



SUSTAINABILITY MANAGEMENT

MANAGEMENT APPROACH

Kazakhtelecom is committed to long-term sustainable development, considering ESG factors – environmental protection, social responsibility, and enhanced corporate governance – as fundamental elements of its strategy. The Company’s approach

to management and initiative development is deeply guided by the Sustainable Development Goals, aimed at creating long-term value for society, the economy, and future generations.

In 2024, Kazakhtelecom JSC made significant progress in the area of sustainable development, recognized at the international level. According to an assessment conducted by the independent rating agency S&P Global, the Company’s ESG rating under the CSA methodology reached 50 out of 100 points – an 18-point increase from the 2023 score of 32.

The rating growth reflects the systemic efforts of Kazakhtelecom JSC to strengthen ESG practices, improve reporting, and enhance transparency. Special focus was placed on climate risk management, stakeholder engagement, and compliance with international sustainability standards.

KEY SUSTAINABILITY-RELATED DOCUMENTS

GRI 2-23

- › ESG Strategy (approved by the Board of Directors, Decision No. 15 dated September 19, 2024);
- › Sustainability Policy (updated and approved by the Board of Directors, Decision No. 5 dated April 21, 2023);
- › Environmental Policy (updated and approved by the Board of Directors, Decision No. 5 dated April 21, 2023);
- › Human Rights Policy (approved by the Board of Directors, Decision No. 6 dated May 30, 2023);
- › Policy on Equal Opportunities, Inclusion and Diversity (approved by the Board of Directors, Decision No. 6 dated May 30, 2023);
- › Policy on Engagement with Local Communities (approved by the Board of Directors, Decision No. 6 dated May 30, 2023);
- › Occupational Health and Safety Policy (approved by Management Board Decision No. 2/7 dated January 27, 2020);
- › Anti-Corruption Policy (updated and approved by the Board of Directors, Decision No. 11 dated September 19, 2023);
- › Whistleblowing Policy on Alleged Unethical/Improper Conduct (approved by the Board of Directors on December 8, 2023);

- › Employee Experience Strategy (approved by the Board of Directors, Decision No. 8 dated July 21, 2021);
- › Personal Data Protection Policy of Kazakhtelecom JSC (approved by Order No. 313 dated October 6, 2023);
- › Information Policy of Kazakhtelecom JSC (approved by Order No. 153 dated July 19, 2023);
- › Code of Business Ethics (approved by the Board of Directors, Decision No. 14 dated May 28, 2019);
- › Corporate Governance Code (approved by the Extraordinary General Meeting of Shareholders, Decision No. 56 dated December 7, 2015);
- › Samruk-Kazyna JSC Procurement Rules;
- › Supplier Code of Conduct (approved by the Board of Directors, Decision No. 2 dated February 11, 2022);
- › International Standards: ISO 14001, ISO 26000, ISO 9001, ISO 45001.

All stakeholders can access these documents on the Company’s website: telecom.kz.

In addition, the Company informs employees about newly adopted documents, including those related to sustainability, via internal email notifications.

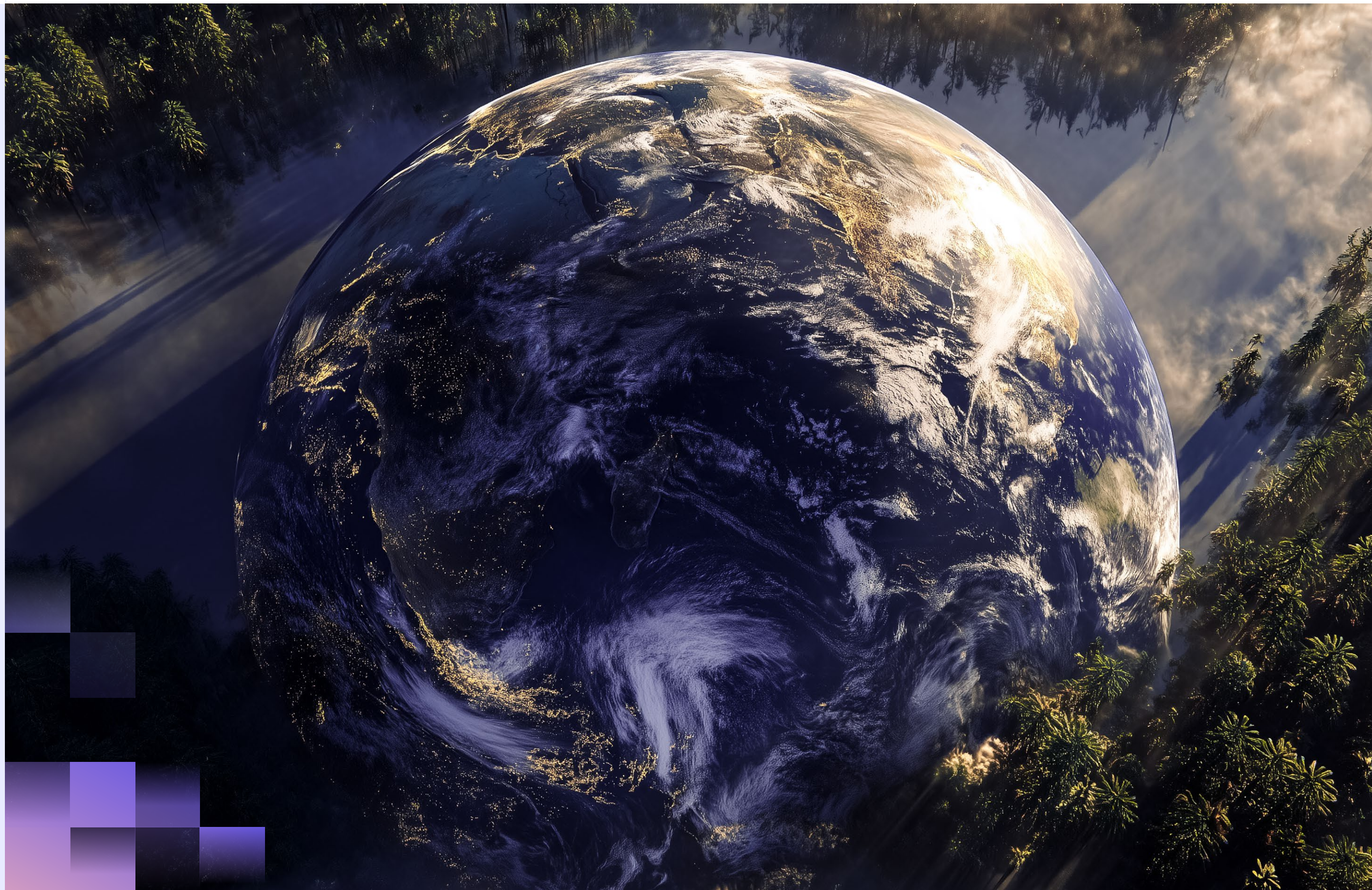


ESG STRATEGY OF KAZAKHTELECOM JSC FOR 2024–2032

In 2024, Kazakhtelecom JSC approved its ESG Strategy for 2024–2032, establishing sustainability as an integral component of strategic management. The document is the result of an in-depth ESG diagnosis that identified key risks, opportunities, and priority areas across environmental, social, and governance domains. The ESG Strategy is seamlessly integrated into the corporate development strategy JRun, enhancing its implementation through a structured approach to ESG factor management and long-term value creation.

The Strategy outlines a clear and structured action plan, reflecting the Company's sustainability ambitions. Its implementation reaffirms Kazakhtelecom JSC's commitment to responsible business practices and readiness to contribute to addressing global challenges, including climate change, social equity, and governance improvement.

The ESG Strategy provides detailed initiatives for each area, which the Company has already begun integrating into its operations. The implementation of these initiatives confirms Kazakhtelecom JSC's adherence to sustainability principles and establishes a robust foundation for long-term business growth and resilience.





PRINCIPLES OF KAZAKHTELECOM JSC IN THE FIELD OF SUSTAINABLE DEVELOPMENT



Openness

We are open to dialogue with all stakeholders to build long-term cooperation based on mutual interests, respect for rights, and a balance between our interests and those of stakeholders.



Accountability

We recognize our responsibility for our impact on the economy, environment, and society, and our accountability to shareholders and investors for the long-term growth of the Company's value and sustainable development on a long-term basis.



Transparency

All our decisions and actions are based on transparency and timely disclosure of information to stakeholders.



Ethical Conduct

Our decisions and actions are based on our values, such as respect, honesty, openness, teamwork and trust, conscientiousness, and fairness.



Respect

We respect the rights and interests of stakeholders.



Legality

We make decisions and act in compliance with the legislation of the Republic of Kazakhstan.



Zero Tolerance for Corruption

We show zero tolerance for corruption in all its forms in interaction with all stakeholders. Officials and employees involved in corrupt activities are subject to dismissal and prosecution in accordance with the laws of the Republic of Kazakhstan.



Human Rights

We comply with and promote human rights as stipulated by the Constitution of the Republic of Kazakhstan and international documents, such as the Universal Declaration of Human Rights. We categorically reject and prohibit the use of child labor. Our employees are our main value and key resource. The results of our activities and the value created for investors directly depend on their level of professionalism and safety.



Inadmissibility of Conflict of Interest

All violations related to conflicts of interest can damage the Company's reputation and undermine the trust of shareholders and other stakeholders. Also, the personal interests of an official or employee should not influence the impartial performance of their official, functional duties.



Personal Example

Each of us, through our daily actions, behavior, and decision-making, contributes to the implementation of sustainable development principles.

SUSTAINABLE DEVELOPMENT MANAGEMENT STRUCTURE

GRI 2-9, GRI 2-12, GRI 2-13, GRI 2-14

The Company is consistently developing its sustainable development management system, ensuring its integration at all levels of corporate governance. The ESG agenda remains a constant area of focus for the Board of Directors, which approves relevant policies, monitors the implementation of initiatives, and ensures strategic alignment of the Company’s activities with sustainability principles.

The Board of Directors:

- › defines the Company’s strategy and key areas of activity in the field of sustainable development;
- › reviews and approves sustainability reporting;
- › oversees the integration of sustainability principles into the Company’s operations;
- › manages sustainability-related risks, including climate risks.

The Board of Directors regularly (annually and quarterly) receives reports on the Company’s performance in the field of sustainable development.

To ensure a more systematic approach to these matters, the Audit and Sustainable Development Committee has been established and operates at Kazakhtelecom JSC. Its functions related to the oversight of sustainability include:

- › preliminary approval of the Company’s Annual Report in terms of the quality of disclosed non-financial information;
- › developing recommendations for the Board of Directors on sustainability-related topics and the implementation of ESG and low-carbon development principles;
- › overseeing the transformation of business processes in line with sustainability principles, ethical conduct, and responsible investment;
- › recommending to the Board of Directors the approval of new and the evaluation of existing sustainability policies, plans, and programs, as well as priority projects, key actions, and initiatives;
- › reviewing issues related to low-carbon development and carbon footprint management, including potential risks and constraints posed by the global climate agenda;
- › providing recommendations to the Board of Directors regarding alignment of the Company’s activities, corporate reporting, and documentation with the requirements of international sustainability ratings, and monitoring implementation of measures to improve the Company’s performance in such ratings;
- › monitoring the quality of the Company’s public sustainability disclosures.

GRI 2-13

The unit responsible for sustainability management at Kazakhtelecom JSC is the Department of Corporate Governance and Sustainable Development. The Department regularly conducts an inventory of internal regulatory documents, policies, practices, and internal control systems, as well as identifies and manages sustainability risks. At least semi-annually, the Department submits sustainability-related matters to the Audit and Sustainable Development Committee for review, including approval of new documents, performance reporting, and other significant topics.

Implementation of sustainability principles, adoption of policies and standards, and accurate disclosure of information are supervised by the Chairman of the Management Board and General Directors of branches, in line with the Company’s action plan. Oversight of ESG goal achievement and key performance indicators is entrusted to the Chief Administrative Officer. Internal communications on ethics and standards compliance are handled by the Compliance Officer/Head of the Compliance Service, while external communications with the public fall under the responsibility of the Press Secretary.

Structural units responsible for human resource management, occupational safety, industrial safety, and environmental protection implement specific elements of the ESG agenda, initiate and coordinate sustainable development projects, and contribute to the achievement of the Sustainable Development Goals. The Head Office of Kazakhtelecom JSC oversees the implementation and results of these initiatives.

MISSION OF KAZAKHTELECOM JSC

Formation of a long-term ESG agenda at the level of a leading telecommunications company, exerting minimal impact on the environment. The Company’s scope of activity is aimed at the primary improvement of social security, without limiting economic growth.

