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**Directors**

**Approved  
By decision of the Board of**

**JSC NC QazaqGaz  
Minutes No. 12/23  
dated August 25, 2023.**

**POLITICS  
IN THE FIELD OF SUSTAINABLE DEVELOPMENT  
NK "QAZAQGAZ" JSC  
POLICY IN THE AREA OF SUSTAINABLE DEVELOPMENT  
POLICY SUSTAINABLE DEVELOPMENT**

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|  <b>QAZAQGAZ</b><br>НАЦИОНАЛЬНАЯ КОМПАНИЯ | JOINT STOCK COMPANY "NC "QazaqGaz" JOINT STOCK COMPANY<br>Integrated management system |               |
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**г. Astana 2023**

## **Preface**

**Introduced: for the first time.**

**Revision date: 2028.**

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## 1. Purpose and scope of application

1.1. This Policy in the field of sustainable development of JSC "NC "QazaqGaz" (hereinafter - the Policy) is a fundamental document, which is intended to express the position, as well as to formalize unified approaches of the Company to activities in the field of sustainable development, including:

- setting goals and objectives of NC QazaqGaz JSC (hereinafter - the Company) in the field of sustainable development;
- systematization of general business principles that should be the basis for assessing the Company's sustainability performance;
- Proclaiming commitment to the main international principles and standards in the field of sustainable development;
- determining the main areas of the Company's activities in the field of sustainable development;
- Establishing the basic principles of sustainability reporting.

1.2. The Policy is developed in accordance with the requirements of Kazakhstani legislation, applicable international law, requirements of Kazakhstani and international standards in the field of sustainable development.

1.3. This Policy shall be binding on employees of the Company's structural subdivisions.

1.4. The application of this Policy by the Company's subsidiaries and affiliated organizations shall be carried out in accordance with the established procedure by developing and approving similar Policies or bringing the internal documents of the organizations into compliance with this Policy.

1.5. This Policy shall be posted on the Company's corporate website.

1.6. Ordering, local regulatory and other internal documents shall not contradict this Policy.

## 2. Regulatory References

- Universal Declaration of Human Rights: adopted by UN General Assembly resolution 217 A (III) of 10.12.1948;

NO. 400-VI ZRC      Environmental Code of the Republic of Kazakhstan;  
January 2, 2021


№ 160-I              Law of the Republic of Kazakhstan "On Environmental Protection";  
dated 15.07.1997

No.     410-V        of    Law of the Republic of Kazakhstan "On Combating Corruption";  
November 18, 2015

No. 414-V    ZRC    of    Labor Code of the Republic of Kazakhstan;  
November 23, 2015

No. 415-II of May 13,    Law of the Republic of Kazakhstan "On Joint Stock Companies";  
2003

Sustainable Development Goals / United Nations : Transforming our world : the 2030 Agenda for Sustainable Development General Assembly Resolution September 25, 2015;

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Global Reporting Initiative™ (GRI) Sustainability Reporting Standards - Sustainability Reporting Standards developed by the international organization Global Reporting Initiative, 2016;


Global Compact/UN: formally adopted at United Nations Headquarters in New York in July 2000.

### 3. Terms and definitions

3.1. This Policy applies the terms and their respective definitions in accordance with Table 1.

Table 1: Terms and definitions

| Terms   | Definitions  |
|---|--|
| <b>Stakeholder engagement</b>   | Procedures and processes implemented in the Company to involve stakeholders in its activities and take into account their interests in its implementation.   |
| <b>Business ethics</b>  | The Company's activities aimed at increasing its shareholder value by improving the economic efficiency of its operations, developing its personnel and maintaining stable labor collectives, ensuring a high level of safety of its operations for the Company's employees, contractors, population and the environment, and contributing to the socio-economic development of the regions of operation                           |
| <b>The Company's activities in the field of sustainable development</b> | Performing work under the threat of some kind of punishment (violent influence).   |
| <b>Stakeholders</b>   | Partners and counterparties of the Company, sectoral and republican business communities, non-profit and public organizations, educational institutions, as well as the Company's employees, population and other persons interested in interaction with the Company or dependent to a greater or lesser extent on the Company's activities in the regions where it operates, except for state authorities and government bodies.  |
| <b>Guideline</b>  | The range of officers and other persons who perform senior management functions. Management is responsible for the overall compliance of the Company Group with this Policy.   |
| <b>Environment</b>  | A set of components of the natural environment, natural and natural-anthropogenic objects, as well as anthropogenic objects.<br>Components of the natural environment - land, subsoil, soils, surface and underground water, atmospheric air, flora, fauna and other organisms, as well as the ozone layer of the atmosphere and near-Earth space, which together provide favorable conditions for the existence of life on Earth. |
| <b>Sustainability reporting (non-financial reporting)</b>               | Informational reflection of the Company's activities in the field of sustainable development by issuing systematic reports on the range of issues in the field of sustainable development and other issues that attract the attention of stakeholders.   |
| <b>Prevention of emergencies</b>  | A set of measures carried out in advance and aimed at minimizing the risk of emergencies as much as possible, as well as at preserving human health, reducing environmental damage and material losses in case of their occurrence.  |
| <b>Regions of the Company's presence</b>                                | Administrative and territorial units in which the Company operates or plans to operate.  |

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| <b>Sustainable development</b> | The development of a society that meets the needs of the present without jeopardizing the ability of future generations to meet their needs.  |
| <b>Emergency situation</b>     | A situation on a certain territory resulting from an accident, natural hazard, catastrophe, natural or other disaster, which may or has resulted in human casualties, damage to human health or the natural environment, as well as significant material losses and disruption of people's livelihoods. |

#### 4. Abbreviations and notations

4.1. The following designations and abbreviations are used in this Policy in accordance with Table 2.

Table 2. Abbreviations and notations

| No. n/a | Designations and abbreviations   | Explanation of the abbreviations and notations given  |
|---------|----------------------------------|---|
| 1.      | AO                               | Joint Stock Company   |
| 2.      | Society                          | Joint Stock Company "NC "QazaqGaz" Joint Stock Company  |
| 3.      | NK                               | National Company.   |
| 4.      | DC&SD                            | Strategy and Sustainable Development Department   |
| 5.      | GRI Standards                    | Global Reporting Initiative TM (GRI) Sustainability Reporting Standards - Sustainability Reporting Standards developed by the international organization Global Reporting Initiative.   |
| 6.      | ISO standard                     | A document that establishes the requirements, specifications, guidelines or characteristics under which materials, products, processes and services that are suitable for these purposes may be used.   |
| 7.      | EMERGENCY                        | Emergency.  |
| 8.      | ESG                              | E - environment (responsible attitude towards the environment)<br>S - social (high social responsibility);<br>G - governance (high quality of corporate governance).  |
| 9.      | UN Sustainable Development Goals | Goals adopted as part of the 2030 Agenda for Sustainable Development by the UN General Assembly, aiming to conserve the planet's resources and ensure well-being for all, and containing a set of indicators to be achieved globally within 15 years. |
| 10.     | ISM SWAP                         | Responsible structural subdivision, whose functions include IMS   |

#### 5. Responsibility and authority

5.1. The Company's Board of Directors and Management Board shall be responsible for providing all necessary resources to implement this Policy.

5.2. Management assumes responsibility for the implementation of this Policy.

5.3. Managers and employees of the Company's Group of Companies are responsible for fulfillment of their duties to comply with the principles of sustainable development.

5.4. Responsibility for the development of this Policy in accordance with the requirements of documented procedure DP-01 "General requirements for the content, presentation and execution of the Company's internal regulatory documents" shall be borne by the Chief Manager of DS&SD.

5.5. The Director of DC&SD shall be responsible for administering this Policy in accordance with the requirements of documented procedure DP-02, Records Management.

5.6. Responsibility for fulfillment of the requirements of this Policy shall be assigned to the Company's officers and employees.

5.7. Responsibility for the administration of this Policy in accordance with the requirements of documented procedure DP-02 "Records Management" shall be the responsibility of the IMS SWPPP.

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5.8. The Company's obligations expressed in this Policy shall apply to the Company, contracting organizations and shall be included in the system of the Company's business relations with partners.

## **6. Main part**

### **6.1 Goals of the Company's activities in the field of sustainable development**

6.1.1 Priority objectives of NC "QazaqGaz" JSC in the field of sustainable development are:

- 1) integration of sustainable development principles into key business processes, operations and decision-making processes;
- 2) ensuring efficient use of resources and energy security of the Republic of Kazakhstan;
- 3) making a positive contribution to the socio-economic development of the country;
- 4) compliance with high standards of environmental and industrial safety, corporate governance and social responsibility, as well as requirements for protection against natural and man-made threats.

### **6.2 The Company's objectives in the field of sustainable development**

6.2.1 The company and its subsidiaries and affiliated organizations intend to promote the transition to a more sustainable economy from an environmental, social, and economic point of view and adhere to the principles of sustainable development while balancing the interests of all stakeholders.

6.2.2 The main objectives of sustainable development activities are:

- 1) preserving and increasing the Company's shareholder value and maintaining high standards in management;
- 2) Creation of an effective and transparent system of stakeholder engagement;
- 3) promoting professional and personal growth of the Company's employees;
- 4) Contributing to the growth of socio-economic development of the regions where the Company operates and the country as a whole;
- 5) efficient and rational use of natural resources.

### **6.3 Main principles of sustainable development activities of the Company and its subsidiaries and affiliated organizations**

6.3.1 Compliance with the requirements of the legislation of the Republic of Kazakhstan and norms of international law and international agreements, including fulfillment of all assumed obligations set out in internal documents, as well as obligations given to stakeholders.


6.3.2 The company adheres to the principles of the UN Global Compact and the Universal Declaration of Human Rights and strives to meet the requirements in the field of sustainable development.

6.3.3 In accordance with the Universal Declaration of Human Rights, the Company shall strive to prevent any form of human rights violations.

6.3.4 Implementation of sustainable development principles in the Company's daily activities is carried out through their inclusion in the Development Strategy of the Company and its subsidiaries and affiliated organizations and is taken into account in the development and implementation of all business processes of the Company.

6.3.5 Stakeholder interests and expectations are taken into account on a regular basis by identifying and analyzing stakeholder interests and expectations, thus balancing the interests of all parties.

6.3.6 The company informs stakeholders about all aspects of its activities, ensures reliability and relevance of the information it provides, observing the principle of information transparency.

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6.3.7 Risk management ensures identification and mitigation of the impacts of sustainability risks, as well as transparency of the Company's financial and non-financial reporting and publicly available reporting for stakeholders.

#### **6.4 Main areas of the Company's activities in the field of sustainable development**

The Company's sustainable development activities take into account socio-economic, natural and cultural specifics of the regions and are aimed at increasing shareholder value by improving economic efficiency, developing personnel and maintaining stability in labor collectives, and ensuring environmental protection.

An important condition for achieving the Company's sustainable development goals is to ensure transparency of financial and non-financial reporting and publicly available reporting to inform a wide range of stakeholders about the results of the Company's sustainable development activities, as well as unconditional compliance with laws, regulations and business ethics.

##### **6.4.1 Ensuring sustainable economic activity**

The Company aims to maintain high standards in management, ensure efficient utilization of the established asset portfolio and further increase the Company's shareholder value.

Transparent and responsible business management is a key condition for maintaining investor confidence and achieving high returns on the Company's shares.

Making effective management decisions, as well as active participation in the formation of Kazakhstani and international standards and principles of activity is facilitated by building a dialog and further development of cooperation with business partners and the business community, built on the principles of transparency and fair competition.

The Company's activities in this area include:

- 1) Ensuring the strategic management of the Company by an efficient and professional Board of Directors;
- 2) adherence to ethical business practices;
- 3) Ensuring safe, continuous and quality customer service;
- 4) ensuring compliance with Compliance procedures, including anti-corruption procedures in the Company;
- 5) ensuring information transparency, excluding discrimination and unreasonable restrictions on competition, in strict compliance with the legislation in the field of procurement activities;
- 6) Ensuring sustainable procurement in line with ESG principles;
- 7) Ensuring the achievement of the Company's financial and operational indicators in accordance with the principles of sustainable development;
- 8) Ensuring strategic and business planning in the Company taking into account the principles of sustainable development.

##### **6.4.2 Interaction with personnel**

6.4.2.1 The company recognizes employees as its most important asset and builds relations with employees based on the principles of social partnership, ensuring safe and comfortable working conditions, competitive remuneration and social protection.

6.4.2.2 Considering human life and health as an exceptional value, the Company pays special attention to health protection, labor protection and industrial safety.

6.4.2.3 The Company's activities in this area are regulated by the main regulatory documents, collective bargaining agreements, which set forth guarantees, benefits and compensations provided to employees and include:

- 1) formation of a labor remuneration system aimed at increasing the interest of employees in labor results and maintaining a competitive level of salaries;

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- 2) Ensuring compliance with the mutual obligations of the employer and employees;
- 3) creation of safe and comfortable working and living conditions for production personnel;
- 4) improving corporate culture and ensuring compliance with the principles of business ethics;
- 5) Ensuring an increase in labor productivity and efficiency of business processes through increased investment in the creation and development of more advanced technologies.
- 6) Strict compliance with the requirements of labor legislation, including the prevention of any form of discrimination, use of child and forced labor, corporate conflicts and conflicts of interest;
- 7) ensuring social stability and building trusting internal corporate relations in labor collectives;
- 8) guaranteeing a healthy and safe working environment and promoting initiatives aimed at raising risk awareness and ensuring better risk management, thus contributing to the prevention and reduction of potential injuries and accidents.

#### **6.4.3 Interaction with the society**

6.4.3.1 One of the key factors contributing to the achievement of the Company's sustainable development goals in the long term is high development indicators of the country as a whole and the regions of its presence in particular, therefore the Company is interested in their socio-economic development. In the regions of its presence, the Company strives to improve the well-being of local residents through direct and indirect economic impact, as well as to maintain the status of the best employer and the best partner, both in its business activities and in its interaction with governmental and administrative authorities, educational, non-profit and public institutions, corporate clients, consumers and society as a whole, ensuring safe, continuous and high-quality customer service, development of channels for the provision of services to its customers, as well as the development of the Company's social and economic development.

6.4.3.2 The Company's activities in this area include ensuring sustainable social responsibility:


- 1) participation in the production and economic development of the regions where the Company operates, including through the implementation of new construction projects, job creation, fair and decent remuneration of employees regardless of gender differences, and social support for employees;
- 2) participation in the social development of the subjects through social and charity programs;
- 3) support in the development of the sports and recreational movement, including the development of children's and youth sports and physical culture;
- 4) a guarantee of strict respect for human rights and compliance with high international ethical standards;
- 5) improving the quality of finished products and the level of service, in accordance with the requirements of Kazakhstani legislation, as well as international ISO standards.

#### **6.4.4 Industrial safety and sustainable environmental responsibility**

6.4.4.1 The company takes necessary measures to preserve biodiversity and ecosystems, strives to minimize the impact of its activities on the natural environment, human habitat, and efficient use of resources.

6.4.4.2 For these purposes, the Company implements a continuous set of measures to prevent accidents, implements the latest technologies, and strives for rational use of natural resources.

6.4.4.3 The priority in this area is to ensure:

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- 1) adherence to the precautionary principle in carrying out production activities and land reclamation to minimize negative impacts and maximize benefits;
- 2) improvement of the environmental management system, including monitoring of performance results in the field of industrial safety, labor and environmental protection and implementation of measures to make changes in the management system taking into account the best international practices;
- 3) compliance of the Company's activities with all requirements and standards established by the environmental legislation of the Republic of Kazakhstan;
- 4) systematic identification of environmental risks, minimization and prevention of risks of adverse environmental impact from the implemented activities and control through continuous monitoring measures;
- 5) achieving the Company's carbon footprint reduction targets;
- 6) improving the energy efficiency of the main and auxiliary processes of enterprises and improving the energy management system;
- 7) application of environmentally friendly energy and resource-saving technologies and minimization of production waste;
- 8) rational use of water resources;
- 9) taking into account the impact of enterprises on the overall indicator of water consumption intensity when establishing new joint ventures;
- 10) promoting and raising awareness among employees and business partners of a culture of environmental responsibility and conscious use of natural resources.

#### **6.4.5 Sustainability reporting**

6.4.5.1 The company strives to improve the quality of corporate governance by increasing transparency and guarantees that stakeholders are informed about the results of its sustainable development activities.

6.4.5.2 The Company shall:

- report annually on its social, environmental and economic performance against progress made in meeting its commitments and sustainable development goals to inform stakeholders;
- to publish reports in a timely manner on the Company's official website to ensure access for all stakeholders;
- ensure preparation of reports covering the issues of sustainable development activities in accordance with the provisions of the GRI Standards, principles of the UN Global Compact.

### **7. Records**


7.1. There are no records in this Policy that must be managed in accordance with the requirements of documented procedure DP-03, Records Management.

### **8. Revision, amendment, storage and distribution**

8.1. Revision, amendment, storage and mailing of this Policy shall be done in accordance with the requirements of documented procedure DP-02 "Records Management".


8.2. The original hard copy of this documented procedure shall be executed and stored in the Company's IMS SWPPP.

8.3. A scanned version of this documented procedure shall be posted on the Company's Internet portal.

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### Change registration sheet

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### Familiarization sheet

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