

the Compliance Group of the Fund under the chairmanship of the Head of the Compliance Service of the Fund.

- The Organisation for Economic Co-operation and Development (OECD) has completed the 5th round of monitoring of Kazakhstan legislation under the Istanbul Action Plan against Corruption. The monitoring includes critical areas such as procurement transparency and combating corruption in the quasi-public sector.
- All companies have adopted anti-corruption standards and implemented comprehensive measures to ensure integrity and prevent corruption. The issues of transparency and openness were separately noted. All assessed companies of the Fund publicly disclose information on financial and operational results, significant transactions with third parties, implementation of anti-corruption compliance programmes, as well as provide channels for whistleblowers and reporting violations of anti-corruption rules.
- The Fund's Compliance Service continues to automate the compliance function.

The E-Compliance system has been put into operation, the main purpose of which is to automate compliance processes in terms of full and comprehensive review of appeals received by the Hotline, verification of counterparties, including access to information on counterparties contained in state databases, determination of risk level, formation of standard conclusions and storage of verification results through a single interface with access for all companies of the Fund's group.

- In terms of training activities, in 2024, the Fund's Compliance Service developed and launched an online course "Business Ethics and the Role of Senior Management in the Corporate Compliance System".
- To improve the competences of the employees of the Compliance services of the Fund's Group, a training programme "Compliance Expert" was launched on the basis of Samruk Business Academy.

PLANS FOR 2025:

In 2025, the Compliance Service will continue further development of the compliance function in the Group of Companies, including improvement of the methodological framework and formation of anti-corruption culture,

further digitalisation of the compliance function, identification of compliance risks in the Fund's activities and development of a methodology for assessing the efficiency of the compliance function of the Fund's portfolio companies.

Risk Management and Internal Control

The risk management system is aimed at ensuring the achievement of strategic and operational objectives, as well as objectives in the area of reliable reporting and compliance with applicable laws and internal requirements.

Internal control focuses on achieving operational objectives, ensuring the reliability of reporting and compliance with the legislation and internal requirements of the Fund and its Portfolio Companies.

The objectives of the Corporate Risk Management and Internal Control System are as follows:

- Strengthening the risk culture and integrating risk management and internal control into all aspects of the Fund's activities.
- Reducing volatility of results by improving the Fund's ability to prevent adverse situations, respond effectively to adverse events and minimise their impact to an acceptable level.
- Ensuring that opportunities are seized to increase the value of the Fund's assets and profitability over the long term.

The main principles and approaches to the organisation of risk management and internal control in the Fund Group are reflected in the Fund's Policy on Risk Management and Internal Control. This Policy has been drawn up taking into account the recommendations

of COSO, COSO Enterprise Risk Management – Integrating with Strategy and Performance and is designed to strengthen the responsibility of risk owners for risk management at all levels of the Fund, increase the integration of risk management into all processes of the Fund.

According to the Policy, the Board of Directors and the Management Board of the Fund in the performance of their functions are based on the "Three Lines of Defence" model, where the first line of defence (business functions) is represented by structural units represented by each employee who, within their competence, directly identify, manage risks and perform control procedures. The second line of defence (monitoring functions) is represented, among others, by the Risk Management and Internal Control Department and the Compliance Service of the Fund, which are responsible for monitoring the implementation by structural units of effective risk management and internal control practices, compliance with the legislation and internal regulatory documents of the Fund. The third line (independent assurance) includes the Internal Audit Service, which provides an independent assessment of the effectiveness of the risk management and internal control system.

The Fund and portfolio companies annually approve the risk appetite, risk register and risk map, and regularly submit the Report on Significant Risks to the Board of Directors for consideration.

A corporate reinsurance programme under the administration of the Fund's captive is being implemented, which is aimed at comprehensive organisation of reinsurance protection of risks of the Fund's companies.

Work continues to improve the internal control system, including documentation of control procedures in the Fund's internal regulatory documents.

THE NON-EXHAUSTIVE LIST OF RISKS OF THE FUND AND THE PORTFOLIO COMPANIES IS AS FOLLOWS

Strategic Risks:

The risks of significant investment projects range from internal to external, including classic project risks such as delays and increased capital expenditure, as well as external factors such as inflation, currency fluctuations and logistical challenges. The process of risk identification and minimisation is carried out on a regular basis and measures to minimise risks are developed.

Reputational damage risk includes potential negative perception of the Fund and Portfolio Companies by various stakeholders. This risk is managed through the development and maintenance of the overall image and communication policy, as well as compliance with the legislative and ethical standards of behaviour of the Fund and Portfolio Companies.

Financial Risks:

Liquidity and covenant/listing risks. These arise when a company is unable to finance its operations and meet its obligations. Management of these risks includes setting and monitoring debt limits and various measures to improve financial stability.

Operational Risks:

Social instability risk is a risk associated with social tension of various groups of employees of the Fund and Portfolio Companies. To monitor the state of social stability risk, the Centre for Social Interaction and Communications analyses the level of social stability in the Fund Group's workforce on an annual basis. In order to monitor and regulate social and employee relations, the complaints and appeals of the Fund Group's employees are also monitored. The Fund, together with Portfolio Companies, republican and local authorities, works out systemic measures to improve the welfare of employees and resolve emerging issues.

The risk of accidents is one of the key risks for the Fund's production Portfolio Companies. The Plan of Measures on Industrial Safety for 2024 was approved, consisting of 33 specific measures in 4 areas: People, Equipment, Prevention of Emergencies, Outreach and Information and Advocacy.

In January 2024, a list of critical risks that may lead to accidents (emergencies), accidents with two or more victims, loss of life, as well as significant environmental pollution was formed. An instruction was given on the need to adopt appropriate systematic measures to prevent accidents and incidents.

Cybersecurity risks, cyberattacks – a risk associated with the possibility of cyberattacks, system hacks, data breaches or other information security incidents. In order to mitigate cybersecurity risks and cyberattacks, measures are taken at three management levels: at the level of the Fund, strategic initiatives are developed to create a long-term policy and ensure proper control; at the level of Portfolio Companies, centralised data protection and information security processes are implemented; at the level of subsidiaries and affiliates, operational response and control over the state of security at the local level is carried out.

Public Council

The Public Council of Samruk-Kazyna JSC is a consultative and advisory, supervisory body. It was established to represent the interests of civil society and to take into account the opinion of the public during discussion and decision-making, to increase accountability and transparency of the Fund's activities. The scope of the Council's activities includes research, preparation of information and analytical materials and development of proposals on further development of corporate governance

of the Fund; development of human capital; comprehensive analysis, forecasting of trends and development of conceptual approaches to economic policy. Over the years of its work, the Public Council, without replacing the Board of Directors and the Management Board, has become a significant element in ensuring transparency of Samruk-Kazyna JSC due to collegiality, publicity and openness of the decisions made.

HOW THE PUBLIC COUNCIL WORKS

Meetings of the Fund's Public Council take the form of hearing reports on the activities of the Fund and its national companies, which provides an effective mechanism of public control.

The hearing of the performance report includes a report of the Managing Director supervising the issue under consideration and a co-report of the Chairman of the Public Council of the Fund. Following the results of the hearing, decisions are made with proposals to improve the work of the Fund and its companies.

The objectives of the Fund's Public Council are to protect the interests of civil society, develop constructive dialogue, collect and take into account public opinions, as well as public monitoring of the strategies and development plans of the Fund and development of recommendations for its improvement.

The Chairman and members of the Public Council are a qualified group of experts from various fields such as corporate governance, legislation, media, science and economics. Their experience and professional skills contribute to a multifaceted approach to solving the Council's tasks.

External experts, opinion leaders, public figures and other stakeholders are invited to each meeting of the Public Council of Samruk-

Kazyna JSC. This practice allows to ensure a high level of competence on the issues under discussion, bringing to the dialogue the diversity of views and approaches. This approach facilitates deeper analysis and comprehensive consideration of key topics and initiatives underlying the work of the Fund and its portfolio companies.

Also, within the framework of the activities of the Public Council of Samruk-Kazyna JSC, open accreditation for mass media representatives is carried out. This approach ensures transparency of the Council's work and provides an opportunity for the general public, including journalists and media organisations, to receive direct information on the progress and results of meetings, as well as on key initiatives and projects of the Fund.

Involvement of external experts and media representatives ensures openness and constructive dialogue with the society, which strengthens the understanding and support of the public in the implementation of socially significant projects of the Fund.

In December 2024, the term of office of the Public Council expired. In this regard, a competition was held, following the results of which the new composition, including 15 persons, was approved on 8 February 2025.