



Appendix No.1
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(Minutes No. 40)

Policy on engagement with local communities of “Samruk-Energy” JSC group of companies

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1. Purpose and scope

1.1. This Policy on engagement with local communities of "Samruk-Energy" JSC Group of Companies (hereinafter referred to as the "Policy") outlines the principles of the Company's operations, commitments, and initiatives related to engagement with local communities, as well as the mechanisms for interaction and methods for providing feedback and disclosing information to local communities in the regions where the Company operates.

1.2. The Policy has been developed in accordance with the Development Strategy of "Samruk-Energy" JSC, the Sustainable Development Guidelines, the Corporate Governance Code, the Stakeholder Engagement Plan of "Samruk-Energy" JSC, applicable legislation of the Republic of Kazakhstan, and in consideration of the recommendations from the International Council on Mining and Metals (ICMM) on community development, as well as international standards such as AA1000, GRI, the Principles of the UN Global Compact, and the UN Sustainable Development Goals.

1.3. This Policy applies to the Group of Companies "Samruk-Energy" JSC.

2. Terms and abbreviations

Term abbreviation	Definition
GRI	Global Reporting Initiative Standards
ICMM	International Council on Mining and Metals
Charity	Voluntary activities that offer charitable support and meet humanitarian needs, provided without payment or at reduced rates through sponsorship and philanthropic initiatives.
Charity project	set of activities initiated by the user and/or the "SK-Trust" Foundation to carry out charitable work within the approved budget and timeframe, focusing on the areas specified in the Policy and Charitable Program.
IRD	internal regulatory document
Top management	The governing body and/or executive body of the Company (depending on the competencies established by the Company's charter).
“Samruk-Energy” JSC Group of companies, Group of companies	"Samruk-Energy" JSC, the group of companies of "Samruk-Energy" JSC, and its subsidiaries, one hundred percent of voting shares (equity stake) of which are directly owned by "Samruk-Energy" JSC under the rights of ownership or trust management.
SA	Subsidiaries and affiliates
Stakeholders	Individuals, legal entities, or groups of individuals or legal entities that exert a direct or indirect influence or may be affected by the operations of the organization, its products, or services, and related actions under the standards of legislation and contractual agreements.
Company	Samruk-Energy JSC or its subsidiaries and affiliates
Local communities	Individuals or groups living or working in the regions where the Company operates
SEP	Samruk-Energy JSC Stakeholder Engagement Plan** – a plan that outlines the principles, requirements, and approaches for engaging with stakeholders, identifying and analyzing them, the mechanism for submitting and reviewing complaints, as well as the process for monitoring the Plan and preparing reports on its implementation.
“Samruk-Kazyna” JSC	a policy that defines the principles, priority areas, planning, and procedures



Charity Policy	for conducting charitable activities, as well as the monitoring of targeted spending of charitable funds and the public relations support for Samruk-Kazyna JSC’s charitable initiatives.
Rules for providing and monitoring charity activities of “Samruk-Kazyna Trust” Social Projects Development Fund	rules for the review, funding, and monitoring of charity projects by “Samruk-Kazyna Trust” Social Projects Development Fund
Social project	A project aimed at addressing specific social issues and improving the quality of life for the population.
AA1000 standards	A series of international standards in the areas of accountability, stakeholder engagement, and verification
Fund	“Samruk-Kazyna” JSC

3. General provisions

3.1. “Samruk-Energy” JSC plays a vital role in the country’s infrastructure and supports local communities in the regions where it operates by providing electricity to consumers and creating and maintaining over 17,000 jobs across Kazakhstan.

3.2. Recognizing its social and environmental responsibilities, the Company engages with local communities to ensure that its operations deliver maximum benefits to society and to involve local communities in the joint implementation of socially significant projects, allowing residents to realize their potential and actively influence economic and social growth.

3.3. The Company aims for its investments to contribute to the development of the production and economic base in the regions where it operates, the preservation of the natural environment, and enabling the right to work.

4. Commitments and principles

4.1 The Company adheres to the principle of corporate social responsibility, contributing to the development of the regions in which it operates and maintaining continuous engagement with local communities regarding its participation in local infrastructure development, environmental improvement, and social support.

4.2 The Company is committed to fully supporting the socio-economic development of the regions in which it operates, ensuring decent working conditions and the well-being of the population.

4.3 The Company strives to enhance the quality of life for the population and support social initiatives in all regions where it operates.

4.4 The Company is focused on investing in infrastructure and knowledge to address current challenges and attract necessary resources, including the use of cleaner energy from renewable sources, the preservation of biodiversity, and land rehabilitation to reduce the negative environmental impact in these regions.

4.5 The Company recognizes and respects the social, economic, environmental, and cultural interests of the local population and their rights.

4.6 The Company aims to avoid, or if unavoidable, minimize forced relocations by considering alternative project arrangements. In cases where relocation is necessary, the Company offers compensation for property loss and other assistance to displaced individuals and communities, depending on its economic capacity.

4.7 The Company engages with various communities in the regions where it operates, including local businesses, non-profit organizations, and regional authorities, regarding issues that are particularly



important to them, such as land use rights, access to water, healthy living, and other matters related to the Company’s activities.

4.8 The Company promotes employment and economic development in the regions by establishing fair partnerships with suppliers and contractors.

4.9 The Company provides local communities with access to a mechanism for submitting and addressing inquiries, allowing for resolution and legal protection regarding complaints related to the Company’s activities.

4.10 The Company monitors the implementation of programs for local infrastructure development and social and environmental initiatives in the regions where it operates.

4.11 The Company is committed to facilitating effective engagement with communities at relevant stages of project implementation based on open dialogue. This includes proactive participation in public hearings with local communities, consultations at early stages of project implementation, and the collection, registration, and processing of complaints and claims in accordance with the law.

4.12 In accordance with the Sustainable Development Guidelines, the Principles of Stakeholder Engagement, and the Corporate Governance Code, the Company adheres to the following principles in its engagement with local communities

- 1) ethical behavior, respect for, and consideration of the interests, opinions, and preferences of stakeholders in the Company's activities and the impact of business on them.
- 2) openness to meetings, discussions, and dialogue, as well as the establishment of long-term cooperation with stakeholders based on mutual interests, respect for rights, and a balance between the interests of the group of companies and stakeholders.
- 3) transparency, timeliness, and regularity in informing stakeholders.
- 4) responsible fulfillment of commitments made.

5. Key directions and initiatives

5.1 “Samruk-Energy” JSC implements initiatives aimed at establishing long-term, productive relationships with the regions in which it operates and strengthening its image as a socially responsible company.

5.2 The company makes a significant contribution to the well-being and socio-economic development of the regions it operates in through:

- 1) providing the population with electricity, heat, and coal;
- 2) creating jobs for local residents, contributing social taxes and deductions, pension and insurance payments, costs for medical services for employees, and other forms of employee support;
- 3) implementing investment projects that impact regional development, enhance the quality of life for residents, and create job opportunities;
- 4) supporting public infrastructure and ensuring significant contributions to regional budgets through tax payments;
- 5) investing in local communities through donations to charitable and non-governmental organizations and research institutions via the unified operator, “Samruk-Kazyna Trust” Social Projects Development Fund;
- 6) supporting social programs, cultural, and educational events.

5.3 The company's initiatives under the program for engaging and developing local communities in the regions it operates in include the following:

- 1) developing local infrastructure in the locations of the group companies, particularly in regions where the company is a key employer, through the construction of social facilities;
- 2) supporting vulnerable and low-income groups through assistance programs related to its core operations;
- 3) implementing social initiatives aimed at improving the quality of life for residents in the regions where it operates;

4) implementing initiatives to facilitate economic development for affected individuals and communities in cases of forced relocation after area closures, based on the company's economic capabilities;

5) charity activities are carried out through the unified operator of Samruk-Kazyna group of companies – “Samruk-Kazyna Trust” Social Projects Development Fund, which implements charitable projects and programs aimed at addressing socially significant issues for the population;

6) implementing investment projects that align with national economic development programs and principles of responsible investing, which affect local infrastructure development, improve the quality of life for residents, and create jobs.

5.4 The program for supporting and developing local communities is formed on an annual basis through the collection of information on planned activities across the group of companies. Local communities support and development program is presented in Appendix 1 of this Policy.

6. Engagement with local communities

6.1 The main mechanisms for interaction with local communities are:

1) identification and analysis of stakeholders who are directly or indirectly affected (or may be affected) or have an interest in the interaction and development of local communities;

2) planning, including the definition of procedures at all stages of preparation and implementation, as well as conducting consultations;

3) disclosure of information for understanding risks/consequences, benefits, and monitoring, along with the reporting mechanism for submitting and reviewing complaints.

Identification and analysis of stakeholders

6.2 The identification of stakeholders in the interaction with local communities is carried out in accordance with the Sustainable Development Guidelines of “Samruk-Energy” JSC and with the recommendations of the GRI on sustainability reporting, including the initial ranking of stakeholders based on their significance to the company using the Mitchell, Agle, and Wood model.

6.3 As a result of the identification procedure, the key stakeholders in the implementation of initiatives for engaging with local communities are as follows:

- 1) shareholders;
- 2) government authorities;
- 3) executive authorities;
- 4) subsidiaries and affiliates;
- 5) employees;
- 6) trade unions;
- 7) partners;
- 8) consumers;
- 9) financial institutions;
- 10) suppliers;
- 11) Local population;
- 12) Media.

6.4 The members of the Board of Directors are responsible for the implementation of this Policy and assume accountability for conducting a regular review of this Policy to ensure its adequacy and applicability at all levels of the organization.

6.5 The Corporate Governance and Sustainable Development Department and the Human Resources Management Department, as well as each structural unit within their respective activities “Samruk-Energy” JSC group of companies, are responsible for managing the process of interaction with local communities.

6.6 To ensure effective interaction with local communities and identify areas for development, an analysis is conducted among representatives of local communities, including stakeholder surveys. The results of such analysis are taken into account when planning socially significant programs and projects.

Planning and consultation

6.1 The nature and regularity of interactions with stakeholders vary depending on the nature/scale of the project, the risks/potential negative impacts on affected communities, vulnerable environmental objects, and the degree of public interest.

6.2 Before launching new projects and facilities as part of the environmental impact assessment, the Company must undertake a series of activities aimed at informing the public about the planned activities and their potential impact, with the goal of identifying public opinion and incorporating it into the impact assessment process. Public hearings are conducted at all stages of the investment project to take into account the opinions of the population, with information about these hearings published in accessible public sources.

6.3 As part of the launch of new projects and facilities, consultations with the local population are held in the format of public hearings, with relevant materials prepared in accordance with legislation, and interactions with government authorities and local executive bodies. Dispute resolution occurs within the legal framework, and the overall assessment of projects considers the interests of the local population.

6.4 Within the framework of the program for interacting with and developing local communities in areas of presence, the individuals responsible for sustainable development issues in the Company’s subsidiaries conduct an annual collection of applications for social assistance from the local population in these regions.

6.5 The Company’s subsidiaries plan sponsorship and charity assistance activities in areas of presence on an annual basis and budget these expenses in advance based on the Company’s economic capabilities.

6.6 “Samruk-Energy” JSC group of companies enters into cooperation agreements with government authorities and local self-governance bodies in regions where it operates, which also regulate the group’s participation in addressing the social issues of the regions. For some subsidiaries, contributions to regional social development are mandatory under mineral extraction contracts.

6.7 The planning and implementation of charity projects and programs aimed at addressing socially significant issues in the country on behalf of “Samruk-Kazyna” JSC and all portfolio companies, including “Samruk-Energy” JSC, are carried out by Social Projects Development Fund “Samruk-Kazyna Trust” in accordance with “Samruk-Kazyna” JSC Charity Policy and the Rules for Providing and Monitoring of Charity Activities of Samruk-Kazyna Trust” Social Projects Development Fund.

6.8 Priority areas for submitting applications to “Samruk-Kazyna Trust” Social Projects Development Fund include:

- 1) assistance to people and communities in the social and medical sectors;
- 2) development of media, cultural communities, human potential, strengthening labor relations, and investments in sustainable community development;
- 3) implementation of regional social investment programs in the Fund’s areas of operation;
- 4) strengthening the reputation and promoting the image of the Fund and/or the Fund’s group.

Monitoring and reporting

6.9 In the event of any incidents of theft, fraud, corruption, or other violations of fundamental business principles or the Code of Conduct of “Samruk-Energy” JSC, stakeholders from local communities can use the hotline as a communication tool, with contact details provided on the website: <https://www.samruk-energy.kz/en/navigation-and-support/hotline>. All messages are received and processed by an independent company and can be submitted anonymously.

6.10 If there are suggestions and complaints regarding investment projects, stakeholders from local communities can use the Feedback tool for temporary workers or individuals not employed by the group of companies and other interested parties regarding implemented projects on the website: <https://www.samruk-energy.kz/en/navigation-and-support/feedback-all/feedback-other>.



6.11 All inquiries, complaints, and suggestions are processed within established timelines, and the Company strives not to overlook any significant actions related to its activities.

6.12 To enhance the effectiveness of stakeholder engagement and to take preventive measures regarding concerns from external stakeholders, all inquiries are consolidated across the company perimeter and reported to the Board of Directors annually.

6.13 The results of implemented charity projects and programs aimed at addressing socially significant issues on behalf of “Samruk-Kazyna” JSC and all portfolio companies, including “Samruk-Energy” JSC, are published in the public annual report of the “Samruk-Kazyna Trust” Social Projects Development Fund on the website: https://sk-trust.kz/en/docs_category/public-annual-report/.

6.14 The results of the program for supporting and developing local communities are published in the Company’s annual report for the relevant year.

7. Final provisions

7.1 Inquiries related to the content and application of this document can be sent to the Company directly through the contact information provided on the official website of “Samruk-Energy” JSC via available feedback tools.

7.2 This Policy is published on the corporate website of the Company and is accessible to all stakeholders.



**Appendix 1.
Local communities support and development program form**

No.	Company name	Purpose of assistance	SA	Implementation timelines
Project supporting UN SDG No. (please specify which UN sustainable development goal this initiative aligns with)				
1				
2				
3				