**Approved**

**By the decision of the Board**

**JSC "NC "QazaqGaz"**

**Protocol no. \_\_\_\_ from "\_\_\_" \_\_\_\_\_\_\_\_ 2023.**

**POLICY OF JSC "NC "QAZAQGAZ" ON INTERACTION WITH LOCAL COMMUNITIES**

The policy of JSC "NC "QazaqGaz" on interaction with local communities (hereinafter referred to as the Policy) defines the common principles of the group of companies of JSC "NC "QazaqGaz" (hereinafter referred to as QazaqGaz) for managing interaction with regional authorities, public organizations, and the local population in the regions of presence of QazaqGaz (hereinafter referred to as local communities) and is aimed at maintaining favorable constructive relations with them.

The Policy applies to all employees of QazaqGaz. To implement the Policy, QazaqGaz implements internal procedures regulating interaction with local communities in all regions of its presence, in accordance with applicable laws and this Policy.

The Policy should be considered in conjunction with the Code of Business Ethics, the Anti-Corruption Policy, the Charity Policy of Samruk-Kazyna JSC, as well as with other applicable QazaqGaz policies and procedures.

The Policy is a public document and is formed on the basis of the principles set out in the following documents: the UN Global Compact, the Corporate Governance Code and the General Reporting Standards (Global Reporting Standards).

In its activities on interaction with local communities, QazaqGaz adheres to the following key principles and obligations:

• Understanding of social risks and impacts, especially on the local population living near QazaqGaz enterprises, striving to minimize risks;

• Establishing and maintaining favorable constructive relations with local communities;

• Creating new jobs in the regions of presence, assistance in the development of related industries;

• Improving the quality of life of the local population and socio-economic development of the regions of presence, taking into account real needs and importance;

• Minimizing the relocation of local residents during the implementation of economic activities;

• Respect for human rights.

When interacting with local communities, QazaqGaz identifies the following main areas of activity:

• Implementation and maintenance of an effective management system for interaction with local communities at all enterprises and projects of QazaqGaz companies;

• Timely identification of stakeholders and analysis of their interests and opinions when planning and implementing projects;

• Organization of interaction with local communities at all stages, including design, construction, operation and closure of enterprises, taking into account the requirements of national legislation and applicable international practices.

• Implementation and maintenance of a feedback system, including a mechanism for filing and reviewing complaints (including on an anonymous basis), as well as conducting a proper investigation and taking corrective measures;

• Regular provision of information on the results of QazaqGaz's activities in the field of sustainable development.

QazaqGaz has identified a number of priority areas within the framework of working with local communities:

**Analysis and assessment**

• Identification, definition and analysis of local communities, other stakeholders or groups of individuals, especially those who may experience negative impacts from QazaqGaz's actions and become particularly vulnerable to such effects.

• Identification of stakeholders within local communities based on their willingness to engage, the presence of common interests and the ability to cooperate with QazaqGaz within formal procedures.

**Cooperation**

• Building and maintaining a dialogue with local communities based on the principles of cooperation, respect for interests and compliance with the law.

• Organizing consultation sessions with groups of stakeholders particularly affected by QazaqGaz's activities.

• Participation in direct dialogue with local communities during negotiations, within the framework of joint working groups, standing committees, conferences and forums, meetings and working sessions, as well as in the process of project implementation and through trust channels.

• Providing up-to-date information on QazaqGaz development plans, prospects and possible changes in employment conditions to representatives of local communities, in order to familiarize them with the potential and actual consequences of QazaqGaz activities in the regions of presence.

• Ensuring proper explanation of guiding principles of community interaction to all local community representatives affected by QazaqGaz.

• Entering into cooperation agreements and coordinating relevant arrangements with local authorities.

• Maintaining the operation of trust channels that ensure the collection, registration and consideration of any complaints or complaints from local communities.

**Development and interaction**

• Ensuring interaction with local communities, taking into account their norms, traditions and gender issues.

• Taking into account the opinions of local communities and other stakeholders, including vulnerable and socially excluded groups, are taken into account.

• Developing cooperation with local business representatives in all regions of QazaqGaz presence.

• Participating in the construction and maintenance of social infrastructure in order to create affordable and comfortable working and living conditions in the regions where QazaqGaz operates.

• Supporting the professional education system and contributing to the development of material, technical, and educational potential of municipal professional education institutions.

**Control**

• Analyzing and controlling the impact of QazaqGaz activities on local communities.

• Involving representatives of local communities in monitoring and evaluation activities.

• Registering events to which local communities are involved, as well as monitoring of the issues under consideration, the results of work with them and the commitments made.

• Analyzing human rights protection activities in local communities during the preparation of non-financial reporting in accordance with the GRI guidelines.

• Ensuring proper and timely consideration of issues raised by stakeholders by local communities.

• Tracking changes in legislation and updating this Policy and other relevant programs, and internal regulatory documents in order to ensure their compliance with the laws of the Republic of Kazakhstan in all regions of QazaqGaz's presence.

**Reporting**

• Providing timely and accurate information on the implementation of initiatives for the development of local infrastructure and the participation of the QazaqGaz Group of companies in their implementation. Publishing relevant information in accordance with international reporting standards in the annual report.

• Informing about the implementation of the set goals and deadlines for the development of local infrastructure in the annual report.

**Feedback**

Organization of annual surveys of participants of social programs in order to receive feedback.

**Events**

QazaqGaz regularly publishes detailed information about events held with local communities in the annual report and on the QazaqGaz website. These events include, among others.

• Socially significant projects in the regions of its presence - gas supply to the population, subscriber growth, etc.

• Charity event dedicated to the Victory Day.

• Charity event for the New Year for children from low-income families and children with disabilities.

• Sports competitions.

Responsibility for the implementation of the principles of this Policy in QazaqGaz is assigned to the heads of the relevant departments.

The application of this Policy by subsidiaries and affiliates of QazaqGaz is carried out in accordance with the established procedure by developing and approving similar Policies or bringing internal documents of organizations in line with this Policy.

This QazaqGaz Policy on Interaction with local Communities is available to all interested parties.

*" The Company's management is responsible for implementing this Policy. The management of the Company takes responsibility for conducting regular analysis of this Policy in order to ensure their adequacy and suitability for application at all levels of Society"*