

Social responsibility

Kazakhtelecom JSC takes a responsible approach to the issues of the social security of its employees and is oriented to their needs and needs, contributing to the creation of favorable working conditions. The Company focuses on improving the quality of life of the population in its places of presence through social and educational programs, transparency of operations, and reduction of negative environmental impacts.

Human resources management

Approaches to human resources management

Human capital is the main factor in increasing the shareholder value of Kazakhtelecom JSC and the main competitive advantage in the rapidly changing telecommunications industry. For this reason, the Company pays great attention to building an effective human resources policy that facilitates the achievement of the Company's strategic goals and objectives, and is also oriented towards creating comfortable working conditions for employees.

The Company builds relations with employees in strict compliance with the requirements of the labor legislation of the Republic of Kazakhstan and the principles of social partnership aimed at achieving consistency of interests, social stability and general well-being. The Company strives for long-term relations with employees.

Kazakhtelecom JSC uses transparent and open HR management procedures, including hiring (appointment), promotion (career development), development (training/professional development), performance evaluation and employee incentives.

For the Company, training of personnel is a vital investment in the development of employees, the recoupment of which indirectly facilitates the achievement of the main goals and tasks facing the organization.

Key performance indicators of the HR Policy of Kazakhtelecom JSC



Employee Experience Strategy

On 21 July 2021, the Minutes of the meeting of the Board of Directors approved the Employee Experience Strategy (hereinafter — EX) of Kazakhtelecom JSC, which describes key strategic initiatives in the area of human resources management at the Company.

The strategy of EX Kazakhtelecom is a high-level document, the development of which was preceded by a changed reality and the perception of what is happening through the concept of COVID-19 in telecommunications and technology companies.

Each strategic initiative is filled with specific projects that should form the basis for the operations of the Company's HR structure.

The flexible organizational structure, as well as the corporate culture, ability to quickly change priorities, review products, and direct resources to more promising areas are the result of the implementation of the EX Strategy by Kazakhtelecom JSC. The Company determines approaches and strategic initiatives within the EX line of business, putting personnel in the spotlight.

The EX strategy development directions



Headcount and structure

As part of the Company's strategy to improve operating efficiency, one of its goals was to transition to a divisional management structure in accordance with global best business management practices. The transition to the target structure was carried out over five years in two stages:

- > **Stage 1** — consolidation of regional directorates into regional directorates;
- > **Stage 2** — creation of divisions in key areas: corporate business, retail business, network, IT and support functions.

At the same time, a transition to centralized division management is stipulated in all regions, while maintaining the geographical location of employees "workplaces.

The main advantages of the divisional management structure are:

1. speed of decision-making within individual business lines by eliminating unnecessary administrative links;
2. single responsibility for the result: previously the responsibility was distributed between the administrative and functional managers, which caused internal contradictions;
3. a clear and transparent result for all employees of the division — from commerce to accounting and administrative employees;

4. the possibility to form an individual regional structure for each area;
5. reduction of local administrative management — only functional managers remain in the regions;
6. transition to a modern management model based on international best practice.

Thus, the number of branches on the basis of which the following divisions were created has been optimized:

1

RETAIL DIVISION

2

CORPORATE BUSINESS DIVISION

3

DIVISION NETWORK

4

ITD

At the end of 2021, Kazakhtelecom JSC had

20,934

employees

including 1,359 administrative and management personnel

Headcount at 31.12.2021, persons

Branch/CA	Headcount	
	In total	including OPM
Central Office	285	285
Retail Business Division	2,845	102
Corporate Business Division	1,209	125
Merger Division "Network"	13,335	183
IT Division	610	139
Service factory	2,260	485
TelecomComplect Directory	267	20
Information and Communication Technologies Academy Directory	79	7
Telecommunications and Infrastructure Construction Directory	44	13
Total	20,934	1,359

21,582

employees

the total number of employees of Kazakhtelecom JSC for 2021

10.4%

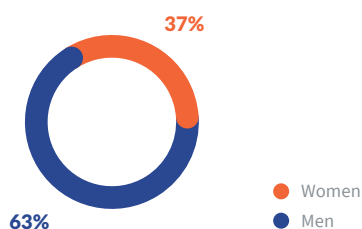
employee turnover in 2021

During the year, 3,149 people left the Company. 1,962 employees were hired, which is 9.8% of the actual headcount at the end of the year.

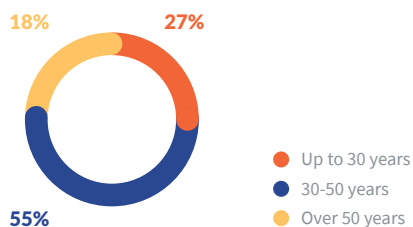
Personnel structure at the end of 2021, persons

Indicator	Total	including by gender		including by age group		
		male	female	under 30 years	30-50 years	over 50 years
Total number of employees, total	21,582	13,605	7,977	5,758	11,933	3,891
The Management Board	9	9	0	0	7	2
Office and management personnel	1,429	461	968	209	909	311
In management positions	291	138	153	4	227	60
Experts	1,138	323	815	205	682	251
Production personnel	20,153	14,661	5,492	5,470	10,298	4,385
In management positions	1,043	804	239	27	605	411
Experts	11,583	6,975	4,608	3,443	6,579	1,561
Workers	7,527	6,882	645	2,000	3,114	2,413
Number of employees who left in 2021	3,149	2,206	943	1,427	1,172	550
Number of employees engaged in 2021	1,962	1,245	717			

Gender structure of employees at the end of 2021



Breakdown of employees by age group at the end of 2021



Recruitment and adaptation of personnel

Recruitment and adaptation of personnel continued in 2021 in remote format. In general, there have been no significant changes in the recruitment and adaptation process. Three years ago the recruiting function was centralized and unified for all divisions and branches of the Company. Recruitment of specialists for vacancies is performed from Almaty for all regions.

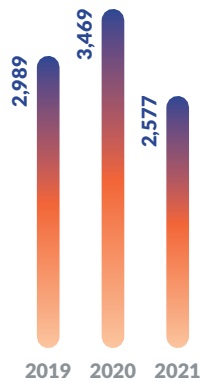
Recruiters and clients practice audio/video interviews with candidates. Candidates are also fully tested online. The entire process, from the hiring of a recruitment application to the employee's entry into work, is automated. In 2021, **2 577 vacancies** were completed. The decrease in turnover in the first year of work resulted in a reduction in the number of leaves and vacancies.

Principles of the recruitment process:

1. Recruitment planning based on business needs;
2. Clear and transparent selection criteria based on the requirements to the position and the Competence Model;
3. Transparent tender procedures;

Number of completed tenders

units



Turnover in the first year of work

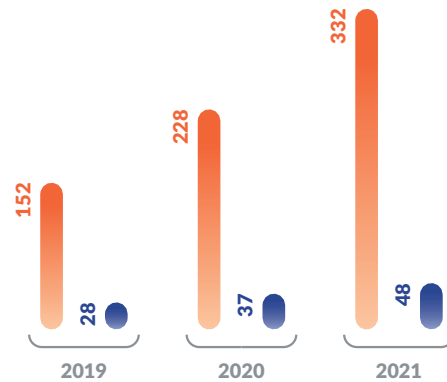
%



PROTelecom results by year

%

● Number of trainees
● Number of employed



4. Professionalism, personal qualities of the candidate and his/her compliance with the qualification requirements and competencies for the position;
5. Reasonableness of decisions taken based on the meritocracy principle;
6. Use of candidates evaluation methods that are relevant for each position, making it possible to make objective decisions when hiring personnel;
7. Non-discrimination, professional, open and respectful attitude towards all candidates;
8. Compliance with laws of the Republic of Kazakhstan;
9. Rational use of resources for attracting and recruiting personnel.

Kazakhtelecom JSC has been implementing an internship program for young **PROTelecom** specialists for the fourth year. More than **700 students** have taken internships in the Company's structural divisions, more than 120 of them have been hired and are now successfully continuing their career in the Group, contributing not only to the development of the largest communications operator, but also to the Russian telecommunications sector as a whole.

All information on tenders and the start of the internship program is posted on the corporate website.

Remuneration and motivation

The incentive system adopted by Kazakhtelecom JSC ensures a clear link between the remuneration of employees and their performance, including the implemented system of personnel performance assessment.

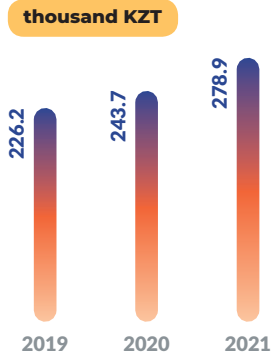
Kazakhtelecom JSC has a Hay Group grading system. Unified approaches to wages, supplements, premiums, current and non-recurring bonuses, differentiation of grade/category of position with the use of an inter-grade coefficient.

The creation of a cost-effective system of remuneration necessary to attract, retain and motivate employees is a priority task of the Company. The focus is on the total income of employees, which includes, in addition to wages and bonuses, benefits and intangible incentives.

During the reporting period the Company made the following material compensation approaches:

- › Unified incentive programs (UIPs) in B2C and B2B segments;
- › unified piece-by-piece payment systems for installation of telecommunications services in the B2B and B2C segments;

Growth in average monthly salary of employees of Kazakhtelecom JSC



- › uniform rules for compensation payments, reimbursement of expenses on relocation and payment of housing lease of Kazakhtelecom JSC;
- › uniform rules for a one-time incentive award for the implementation of the "Key Projects", taking into account the economic effect obtained;
- › a uniform approach to salary based on grades for Company employees.

The Company monitors non-discrimination on any grounds and ensures a fair and equal approach to remuneration. The average salary of women compared to the average salary of men was **107.5%** in 2021.

Personnel assessment system

The performance management system consists in setting clear, measurable goals and objectives for the relevant period in the form of key performance indicators (KPI), on the achievement of which the remuneration received depends. An Individual Development Plan (IDP) system has also been introduced, which gives each employee the opportunity to focus on developing his/her knowledge and skills, improve his/her personal performance and effectiveness.

The assessment of the performance of employees makes it possible to determine the requirements on the work results, skills, knowledge and competencies of employees in order to achieve the Company's strategic goals.

The personnel assessment system of Kazakhtelecom JSC is based on the following principles:

1. Interaction of remuneration with the performance of tasks that meet the interests of the Company;
2. Simplicity and transparency of remuneration principles;
3. Dependence of the amount of remuneration on the Company's operating results and the performance of employees.

KPI system management is aimed at achieving the Company's strategic goals as defined in the Strategy, Business Plan and other management documents and covers long-term, medium-term and operational planning.

The responsibility of employees for the achievement of results in the main lines of business and control over their achievement of strategic goals, objectives and initiatives is determined. At the same time, the Company monitors compliance with the balance sheet of financial and non-financial KPI. Compliance with the obligation to monitor and assess the achievement of planned KPI on a regular basis (quarterly/annual), including the performance of factor analysis and the development of recommendations.

The performance planning and evaluation cycle is aimed at continuous management of the performance of employees during the current calendar year. The main condition for payment of performance bonuses for the reporting period is the availability of consolidated final profits for the reporting period, calculated taking into account the planned amount for payment of remuneration.

Number of employees trained by hours



● Software ● OPM

As part of cooperation initiatives with educational institutions, Memorandum of Cooperation with Kazakh-British Technical University, Nazarbayev University and KIMEP University were concluded in 2021. In 2021, 20 employees went to the KIMEP University to study under the Executive MBA program, and 10 to Nazarbayev University.

Kazakhtelecom JSC assesses the effectiveness of the training process based on the Kirkpatrick model. The assessment for the first level is based on the survey "Assessment of Employee Training Performance: Responses of Students to the Training Program". The second level of "Analysis" is assessed based on the results of testing of trainees.

Talent management and talent pool

In accordance with the HR Management Strategy, Kazakhtelecom JSC is implementing the Talent Management project, the goal of which is to form and prepare a talent pool as the main internal source of replacement of key positions.

This project is an instrument for identifying and retaining talented employees with a high professional level. As part of this project, there is a Leadership School, a program where reserves undergo phased training in developing management and leadership competencies. The Leadership School has developed a comprehensive Programme of training in the fundamentals of management skills, including a set of training events to develop universal management competencies and the leadership qualities of reserves.

The first stage of the Leadership School was held, consisting of four training modules. In addition, a training program "Strategy and Business Management", consisting of five modules, "Fundamentals of Sustainable Development and Corporate Social Responsibility", "Strategic Management and Transformation Planning", "Corporate Finance, Strategic Income Management and Management Accounting", "Entrepreneurial Thinking and Innovation Marketing", and "Change and Innovation Management Strategy", was developed and implemented for 2019-2020.

The Advanced Mini MBA training program has been developed and implemented for the graduates of the Leadership School; it is an intensive seven-month program aimed at developing the practical skills of the talent pool, as well as professional development in operational and strategic management, corporate finance and management, marketing, statistics and accounting.

In 2021, the Rules on the formation of the personnel pool of Kazakhtelecom JSC were updated, with the criterion of dividing employees into HiPo and HiPro.

51.43%

of employees from the talent pool were appointed to key vacancies

Development of corporate culture

The cultural transformation project has been successfully implemented in Kazakhtelecom for several years. Diagnostics of the current state of corporate culture has been performed, a value model has been developed and a program has been created to implement the target image of corporate culture — the Success culture.

In 2021, the following measures were taken to develop the Company's corporate culture:

- › in the first quarter of 2021, a session entitled "Corporate Culture" was held with the Moscow School of Management "Skolkovo" for senior managers and managers of Kazakhtelecom JSC;
- › by decision of the Management Board of Kazakhtelecom JSC, Corporate Culture Management Rules of Kazakhtelecom JSC No. 133 of 13.05.2021 were approved;
- › in the fourth quarter, a session was held on the topic "Identification and/or revision of the target corporate culture, leadership model and set of values of the Company";
- › gap analysis performed;
- › Addressors of corporate values of CREDO have been appointed from among the members of the Management Board of the Company;
- › implementation of the CREDO — the way to a culture of success in the NRDT;
- › implementation of the CREDO — the way to a culture of success in ARDT.

Social policy

The social policy of Kazakhtelecom JSC stipulates the development and implementation of social programs that facilitate the resolution of a set of administrative and management tasks aimed at attracting and retaining qualified competitive employees, as well as social support for certain categories of employees.

The following areas of social policy are implemented at the Company:

- › income policy;
- › policy on cooperation with trade unions;
- › social support policy;
- › material assistance in registering a marriage;
- › material assistance in connection with the birth, adoption and adoption of a new-born child;
- › material aid for recovery when granting annual leave;
- › payment of social benefits on temporary disability;
- › payment of additional maternity leave until the child reaches the age of 18 months;
- › lump-sum retirement benefit for the first time;
- › a lump-sum benefit if the employee has established a disability of 1 or 2 groups;
- › material assistance for the organisation of funerals in connection with the death of a close family member of an employee;
- › provision of medical assistance to employees under voluntary medical insurance;
- › payment of a lump-sum benefit to a retired employee.

The social security of the Company's employees and pensioners is an essential component of its social policy.

The percentage of the Company's employees covered by the collective agreement is 96%. Pursuant to the Collective Agreement, the Company provides the following types of social support, regardless of the nature of the employee's employment (permanent or temporary):

Number of employees taking and returning from maternity/dads leave by gender, persons

Indicator	2019		2020		2021	
	M	F	M	F	M	F
Persons taking leave	23	739	19	803	22	878
Return to work after vacation	5	489	18	428	9	437

The minimum notice period for material changes in the organization's activity under the Labor Code of the Republic of Kazakhstan is 4 weeks (30 calendar days), and 45 calendar days under the Collective Agreement.

The Company currently provides social support to more than 10,000 pensioners. Each year they will be provided with targeted charitable assistance, and meetings will be held for the professional holiday of the linkers and for the Day of the Elderly.

The Company currently provides social support to more than

10,000

pensioners

Social stability

On Issues of Social and Employment Relations, in order to Perform Informational and Explanatory Work among Employees on Issues of Labor Legislation and Remuneration in the Branches of Kazakhtelecom JSC, Schedules of Meetings between Managers and Employees, with the Participation of Trade Unions and the Ombudsman, have been approved. On a regular basis, the Members of the Management Board hold online conferences to provide feedback on the identified problem issues.

In the event of social and labor conflicts, the Company establishes special Commissions to carefully consider complaints/complaints, and management visits the site with the involvement of local trade unions and the Ombudsman. Based on the results of the work of the commission and meetings of management with employees, measures are developed to resolve problem issues.

The Samruk-Kazyna Group of Companies performs annual monitoring of the social situation at production facilities. In order to timely identify hidden social tension and manage this process, Kazakhtelecom JSC and PI Center for Social Interaction and Communications are conducting sociological research of Samruk Research Services (SRS). Based on the results of the survey, in accordance with the recommendations of sociologists, the Action Plan for working on the concern zones is approved on an annual basis.

In 2021, the Center for Social Interaction and Communications developed a new methodology with continuity in the main indices and the process of collecting and processing sociological information based on fundamentally new external conditions caused by COVID-19.

↘ 4%

74%

the total social stability indicator of Kazakhtelecom JSC for 2021

↘ 2%

81%

engagement index in Kazakhtelecom JSC in 2021

94%

of respondents according, the employer has created all the necessary working conditions

↘ 4%

83%

the social stability index

The total **social stability indicator** of Kazakhtelecom JSC for 2021 was 74%, which according to the ranking scale classifies it as a stable developing company.

The aggregate SRS is integrated from three indices: Engagement Index, Social Wellbeing Index and Social Security Index.

The engagement index measures the level of satisfaction with working conditions and safety, relations and communications at the Company, and the level of loyalty of employees. Overall, for the entire research period since 2013, the level of involvement in the Company has fluctuated by 37-83%, where the indicators of the last two years are the highest. For example, the Participation Index in Kazakhtelecom JSC in 2021 was 81%, having decreased by only 2% since last year, thereby maintaining its position in a favorable rank-scale zone.

According to 94% of respondents, the employer has created all the necessary working conditions both during 2021 and during quarantined conditions. Moreover, for all the Company's branches the number of respondents holding the same opinion exceeds 90%.

The Company's fairness, trust and loyalty were also highly appreciated by employees. No issues were identified in respect of key indicators related to the understanding of instructions and relations between employees.

The Social Security Index reflects the level of tension between management and subordinates, as well as the level of protesting potential (likelihood of meetings and strikes). Overall, the social stability index has fluctuated since 2013 from the lowest level of 57% in 2013 to the highest level of 87% in 2020. Despite a 4% decline in the social stability index in 2021, the current indicator (83%) retained its position in a favorable zone.

Respondents noted a lack of tension between colleagues and management (87%), as well as a low probability of the appearance of open threats — meetings and strikes (5%).

Based on the analysis of the results of the SRS for 2021, it should be noted that the Company has performed systematic and successful work to ensure comfortable and safe working conditions, as well as to maintain healthy and constructive relations in the teams. Based on the results of the SRS, in order to improve employee satisfaction with the level of working conditions, the Company has approved an Action Plan to work on the areas of concern for 2022.

Social support for employees

As part of the current social package, social support is provided to the Company's employees and pensioners under the Kazakhtelecom JSC Collective Agreement concluded on a tripartite basis with sectoral trade unions, including:

- > material assistance for employment leave;
- > temporary disability benefits;
- > lump sum on early retirement;
- > payments in connection with the birth of a child;
- > payments to provide assistance in various life situations.

In 2021, the Company implemented the following measures to provide social support to employees:

- > approval of the Social Support Program for employees of Kazakhtelecom JSC (large families, families with special children and families adopting more than two children);
- > the Regulations on Intangible Incentives for Employees of Kazakhtelecom JSC have been approved;
- > a system for monitoring the physical health of Company employees has been developed and implemented;
- > sports events to support the physical health of employees are held together with trade unions in accordance with the approved schedule.

In March 2020, in order to prevent its spread among employees of Kazakhtelecom JSC, COVID-19 has been organised as a remote form of work for employees, with the exception

of employees whose presence is mandatory in the workplace due to their work functions. The distance work format has been retained for the following categories of employees:

- > pension and pre-retirement age (people over 55 years old);
- > with severe chronic illnesses;
- > pregnancy women, large mothers, single mothers raising a child under the age of fourteen (handicapped children under the age of eighteen) and other persons raising this category of children without a mother;
- > women with a child under the age of three and junior children (up to the 4th grade).

The percentage of Company employees transferred to the distance work format was 50% (more than 10,000 employees). Starting from 1 May 2021, the Company has implemented a remote format of work on an ongoing basis. The number of such transferred employees was more than 200 for the Company.

The Order of Kazakhtelecom JSC On the Working Conditions of Personnel in Connection with Restrictive Quartile Measures has abolished the secondment of employees outside the Republic of Kazakhstan and the holding of mass events (holiday, concert, cultural, sporting events, conferences, forums, exhibitions, etc.).

In addition, as part of social support for employees, the Company has decided to pay 100% of the average monthly salary (without taking into account the length of service of the Company) to employees with a diagnosis of COVID-19 and virus-virus had been retained until 1 August 2021.

88%

collective resistance to COVID-19

17,726

employees who have been vaccination

With the start of mass vaccination in the Republic of Kazakhstan, the Company has established cooperation with local health authorities to ensure the vaccination of employees and the organization of field vaccination points in the Company's offices in order to achieve collective immunities.

For each stage of the vaccination, employees were granted one day of rest on the basis of a written request from the employee, if supporting documents are available, with the subsequent execution of the relevant order.

By the end of 2021, the Company had achieved collective resistance to COVID-19 and accounted for 88% of the Company's total, which is 17,726 employees who have been vaccination.

Plans for 2022 and the medium term

In order to support and improve housing conditions, the Company plans to consider the possibility of issuing interest-free loans in 2022, taking into account the social status of the employee, with priority provision of loans to production personnel, low-income families and large families. It is also planned to organize training of the children of employees from among production staff at higher education institutions, and to organize summer leisure in the cities of Nur-Sultan and Almaty on IT skills for the children of Company employees.

Occupational and occupational safety

Management approaches

Kazakhtelecom JSC sees human life and health as the highest value and is directly responsible for ensuring safe working conditions. Creating healthy working conditions for its employees and minimizing risks associated with production activity are one of the key areas of the Company's Development Strategy.

The Company strives to comply with global best practices, to strictly comply with national and international requirements, and to constantly improve the Health and Safety Management System (HSE).

Kazakhtelecom's OHS priorities are:

- 1 relevant compliance with and application of the Labour Code of the Republic of Kazakhstan;
- 2 provision of safe working conditions and workplaces;
- 3 use of modern technologies and best practices in occupational safety and safety;
- 4 introduction of modern means and methods of preventing occupational injuries and occupational diseases.

Kazakhtelecom recognizes the importance of early prevention or mitigation of adverse health and safety impacts for employees, contractors and the public. The Company has a health and safety management system that ensures constant methodological guidance, analysis and monitoring of the state of health and safety.

Kazakhtelecom's JSC Occupational Safety and Safety Policy is the fundamental OHS document. The Policy includes twenty basic principles and applies to all employees and contractors of the Company.

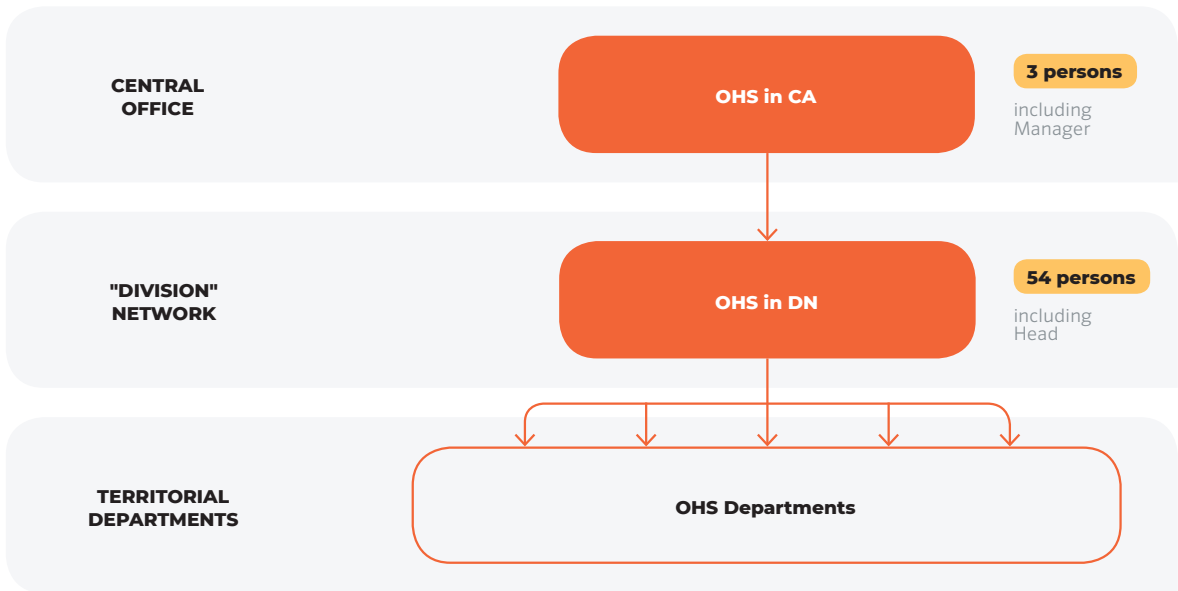
Internal documented information in the areas of occupational health, safety and environmental protection and industrial safety, pursuant to which the system for managing occupational safety and industrial safety of Kazakhtelecom JSC is in effect, consists of:

- › Collection of instructions on safety and labor protection by types of work ;
- › Collection of instructions on safety and labor protection by professions of the Center for maintenance of local networks of branches of Kazakhtelecom JSC;
- › Standard "Technical requirements and specifications for special clothing and personal protective equipment";
- › Approved forms of statistical reporting on OHS;
- › Rules for periodic mandatory medical examinations;
- › Rules for the production of work in conditions of increased danger according to work permits;
- › Standard Fire safety rules at Kazakhtelecom JSC;
- › Rules of occupational and occupational safety when working remotely.

Governance structure and tools

A special functional division of the Company's central administration, the Health and Safety Service (H&SS), responsible for coordination and day-to-day management of all organisational OHS work at Kazakhtelecom JSC.

Organizational structure of the OHS in Kazakhtelecom JSC



As part of the Internal Control Plan for Occupational Safety and Safety, the Central Administration's Health and Safety Service conducts meetings and discussions on occupational safety and working conditions. The main functions of the Occupational Safety and Safety Service are:

- › organize training and testing of employees' knowledge;
- › ensure timely and objective investigation of accidents and other health damage to the Company's employees, pursuant to the procedure established by the effective labor legislation of the Republic of Kazakhstan;
- › suspends or restricts the activity of facilities, performance of work with increased danger, machinery and mechanisms in the event of the appearance of a threat to the life and health of employees;
- › issue instructions to the directors of the structural divisions of the Company and other regional divisions of the Company's branches on taking measures to eliminate identified violations of occupational safety, industrial safety and fire safety;
- › coordinates and interacts in the area of occupational safety and safety with the state authorities and with the public association "Sectoral Professional Union of Information and Communications Employees";

- › together with the structural divisions of the branch of the Company, certification of production facilities according to working conditions in accordance with the procedure established by the effective legislation of the Republic of Kazakhstan;
- › conduct introductory trainings with new entrants in accordance with the approved program.

Employees of Kazakhtelecom JSC are actively involved in the development, implementation and assessment of the OHS management system. At all branches and the central administration, production safety and occupational safety boards have been created, which organise on a permanent basis the joint efforts of the employer and employees to ensure compliance with occupational safety requirements, prevent occupational injuries and occupational diseases, and organise checks of working conditions and occupational safety at work by technical labor inspectors.

In 2021, the HSE Framework and the Қауіпсіз еңбек Roadmap for 2022-2026 were submitted for the consideration of the Management Board of Kazakhtelecom JSC in order to build the Company's OHS management system based on leading international standards and promoting the development of a safe labor culture, reduction of accidents, achievement of zero injuries and training of managers at all levels.

Compliance of the management system with international standards

Health and safety management systems complying with international standards are being widely implemented within the Company. Kazakhtelecom JSC has implemented an Integrated Management System in accordance with international standards ISO 9001, ISO 14001 and OHSAS 18001.

The Health and Safety Management System establishes uniform requirements for the organisation of occupational safety in accordance with the "Guidelines on Occupational Safety Management Systems of the International Labour Organisation of International Labour Standards ILO-OSH 2001" and the international standard OHSAS 18001.

One of the main principles of the Company's OHS policy is the constant improvement of the system of industrial and occupational safety in accordance with the requirements of international standard ILO-OSH and their national counterpart ST RK OHSAS 18001-2008 and an increase in its effectiveness.

In 2021, the documentation was analyzed in terms of its compliance with the requirements of ISO 45001:2018 and ISO 14001:2015 to the documented information of the occupational health, safety and environmental management systems.

Risk assessment

The process of managing key risks in the area of OHS is an integral part of both the corporate risk management system and the Company's health and safety management system. Unacceptable hazards and risks are assessed in accordance with the approved documented procedure "Identification of hazards, environmental aspects and risk assessment. Procedure for determining management measures".

In 2021, the Register of Significant Hazards and Unacceptable Risks was approved in accordance with the requirements "Identification of Hazards, Environmental Aspects and Risk Assessment". Analysis and assessment of the probability and impact of risks is performed, and risk minimization measures are reviewed taking into account the current situation.

The Company identifies and assesses project risks and adverse impacts on the health and safety of population groups in their places of presence, and develops protective, preventive and risk mitigation measures commensurate with impacts and risks. Kazakhtelecom collaborates with relevant authorities and other stakeholders, as necessary, on mitigation measures and plans.

The procedure for identifying hazards and assessing risks takes into account the day-to-day activities of all personnel, the behavior of an individual and his/her abilities, the hazards identified near or outside the work area, infrastructure, equipment and materials, and technological processes. Risk management measures have been identified and are being implemented.

The Health and Safety Service of the Central Office analyzed the data on the issued instructions on taking measures to eliminate the identified Health and Safety, Safety and Fire Safety violations for 2020-2021, with a description of corrective measures, and sent them to the branches.

In order to identify work-related hazards and assess risks, an action plan for a key risk event has been prepared, and the status of key risk indicators for key risk events, on the basis of information on injuries and accidents at work, and internal health and safety control, has been provided.

In the Company's Risk Register, occupational injury is defined as one of the main risks. For this risk, the Company has prepared a list of measures aimed at preventing the realization of the risk and reducing the consequences of its implementation.

Prevention of occupational injury

Kazakhtelecom JSC holds regular meetings to analyse the causes of accidents and develop measures to prevent them.

Based on the results of the analysis of work-related injuries and accidents, information letters are prepared and sent to branches with a list of measures to prevent and prevent

accidents. The circumstances and reasons for the incidents are also discussed with employees in all divisions, together with an unscheduled safety briefing.

In order to ensure health and safety, an annual Zero Injury Plan is being implemented. The report on implementation of the plan is considered by the Board of directors quarterly.

Injury rate at Kazakhtelecom

For all employees	2019	2020	2021
Total fatalities	0	0	0
Fatality frequency rate	0	0	0
Total high-impact occupational injury (excluding fatalities)	0	0	0
High impact injury frequency rate (excluding fatalities)	0	0	0
Total number of recorded occupational injuries	2	4	6
Occupational injury rate	0.1	0.2	0.3

In 2021, the Company had six accidents, of which five were heavy accidents. In the Company the cases of occupational diseases and also incidents and incidents in 2021 are not recorded.

Main causes of injuries:

- › improper organization of safe work by responsible managers;

- › improper internal health and safety controls;
- › violation by the affected persons of the Instructions on Occupational and Occupational Safety during the Performance of Work;
- › lack of adequate collective and personal protective equipment.

Training and development of safe work

The Company's operations comply with OHS requirements. Comprehensive measures to prevent accidents and accidents are being taken on an ongoing basis. Kazakhtelecom JSC performs systematic work to improve its safety culture to the level of international best practices and to increase the level of conscious compliance with occupational safety requirements by employees and managers at all levels.

Kazakhtelecom JSC holds annual trainings for employees on occupational safety and safety, industrial safety, fire safety and technical minimization, and safety when working on electrical installations, both at outside training organizations and at workplaces. In 2021, 14,465 employees were trained, which is in line with the target number of trained employees.

14,465

employees

were trained in 2021

TRAINING ON HEALTH AND SAFETY, FIRE SAFETY, SAFETY IN 2021

9,629

employees

Occupational Health and Safety

1

employees

NEBOSH IGC

1,601

employees

Industrial safety requirements

0

employees

IOSH Managing Safe

855

employees

The minimum level of fire safety

0

employees

Traffic safety management, technical inspection of vehicles

0

employees

Training of people without medical education

398

employees

Rules of safety at DPL when working at height and high-climb work

0

employees

Driving Safety

2,380

employees

Traffic rules of the Republic of Kazakhstan.
Road safety fundamentals

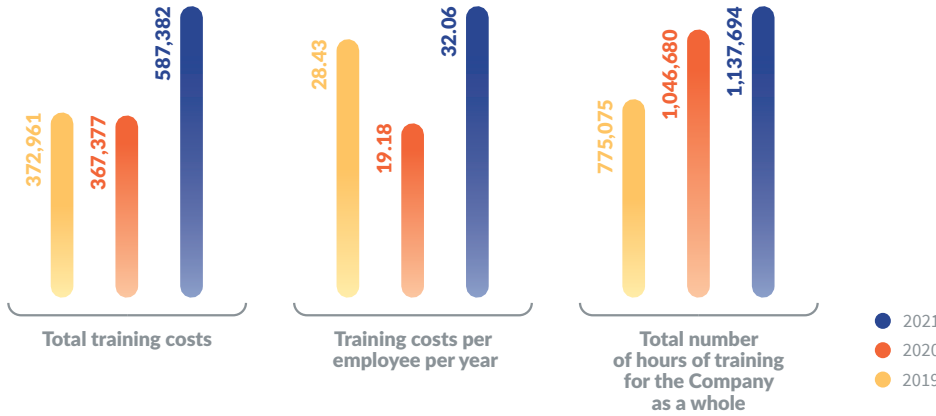
0

employees

Driving Safety in Winter

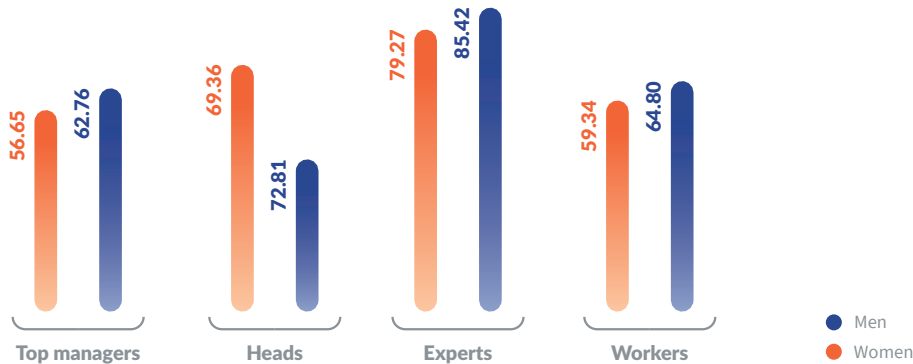
Expenses of the Kazakhtelecom Group of Companies on training of employees

thousand KZT



Number of hours spent on training one employee of Kazakhtelecom JSC in 2021

per hour



A master class on "International best practices in occupational health and safety management" was held during the reporting period to improve the qualifications of employees of the Company's branches "safety and occupational safety services. In 2021, as part of the Project to improve the efficiency of the HSE management system, the Head of the Health and Safety Service of the central administration received NEBOSH IGC training. Training under the program "Internal Audit of Integrated Management Systems" was conducted for key employees of OHS. The Company has created a training video on occupational safety and safety.

As part of the implementation of Kazakhtelecom's JSC strategy for the SERPIN transformation program in the area of digital transformation, HSE Telecom software was put into commercial operation at the Company's branches.

As part of the implementation of software for digitalization of OHS processes, the following modules were developed:

- › the system for issuing electronic work permits for work of high danger;
- › system for issuing electronic work permits for work in electrical units;
- › a system for registering OHS instructions using a mobile phone to photocopy the violation and send it to the responsible head of work to eliminate it.

Investments in industrial and occupational safety

In 2021, total investments in this area amounted to

million KZT

1,072

Investments in industrial and occupational safety, million KZT

Name	2019	2020	2021	Change, %
Health and Safety	463	463	480	4
Health protection	153	149	172	12
Personal protective equipment	84	96	113	18

Prevention of occupational diseases and health protection

Kazakhtelecom pays special attention to the health of employees. For example, the social benefits of employees include full medical insurance, as well as health and resort programs for employees, the terms of which are stipulated by collective agreements. Preliminary, regular and extraordinary medical examinations of employees are held on a regular basis. Upon the results of the medical check-up, employees are sent for an in-depth preventive check-up, if necessary. Employees who have not undergone a medical check-up are not permitted to perform work.

In accordance with the requirements of the Labor Code of the Republic of Kazakhstan, employees of the Group's contracting organizations engaged in work related to increased danger, machinery and mechanisms also undergo mandatory pre-and post-shift medical examinations.

The number of employees of Kazakhtelecom JSC undergoing the statutory periodic medical check-up in 2021 was 13,209 (according to the final reports provided), which is 100% of the total number of employees subject to the statutory periodic medical check-up.

13,209

employees

undergoing the statutory periodic medical check-up in 2021

Taking care of personnel in the conditions of the Panemics

With the start of the COVID-19 disaster, the Company implemented social support measures for employees, which made it possible to protect the Company's offices and production facilities from the spread of the virus. In particular, the Company performed active work to promote vaccination:

- 1 the Action Plan on organizing and preparing for voluntary vaccination of Company employees against coronavirus infection COVID-19 has been approved;
- 2 information materials on the prevention of COVID-19 and the benefits of vaccination have been published on internal communication channels;
- 3 training on "Prevention of COVID-19";
- 4 preparation of revaccination measures from COVID-19.

Other measures in the reporting period include:

- 1 organization of an initial inspection of employees through the Ashyq platform;
- 2 restriction of the holding of contact events and participation of Company employees in them;
- 3 personal protection of staff;
- 4 changes in employee work and rest regimes;
- 5 restriction of access to facilities of persons who are not employees of the Company.

By the end of 2021, the Company had achieved collective resistance to COVID-19 and accounted for 88% of the Company's total, which is 17,726 employees who have been vaccination. Kazakhtelecom JSC ensures and is responsible for maintaining the confidentiality of medical data of employees in accordance with the internal health and safety rules.

Organization of work with increased danger

In order to ensure production and fire safety at the sites of Kazakhtelecom JSC, in 2021 employees were trained in occupational and occupational safety, industrial safety, fire and technical minimization, and safety when working at electrical installations, both in external training organizations and at work places.

A number of corrective measures were taken to ensure the elimination of work-related hazards and to minimize the risks of injury:

- › unscheduled briefing with an analysis of the causes and circumstances of the accident with employees of the Company's branches;
- › an unscheduled check of the knowledge of the injured persons for their knowledge of the Instructions on Occupational Safety and Safety for the electrical controller and during the performance of work at height;
- › when working at a height of more than 1.8 meters, and if the distance is less than two meters from non-protected height, protective devices and PPE have been used;
- › access to work with heightened danger was performed after the responsible manufacturer of the work provided confirmation of its readiness for safe work (availability of special clothing, special footwear, protective cask, security and retention tie, security rope, fixtures, etc.);
- › to take disciplinary measures against managers and employees who allow work to be performed without the use of collective and personal protective equipment, up to and including termination of employment contracts.

In order to prevent employees falling into inspection pits, the Service Factory shall:

- › to provide all repair boxes with protective billboards to cover the inspection pits, with a depth of at least 4 cm;
- › develop instructions on occupational and occupational safety when performing work in the inspection pit, with subsequent familiarization of employees against signature;
- › to provide repair boxes with sufficient portable lighting with a voltage of 12 volts.

In addition, in 2021 the Company implemented a wide range of measures and initiatives to manage health and safety issues:

- › **10,130 employees** are provided with the necessary special clothing, shoes and personal protective equipment (PPE);
- › control over compliance with uniform requirements on the insulation of hazardous energy sources during the performance of maintenance or repair work on the Company's equipment;
- › assessment of occupational safety risks, prevention and prevention of occupational injuries;
- › Regular meetings with employees on a quarterly basis on OHS and environmental issues;

- › training of **14,465 employees** in occupational safety and safety, fire safety measures to the extent of the minimum fire safety and industrial safety;
- › **1,601 employees** of the Company have undergone training and retraining on industrial safety issues;
- › 84 fire and technical classes, 16 fire and technical exercises, 56 fire safety trainings, and **855 employees** were trained to the extent of the fire and technical minimum.

Based on the results of implementing industrial safety programs, in 2021 employees of the Company's Branches Safety and Occupational Safety Services were awarded certificates of honor and letters of gratitude to Kazakhtelecom.

Management of industrial and occupational safety at contracting organizations

Compliance by contractors performing work on the Company's sites with environmental protection requirements, production safety standards and standards is a mandatory rule. As regards the management of OHS aspects, suppliers of goods, work and services and contractors are subject to requirements in accordance with the corporate standard on production safety. Compliance

with OHS requirements is monitored by contractors independently.

The Company has implemented a system for assessing contracting organizations on production safety issues. For employees of contractors, the Company organizes training in OHS aspects.

Plans for 2022 and the medium term

1. Introduction of zero injury rates to corporate KPI.
2. Analysis of the frequency and nature of hazardous conditions to be identified, hazardous actions, and potentially dangerous Near-Miss situations and the adequacy of corrective measures taken.
3. Increased requirements for contractors on industrial safety issues.