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Board of Directors of
NMC Tau-Ken Samruk JSC
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HR Policy
JSC NMC Tau-Ken Samruk
for 2024-2033



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1. Glossary

The HR Policy (hereinafter - the Policy shall make use of the following concepts, terms and abbreviations):

Business process - a logically completed set of interrelated actions, operations involving and using various resources, implementing the Company's policy in the field of management (managing business process), or conducting the main business (operational business process), or servicing the main business (auxiliary business process) in order to achieve the Company's goals;

Well-being - a person's inner feeling, a combination of love for what he does every day, good relationships with others, a stable financial situation, good health and pride in our contribution to society and the interrelation of these elements;

Company group of companies - the Company and its subsidiaries, more than fifty percent of voting shares (interests) of which is owned by the Company;

Position - a staff unit who is entrusted with a range of official authorities and responsibilities established by internal documents;

Official – a member of the Board of Directors/Executive Body, or a person performing solely the functions of the Executive Body;

Corporate culture – values, principles, standards of behavior and attitudes accepted in Society/Company;

Competencies - qualities and skills of an employee (personal, business, leadership, professional) that contribute to the effective performance of work in a position;

Coaching - a system of principles and techniques that contribute to the development of an employee's potential, as well as ensuring the maximum disclosure and effective realization of this potential;

KPI - key performance indicators;

Motivation - a mechanism of influence on labor efficiency, the process of stimulating an employee or a group of employees to activities aimed at achieving strategic goals and tasks;

Mentoring - a form of adaptation and professional training of new employees under the supervision of a mentor with regular constructive feedback;

Performance evaluation - a comprehensive and regular process covering performance evaluation and competency assessment;

Management of the Company – Chief Executive Officer the Company, members of the Management Board of the Company;

Fund - Joint Stock Company "Sovereign Wealth Fund "Samruk-Kazyna";

SBA - Samruk Business Academy PE;

SRS (Samruk Research Services) – Social Stability Index;

CSCC - Center for Social Cooperation and Communications of Samruk-Kazyna JSC;

CSR (Corporate Social Responsibility) - a concept according to which Companies take into account the interests of society, assuming responsibility for the impact of their activities on customers, suppliers, employees, shareholders, local communities and other stakeholders in the public sphere. This obligation goes beyond

the statutory obligation to comply with legislation and assumes that organizations voluntarily take additional measures to improve the quality of life of employees and their families, as well as the local community and society as a whole;

ESG (Environment, Social, Governance – environment, social policy, corporate governance) - a set of characteristics of Company management, through which the involvement of this Company in solving environmental, social and managerial problems is achieved. It is based on principles of:

Environmental – attitude to the environment, environmental friendliness of the Company's production. Reducing harmful emissions into the atmosphere, soil, and reservoirs. Control over the entire life cycle of goods: extraction of raw materials, production, use, disposal;

Social – loyalty to all representatives of society: to staff, customers, and society. Taking care of the families of employees, providing benefits. Employment and social services for people with disabilities;

Governance – corporate governance, compliance with all rights and guarantees. Building relationships with the government, shareholders, and the consumer community. Anti-corruption policy, tracking the chain of financial communications, regular reports on all areas of activity.

IR (Industrial Relations) – relations between an employer and employees related to the working environment, the goal of which is to maintain the sanitary, epidemiological, social and psychological well-being of employees in order to ensure the continuity of production in the Company group of companies;

IR screening - a study of the social and living conditions of the production staff of the Company group of companies, contractor units based on a checklist;

IR-conclusion – conclusions and recommendations based on the analysis of IR screening;

Subsidiaries - organizations, more than fifty percent of voting shares (interests) of which are owned by companies, as well as legal entities, more than fifty percent of voting shares (interests) of which are owned by the specified subsidiaries of companies;

Unified Operator for the industrial relations development (Unified Operator) - a legal entity that provides work on monitoring the development of industrial relations, developing and implementing models, practices, policies and procedures for improving standards of industrial relations, developing and implementing programs, projects, methodological materials, textbooks, distance learning courses, modular and multimedia programs aimed at the development of industrial relations, the development of mechanisms to improve the sanitary, epidemiological, social and psychological well-being of employees in the Company group of companies.

HR metric - an indicator that permits to evaluate or measure the effectiveness of HR management processes;

HR function – HR management function;

HSE (Health, Safety, Environment - Health, Safety and Environment) - a set of processes, solutions and practices that identify potential risks for a particular work environment, develop best practices to reduce or eliminate these risks, and then train employees in a risk-based approach methodology for accident prevention, rapid injury

response, etc. HSE covers personal, technological, environmental safety and safety culture in general, and not just the compliance of the enterprise with the legislative norms and rules that the HSE implies.

2. Introduction

The Policy of JSC NMC Tau-Ken Samruk (hereinafter - the Company) for 2024-2033 defines a system of principles, key directions, approaches and methods of HR management aimed at implementing the Company's Development Strategy, approved by the Board of Directors of the Company on December 29, 2023 (Minutes No. 15/23).

The Policy was developed on the basis of the HR Policy of Samruk-Kazyna JSC, approved by the decision of the absentee meeting of the Board of Directors of Samruk-Kazyna JSC of December 14, 2022, No. 209.

The Policy is a strategic document in the field of HR management in the Company and its subsidiaries.

The main strategic capital and the main value of the Policy is its HR, the effective work of which will successfully solve the following strategic goals and tasks of the Company:

1) Increasing investment attractiveness by:

- Search, evaluation and implementation of new exploration projects;
- Development of the rare metals and rare earth elements sector;
- Improving interaction with partners;
- Development of research and development activities;

2) Formation of a high-quality asset portfolio through:

- Improving the productivity of operating assets;
- Implementation of mining projects;
- Implementation of the privatization and divestment program;

3) Introduction of ESG principles based on:

- HSE Best Practices;
- Environmental responsibility and decarbonisation;
- Development of human capital and local communities;
- Green financing;
- Improving the level of corporate governance.

3. Goals of the Company Policy

Goals of the Policy include:

1) **ensuring the success of the Company's investments in staff** through HR developing, attracting, nurturing and retaining talents, implementing a career planning and staff rotation system, developing leadership for effective competition and ensuring the ability of the Company to adapt and respond to changes in a global, highly competitive and constantly evolving market;

2) **HR planning** through staff potential assessment, forecasting future needs, identifying gaps in the necessary competencies and integrating with the strategic goals of the Company, a plan to attract, retain, develop and motivate professional and highly

effective employees with the necessary competencies, strengthening competencies related to investment project management and project management in the field of investment attraction, M&A-transactions, as well as building the competencies of production personnel;

3) **creating a working atmosphere in a team** in which employees are maximally involved, highly productive, motivated and loyal to the Company and interested in increasing the attractiveness of the Company as an employer;

4) **Social stability** in the teams and contributing to the growth of well-being of the staff throughout the Company group of companies. Creation of working conditions and motivation systems that ensure safe and high-performance work;

5) **Creation of a fair labor payment system** that includes equal pay for work of equal value to employees;

6) **Strengthening corporate identity and self-awareness through the development of internal expertise** and the creation of conditions for increasing the value of human capital by improving the level of training of local personnel, as well as favorable conditions for the retention of qualified specialists, continuous improvement of staff skills through systematic training (long life learning);

7) **Development of the corporate culture** focused on the meritocracy, introduction of new behavior models to achieve high productivity, “commercial way of thinking”, high-quality project management and readiness for change.

4. Fundamental principles of the Policy

Proactivity - the ability to forecast and plan the HR situation for short, medium and long-term periods, considering stages of implementation of the Company’s Development Strategy, to assess and mitigate (reduce) HR risks (prevention of possible, minimization of negative consequences). Managers responsible for HR management should constantly participate in strategic discussions on the company’s development path in order to timely identify and respond to business needs for the necessary competencies and staff development.

Transparency and openness based on the principles of meritocracy is achieved through:

1) Transparent procedures for approval/appointment to senior positions of the executive body with the involvement of members of management bodies in the procedure for searching and selecting the most suitable candidates who meet the requirements and competencies;

2) Open competitive procedures for the search and selection of candidates for vacant positions;

3) Cascading corporate KPI from the top to bottom and transparent procedures for staff evaluation, enrollment in the talent pool/talent reserve and promotion of reservists to senior positions;

4) Fair and competitive system of labor payment and remuneration depending on performance, training opportunities and professional development;

5) Regulation of social and labor relations in compliance with the requirements of labor legislation, labor protection, safety and fire safety.

HR integration: the integration of HR processes is ensured through the close interconnection and interdependence of workforce planning, staff search and selection, evaluation, training and professional development, remuneration and motivation systems, social support for staff, and the development of corporate culture.

Succession is achieved through the transfer, preservation of knowledge and experience, focus on professional development and training of employees; development of a system of accessibility of accumulated knowledge and experience, keeping knowledge up to date and transfer of information in the case of staff rotation and knowledge management.

Focus on maintaining a balance between the interests of employees and the employer through the introduction of IR, HSE practices throughout the Company group of companies.

5. Key priorities of the Policy:

- 1) HR planning for the Company group of companies;
- 2) Attracting, retaining, motivating and developing employees;
- 3) Social stability and social well-being of the staff;
- 4) Introduction of modern methods and practices of HR management, development of the HR function;
- 5) Key initiatives of the HR management function.

5.1. HR planning for the Company group of companies

HR planning focuses on ensuring that the Company's needs for the necessary qualifications, qualities, competencies and talents of employees at different stages of development in the Company group of companies are met and is one of the decisive factors for the success of the Development Strategy.

To implement the Development Strategy, as well as other tasks, the Company needs employees with three main characteristics:

- 1) Recognized professionals:
 - Detailed requirements for professional skills are defined in the post description/job description;
 - Among the common characteristics the following may be underlined: commercial experience, work experience in international companies, specialized certification, fluency in English (according to the functionality), project management experience, result orientation and a broad outlook.
- 2) Having the necessary competencies:
 - Personal and business competencies are defined in the competence model of the Company;
 - In the long term, the Company employees are agents of change, innovators;
- 3) With a high engagement rate:
 - Engagement of the Company employees is measured annually.

The Company needs to provide and develop the skills and competencies of staff:

- 1) On attracting strategic investors for the joint development of projects or their sale;
- 2) On improving the profitability and financial stability of operating assets;
- 3) On advancing the project management;
- 4) On developing measures and activities to optimize and improve the efficiency of business processes, represent interests of the Company in the management bodies of subsidiaries, increase their value, as well as prepare them for potential implementation or joint activities with strategic partners.
- 5) On enhancing the transition to active management of the Company's investment portfolio through the life cycle of the asset portfolio: search for new commercially attractive initiatives/assets, development of projects/assets to create added value and/or increase their value, optimization and preparation of the asset for sale, full or partial withdrawal from the asset;
- 6) On increasing competencies in the field of geology through advanced training of the Company employees and recruitment in the field of forecasting and prospecting, data analysis, design of exploration, modeling and resource assessment (including according to the JORC standard);
- 7) On engaging experts in the field of sustainable development, in order to implement the ESG principles.

5.2. Attracting, retaining, motivating and developing employees

Based on principles of meritocracy, the recruitment, retention, motivation and development of employees is based on improving professionalism and expertise, the value proposition of the employer, competitive level of remuneration subject to market guidelines, encouraging the achievement of business results and recognition of merit.

The active position of the Company in relation to existing and attracted employees of the Company, their constant personal and professional development, competitive remuneration linked to the achievement of goals, will ensure a positive reputation of the Company in the labor market, as well as increase the attractiveness of the Company as the best employer.

5.3. Social stability and social well-being of the staff

The Company strives to realize a state of the social system in which there are no serious conflicts, social friction and violations, which allows maintaining balance and normal functioning of the Company. The Company annually participates in sociological research in order to measure the Social Stability Index (SRS), results of which make it possible to respond in a timely manner to fluctuations in the indices of staff engagement, social well-being and social tranquility.

In order to maintain social well-being, the Company undertakes to provide social support to employees aimed at improving the social package, including health insurance and maintaining a healthy lifestyle for employees.

5.4. Key initiatives of the HR management function

Considering staff as its key asset, ensuring the achievement of the best performance results, the Company defined attraction, development and retaining the best personnel in Kazakhstan as one of its strategic goals, in support of which this

Policy has been formed.

HR function development initiatives are based on the main issues of the Company's business:

- What kind of employees does the Company need in the current conditions to implement the tasks set?

- How does the Company plan to attract and retain the required employees?

- How can the HR function help a business perform its tasks?

The key initiatives of the HR function in fulfillment of the Company's strategic goals for the period up to 2033 are as follows:

- main focus on business needs;

- ensuring a high level of HR expertise;

- introduction of modern and effective tools;

- maximum automation of "routine" processes.

Implementation of the Policy is possible if the following terms and conditions are met:

- 1) support of the Board of Directors and the Management Board of the Company on labor payment issues;

- 2) budget support for HR initiatives.

The ongoing modernization of the HR function will help to introduce an effective HR management system, as well as its internal efficiency control, real creating and evaluating business support through the implementation of top-level HR strategy measures:

- introduction of the business partnership model (evolution of the HR function's role from administrative support and providing information to the role of a business adviser);

- increasing the maturity level of HR processes, (introduction of best practices;

- performance evaluation of processes and satisfaction of internal customers);

- focus on performance in HR processes that have added value (competitive selection, talent management, corporate culture management);

- automation of administrative processes (HR administration, employee performance evaluation, HR metrics, etc.);

- systematic approach to HR functions in the Company and Subsidiaries (introduction of end-to-end processes in compliance with standard procedures, uniform principles, HR approaches and methods).

HR Business partners are responsible for establishing a dialogue between the business and the HR team, as well as for the effective implementation of HR services for business.

Implementation of the Policy will help to introduce an effective HR management system, as well as its internal efficiency control, real creating and evaluating business support through the implementation of the relevant measures.

6. Key areas of HR activity

6.1. Recruiting

Proactive staff planning (involving HR in the formation of business decisions) will allow the Company to ensure strategic and organizational flexibility, determine the qualitative and quantitative need for personnel and the optimal sources of covering this need.

The Company forms the **employer's value offer** (internal and external) to attract the right employees and increase engagement. It is based on principles of meritocracy on the following key elements:

- Unique experience: Employees are given a unique opportunity to gain valuable experience that increases their market value;
- Social significance: each employee makes his/her own personal contribution to the development of the country;
- Competitive working conditions: working conditions are provided (remuneration based on market guidelines, training and development opportunities, social benefits).

Search and selection is aimed at attracting the most suitable candidates who meet the requirements in terms of qualifications, professional business and personal qualities, based on the results of a competitive selection process in compliance with principles of meritocracy, transparency, objectivity, inclusivity, as well as gender equality.

For the exchange of experience and the development of competencies, subject to business needs, the focus is on attracting specialists with international experience for certain investment positions, but with an obligatory component of knowledge transfer for the development of Kazakhstani specialists.

In fulfillment of strategic goals and tasks, the Company implements the following tasks:

1. Attracting unique investment expertise, successful experience in due diligence, international transaction management, investment projects, portfolio and project approaches.
2. Formation of a database of external candidates who are ready to fill vacancies.
3. Training managers in staff planning skills, competency-based interviewing, training on effective team management, and providing constructive feedback.
4. Job introduction/adaptation program for new employees.
5. Implementation of talent retention measures.
6. Professional headhunting: use of various search sources, including involvement of an international-level recruitment agency to search for unique expertise outside Kazakhstan.
7. Strengthening the employer's brand on professional platforms in Kazakhstan and abroad with the involvement of HR/social media.

6.2. Staff adaptation

Staff adaptation is carried out on the principle of providing comprehensive assistance to a newly hired employee in order to successfully join the team, by

familiarizing with the goals of the Company, its features of activity, as well as the basic rules of the Company and functional responsibilities of the employee.

The main approaches to building adaptation include:

- Corporate adaptation: for effective work, the newcomer is provided with information related to the organization of the Company's activities;
- Social adaptation: building effective communication and relationships with colleagues;
- Organizational adaptation: familiarization of a newcomer with the corporate culture of the Company, formal and informal rules, traditions of the team, orientation in the workplace;
- Technical (technological) adaptation: demonstration / training of a newcomer to work with a set of equipment and software;
- Professional adaptation is directly related to the professional side of the employee's activity;
- Psychophysiological adaptation: adaptation to a certain, often different from the usual, work and rest regime, etc.

The introduction of these approaches involves the implementation of Policies through measures to improve HR processes in the Company and its subsidiaries.

6.3. Staff training and development

The key tasks for the purposes of maintaining the competitive advantage of the Company include:

1. Improving and implementing a leadership development program tailored to business needs (focus on strategic objectives: acquisitions and mergers, evaluation of investment projects, project management).
2. Training managers in competencies, values of the Company, skills for evaluating performance and identifying potential, mentoring and coaching.
3. Domestic and foreign training programs to prepare current employees for future changes in qualifications, competencies and skills, depending on the stage of development of the Company group of companies, which cover issues related to production, project and asset management, including their distribution, investment and risk management.
4. Development of specialized competency models for certain investment positions. A gradual increase in the share of employees with professional international diplomas/certificates.
5. The use of advanced digital technologies in education, the development of distance/modular learning.
6. Implementation of internships with leading mining companies as part of obtaining unique experience/knowledge and experience exchange, intra-group staff rotations.
7. Effective development of internal training, mentoring, mentoring and coaching.
8. Training should be aimed at improving professional qualifications and

developing personal, business and managerial competencies of employees.

6.4. Talent management

The main approaches of the talent and succession management system include:

- HR development in accordance with the Development Strategy of the Company;
- Formation of a pool of successors should meet the real needs of the Company in the medium and long term for the successful implementation of the Development Strategy of the Company;
- Selection of the successor pool is based on principles of transparency and fairness;
- Discussion of development plans is an integral part of the performance evaluation procedure for successor pools;
- Discussion of career plans is an integral part of the performance evaluation procedure for successor pools;
- Career development of employees is not limited to the scope of their subdivision.

Main tasks of the talent management system:

1. Development of training programs and development of a career plan for employees in the talent reserve;
2. Identification of key positions on an annual basis, implementation of an action plan for the succession of key roles;
3. Identifying potential receivers, developing talents who will take on the role of tomorrow's leaders, offering them a global learning experience based on industry best practices;
4. Knowledge management. Development of a mentoring and knowledge transfer system in the Company group of companies.
5. Rotation of employees within the Company, as well as in its subsidiaries, for developing the necessary competencies and skills;
6. Introduction of an internship program, exchange of the best experts with advanced world-class mining companies to transfer knowledge.

6.5. Performance evaluation

The Company improves the efficiency management system, which will help to change the consciousness of employees and develop the behavior model of commercial thinking.

In order to achieve real and specific results, increase labor productivity through synergy, the Company will focus on the following tasks:

1. Cascading of corporate KPIs (business goals) of the executive body approved by the Board of Directors of the Company into specific indicators for business processes/areas of activity, improving the process of setting them, with regular monitoring of the KPI performance. The effectiveness of employees is assessed on the

basis of the achieved indicators, contribution to the achievement of the Company's business goals, on which they have a direct impact and impact.

2. Ensuring quality control of goal setting based on SMART.

3. Introduction of mandatory KPI for transfer of experience and knowledge of foreign professionals to Kazakhstani employees.

4. Strengthening the commercial thinking competence through updating the competency model. The competence model for employees that meets the requirements for a specific position, corporate values, is the basic indicator for evaluating staff.

5. Differentiation of the system for the employees potential assessment from the remuneration system.

6. Formation of the talent pool.

7. Building career charts.

6.6. Remuneration management

Aggregate remuneration system management is based on the following principles:

- Internal fairness and external competitiveness;
- Transparency and clearness;
- Compliance with objectives and financial and economic opportunities of the

Company;

- Rewards/bonuses with account of performance of the company and personal contribution.

In order to attract, retain and motivate employees, increase staff involvement, the Company improves, the remuneration system, promotion of business results and recognition of merits subject to the policy of the Sole Shareholder:

1. Revision of the salary structure with a market orientation: increasing the proportion of the constant part and reducing the proportion of the variable part; differentiated approach to remuneration with account of business needs.

2. Introduction of project award for implementation of investment projects, achievement of project financial and production parameters, including the principle of participation in profit/capital.

3. Labor market analysis on salaries and its trends.

4. Competitions for the best ideas for solution of business issues, public rewarding of winners.

5. Application of tools to recognize merits and encourage outstanding employees in action.

6.7. Corporate culture development and IR

The corporate values should become the norm of corporate culture and the main factors in the effectiveness of development of the commercial thinking behavior model. The management of the Company group of companies should set the pace and support corporate culture of high productivity, responsibility and effectiveness, where employees think and act as owners of assets, sharing profits and losses with shareholders, they are ready for changes in order to ensure implementation of the

Company's strategic goals.

Compliance with corporate values of behavior both inside and outside the Company is the responsibility area of each employee. Effective development of corporate culture depends on the personal involvement and participation of each employee.

Corporate values are reflected in the Code of Business Ethics of the Company.

Reflection of values in the corporate culture that builds the target behavior of employees is one of the goals of the Company's Policy through the improvement of the HR management system.

Based on the corporate values, the Company focuses on the following tasks:

- application of performance evaluation results by the Heads in promotion of employees;
- setting qualitative and ambitious goals bringing value to business;
- assistance to continuous training and development of employees;
- introduction of a culture of regular (constructive/positive) feedback from the head and subordinate and other tools for recognizing merits of employees based on the meritocracy principles;
- introduction of business values and culture in the daily activities of the Company;
- implementation of HR processes and tools under the lens and observance of the corporate values of the Company.

The Company will ensure implementation of the roadmap to increase the involvement level of employees (based on the results of annual survey of involvement, sociological surveys), organizing activities to enhance teamwork, loyalty and advantageous and creative atmosphere in the team.

The introduction of the Company's corporate values will be carried out through the following activities:

- Using the competence model;
- Improvement of the performance evaluation system, training system, succession management and financial and non-financial motivation;
- Leaders as role models;
- Creating an effective work environment;
- Promoting the employer's brand;
- Developing internal and external communications.

Maintaining favorable working conditions with zero tolerance to unfavorable social and living conditions, to all forms of violence (physical, economic, sexualized and psychoemotional) in the workplace, developing internal communications and effective interaction with contractors.

The Company, together with subsidiaries must implement the following functions for the development of industrial relations:

Improvement of social and living conditions:

- Adaptation and implementation of the zero-tolerance policy to unfavorable social and living conditions and its implementation in the Company and subsidiaries;

- Development of methodological recommendations and materials and their implementation to increase the level of joint responsibility of employees to the created social and living conditions through communication activities;
- Preparation and approval of a schedule for conducting IR screening of social and living conditions in subsidiaries and familiarization of subsidiaries and the Unified Operator with the schedule;
- IR screening at least once a half-year to study the social and living conditions of subsidiaries;
- Issuance of an IR report to the CEO of a subsidiary for taking appropriate measures;
- Control over the execution of the IR conclusion by conducting repeated IR screening.

Development of internal communications and feedback culture:

1) Adaptation of policies, procedures, mechanisms and organization of events for the development of internal communications, feedback culture, culture of interpersonal communication among employees of the Company and subsidiaries, development of internal communications, culture of feedback and culture of interpersonal communication among employees of the Company;

2) Development, improvement of the questionnaire and conducting a survey among employees of subsidiaries to assess the quality of food services, medical care, transportation, cleaning, accommodation, mass (cultural and sports) events, sanitary and technical equipment of social facilities;

3) Receiving, processing and providing feedback on requests, suggestions regarding improvements in social and living conditions, on the prevention of violence in the workplace, on the development of internal communications and interaction with contractors;

4) Regular meetings with employees of subsidiaries to collect information on improving social and living conditions, on the prevention of violence in the workplace, on the development of internal communications and interaction with contractors;

5) Assistance and organization of mass cultural and leisure, sports events for psychological and emotional relief (with an emphasis on shift workers).

1. Prevention of all forms of violence in the workplace:

1) Adaptation and implementation of a zero tolerance policy for violence in the workplace and ensuring the implementation of the policy in the Company and subsidiaries;

2) Development of plans, promotion and implementation of measures aimed at the control over, prevention and non-admission of all forms of violence in the workplace and discrimination at work;

3) Assistance to the Unified Operator in conducting sociological and psychological research in the Company and subsidiaries to study the presence and spread of all forms of violence in the workplace.

2. Improving interaction with contractors:

1) Adaptation and implementation of introductory trainings, briefings, and communication activities aimed at familiarizing employees with the following policies and procedures:

- 2) Policy on the control over, prevention and tackling all forms of violence in the workplace;
- 3) Policy to prevent the use of alcohol, narcotic drugs, psychotropic substances, precursors and their analogues in the workplace;
- 4) Policy on respect for national, cultural and other characteristics of various ethnic and social groups;
- 5) Procedures on considering applications.

6.8.Improving effectiveness of the HR function

The key approaches of the process are as follows:

- The HR management policy is an integral part of the Company’s development strategy;
- The operational activities in the field of human resource management should provide the Company with staff of the required skill level;
- Measurable HR metrics should make the HR function transparent, understandable, and comply with international standards;
- The organizational structure of the Company should ensure the implementation of the Company’s Development Strategy.

Introduction of these approaches involves the implementation of the Policy through measures to unify and improve the processes in the Company and Subsidiaries, such as (not limited to):

- Improvement of HR expertise (HR certification);
- Introduction of effective HR metrics, setting SMART goals.

The HR function should evolve in its role from administrative support and providing of information to the role of a business partner.

6.9.Introduction of modern methods and digital technologies of HR management, development of the HR function

Development of digital economy, expansion of digital technologies set tasks to:

- 1) Accelerate development of digital skills among employees for future work in digital environment under competition;
- 2) Training of “digital leaders” who understand the procedure for the HR redistribution in the context of digitalization and automation of processes (proactive planning);
- 3) Transfer to advanced technologies, digital solutions;
- 4) Using mobile applications;
- 5) Introduction of automation of HR processes (with account of forecasted needs and expenses);
- 6) Introduction of HR-metrics database (business analytics).

7. Key performance indicators of the Policy

The effectiveness and monitoring of the implementation of the HR Policy is

assessed by the following key indicators (not limited to):

- Increasing the employee engagement index and SRS;
- Stabilization of staff rotation and prevention of staff turnover growth, except for measures related to optimization of the Company's management structure or assets withdrawal;
- Increasing the share of employees who have completed training and advanced training;
- Developing key technical and managerial skills of staff
- Effectiveness of development program, succession and knowledge transfer plan implementation;
- Increase in the share of women in the managing and executive bodies.

A feedback and internal communications system is being formed in the Company group of companies, which allows monitoring the effectiveness of implementation of this Policy. All participants involved in processes and procedures regulated by this Policy evaluate the results obtained and work out corrective recommendations and measures in accordance with the Roadmap for implementation of the Policy approved by the Management Board of the Company.