate citizen. The company also aims to comply with anti-money laundering ("AML") and counter-terrorism financing ("CTF") recommendations in a way that complements business priorities.

Anti-Bribery and Corruption (ABC) Policy

We are committed to conducting business following the highest ethical standards and, the Anti-Bribery and Anti-Corruption Policy prohibits bribery and corruption including offering, promising, authorizing, or providing anything of value to any customer, business partner, vendor, or another third party to induce or reward the improper performance of an activity connected with our business.

Sanctions policy

Sanctions Policy is developed by Alkagesta to help employees and contractors understand where issues related to sanctions regulations may arise and to support them in making the right decisions in line with Alkagesta's corporate position.



Seasearcher

Developed by Lloyd's List Intelligence, offers the expertise that keeps global trade moving safely and efficiently.

Seasearcher provides the information needed by professionals connected to the maritime, insurance, and legal markets at the right time and in the right format helps customers around the globe act with speed and confidence with support from unrivaled insight, analytics, and data that help them navigate challenges today and anticipate changes in the future.

Training

Training is essential to the implementation of the compliance framework. The compliance officer is responsible for developing and implementing a training program that covers key compliance risks, as well as the technical, complex, and ever-changing nature of the laws and regulations that govern our business.

Monitoring

Compliance has a mandate to monitor and evaluate the program. This monitoring aims to identify the effectiveness of controls and reduces the risks of breaches of laws, regulations, or procedures. The frequency and extent of the monitoring are risk-based. When monitoring or audits detect weaknesses with the program, the appropriate corrective action is taken.

Reporting

All employees are shielded by our commitment to protect whistleblowers. Employees are required to report any breach, or the risk of any breach, of any policy of Alkagesta. We have in place a global integrity hotline.



OUR DIRECT STAKEHOLDERS



Employees

Alkagesta has a flat organizational structure. We are innovative in business. We are keen to bring new ideas and challenge the accepted norms.



Customers and Counterparties

Building transparent relationship with our counterparties is at the core of Alkagesta's business. We create value for our partners through the commodity supply chain. We share our expertise on commodities, logistics, risk management, and trade finance.



Financing Banks

We work with first-class banks and financial institutions, having access to multi-million dollar credit facilities.



Impacted Communities

We are committed to integrity in all our communications, relationships, and actions within the team, partners, society, and environment.

OUR PEOPLE

Our people are key assets and differentiating factor that drives Alkagesta's success. It is their expertise, knowledge, dedication and unity that makes a big difference. Alkagesta is committed to ensure a decent workplace environment, the best conditions of employment, and compliance with Health, Labor, and Security standards and regulations for its people.



ENVIRONMENT

Alkagesta recognizes the need to protect the natural environment and therefore we have adopted the Environment Management Practises that apply to all offices and businesses of Alkagesta.

Operating the business in the most efficient way is primary goal of Alkagesta, we are constantly working toward mitigation of the possible impact on the environment and the local communities that we work in.

Our aim is to work in respect of our surroundings, to prevent and control pollution, and to provide economic benefit to local communities, our customers, and suppliers.

Our environmental KPIs and focus areas, such as pollution prevention, waste management, and resource efficiency, are aligned with the UN Sustainable Development Goals.



KPIs for 2022

- Zero Prosecutions by environmental regularity authorities in relation to Alkagesta
- Involvement in Carbon Trading to control overall direct emissions
- 90 % of vessels chartered are undergoing Chartering Liability Insurance
- Control and prevent environmental risks associated with shipping and transportation of commodities
- Raising awareness of the team and impacted communities in locations where work on environmental topics
- Investment in Environmental projects

POLLUTION PREVENTION

Alkagesta prefers to collaborate with parties who adhere to the convention governing the prevention of pollution of the marine environment by ships due to operational or unintentional causes.

In 2021, approximately 90 vessels with an average age of 15 years were chartered globally. We are continuing to look for ways to reduce emissions while meeting the world's growing demand, and we are investigating several options.

We work towards the standards set by OCIMF.

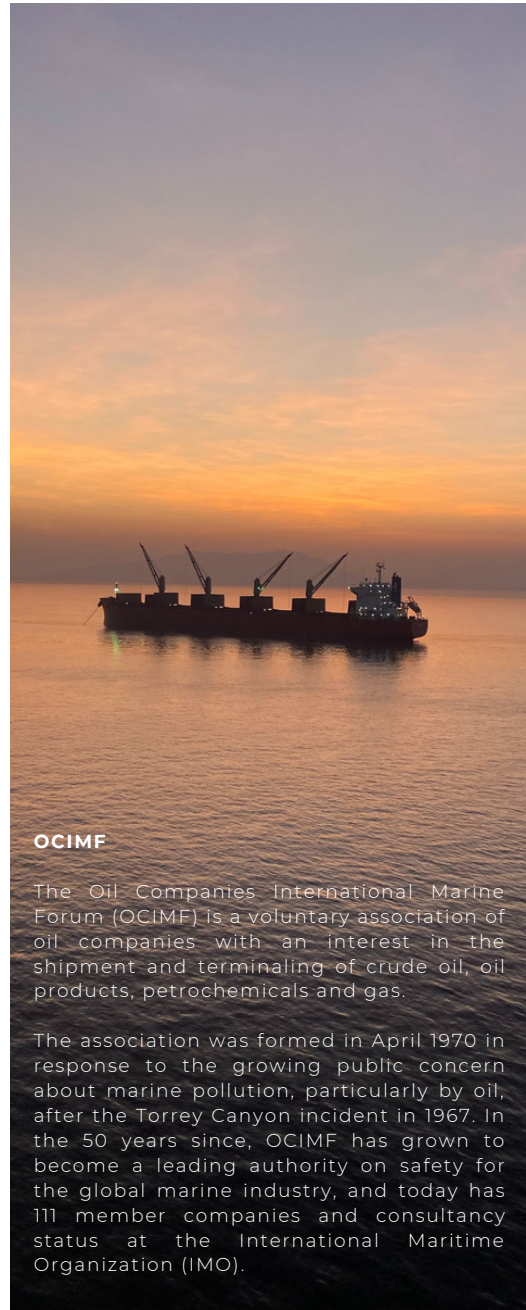
Shipping

Alkagesta's Chartering department closely manages our shipping activities to minimize their environmental impact, including monitoring the efficiency of the vessels we charter.

Alkagesta doesn't own any vessel and during the vessel clearing process, we require vessel owners to sign Charterers Legal Liability Coverage — a type of marine insurance designed to provide coverage for the liabilities including those of care, custody, and control (CCC) assumed by a party chartering a vessel when the vessel's operation remains in the control of the vessel's owner.

Vessel vetting and Clearance Procedure

Alkagesta is committed to ensuring that all products in which it has an interest are carried safely, with the minimum risk to people, the environment, and its reputation. To give effect to this commitment, the company operates a Vetting and Clearance Policy whereby all service providers and ships offered for the transport of bulk and packaged liquid chemicals, oil, liquefied gases, and dry cargos by sea or by inland waterways will be assessed according to the procedures set out in the policy.



OCIMF

The Oil Companies International Marine Forum (OCIMF) is a voluntary association of oil companies with an interest in the shipment and terminaling of crude oil, oil products, petrochemicals and gas.

The association was formed in April 1970 in response to the growing public concern about marine pollution, particularly by oil, after the Torrey Canyon incident in 1967. In the 50 years since, OCIMF has grown to become a leading authority on safety for the global marine industry, and today has 111 member companies and consultancy status at the International Maritime Organization (IMO).

As a part of the clearing procedure we have established the following standards for the onboarding of vessels:

- To sign Chartering Liability Insurance
- Vessel owners should present the evidence that the vessel has in place insurance cover for oil pollution in an amount of no less than the highest standard oil pollution cover available Under the rules of the The International Convention for the Prevention of Pollution from Ships (MARPOL)
- The vessel carries on board a valid certificate of insurance as described in the 1969 civil liability convention for oil pollution or 1992 protocols.





RAISING AWARENESS ON ENVIRONMENTAL RESPONSIBILITY

We believe that raising environmental awareness within our company and the communities on which we have an impact is just as important as our actions toward a more sustainable future, such as responsible consumption, recycling, and so on.

Alkagesta is committed to conducting internal trainings not only on workplace recycling, reducing paper use, and electronic waste management, but also on domestic waste management, waste sorting, plastic product production, underwater pollution, deforestation, and the carbon footprint of shipping and oil drilling, and etc.

We conduct community training sessions and projects such as beach and forest cleaning, revegetation, training sessions in high schools and universities.



WASTE SORTING

We have committed to sorting waste in all of our offices. In general, waste is sorted according to material, recyclability, or any other process that is required. Sorted waste includes paper, cardboard, glass, plastic, hazardous waste, organic waste, and other materials.

PAPER USE REDUCTION

By transforming and migrating the majority of our paper-intensive processes to technology, we are able to reduce our reliance on paper while also encouraging our employees to support our vision.



SOCIAL

"We choose to act responsibly. We believe that long-term business success can only be achieved if human rights are acknowledged and protected".

Alkagesta is dedicated to creating a better world for the communities we work. Therefore, social responsibility is significant for us as much as environmental responsibility.

We believe that various actions, such as promoting sustained and inclusive economic growth, full, productive, and decent work environments and conditions for all, can lead to the greater goal and good.

Furthermore, we believe in and strive for equality for all, so we are committed to promoting gender equality and working on subjects such as women's empowerment.

Last but not least, in a world where development cooperation is possible and could be more effective with a proper working checks and balances system, building effective, accountable, transparent, and inclusive institutions and provision of access to an international justice system for all, are among the objectives that Alkagesta works towards.

KPIs for 2022

- 100% of employees of Alkagesta trained on Human Rights
- Zero human rights infringements
- Investment in support in projects under UN Sustainable development goals

Community

As an employer of choice, Alkagesta is interested in contributing to the economic benefits of where we undertake business operations. We recognize that we have an impact on the communities in which we are active, both directly and indirectly, and we are committed to establishing and maintaining long-term relationships with all relevant stakeholders.

We further understand that we have a responsibility to give back and operate as good corporate citizens.

Via meaningful stakeholder engagement and integration of our social programs into our core business, we support the advancement of the interests of both our host communities and our business.

Guidance and Reporting for Employees

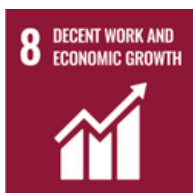
We strive to create workplaces where open and honest communication among all employees is valued and respected.

If any employee believes that someone is violating the Human Rights Policy or the law, they are asked to report it to their Human Resources Department or the Compliance Helpline, where the concern will be reviewed, and an appropriate investigation will be conducted.

Contacts:

Hr@alkagesta.com

Compliance@alkagesta.com



Above mentioned actions and designed policy are in line and designed to contribute to 8th UN Sustainable Development Goal.





Human Rights

Our Human Rights Policy Statement sets out the fundamental principles embedded in our business operations and culture to ensure we do not engage in activities that directly or indirectly violate human rights.

It is our corporate responsibility to uphold these principles throughout our entire company. Additionally, we expect all stakeholders, including business partners, vendors, and suppliers, to be aligned in upholding human rights globally.

Our approach to human rights is based on:

- The United Nations Guiding Principles on Business and Human Rights
- The United Nations Universal Declaration of Human Rights
- The International Labor Organization's 1998 Declaration on Fundamental Principles and Rights at Work

Discrimination and Harassment

We believe every employee has the right to be treated fairly and deserves a comfortable and safe working environment. Alkagesta prohibits discrimination based on age, race, color, religion, sex, national origin, marital status, disability, citizenship, sexual orientation, gender identity or expression, military service, or other characteristics protected by the law.

Alkagesta does not accept abusive conduct or harassment – a policy made clear from the first day of orientation. Formal channels are available for employees who seek advice or a solution, and our policies strictly prohibit retaliation against employees who express concerns. We manage our business operations so that employees feel they are being treated fairly and respectfully.



Above mentioned statements and policy are in line and designed to contribute to 5th and 10th UN Sustainable Development Goals.

Diversity and Inclusion

Alkagesta is committed to being a high-performing company built on the foundation of a diverse and inclusive workforce, with individuals and teams working to blend a wide range of talents, preferences, and perspectives in the pursuit of shared purposes.

We support and encourage diversity and inclusion within our business and organizations with which we do business by maintaining workplaces that are free from discrimination or harassment based on race, sex, color, national or social origin, ethnicity, religion, age, disability, sexual orientation, gender identification or expression, political opinion or any other status protected by applicable law.

Forced Labor and Human Trafficking

Alkagesta will not be a party to slavery or use involuntary labor, whether bonded, prison, military, compulsory or indentured, including debt servitude or human trafficking with respect to any aspect of its operations.

Child Labor

Alkagesta's employees will not employ child labor, consistent with the principles relevant to local and international laws. Specifically, Alkagesta prohibits the hiring of individuals under the age of seventeen (17) or the local legal minimum working age or the compulsory schooling age, whichever is higher.



Above mentioned statements and Alkagesta's internal regulations are in line and designed to contribute to 16th UN Sustainable Development Goal.



ALKAGESTA FOUNDATION

EMPLOYEE DRIVEN INITIATIVE

The Alkagesta Foundation was established in 2021 with the goal of contributing to philanthropic programs in all communities we work.

We actively show interest in supporting projects related to women empowerment, combatting climate change, world hunger, inclusiveness, and other segments of humanitarian development projects. Alkagesta is not only a financing party to these projects but is also committed to creating awareness among partners and actively taking part in the execution of them as well.

Alkagesta collaborates with NGOs, civil societies, and academic institutions.

As mentioned before in this report, our employees are the building blocks of not only our success but also our culture. Employees of Alkagesta are actively funding support of social projects. Therefore, in light of them being social responsible citizens, they are also the core of the Alkagesta Foundation and active participants in its projects.



2021 SUSTAINABILITY REPORT ALKAGESTA

**Alkagesta believes in the power of Choice.
We choose trustworthy relationships between our counter-parties and employees.**

We choose to act responsibly.

We choose fairness in the treatment of conflicting situations.

We choose honesty in any environment and keeping our promises in ever-changing conditions.

We choose to care and respect.

We choose to create Alkagesta Legacy for future generations.

