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Communication on progress for 2021 as part of UN Global Compact

“Samruk-Energy” JSC

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CONTENTS

“SAMRUK-ENERGY” JSC STATEMENT ON COMMITMENT TO THE PRINCIPLES OF THE UN GLOBAL COMPACT	4
ABOUT “SAMRUK-ENERGY” JSC GROUP OF COMPANIES.....	5
“SAMRUK-ENERGY” JSC ASSETS MAP.....	7
“SAMRUK-ENERGY” JSC PRINCIPLES.....	8
“SAMRUK-ENERGY” JSC VALUES.....	9
“SAMRUK-ENERGY” JSC GROUP’S BUSINESS PROFILE	10
“SAMRUK-ENERGY” JSC ACTIVITY IN THE FIELD OF SUSTAINABLE DEVELOPMENT.....	12
HUMAN RIGHTS.....	16
LABOR RELATIONS.....	20
ENVIRONMENT.....	24
ANTI-CORRUPTION.....	28

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“SAMRUK-ENERGY” JSC STATEMENT ON COMMITMENT TO THE PRINCIPLES OF THE UN GLOBAL COMPACT



“Samruk-Energy” JSC has joined the UN Global Compact from October 6, 2011

“Samruk-Energy” JSC recognizes the economic, social, and environmental responsibility of business and make voluntary commitments to responsible participation in the life of the Company's employees, the population in the regions where the Company operates and society by integrating the principles and goals of sustainable development, maintaining the optimal balance between the interests of stakeholders and the strategic objectives of the Company.

During the reporting period, “Samruk-Energy” JSC completed or launched very important projects that form the picture of the future energy sector.

In 2021, the Company updated “Samruk-Energy” JSC Group of Companies’ Development Strategy for 2022 - 2031. The company prioritizes ensuring the compliance of production activities with sustainable development principles, the consistency of their economic, environmental, and social goals for sustainable development and the creation of economic value in the long term.

Decarbonization of “Samruk-Energy” JSC economy, including increasing the share of electricity generation by RE facilities and HPP, implementing projects using renewable energy sources, enhancing support for clean technologies, ensuring environmental sustainability, including the search for and the introduction of the best technologies from an environmental and economic perspective: promoting the principles of gender equality, ensuring social stability, security, etc.¹ are “Samruk-Energy” JSC priority development areas.

This Communication on Progress in 2021 is a statement of continued support for the UN Global Compact and affirms the readiness of “Samruk-Energy” JSC to be guided by the ten principles of the Global Compact in the field of human rights, labor relations, environmental protection and anti-corruption in its business and demonstrates our efforts to merge these important principles into all aspects of the Company's operations

“Samruk-Energy” JSC intends to continue regularly inform all stakeholders about the Company's achievements in the field of sustainable development

**Chairman of the Management Board
Yessimkhanov Sungat Kuatovich**

ABOUT “SAMRUK-ENERGY” JSC GROUP OF COMPANIES

“Samruk-Energy” JSC is a holding company that manages energy assets, established to implement a long-term state policy on upgrading of existing and launching of new generating facilities. The company is a key element of the national power system of Kazakhstan and has a strategic importance in the country's economy.

The main activities of “Samruk-Energy” JSC are the management of energy assets in the Republic of Kazakhstan, as well as assistance in retrofitting of existing and construction of new generating capacities, the deployment of new technologies in the energy sector of the Republic of Kazakhstan.

The approval of the Development Strategy for 2022 – 2031 has become one of the significant events of “Samruk-Energy” JSC reporting period.

VISION

An efficient high-tech operating energy company with high social and environmental responsibility – the leader of Kazakhstan power industry

MISSION

To create shareholder value, meet the growing demand through reliable supplies of energy resources, high-tech development, while relying on the principles of sustainable development

STRATEGIC DIRECTIONS

- 1) Transition to “green” economy*
- 2) Ensuring reliable competitive supply of energy resources in the regions of operation*
- 3) Maximizing shareholder value*

KEY PRIORITIES

- 1) Sustainable development*
- 2) Responsible investment*
- 3) Effective and active portfolio management*

The Company plans to achieve its strategic goals through the lens of certain key priorities in sustainable development, responsible investments and effective and active portfolio management. Focus on priorities such as approaches to implementation of strategic goals will enable to use tools and mechanisms that address external and internal challenges and opportunities, as well as effectively use available resources.



	Sustainable Development	Responsible Investment	Effective Portfolio Management
Strategic goals	<i>Reduction of net carbon footprint</i>	1. Environmental responsibility 5. Decarbonation	2. R&D 3. Green financing 19. Entering new redistribution 4. Resource saving
	<i>Performance improvement</i>	6. Development of human resources 7. Social responsibility 15. Advanced HSE practices	11. Retrofit of equipment 12. Innovative development 8. Increase in sales of electricity in the domestic and foreign markets 9. Increase in coal sales by domestic and foreign markets 10. Improvement of operating performance of existing facilities 13. Digitization 14. Advancement of business processes
	<i>Increase value of net assets</i>	16. Improvement of financial sustainability 18. Corporate Governance	17. Implementation of investment projects 18. Corporate governance

"SAMRUK-ENERGY" JSC ASSETS MAP



"SAMRUK-ENERGY" JSC PRINCIPLES

PROFESSIONALISM



High professionalism of the Company's employees is a guarantee of its successful performance. Therefore, the Company strives to create all necessary conditions for comfortable work and unlock the potential of each employee, providing equal opportunities for personal and professional development. Each employee seeks to improve competence using the opportunities provided by the Company, as well as independently.

COMPLIANCE



Observance of rules allows us to remain a team of professionals united by common goals, a culture of behavior and traditions, and helps to maintain a good level of mutual understanding both within the Company and with business partners and customers.

SECURITY



We provide the world with energy and strive to do it safely.

RISK-BASED APPROACH



We recognize the importance of risk management as a key component of the corporate governance system and take all required actions aimed at the timely identification and mitigation of risks that may adversely affect the value and reputation of the Company.

SOCIAL RESPONSIBILITY



In our operations, we strive to protect the environment and respect the communities with which we interact. Our goals in the area of occupational health and safety and environmental protection, and general safety are the absence of accidents, harm to health and damage to the environment.

TRANSPARENCY



We are open to meetings, discussions and dialogue; we strive to build long-term cooperation with stakeholders, based on mutual interests, respect for rights and balance between the interests of the Company and stakeholders.

ҚУАТ/ҚҰАТ/ENERGY

ҚАМҚОРЛЫҚ»/ QAMQORLYQ/ MENTORSHIP



- We are always ready to help and support
- We act openly to build trust with colleagues and partners
- We are ready to mentorship, preserving and sharing experience

«УӘДЕГЕ БЕРІКТІК»/ ҰАДЕГЕ BERIKTIK/ RELIABILITY



- We are responsible for failure-free operation and quality work
- We are responsible for future generations and take care of the environment
- We are responsible for the widespread creation of safe, comfortable and competitive working conditions
- We are committed to our obligations

«АДАЛДЫҚ»/ADALDYQ/ JUSTICE



- We impartially assess a situation and act fairly at addressing any issues
- We apply equal requirements and provide equal opportunities
- We value opinions of others, providing the opportunity to speak and be heard

ТӘЖІРИБЕ/ТАЈІРІБЕ / EXPERTISE



- We treat assigned tasks with due diligence and enjoy our work
- We are professionals, we improve ourselves and achieve results
- We search for different views and apply miscellaneous methods

“SAMRUK-ENERGY” JSC GROUP OF COMPANIES’ BUSINESS PROFILE

Coal production

“Samruk-Energy” JSC produces circa 40% of coal from the total output across the Republic of Kazakhstan. Coal is supplied to power plants of the Republic of Kazakhstan and the Russian Federation, as well as public utility companies of the region.

The volume of coal production by “Samruk-Energy” JSC in 2021 was 44,6 mln. tons.

Generation

The group of companies generated 31,1% of the total electricity produced in the Republic of Kazakhstan. In 2021, the volume of electricity production by “Samruk-Energy” JSC amounted to 35 609,3 mln. kWh or 113,5% compared to 2020 figures.

Renewable energy sources

“Samruk-Energy” JSC comprises facilities generating electricity - Wind and Solar power plants.

The Company's share in the production of electricity using renewable energy sources in Kazakhstan is 7,8% of the total generation.

In 2021, renewable energy sources generated 325,3 mln. kWh.

Transmission, distribution

Electricity is mainly transmitted and distributed through main grids and grids of regional energy companies. The volume of electricity transmission in 2021 was 7 598,7 mln.kWh.

Wholesale

Generating companies of national importance and major consumers represent the wholesale electricity market. Electricity sales to customers in 2021 amounted to 34,6 bn. kWh. At the same time, the growth in the domestic market amounted to 16% compared to 2020.

Retail

Electricity sales in 2021 amounted to 6723,8 mln. kWh or a 11% increase compared to 2020.

Export

592 mln.kWh was exported to the Republic of Uzbekistan. Moreover, 9,8 mln.tons of coal was exported to the Russian Federation.



To learn more information about the Company operations, please visit: www.samruk-energy.kz.

“SAMRUK-ENERGY” JSC ACTIVITY IN THE FIELD OF SUSTAINABLE DEVELOPMENT

“Samruk-Energy” JSC, integrating the principles of sustainable development in its business, declares its commitment to the 17 Sustainable Development Goals. The company is aware that the environmental and social issues that reflect each of the SDGs are relevant and affect any organization.

“Samruk-Energy” JSC, in its operations, seeks to contribute to the achievement of the following UN sustainable development goals:

Goal 1: End poverty in all its forms everywhere

Goal 2: End hunger, achieve food security and improve nutrition, and promote sustainable agriculture.



According to data from UN, the number of people living in extreme poverty has declined globally, from 36% in 1990 to 10% in 2015, the crisis resulted in COVID-19 risks reducing to zero the decades of progress in the fight against poverty. “Samruk-Energy” JSC group of companies strives to preserve jobs and index wages (according to the results of 2021, indexation averaged 5%). In 2021, the average salary of employees in the Company’s group increased in relation to the same indicator by 14% .

The Company seeks to ensure uninterrupted power supply to all regions where it operates, including in remote areas and settlements, for the possibility of sustainable farm management by local population.

“Samruk-Energy” JSC, being a socially responsible company, strives to pay attention to the social well-being of the regions where subsidiaries are located. In An active cooperation with “SK-Trust” CF on the possibility of obtaining support and implementing charity programs in the regions of subsidiaries’ location has started in 2019.

In 2020, the Company worked on identifying relevant existing social issues. Following the works performed, applications for receiving social assistance were submitted to “SK-Trust” CF. In particular, because of active work with local executive bodies “Samruk-Energy” JSC subsidiaries (“APP” JSC, “Samruk-Green Energy” LLP, “Ekibastuz SDPP-1” LLP, “FWPP” LLP) identified a list of acute social issues in the regions where they operate, as well as a list of non-profit organizations that can initiate and implement projects to address these issues.

Every year the Company implements several social initiatives to help people with disabilities, the poor, retired employees, and patients suffering from cancer.



Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

The specific nature of power industry requires constant continuous training and reskilling for admission to work and maintaining a high level of expertise. “Samruk-Energy” JSC group of companies strives to constantly develop and train employees. Staff training and development is a key success factor in ensuring economical, trouble-free, and efficient operation of equipment and the company. “Samruk-Energy” JSC cooperates with

leading domestic universities, certification of personnel according to internationally recognized training programs remains one of the priority areas in training.

5 GENDER EQUALITY



10 REDUCED INEQUALITIES



Goal 5: Achieve gender equality and empower all women and girls.

Goal 10: Reduce inequality within and among countries.

Gender equality is a basic human right, a key pillar for peace, prosperity, and sustainable development. "Samruk-Energy" JSC supports 7 Principles for the Empowerment of Women developed as part of UN-Women partnership and the United Nations Global Compact. This document assumes a commitment to the principles of gender equality as a key element of sustainable development, as well as a conviction that companies that provide women and men with equal opportunities are more successful and achieve better results. To achieve this goal, the Company has adopted an Action Plan. Reducing inequality and ensuring that no one is left behind is an integral part of sustainable development goals accomplishment.

7 AFFORDABLE AND CLEAN ENERGY



Goal 7: Ensure access to affordable, reliable, sustainable, and modern energy for all.

The company makes every effort to ensure that energy becomes more sustainable and affordable, paying close attention to the development of "clean" energy (RES).

"Samruk-Energy" JSC energy producing organizations' electricity output in 2021 amounted to 35,6 bn. kWh. Electricity generation by "Samruk-Energy" JSC RE facilities (SPP, WPP, small HPP) in January-December 2021 amounted to 325,3 mln. kWh.

8 DECENT WORK AND ECONOMIC GROWTH



Goal 8: Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all.

"Samruk-Energy" JSC is one of major employers in the Republic of Kazakhstan. As of December 31, 2021, the headcount of "Samruk-Energy" JSC group of companies amounted to 16 826 people.

The share of full-time employees in the reporting period was 100%. The ratio of the minimum wage for women to the minimum wage for men is 100%

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation.

Inclusive and sustainable industrialization, along with innovation, play an essential role in deployment and promotion of new technologies, facilitating international trade and ensuring the efficient use of resources.

"Samruk-Energy" JSC implements several projects:

Project "Introduction of automatic load and frequency control"

Among other goals, the project aims to ensure energy security in the Republic of Kazakhstan. The project was implemented in 2021. This project enabled to increase the level of automation at stations such as "Ekibastuz GRES-1" LLP and "Moynak HPP" JSC and receive additional income from the electric capacity regulation service.

Project "Analysis of commercial losses using data analytics".

The project aims to reduce "AlatauZharykCompany" JSC grid losses to standard values, and to identify commercially-rated grid losses. It is expected to achieve this goal through data analytics of production systems.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Goal 16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels.

The Company adheres to high standards of business ethics, transparency, and legality, independent from business customs and other business practices in a particular jurisdiction.

17 PARTNERSHIPS FOR THE GOALS

Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development.



The Company, in its operations, is a member in the following national and international organizations, associations / organizations:



The CIS Electric Power Council (hereinafter – CIS EPC). Observer since 2012.

Membership in the CIS EPC allows participating in the processes of integration of the CIS member states' energy systems, including ensuring collective energy security; Provision of parallel operation of power systems; Creation of a common electric power market, involvement in preparation of international agreements in

power sector; Technical regulations, unification and harmonization of laws and regulations in power industry, etc.



Kazakhstan Electricity Association (hereinafter – KEA). Membership since 2011. Membership in KEA allows exchanging information and participation in development of a regulatory legal framework in power sector, as well as conferences, seminars and other events.



KAZENERGY Association. Member of the Association since 2009. Membership in KAZENERGY Association allows participating in government initiatives and activities aimed at improving the RK investment climate, in developing and implementing measures to increase production and scientific and technical potential; as well as the Company may receive assistance in legal, economic, organizational

and management matters.



The National Chamber of Entrepreneurs of the Republic of Kazakhstan (hereinafter referred to as

the RK NCE). Membership in the RK NCE since 2013. Membership in the RK NCE helps to strengthen ties with business environment, effective development of electricity business, including as part of improvement of RK regulatory framework.



UN Global Compact.

Membership since 2011. In the context of joining the UN Global Compact, the Company declares its commitment to following the ten principles of the Global Compact in its strategy and day-to-day operations.

In 2021, the company will continue to integrate the principles of sustainable development into its operations through the implementation of sustainable development initiatives in the following areas:

Ethics

Introduction of high ethical standards and building a corporate culture based on trust

SD principles introduction

implementation of sustainable development principles and application of a risk-based approach to the practice of project management at all investment stages: assessment and management of impacts on the social, environmental, and economic fields (involuntary resettlement, biodiversity, cultural heritage, etc.)

The report on the implementation of the Sustainable Development Initiatives Plan is posted on the corporate website of the Company: <https://www.samruk-energy.kz/ru/sustainability> "



Finance

Financial stability improvement

Responsible procurements

promoting responsible procurement based on the principles of fair and free competition, mutual benefit, transparency, and full accountability for the obligations assumed, as well as setting requirements for suppliers to comply with ethical standards and the Company's Supplier Guidelines,

Safety

improving safety culture through involvement of employees in occupational safety management system and enhancing control over occupational safety management system using international standards

Social responsibility

increasing the level of social responsibility, adhering to the principles of the UN Global Compact, investing in human resources

Environmental sustainability

Secure environmental sustainability, including the search and implementation of best technologies from an environmental and economic perspective, streamlining of production processes, implementation of projects using renewable energy sources, identification, and prevention of potential emergencies.

IMPLEMENTATION OF UN GLOBAL COMPACT PRINCIPLES

Human rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights;

Principle 2: Make sure that they are not complicit in human rights abuses.

“Samruk-Energy” JSC is guided by the current legislation of the Republic of Kazakhstan in the field of human rights protection. Guided in its operations by the Constitution of the Republic of Kazakhstan, the Company recognizes, guarantees and ensures the observance of human rights and freedoms. “Samruk-Energy” JSC does not tolerate actions that violate human rights or that may indirectly cause such violations.

“Samruk-Energy” JSC also recognizes the importance and value of the fundamental human rights and freedoms proclaimed by the UN, the Universal Declaration of Human Rights of 1948, the International Covenant on Civil and Political Rights of 1966 and the International Covenant on Economic, Social and Cultural Rights of 1966, including freedom of association, recognition of the right to collective bargaining, labor rights, the right to a healthy environment, health protection.

The principles of human rights observance are reflected in the Code of Conduct of “Samruk-Energy” JSC, which sets high professional and ethical standards that activities of “Samruk-Energy” JSC employees must comply with, regardless of their position. Human rights are secured by the standards of equal employment and work conditions enshrined in the Code of Conduct, the prohibition of discrimination and harassment. Compliance with the norms and provisions of the Code is obligatory for all employees of the Company, members of the Board of Directors, Management Board and third parties who work with us.

Follow this link to learn more about the Code of Conduct: https://www.samruk-energy.kz/ru/corporate-governance/corporate_documents#2.

The purpose of the Code is that corporate life and business relations of “Samruk-Energy” JSC with all stakeholders are characterized by common values.

Therefore, as part of its interaction with its suppliers and contractors, the Company requires compliance with labor laws, including compliance with health and safety requirements. Relevant requirements are included in standard agreements across “Samruk-Energy” JSC group.

Adherence to the corporate values of “Samruk-Energy” JSC, reflected in the Code of Conduct, contributes to the achievement of strategic goals and the fulfillment of the Company's mission.

The Company has a Personnel Policy for 2018 - 2028, according to which “Samruk-Energy” JSC provides equal rights when gaining access to training and development programs, career advancement and employment opportunities at the enterprises of the Company group.

The Company has a policy of providing all its employees with the best job prospects. Therefore, the Company provides equal opportunities to everyone who works for the Company to develop their professional abilities and improve their skills. The company has established a fair recruitment and promotion process, cultivating professionals with diverse backgrounds and talents.

“Samruk-Energy” JSC personnel policy is available on the Company's website at the link: <https://www.samruk-energy.kz/ru/navigation-and-support/sustainabledevelopment#tab18>

One of the main documents in the Company is the Sustainable Development Guidelines, which govern the provision of fundamental human rights and freedoms. The document outlines the Company's position on supporting internationally proclaimed human rights not only within the Company's activities, but also in relation to third parties with whom “Samruk-Energy” JSC works.

As a Company adhering to high standards of ethical behavior, responsible for ensuring that any areas of its activity do not contribute directly or indirectly to the violation of human rights, to strengthen relationships with Suppliers, the Company has developed guidelines for Suppliers. The Supplier Guidelines are based on the belief that corporate social responsibility is fundamental to long-term commercial success and must be reflected in the relationships and actions we take in the marketplace, workplace, and community.

The Sustainable Development Guidelines is available on the Company's website at the link: <https://www.samruk-energy.kz/ru/navigation-and-support/sustainabledevelopment#tab18>

To protect the rights of employees, the Company has an Ombudsman. **Ombudsman is an independent party**, the principles of which are independence, neutrality, impartiality, and confidentiality. He contributes to the establishment and development of corporate values and culture, high standards of professional conduct and business ethics at the Company.

You may learn more about the Ombudsman's activity using the link below: <https://www.samruk-energy.kz/ru/corporate-governance/ombudsman>

The Annual measurement of indicators of social stability and employee engagement allows taking timely measures to increase the loyalty and trust of employees, social well-being, and employee engagement, improve working conditions and processes related to the work of personnel, develop communication systems, and inform about any changes. The company strives to dynamically improve all indicators of these studies based on the results of the analysis of social indicators and employee surveys.

According to the results of the study, for 2021, the “Social Stability Index” across “Samruk-Energy” JSC group was 76% and is in a favorable zone.

The indicator of the index of involvement of administrative and executive staff across “Samruk-Energy” JSC group for 2021 amounted to 83% and it has not changed in comparison with 2020. Conciliation committees are established and operate at “Samruk-Energy” JSC group of companies, consisting of representatives from the employer and representatives of trade union workers, whose main job responsibility is raising awareness among staff, dealing with complaints and appeals procedures

It is essential for the Company that all stakeholders, both external and internal, are heard. The Company values its reputation and insists on the observance of the highest standards of ethics and integrity and all legal norms by its employees and stakeholders.

To protect human rights and measures to prevent unlawful actions, “Samruk-Energy” JSC has Feedback **tools for stakeholders, guaranteeing protection from retaliation and prosecution of anyone who leaves a message in good faith.**

For all incoming requests to the Company, response measures were taken to deal with emerging issues. The confidentiality and anonymity of requests was maintained.

The results of monitoring the incoming requests from stakeholders were communicated to the Board of Directors of the Company, recommendations were developed and measures to improve the quality of stakeholder engagement were secured.

“Samruk-Energy” JSC informs its employees on the protection of human rights, and also provides employees with transparent information about the ongoing activities to comply with human rights.

At year-end 2021, the cases of:

- ✓ HARRASMENT
- ✓ VIOLATIONS OF HUMAN RIGHTS AND FREEDOMS



Were not reported



Hot line

- Intended for all stakeholders. The line is serviced by an external independent operator with the guarantee of maintaining anonymity and confidentiality.
- By e-mail: mail@sk-hotline.kz
- Call 8 800 080 47 47
- On the website: www.sk-hotline.kz



Feedback form on the corporate website for all stakeholders

<https://www.samruk-energy.kz/ru/navigation-and-support/feedback-all>



Feedback for shareholders and investors. Investor questionnaire

<https://www.samruk-energy.kz/ru/shareholders-and-investors/feedback-for-shareholders-and-investors>



Feedback form for the category of persons who are related to ongoing investment projects, where local communities, contractor employees, or persons related to the project can express their opinion

<https://www.samruk-energy.kz/ru/navigation-and-support/feedback-all/feedback-other>



Blog of the Chairman of the Management Board

<https://www.samruk-energy.kz/ru/navigation-and-support/chairmans-blog>



Inquiries on emerging issues with specifying contact information on the site

<https://www.samruk-energy.kz/ru/company/contact>

LABOR RELATIONS

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: Business should eliminate all forms of forced and compulsory labour;

Principle 5: Businesses should stand for full abolition of child labour; and

Principle 6: Businesses should advocate elimination of discrimination in respect of employment and occupation.

“Samruk-Energy” JSC strives to ensure that our operations contribute to implementation of national programs of socio-economic development, reduce poverty and support socially vulnerable groups of population, create new jobs, including for persons with disabilities, improve working conditions, protecting workers' rights, developing human potential, ensuring gender equality, and protecting the rights of mothers and children.

“Samruk-Energy” JSC complies with the standards of international conventions and treaties ratified by Kazakhstan, as well as the recommendations of the International Labor Organization.

“Samruk-Energy” JSC is one of the largest employers in the Republic of Kazakhstan. As of December 31, 2021, the headcount of the Company was 16 826 people.

The personnel structure of “Samruk-Energy” JSC has remained stable over the past years.

As required by the Republic of Kazakhstan legislation on employment, the enterprises of the Company’s group assume obligations on the employment of disabled people, persons registered with the probation service and released from detention facilities.

So, as of December 31, 2020, 190 employees with disabilities were employed.

“Samruk-Energy” JSC personnel policy is based on strict adherence to the requirements of the Labor Code of the Republic of Kazakhstan, which complies with the basic provisions of the International Labor Organization. “Samruk-Energy” JSC group of companies supports freedom of association and recognizes the rights of employees to conclude collective agreements.

There are collective agreements at all entities of “Samruk-Energy” JSC group of companies, which represent the tool enabling to strengthen labor relations in a civilized manner, achieve gradual improvement in labor productivity and conditions, establish additional social guarantee and employee benefits (100% coverage). Collective-contractual mechanism of the Company is improved on a yearly basis. Trade unions of “Samruk-Energy” JSC group addresses tasks such as timely response to the needs of employees, maintaining a balance of interests of parties to social partnership etc.

“Samruk-Energy” JSC signed the Collective Agreement for 2020-2022.

The collective agreement regulates social and labor relations between the employer and the employees of the company for the next three years.

The new edition of the Collective Agreement 2020-2022 was supplemented by paragraphs regulating the activities of the Conciliation Commission, its responsibilities and authorities. In addition, the size of the monthly allowance for temporary disability of an employee has been increased - up to thirty times the MCI.

This document is one of the best in the country as it was nominated for the republican contest "Paryz" in 2015.

In accordance with the Collective Agreement, "Samruk-Energy" JSC group of companies provides: overtime pay, pay for work during holidays and weekends, at night, allowances and surcharges, pay for workers engaged in heavy work, work with harmful (especially harmful), hazardous working conditions, additional paid annual leave, financial aid in connection with the birth of a child, financial assistance for burial and a one-time incentive in connection with the anniversary of employees (50, 60 and 70 years). According to the Collective Agreement, upon termination of an employment contract, employees are paid a compensation payment of 3 wages in connection with retirement.

"Samruk-Energy" JSC group of companies respects the religious beliefs and political preferences of its employees, if they do not conflict with the current legislation of the Republic of Kazakhstan. In addition, "Samruk-Energy" JSC does not interfere with the participation of its employees in political, religious and social activities as private individuals and during non-working hours.

"Samruk-Energy" JSC group does not use child labor, the age of employees is not younger than 18 years. If available, job openings are regularly posted on the Company's website to ensure equal access to employment for all qualified candidates.

When hiring employees, there is no discrimination based on gender, age, nationality, or any other grounds that infringe on the human right to work.

Actions to maintain stability among staff, prevent protest moods, address labor disputes and timely provide information and awareness-raising activities on labor organization and labor relations are taken in line with the Corrective Action Plan for the Social Stability and Personnel Engagement Index at the group of companies. The plan includes measures aimed at improvement of pay and labor motivation, staff training and development, policies for young employees, housing policy, occupational health and safety, as well as control measures. Executives and employees actively exchange feedbacks, and the Company regularly receives individual members of the public to address their personal matters.

To regulate and protect the professional, economic and social and labor rights and professional interests of employees, the Company has 12 trade union organizations with 14 987 members. Ensuring social protection, rights and interests of employees is the main concern and responsibility of trade union organizations, which are authorized representatives of employees in social partnership. The trade union organization of the Company plays vital role in the development of proposals on laws and regulations that deal with social and labor rights of employees, as well as on issues of socio-economic policy, creation of social programs and other issues in the interests of trade union members, takes part in the implementation of measures on

social protection of workers of trade union members released as a result of reorganization or dissolution of a company, involves in the settlement of collective labor disputes. The trade union of the Company helps to reduce tensions when carrying out the approved activities on streamlining the Company's business, protects the interests of employees - members of the trade union of the Company, in terms of compliance with labor legislation, established social guarantees and compliance with the provisions of the contract.

Along with the trade union organizations, permanent Conciliation Committees have been established for settlement of social and labor relations at "Samruk-Energy" JSC group of companies.

The Company and its subsidiaries and affiliates advocate an abolition of forced and child labors. The Company does not have any activity related to these kinds of labors.

The Company does not discriminate against its employees and adheres to an equal approach in obtaining access to training and development programs, in career progression and employment at the enterprises of "Samruk-Energy" JSC group of companies.

In 2021, the Company did not have a single incident related to discrimination of employees, forced labor and the use of child labor.

At year-end 2021, the cases of :

- ✓ FORCED LABOR
- ✓ DISCRIMINATION
- ✓ THE USE OF CHILD LABOR



*WERE NOT
REPORTED*



ENVIRONMENT

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: Business should undertake initiatives to promote greater environmental responsibility; and

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.

Global trends towards transition to a "green economy", the growing ESG requirements of stakeholders simultaneously pose both challenges to the Company and the opportunity to be a key responsible link in the electricity market on the way to transition to a low-carbon economy. As such, the Company strives to contribute to national economy, contributing to the development of renewable energy sources, the maximum reduction of emissions into atmosphere and the improvement of the ecosystem.

"Samruk-Energy" JSC has developed a draft Energy Transition Program of the Company (the Program), which involves the achievement of carbon neutrality by 2060.

Being aware of the importance of power industry impact on the environment, "Samruk-Energy" JSC supports the government's efforts in achieving carbon neutrality and today it has tasked itself with maintaining the share of conventional generation, retrofit of existing plants and reducing environmental footprint by implementing RE projects, introducing the best available technologies, as well as the development of alternative energy. The Program cannot be developed without deployment of large-scale scientific research in advanced technologies, greenhouse gas absorption by ecosystems and data verification.

The Program's implementation requires expanding the competences of concerned ministries and the expert community in coordinating and substantiating decisions in environmental policy of the state, which are of a long-term nature.

To manage the environmental aspect, the Company has created an environmental management system (EMS), which is an integral part of the corporate governance system and an essential part of non-financial risk management system. The EMS in the Company is constantly assessed for compliance with the best international practices with the involvement of independent international consultants and is improved over time. All entities of the Company, which are engaged in production activities, have implemented the ISO 14001 "Environmental Management" standard.

As actions aimed at preventing damage to environment, the efficiency of production processes is regularly assessed through production environmental control. Control is based on measuring and calculating the level of emissions into the environment, harmful production factors. Industrial monitoring of the environment is conducted with the involvement of independent laboratories, accredited in accordance with the procedure established by the

Republic of Kazakhstan legislation in the area of technical regulation. Air, surface and underground waters, soils are items of industrial monitoring.

Furthermore, all production facilities of “Samruk-Energy” JSC group of companies, in accordance with the requirements of the legislation, provide for the availability of compulsory environmental insurance, insurance and liquidation funds.

The company makes management and investment decisions based on multiple-path development scenarios at all stages of the product life cycle, taking into account the views of all stakeholders, as well as the following environmental priorities:

1) priority of preventive measures over measures on elimination of negative environmental impacts;

2) the priority of deployment of best available technologies in comparison with measures aimed at reducing environmental damage from equipment operation.

Special attention is paid to new technologies: the development of renewable energy sources, oil-free start-up and other energy-efficient technologies that are offered by experts in the course of regular environmental and energy audits. Considering that national experts forecast that coal will retain the role of the main most reliable strategic fuel in the foreseeable future that ensures the development of power industry in Kazakhstan, we support the development of coal chemistry and complex deep processing of coal. For this purpose, the Company established a scientific laboratory for “Clean Coal Technologies” in conjunction with “Nazarbayev University” JSC.

Samruk-Energy Group of Companies exerts reasonable efforts that contribute to improvement of energy efficiency. The priority measures in this matter are the improvement and retrofit of outdated electrical equipment, increasing efficiency in the production, transportation and distribution of electricity and heat.

In 2021, the Company continued to work on implementing sustainable development initiatives, which included, among other things, environmental initiatives: Energy efficiency, Efficient use of materials, energy and water, Compliance with environmental obligations: reduction of greenhouse gas emissions, reduction of significant pollutants in the atmosphere, general expenses and investments in environmental protection.

The implementation of a comprehensive environmental protection program in 2021 resulted in the following achievements:

1) The share of “clean” electricity generation by RES and HPP - 7,8 % of the total output of “Samruk-Energy” JSC group of companies;

2) Unit emission of pollutants into the air across “Samruk-Energy” JSC group of companies decreased by 4% compared to the 2020 figure;

3) Unit NO_x emissions decreased by 3%, SO₂ emissions decreased by 2%, unit CO emissions - by 8%.

4) There are no emergency situations that caused damage to the environment.

The total expenditures and investments in environmental protection across “Samruk-Energy” JSC group of companies in 2021 amounted to circa 9 bn. tenge.

The funds were used for air basin protection; efficient use of water resources; protection of land resources; landscaping of the sanitary protection zone of the territory; waste management; research and development and environmental education.

According to the results of chemical monitoring of natural environments, no facts of exceeding the maximum permissible values in water, soil, and atmospheric air were reported. The impact on the environment is within acceptable limits.

The implementation of a comprehensive environmental protection measures programs contributed to reduction in unit emission of pollutants per unit of products produced across the Group of Companies.

To reduce the Company's carbon footprint, the Energy Transition Program is being developed, which includes:

1. Establishment of a competence center for Implementation of the Energy Transition Program;

2. Diagnostics of the Company's current standing;

3. Preparation of analytical reviews (all types of new technologies in power industry);

4. Study of international experience (benchmarking);

5. Study of alternative energy sources (atomic, geothermal, hydrogen);

6. Cooperation with research institutes and universities, conclusion of memorandums of cooperation, etc.;

7. Study the matter related to introduction of software products in sustainable development;

8. Implementation of projects (current and prospective) - gasification, development of renewable energy sources;

9. Obtaining an international rating in sustainable development.

As part of introduction of the new Environmental Code, the processes of control over emissions across "Samruk-Energy" JSC group of companies are improved constantly, equipment is upgraded. "Samruk-Energy" JSC key development areas in the environmental protection for the coming years:

- 1) decarbonization of the economy of "Samruk-Energy" JSC, including an increase in the share of electricity generation by renewable energy sources and hydroelectric power plants, implementation of projects using renewable energy sources, activation of support for clean technologies, gasification of coal departments of Almaty city power complex;

- 2) ensuring environmental sustainability, including the search and implementation of best technologies from an environmental and economic perspective: installation of automated monitoring systems at emission sources at 1st category enterprises, installation of dust collection systems at SDPP facilities, retrofit and renewal of equipment, maintenance of optimal operating modes, identification and prevention of potential emergencies, etc. ;

- 3) reduction of impacts in the field of water resources protection, incl. a decrease in the consumption of fresh water, an increase in the share of repeatedly and reused water, a decrease in the volume of wastewater discharge and the concentration of harmful substances in wastewater;

4) reducing the impact on flora and fauna by improving the activities provided by the environmental impact assessment;

5) improvement of measures in the field of large-tonnage waste and consumption waste management;

6) implementation of energy conservation and energy efficiency program;

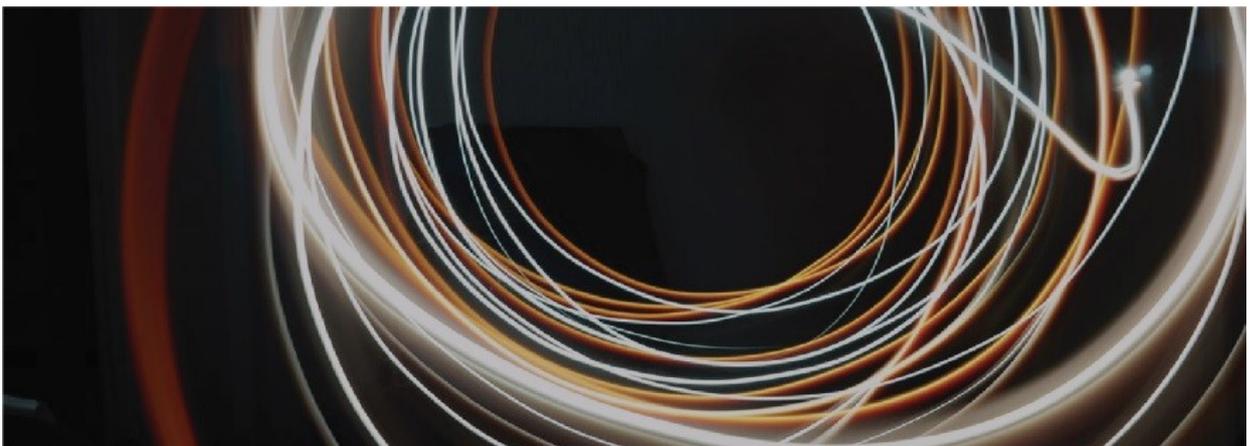
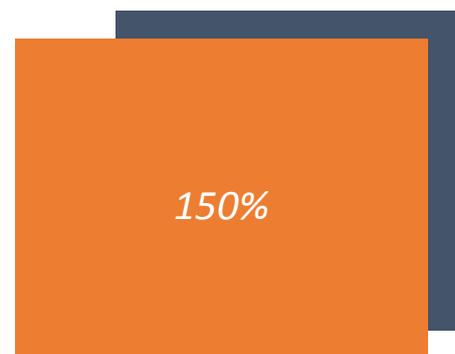
7) improvement of the environmental management system.

The Company plans to be committed to "green" economy principles and work on implementation of measures and indicators of the Concept for the Republic of Kazakhstan transition to a "green economy".

"Samruk-Energy" JSC intends to reduce the negative impact on the environment by upgrading equipment, using up-to-date technologies in the implementation of new investment projects. An integrated approach is planned to be taken, which includes the promotion of a culture of environmental friendliness, obtaining international ratings in the field of ESG, as well as the use of digital technologies to monitor environmental impact. Taking into account priorities for development of Kazakhstani power industry, the Company will make every effort to develop and apply clean coal and other best available technologies, as well as technologies for capturing emissions.

At year-end 2021:

- ✓ Activities planned as part of environmental protection were implemented



ANTI-CORRUPTION

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

“Samruk-Energy” JSC group of companies fights corruption in all its forms, while improving the compliance system.

Using recommendations of the regulatory authorities and researching the best international practices in the development of corporate anti-corruption compliance programs, the Company has established its approach based on the following principles:

- Active involvement and support from management in the development of the compliance system. The Company’s Board of Directors regularly reviews reports on the implementation of compliance program.

- The Company regularly takes actions aimed at identifying and then updating corruption risks.

- The Company develops and implements anti-corruption procedures that meet the level and nature of identified risks, improves and updates internal policies and procedures.

- The Company implements and maintains a training program for employees based on the principles and standards of compliance with anti-corruption legislation.

- The Company monitors the effectiveness of implemented procedures to prevent corruption.

- To minimize the risk of the Company's involvement in corruption activities, the Company has developed due diligence procedures both in relation to counterparties and in relation to individuals.

- Corruption risks in business processes are regularly assessed at the Company.

In order to extend the provisions of the Code of Conduct to business partners, suppliers and other third parties who work with the Company, the provisions of "Anti-corruption clauses" are included in standard business contracts.

To establish an anti-corruption culture and zero tolerance for any forms of bribery and corruption for Samruk-Energy Group employees, training events are conducted regularly to clarify the requirements, adopted compliance policies and anti-corruption legislation.

Corruption risks across the company’s group were evaluated in 2021. The Board of Directors approved an action plan for elimination and reduction of corruption risks. At year-end 2021, all activities have been completed on time and in full.

The Company has an Anti-Fraud and Corruption Policy. The document was developed to create a uniform understanding among employees, as well as other persons about “Samruk-Energy” JSC zero tolerance to fraudulent and corrupt actions in any form as well as minimizing the risk of fraud and involving “Samruk-Energy” JSC in corruption activities.

In 2021, all employees of “Samruk-Energy” JSC Group were 100% familiarized with the requirements of the Code of Conduct, the Anti-Fraud and Corruption Policy, and employees were tested.

Introduction of compliance officers’ job in the structure of “Samruk-Energy” JSC SA is one of the important events in 2021 as part of activities aimed at fighting corruption. Thus, compliance officers were introduced in at all SA during 2021, who conducted more than 50 targeted training events involving awareness-raising activities about changes in anti-corruption legislation, tax declaration, regarding the procedure for the hotline at all enterprises.

As such, “Samruk-Energy” JSC confirms its commitment to the principle of fighting all forms of corruption, including extortion and bribery.

According to the results of 2021, one corruption case was reported across “Samruk-Energy” JSC group of companies.

At year-end 2021:

The level of knowledge of the Code of Conduct and the Anti-Fraud and Corruption Policy is





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