



Approved  
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Energy” JSC Board of Directors  
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## **“Samruk-Energy” JSC stakeholder engagement plan**

Nur-Sultan 2021

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## **1. Definitions and abbreviations**

1. The following definitions and abbreviations are used in this “Samruk-Energy” JSC stakeholder engagement plan (hereinafter - the Plan):

Stakeholder engagement	- a set of mechanisms and procedures that ensure the right of stakeholders to be heard, accountability to them;
SA	- subsidiary and affiliate;
stakeholder	- individuals, corporate entities, groups of individuals or legal entities that directly or indirectly influence, or may be influenced by an organization’s operations, their products or services and related actions because of legislation, concluded agreements (contracts);
Stakeholder map	- an image that clarifies the position of the Company's stakeholders or a graphic representation of groups of stakeholders;
Company	- “Samruk-Energy” JSC;
UN	- United Nations Organization;
Supplier	- individuals, legal entities, groups of individuals or legal entities supplying goods / services (including contractors);
Mass media	- Mass media
AA1000 Standards	- a series of international standards for accountability, stakeholder engagement and verification;
sustainable development	- a set and balance of aspects of activity, in which the exploitation of natural resources, the direction of investment, the orientation of scientific and technological development and social responsibility are consistent with each other and strengthen the current and future potential to meet human needs and aspirations.

## **2. Purpose and scope**

2. The Plan describes the principles of “Samruk-Energy” JSC (hereinafter - the Company) stakeholder engagement, an approach to identification and analysis of

stakeholders, requirements for stakeholder engagement, a mechanism for filing and considering complaints, as well as the process of monitoring the Plan and preparing reporting on it and is aimed at building effective communications and dialogue between the Company and its stakeholders.

3. The plan is developed by the Company and each subsidiary and affiliate that implement a large investment project.

4. The plan is reviewed on an ongoing basis, but not less than once a year and updated when necessary.

### **3. General information**

5. The company was established on April 18, 2007 in accordance with the resolution of the general meeting of founders in order to develop and implement a long-term state policy on retrofit of existing and commissioning of new generating facilities. The founders of the Company at the time of its establishment were “Kazakhstan Holding for State Assets Management “Samruk” and “KazTransGas” JSC.

The Company was registered on May 10, 2007. The sole shareholder of the Company as of June 1, 2021 is “Samruk-Kazyna” JSC (hereinafter - the Fund).

Today, the Company is a diversified energy holding company, assets of which include the largest generating companies, including stations of national importance, such as “Ekibastuz GRES-1” LLP and “Ekibastuz GRES-2 Plant” JSC, hydropower plants in southern regions of the country – “Shardarinsk HPP” JSC and “Moynak HPP named after U.D. Kantaev” JSC, the largest coal mining enterprise in the Republic of Kazakhstan – “Bogatyr Komir” LLP, renewable energy generating facilities - wind and solar power plants, as well as a regional distribution network and a sales company.

Principal businesses of the Company’s group are the production of electricity, heat and hot water using coal, hydrocarbons and water resources and sale to the population and industrial enterprises, transportation of electricity and distribution of electricity in the grids, construction and operation of hydropower plants and thermal power plants, renewable energy sources, coal mining and lease of property complexes of hydroelectric power plants.

In 2020, the installed capacity of the Company's power plants amounted to 6 200 MW, which is 26% of the total installed capacity of the Unified Power System of the Republic of Kazakhstan.

Key indicators of the Company for 2020:

- 1) The volume of electricity production – 31,4 bn kWh.
- 2) The share of electricity generation by the Company’s group in the Republic of Kazakhstan is 29%.
- 3) Coal output – 43,3 mln. tons.
- 4) The share of coal production by the Company’s group in the total production in the Republic of Kazakhstan is 39,7%.
- 5) Net income – 8 008 mln. tenge.
- 6) EBITDA margin - 35%.
- 7) Debt / EBITDA (ratio) – 2,67.

- 8) ROACE – 3,60%.
- 9) LTIFR – 0,27.

#### **4. Principles of stakeholder engagement**

6. In the course of its operations, the Company exerts and experiences the influence of a wide range of stakeholders actions and decisions of which greatly influence the success of the business. Interaction with stakeholders is essential for the Company's business and is focused on achieving sustainable development goals and harmonization of all stakeholders' interests.

7. The Company's stakeholder engagement is based on the following principles:

1) respect and consideration of stakeholders, opinions and preferences of stakeholders;

2) timely and regular informing of stakeholders;

3) responsible fulfillment of the assumed obligations.

8. The principles set out in item 7 of this section of the Plan are determined by the Company's Sustainable Development Guide and are the basis of any interaction of the Company with stakeholders.

#### **5. Requirements to stakeholder engagement**

9. The Company's stakeholder engagement activities within the investment project implementation complies with the current legislation of the Republic of Kazakhstan, including the UNECE Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters, as well as the policy requirements of the European Bank for Reconstruction and Development (TP10 "Information Disclosure and Stakeholder Engagement") and the Asian Development Bank (Policy Statement on Safeguards) in relation to information disclosure and stakeholder engagement.

10. In accordance with the requirements of the European Bank for Reconstruction and Development, interaction with interested and affected parties should begin early in the development of the project and continue throughout the life of the project.

11. The main stakeholder engagement activities are:

1) Identification and analysis of stakeholders. In order to build successful relationships with stakeholders, the project initiator must identify all parties that are directly or indirectly affected or will be affected by the implementation of a project or may be interested in a project;

2) Planning of cooperation with stakeholder. The initiator of a project will develop a Plan that will establish the procedure for liaising with the identified stakeholders at the stages of preparation and implementation of a project;

3) Information disclosure. Disclosure practices are an integral part of the stakeholder engagement process as they help stakeholders to take on the risks, consequences

and benefits of a project;

- 4) Consultation and interaction;
- 5) Grievance mechanism;
- 6) Monitoring and reporting.

12. The nature and consistency of stakeholder engagement will vary depending on the nature and scope of a project, the risks and potential negative impacts it poses on communities involved, vulnerable environments and the degree of public interest.

13. The development and implementation of a fully functional grievance mechanism is a mandatory requirement to help prevent and / or address conflicts in a timely manner. The implementation of free access to the mechanism for all interested parties will ensure a timely and transparent response to incoming complaints and appeals. The project proponent should periodically monitor and report to all stakeholders describing the progress achieved in the implementation of environmental management activities.

14. In accordance with the requirements of the Asian Development Bank, the timely and accessible dissemination of relevant environmental information is essential for the development and implementation of the project. The public and other stakeholders who find themselves in the project's area of influence should have access to information on the potential positive or negative impact of a project as well as a project should use terminology and language easily accessible to all stakeholders to ensure their participation in the development and implementation of a project.

15. As part of a project implementation, there should be adequate consultation with those influenced by a project, as well as with all other stakeholders, including civil society. Appropriate consultation refers to a process that started in the preparatory phase of a project and continues throughout a project cycle.

16. In order to attract public attention to environmental issues in accordance with the Environmental Code of the Republic of Kazakhstan, it is necessary to ensure the participation and consideration of public opinion in decision-making regarding environmental issues, to provide for the participation of the interested public in ongoing public environmental control and environmental expertise, as well as in the process conducting an environmental assessment in the form of an environmental impact assessment.

17. In accordance with the Aarhus Convention, the public has the right to access information relating to the environment, the right to participate in public consultations on projects that have an impact on the environment, and the right to file complaints if, in the opinion of the public, environmental issues are not given sufficient attention.

## **6. Identification and analysis of stakeholders**

18. The Company, to ensure effective interaction with stakeholders, develop methods of interaction with each of the stakeholders, identify their needs and expectations in relation to interaction, identifies and analyzes such parties, which allows the Company to systematize and visualize information about the environment of the Company.

19. To build up interaction with stakeholders, the Company applies the principle of

“inclusion” in accordance with the best practices in the field of interaction with stakeholders (standards series AA1000, GRI). This principle considers and considers the interests of all stakeholders at all stages of the process of governing the Company's operations.

20. The Company determines a complete list of potential stakeholders with which it cooperates during the conduct of operations.

21. To assess the importance of each of the identified stakeholders, the primary ranking of stakeholders is carried out according to the Mitchell, Agle and Wood model with a breakdown into internal and external.

22. The Company, based on the results of identification and analysis, creates a Map of Stakeholders, which includes stakeholders significant for the Company.

23. The Appendix to this Plan presents the Company's stakeholders, a list of activities on provision of information to them, which must be carried out by the Company, the frequency of information disclosure and the structural units of the Company responsible for the implementation of activities on informing them.

## **7. The mechanism for filing and the procedure for consideration of complaints and proposals**

24. It is essential for the Company that all stakeholders, both external and internal, are heard. To address individual and collective requests and complaints promptly and effectively, the following feedback tools for stakeholders are available at the Company, which guarantee protection from retaliation and prosecution of anyone who leaves a message:

### 1) 24/7 hot line

All stakeholders can report to the hotline about any happened or suspected facts of theft, fraud, corruption, violations of the basic principles of doing business, the Code of Conduct or the provisions of the legislation of the Republic of Kazakhstan, information about which is posted on the website of the Company (<https://www.samruk-energy.kz/ru/navigation-and-support/hotline>).

All messages are received and processed by an independent company.

Messages received through the hotline will be forwarded to the Compliance Service of the Company, which will ensure a professional and confidential review. To process the message as efficiently as possible, it is suggested to leave contact information, however, in accordance with this mechanism, complaints can be filed in a confidential or, moreover, on an anonymous basis.

### 2) “Feedback” form

For all stakeholders wishing to express their concerns or leave feedback on the operations of the Company and its subsidiaries and affiliates, a feedback form is available on the Company's website (<https://www.samruk-energy.kz/ru/feedback-all>). Temporary workers or persons who are not in labor relations with the group of the Company and other stakeholders of a project implemented by the Company can also express their opinion in a specially created feedback form (<https://www.samruk-energy.kz/ru/obrat>).

### 3) Feedback for shareholders and investors

An investor profile has been created for potential investors wishing to leave feedback on improving the site's performance (<https://www.samruk-energy.kz/ru/shareholders-and-investors/feedback-for-shareholders-and-investors#anketa-investora>).

4) Ombudsman

Employees of the Company can contact the Ombudsman's hotline on the facts of illegal actions of officials and other employees of the Company by telephones (7172) 55-30-15; or by e-mail [akylov@samruk-energy.kz](mailto:akylov@samruk-energy.kz) for written requests.

25. In accordance with the decisions of the Company's management, it is possible to organize other ways of filing appeals and complaints. The Company considers it important that this process is easily accessible to any stakeholder.

26. The Company annually monitors incoming applications and complaints, which allow the Company to explore areas of concern of all stakeholders, identify systemic problematic issues, and determine the effectiveness of existing mechanisms for interaction with stakeholders.

## **8. Monitoring and reporting**

27. The Company must comply with the principle of transparency in its operations, which is an effective tool for achieving a positive image of the Company.

28. The Company will provide stakeholders with regular reports on the progress of the Plan, as well as on issues identified through formal feedback tools.

29. For these purposes and to increase the effectiveness of the process of interaction with stakeholders, the Company will continuously monitor and analyze the effectiveness of the measures provided for in the Plan.

30. These measures will make it possible to assess the adequacy and reliability of the applied methods of interaction, as well as their compliance with legal requirements and / or international standards and / or internal regulations of the Company.

31. Monitoring will be conducted regularly, at least once a year at each subsidiaries and affiliates and approved in accordance with the established procedure no later than 2 months following the reporting year.

32. In addition, the Company will provide an annual report on environmental and social performance for its stakeholders as part of its annual report or other public document in the form of a separate publication.

## **9. References to laws and regulations**

33. This Plan has been developed considering the requirements of the following documents:

- 1) Charter of the Company;
- 2) Corporate governance code of the Company;
- 3) Sustainable development guide of the Company;
- 4) Code of Conduct of the Company;



- 5) Policy of proactive information sharing of the Company;
- 6) Environmental policy of the Company;
- 7) Rules for the management of the internal regulatory documents of the Company;
- 8) Instructions on ensuring the safety of confidential and commercial information at the Company;
- 9) Process map "Management of sustainable development at the Company";
- 10) The Company's stakeholders map;
- 11) International standards AA1000: SES, AS, APS;
- 12) Standards for reporting on sustainable development (GRI Standards: 101, 102, 103, 200, 300, 400, etc.).

## Appendix to “Samruk-Energy” JSC Stakeholder Engagement Plan

The Company's stakeholders map determines a complete list of potential stakeholders with which the Company cooperates in the ordinary course of its business with a description of stakeholders’ contributions and their interests.

Today the Company stakeholders are:

	<i>Stakeholders contribution</i>	<i>Stakeholders interests</i>
<i>Shareholders</i>	<ul style="list-style-type: none"> <li>- Allocation of funds, replenishment of the equity capital</li> </ul>	<ul style="list-style-type: none"> <li>- Profit growth, timely payment of dividends, growth of the Fund’s value</li> <li>- social and environmental responsibility, adherence to the principles of sustainable development, absence of complaints and fines for breach of environmental legislation</li> </ul>
<i>State agencies</i>	<ul style="list-style-type: none"> <li>- State regulation</li> </ul>	<ul style="list-style-type: none"> <li>- Tax revenues, economic growth, addressing social issues, biodiversity conservation</li> </ul>
<i>Subsidiaries affiliates</i>	<i>and</i>	<ul style="list-style-type: none"> <li>- Assistance in dealing with government agencies, business interests</li> </ul>
<i>Employees</i>	<ul style="list-style-type: none"> <li>- Human resources</li> <li>- Loyalty</li> </ul>	<ul style="list-style-type: none"> <li>- Stability, high wages, decent working conditions, professional development, career growth</li> </ul>
<i>Trade union</i>	<ul style="list-style-type: none"> <li>- Promotion of social stability, regulation of labor relations and conflict resolution</li> </ul>	<ul style="list-style-type: none"> <li>- Observance and protection of employees’ rights</li> </ul>
<i>Partners</i>	<ul style="list-style-type: none"> <li>- Joint implementation of projects</li> <li>- Transfer of technologies, competencies and innovations</li> </ul>	<ul style="list-style-type: none"> <li>- Business interests</li> </ul>

<b>Consumers</b>	<ul style="list-style-type: none"> <li>- The Company's loyalty</li> <li>- Financial resources through the purchase of goods and services</li> </ul>	<ul style="list-style-type: none"> <li>- Quality of products / services, business interests</li> </ul>
<b>Financial institutions</b>	<ul style="list-style-type: none"> <li>- International grants • Concessional financing of projects • Credit lines • Allocation of funds</li> </ul>	<ul style="list-style-type: none"> <li>- Timely payment of the principal debt and remuneration, return on investment. Placement of free funds on deposit accounts, maintenance of special accounts, participation in the implementation of the Company's programs, environmental and social responsibility</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>- Efficiency of supply network and value chain</li> </ul>	<ul style="list-style-type: none"> <li>- Business interests</li> </ul>
<b>Population</b>	<ul style="list-style-type: none"> <li>- Support in place of business</li> </ul>	<ul style="list-style-type: none"> <li>- Employment opportunities, addressing social issues, transparency of the Company's activities, preservation of the environment</li> </ul>
<b>Mass media</b>	<ul style="list-style-type: none"> <li>- Effective cooperation</li> <li>- Supportive public opinion</li> </ul>	<ul style="list-style-type: none"> <li>- Publications and informing about the Company operations, business interests</li> </ul>

To improve interaction and build effective communications with stakeholders, the Company has created a list of activities on interaction for each group of stakeholders.

No.	The activity on provision of information to stakeholders	Stakeholders	Responsible structural units	Deadlines / frequency
1	2	3	4	5
1	Reporting (financial, non-financial) in accordance with the requirements of the Republic of Kazakhstan legislation, internal regulations of the Sole Shareholder or relevant requests	Shareholder, government agencies, financial institutions	Structural units according to competence	On a regular basis
2	Provision of reports / information about the Company as required by existing loan agreements	Financial institutions	T&CFD	On a regular basis
3	Holding of meetings, business correspondence with stakeholders	Shareholder, partners, consumers, government agencies, suppliers	Structural units according to competence	On a regular basis

4	Creation of the Company's Media Plan	Shareholder, SA, employees, trade union, partners, consumers, government agencies, financial institutions, suppliers, population, mass media	Press secretary	Quarterly
5	Publication of information on the Company's operations in mass media	Shareholder, SA, employees, trade union, partners, consumers, government agencies, financial institutions, suppliers, population	Press secretary	On a regular basis
6	Posting of relevant public information about the Company's operations on the Company's website / social networks (as it appears)	Shareholder, SA, employees, trade union, partners, consumers, government agencies, financial institutions, suppliers, population, mass media	Press secretary	On a regular basis
7	Informing stakeholders through participation of the Company's management as speakers / discussant at conferences, forums, etc.	Shareholder, SA, employees, partners, consumers, government agencies, financial institutions, suppliers, mass media	MDD, Press secretary, AOCB	On a regular basis
8	Conducting a survey of stakeholders to determine significant topics and aspects, and their disclosure in the annual report of the Company	Shareholder, SA, employees, partners, consumers, government agencies, financial institutions, suppliers, mass media	CG&SDD	Annually
9	Preparation and publication of the integrated annual report of the Company	Shareholder, SA, partners, consumers, government agencies, financial institutions, suppliers,	CG&SDD, structural units according to competence	Annually
10	Holding press conferences, providing press releases	Mass media	Press secretary	When necessary
11	Discussion of the progress of fulfilling the Development Strategy, Business Plan, Digital Transformation Program, implementation of investment projects, etc. at the meeting of the BOD	Shareholder	SP&EAD, DTO, PPMO	Quarterly
12	Participation in hearings held by "Samruk-Kazyna" JSC on the Company's operating results for the reporting period	Shareholder	SP&EAD, structural units according to competence	When necessary

13	Placement of relevant information on the internal corporate portal of the Company	Employees, SA	DTO	On a regular basis
14	Holding meetings with the team, representatives of SA, trade union, including meetings on annual results	Employees, SA, Trade union	HRD	When necessary
15	Creation of cultural corporate events for employees	Employees, SA	HRD, AD	Annually
16	Informing employees via e-mail, internal portal about vacancies, in-house competitions	Employees	HRD	On a regular basis
17	Conducting a survey of employees as part of the annual measurement of employee engagement rate	Employees	HRD	Annually
18	The Company's management visits to production sites of SA	SA	G&FD, RES&DD	When necessary
19	Conduct of SA hearings regarding operating results	SA, employees	G&FD, RES&DD, CG&SDD, SP&EAD.	Annually
20	Communicating performance targets, requirements for the development of IRD, and other information to the SA using email, telephone and through administrative office - on an ongoing basis	SA	G&FD, RES&DD	On a regular basis
21	Discussion about the progress of execution of Business Plan, implementation of investment projects, achievement of key performance indicators and other relevant issues at the meetings of the BOD/SB of SA	SA	G&FD, RES&DD	On a regular basis
22	Ensuring flawless operation and access to the complaint mechanism ("hot line") and other feedback channels of the Company	SA, employees, trade union, partners, consumers, financial institutions, suppliers, population, mass media	CS, CG&SDD, AOCB	On a regular basis
23	Providing feedback on requests and complaints received through all feedback channels	SA, employees, trade union, partners, consumers, financial institutions, suppliers, population, mass media	CS, Ombudsman, CG&SDD, AOCB	On a regular basis

24	Organization and holding of volunteer and charity events	Population	Youth Council, HRD, Press secretary	Annually
25	Participation in public hearings as part of implementation of investment projects in accordance with the current environmental legislation of the Republic of Kazakhstan	SA, population	SA, PPMO,HSEPD	When necessary

**Abbreviations used in the names of structural units:**

AOCB – Administrative Office of the Chairman of the Board

RES&DD – RES and Distribution Department

G&FD – Generation and Fuel Department

T&CFD – Treasury and Corporate Finance Department

CG&SDD – Corporate Governance and Sustainable Development Department

HSEPD – Health, Safety and Environmental Protection Department

SP&EAD – Strategic Planning and Economic Analysis Department

HRD – Human Resources Department

PPMO – Projects Portfolio Management Office

DTO - Digital Transformation Office

TH - Trade House