

Social and labor relations

We strive to improve employees' working conditions, safety measures, and other social aspects to ensure people's wellbeing.

Share of employees covered by collective bargaining agreements

97%

Share of trade union members among production staff - more than

84%

We consider the balance between production goals and social priorities to be one of the main tasks in the regions where we are present. Regular sociological research in all portfolio companies and the development of corrective measures are carried out continuously. **GRI 3-3**

The inalienable rights of employees include the right to freedom of association, the right to unite in trade unions to protect the interests of labor collectives. We fully support this right and create a favorable environment for developing this institutional structure. **GRI 407-1**

One of our strengths is the presence of qualified and competent personnel focused on common corporate values. At the same time, given our presence in most of the country and Kazakhstan's different levels of regional development, social issues arise in the teams of both portfolio companies and contractors. Trade unions are an excellent example of a platform for dialogue, as evidenced by global experience. The share of employees covered by collective agreements is 97% of the total number of employees of the Fund. **GRI 2-24**
GRI 407-1 **GRI 2-30** **SASB**

Regulation of social and labor relations and the development of social partnership is carried out through the Center for Social Interaction and Communications (hereinafter referred to as CSIC) in the Fund's Group of Companies. To coordinate the interaction of the Fund's divisions and portfolio companies in the event of crisis situations and the organization of anti-crisis measures, the Fund's Operational Headquarters has been operating since 2021. During the reporting period, 5 meetings of the Operational Headquarters were held.

We monitor the moral and psychological climate in work collectives. Work is underway to improve working conditions and prevent labor disputes. The Center for Monitoring Social Stability operates under the CSIC, which collects and analyzes 24/7 operational data on the preconditions or facts of the emergence of social tension in work collectives through 5 communication channels (email, telephone, WhatsApp messenger, website). Since April 2023, a new fifth communication channel has been launched – a QR code that directs the applicant to the website <https://nysana.csc.kz/website>. QR codes are placed at the Fund Group enterprises, allowing employees to quickly resolve conflict situations, get answers to questions, and be heard.

The Fund has approved a Comprehensive Plan to Ensure Social Stability. The interactive Social Stability Map system allows monitoring of the situation in real-time at the enterprises of the Fund's Group of Companies (there are 12 portfolio companies in the perimeter, more than 230 thousand people).

Since 2013, the Fund's Group of Companies has been conducting a Study of the Level of Social Stability by Samruk Research Services. This study covers almost all employees and allows the Fund to diagnose problem areas in the social and labor relations of production teams throughout Kazakhstan and take timely preventive measures.

THE LEVEL OF SOCIAL STABILITY IN THE FUND'S GROUP OF COMPANIES AT THE END OF 2023 IS SATISFACTORY – THE OVERALL SRS INDICATOR WAS 70%, REMAINING UNCHANGED SINCE 2022 (COVERAGE OF MORE THAN 72 THOUSAND RESPONDENTS). THE STUDY WAS CONDUCTED VIA SMS (ONLINE SURVEY) AND TELEPHONE SURVEY.

More than 84% of the Fund Group companies' production personnel are trade union members. Collective agreements provide more than 20 types of social benefits for employees and their families, which will be expanded.

Our comprehensive educational project, "Corporate School of Trade Union Activists," has nurtured professional trade union employees of a new generation for over six years. The training program pays special attention to issues such as conflict management, mediation, the psychology of effective communication, and forming a collective agreement. Much attention is paid to the step-by-step algorithm for creating a trade union and forming a collective agreement. At the Activist School, students are taught to prevent disputes from occurring rather than deal with their consequences. The School's program in-



cludes training in today's in-demand skills, such as labor law, collective bargaining, and union organizing. **GRI 407-1**

In 2023, more than 300 participants participated in two Forums of trade union activists, mediators, and Ombudsmen of the Fund Group of Companies, held in June in Almaty and December in Shymkent.

Work will continue to promote and strengthen the role of conciliation institutions, including training trade unions and creating its own pool of mediators.

To promote alternative methods of resolving conflicts and disputes without leading to litigation, a special mediation course, "Pool of Mediators," has been organized since 2022.



IN 2023, 63 MEDIATORS COMPLETED ADVANCED MEDIATION TRAINING, AND ANOTHER 4 MEDIATORS COMPLETED THE INITIAL BASIC COURSE IN MEDIATION IN VARIOUS PORTFOLIO COMPANIES.

GRI 407-1 GRI 102-24

More than 160 specialists have been trained within the Center for Social Interaction and Communications. Due to their certificates, all of them are included in the Republican Register of Mediators and now have the official right to act as mediators in negotiations between production personnel and company management. The track record of the pool of mediators that forms the CSIC already includes over ten successful cases of overcoming contradictions.

Thanks to the measures taken, labor disputes are resolved within the legal framework using mediation methods involving local trade union organizations of the Fund Group of Companies and through appeals to the judiciary.

Another direction is the introduction of IR (Industrial relations) methods in the Fund's Group of Companies, which will improve the level of social and living conditions in production. In 2022, the Corporate Standard was approved to ensure uniform approaches and centralized regulation of IR development in the Fund's Group of Companies.

Based on the results of IR screenings to study social and living conditions in 2023, 43,602 sanitary and epidemiological wellbeing inconsistencies were identified across the Group of Companies of Samruk-Kazyna JSC. The average number of non-compliances in the field of sanitary and epidemiological welfare per enterprise is 221. The degree of provision of production personnel with basic social and living conditions in the Fund Group is 54%. To ensure working conditions, action plans have been developed to improve social and living conditions based on the results of the analysis of IR screenings. For the Fund Group, level 1-2 inconsistencies (19,537) must be eliminated by the end of 2024; currently, 5,664 inconsistencies have been eliminated.

The training program for IR specialists of the Fun's Group of Companies was completed in the reporting year. In five months, employees could improve practical skills in in-

dustrial relations and develop an introductory course for new employees. Over the course of five modules, program participants studied labor conflicts and the causes of their occurrence in production, the basics of the psychology of industrial relations, sanitary and epidemiological wellbeing, personal effectiveness, GR, and much more. In addition, they presented possible solutions to real cases recorded by the Nysana contact center. Based on the program's results, CSIC awarded certificates to those who completed the training, as well as valuable prizes for the best teams at the award ceremony.

As part of implementing the "listening state" concept, as well as taking into account the interests of civil society and public opinion to discuss a wide range of issues, we have created a Public Council, the role of which will grow. Thus, in 2023, a meeting of the Public Council was held in Astana, at which the results of activities related to strengthening social stability at enterprises and the activities of the institution of corporate Ombudsmen were discussed. Changes have been made in the methodology for determining the level of social stability. From now on, research in the Group of Companies is carried out every six months. The new methodology considers issues that reveal problem areas before they result in conflicts, that is, social unrest is prevented in advance.

Further directions of development :

- conducting an audit of HR processes of portfolio companies and their branches;
- conducting engagement research and Samruk Research Services on an annual basis and developing activities to increase the level of staff engagement;
- conducting IR audits of portfolio companies and their branches.

