

Strategy

Social license to operate is consistently among the five main risks and opportunities in the mining and metallurgy industry.⁷

Strategic implications of social performance

> Managing social impacts and risks

Responsibly managing social and environmental impacts—including human rights considerations—is essential to earning and sustaining community support for our operations. When these impacts are not adequately addressed, they can escalate into social risks, threatening operational continuity and our ability to execute our business strategy. To mitigate these risks, we prioritize proactive engagement and open dialogue with communities to responsibly manage impacts and respond swiftly to emerging concerns.

> Community engagement

Engaging with communities is critical to incorporating their concerns and expectations into our operational, tactical, and strategic decisions. When communities are actively involved in matters that affect them, we gain stronger social support and open pathways for shared development. Because community expectations around social performance evolve over time, the effectiveness of our engagement strategy depends on our ability to adapt to these shifts.

> Adapting to changing regulatory frameworks and international expectations of social performance

Social performance requirements continue to evolve, shaped by changes in both national and local laws as well as international frameworks. Our social management system must remain flexible and responsive to these dynamics, and our teams must continuously build the skills needed to meet new expectations.

Strategic alignment

The organization’s strategic plan now includes an action line devoted to social performance, which encompasses these goals:

- Having a framework for managing and engaging with communities and governments
- Providing training and space for reflection on how our behaviors impact communities and governments
- Having a verifiable Community Management System

Material community concerns

Through direct engagement, we identify and address the issues that matter most to our communities, playing a strategic role in effective social management.

Issues that matter to our communities

- Access to land
- Air quality
- Behavior of our people
- Commitments and agreements
- Communication and transparency
- Equality in social support
- Industrial health and safety
- Jobs and labor relations
- Management of tailings dams
- Mechanisms of community engagement
- Soil conversation
- Vibrations
- Water stewardship

Issues are presented in alphabetical order.

⁷ Ernst & Young Global Limited (EYG). Top 10 business risks and opportunities for mining and metals in 2024. Retrieved from: https://www.ey.com/en_kz/insights/energy-resources/risks-opportunities

Social performance maturity

The International Council on Mining and Metals (ICMM) recommends assessing social performance maturity across four dimensions: leadership and social awareness, management systems, people, and metrics. We have adapted this framework to guide our capacity-building efforts.



Source:
International Council on Mining and Metals (ICMM) Social Performance Maturity Matrix

Social impact and risk management

Life cycle engagement

Our community engagement strategy is tailored to match both community expectations and the potential impacts at each stage of the mining and metals life cycle. Communities expect to be heard and included in development processes, which is why we initiate engagement early in the project life cycle:

- Exploration:** Our teams engage with communities to introduce the company, explain our activities, and negotiate land access for exploration. At this stage, we identify local issues, needs, expectations, and concerns. We respond to questions and complaints related to our activities, while seeking to build goodwill through opportunities for temporary employment, local procurement, and social investment. In later stages of exploration, we conduct baseline studies to better understand the communities. We perform Indigenous peoples due diligence within company concessions to identify the needed steps to establish respectful relations with these communities.

- Projects:** We foster continuity between exploration and operations by implementing a social management continuity plan. This includes evaluating management efforts, tracking commitments, and strengthening community relations teams with a long-term, business-life cycle perspective.

Our teams expand baseline studies and impact assessments to inform a tailored social management plan. We increase the scope of our social programs by involving communities and civil society organizations. Engineering and mining teams are trained on community-specific issues, and social factors are integrated into technical decisions—such as tailings dam site analyses. We also train contractor partners on social expectations. Our presence in the field is reinforced through regular meetings with communities and authorities, as well as

