



**SAMRUK**  
K A Z Y N A



**SUSTAINABILITY**  
REPORT  
2021

ENSURING  
**SECURITY, DEVELOPMENT**  
**AND WELL-BEING**



ENSURING SECURITY,  
DEVELOPMENT AND WELL-BEING



SUSTAINABILITY  
REPORT  
2021



## TABLE OF CONTENTS

Address of the CEO .....	3
About the Report.....	6
About the Fund.....	6
Key figures for 2021.....	10
Sustainable development in the Fund .....	12
S Component. Social aspect .....	18
E Component. Environment.....	32
G Component. Governance .....	40
Glossary .....	52
Annex 1 .....	54
Annex 2 .....	58
Feedback.....	61



## ADDRESS OF THE CHIEF EXECUTIVE OFFICER

**Almassadam Maidanovich Satkaliyev**  
Chief Executive Officer

### Dear colleagues, partners and investors!

The events and results of the last year once again highlighted the importance of sustainable development issues. There has been a rethinking of values in the direction of increasing emphasis on the safety and welfare of people, reducing the impact on the environment and development of corporate culture.

People are the main value in the Fund. The results of the Fund's activities and the value created for investors depend on the level of professionalism and safety of each employee.

**In 2021, we implemented**

**32**  
**charitable projects**

In order to reduce the incidence and spread of COVID-19 coronavirus infection, we have taken a number of comprehensive measures that prevented mass infection and shutdown of the production process. During the pandemic, the Fund

and portfolio companies saved jobs and ensured timely payment of wages in full.

The Fund also supported the state vaccination campaign and financed the purchase of the Hayat Vax vaccine for the population of Kazakhstan, which everyone could receive in state medical institutions. Moreover, the Fund continued to provide assistance to the population through social projects. In 2021, we implemented 32 charitable projects with a total coverage of beneficiaries of more than 500 thousand people.

The issues of improving the occupational safety system for me personally and for the Fund as a whole are the highest priority. All employees of the Fund Group, without exception, must return home to their families unharmed. Significant work has been carried out in the field of H&S for the Fund's Group of Companies. In 2021, the number of victims decreased by 11 % compared to 2020.

Our hard work to protect the health and safety of our employees, contractors and the public is a fundamental factor in the long-term and successful business of the Samruk-Kazyna Group of Companies. In this regard, 2022 has been declared as the "Year of Occupational Safety and Health".



In 2021, the number of victims decreased by

**11%**  
compared to 2020

Systematic work continues to improve the well-being of employees. A large-scale set of measures for working with human resources is implemented, including the creation of an effective system for motivating and retaining employees, training and improving their qualifications, implementation of a mentoring institute, attracting young personnel and promoting their professional growth.

The Fund's portfolio companies pay special attention to the social mood of employees. Thus, in 2021 the Index of social well-being in the Fund's Group of Companies was 73%.

While the whole world is striving for a sustainable and inclusive future, we in Samruk-Kazyna have also begun the process of reforming, revising the philosophy and approaches to doing business, strengthening social responsibility.

We have identified sustainable development as one of the foundations for quality growth and increasing shareholder value. Our goal is to comply with the ESG principles, which means to improve the well-being of people and reduce the negative impact on the environment.

The global trend of development in the modern world is the transition from an industrial agenda to a climate one. Governments and major multinational companies, including energy and oil companies, around the world declare goals to achieve carbon neutrality, international financial organizations completely refuse to finance coal production.

Today, the world community no longer needs frightening scenarios of inaction within the framework of the climate and environmental agenda. Heads of Government and representatives of business communities understand the need to reduce the impact on the environment and strive to find constructive solutions. Investors are also aware that environmental risks become investment risks that affect the long-term financial stability and value of companies.

The Fund is already actively working in this direction. Samruk-Kazyna, as a large holding company representing the interests of the state in the electric power industry, plays a key role in the country's plans for the transition to a "green" economy.

In our country, about 70% of the electricity produced in the country is generated using coal as fuel. Following some of the lowest tariffs for gas, coal and, as a result, electricity, Kazakhstan's economy is ranked the 12<sup>th</sup> in the world in terms of energy intensity and the 5<sup>th</sup> in the world in carbon intensity. At the same time, population growth, trends in digitalization and automation lead to an increase in electricity consumption, and demand may increase 3 times by 2060, and sources of basic generation are required to cover this demand.

We take into account all the above-mentioned and other aspects as part of the development of the Fund's Concept for the Transition to Low-carbon Development, which defines the Fund's vision and goals for achieving carbon neutrality. We have set a goal of reducing the carbon footprint by 10% with further plans to achieve carbon neutrality by 2060.

In 2021, the Fund implemented a set of measures to reduce environmental impact and rational use of resources. Thus, during the reporting year, the Fund's portfolio companies launched a number of projects in the field of renewable energy. With participation of the Head of State, a project has already been launched to convert the Almaty CHP-2 to gas. In the future, it is planned to transfer the CHP-3.

Thus, the Index of social well-being in the Fund's Group of Companies was

**73%**

Samruk-Energy placed debut "green" bonds on the AIX exchange

**18.4**  
KZT BILLION

50 measures were carried out, as a result of which the savings of fuel and energy resources amounted to about 6 million kW of electricity.

The Fund's portfolio companies, being mostly large producers with energy-intensive technologies, pay great attention to energy conservation and energy efficiency improvement. All portfolio companies have an energy saving and energy efficiency improvement program. In 2021, more than

To finance the tasks set, the Fund and portfolio companies are considering the possibility of issuing green bonds or bonds linked to sustainable development goals. In November 2021, with the support of the AIFC, Samruk-Energy placed debut "green" bonds for KZT18.4 billion on the AIX exchange.

In general, we believe that the Fund can act as a locomotive of Kazakhstan's transition to low-carbon development.

We consider corporate governance as one of the key non-financial factors for ensuring effective portfolio management, as well as increasing the long-term value of assets. For all portfolio companies, regardless of the plans and timing of the initial public offering, the task has been set to improve the level of corporate governance. This also applies to the requirements for ensuring transparency in decision-making, compliance procedures and disclosure of information.

As part of implementation of the ESG agenda, all portfolio companies of the Fund will work to obtain ESG ratings in the coming years. A number of portfolio companies are already working with international rating agencies.

Suppliers and contractors are the most important participants in the value chain in following the ESG principles. Over the past two years, there has been a significant increase in competitive procurement by means of an open tender and a request for price proposals. The share of single-source procurement has been reduced by 5 times, competitive purchases have increased by 6 times. Share of local content increased to 77%, more than 4.6 trillion tenge paid domestic business on the basis of purchases.

The Fund continues to work on improving key indicators. At the beginning of 2022, the Supreme Council for Reforms, chaired by the Head of State, approved the Fund's Reforming Program, which contains urgent and systemic reform measures.

As part of urgent measures, the staff number of the Fund's Corporate Center has been reduced, the organizational structure has been optimized, and foreign representative offices have been closed. These

measures made it possible to reduce the costs of the Corporate Center by about KZT2.6 billion. Similar work is carried out at the level of the Fund's group of companies.

Currently, we have started implementing systematic measures to improve the welfare of the population, which include initiatives to increase the corporate social responsibility of the Fund and portfolio companies, business support, new approaches in dividend and investment policy, asset privatization and human capital development.

In general, the Fund is systematically moving towards its goals. Comprehensive work is carried out to improve the efficiency of portfolio companies. In the short term, we see ourselves as a strategic holding company, with the subsequent transition to the investment holding model. In the long term, radical transformations based on global trends are planned.

Chief Executive Officer

**Almassadam Maidanovich Satkaliyev**



## ABOUT THE REPORT

The 2021 Sustainability Report of Samruk-Kazyna JSC is presented to your attention. The report is the sixth separate sustainability report of the Fund Group.

We have been preparing reports on our activities in the field of sustainable development on an annual basis since 2016 and are constantly improving the depth and quality of the information disclosed. Since 2018, the Fund has been using the recommendations presented in The Global Reporting Initiative (The Global Reporting Initiative, hereinafter – the GRI Standards) Guidelines for Sustainable Development Reporting. The GRI table with the disclosed indicators is given in the Annex.

We disclose the results of our activities in three areas of sustainable development: ecological balance, social well-being and corporate governance.

We strive to ensure a high level of openness and transparency of our activities, implementing the principle of active dialogue with stakeholders. The report reflects our approach to sustainable development in the interests of all stakeholders with whom we interact: the society, investment community, employees, suppliers, the media, the sole shareholder, government agencies and portfolio companies.

The report covers the activities of the Fund's Group of Companies. The Group of companies of the Fund in the Report should be understood as Samruk-Kazyna JSC and a set of member companies of the Group.

To ensure the possibility of comparison and comparability of data on indicators, the information is presented in dynamics over several years. The report on the sustainable development of the Fund is approved by the decision of the Board of Directors and is brought to the attention of stakeholders by publishing on the corporate website and distributing the printed version.

This Report has not been externally certified.

## ABOUT THE FUND

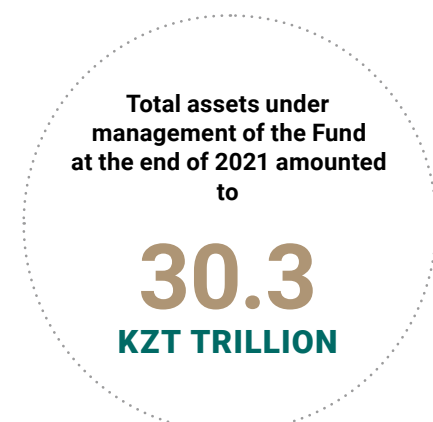
Joint Stock Company "Samruk-Kazyna" was founded in 2008 by the Decree of the President of the Republic of Kazakhstan. The Sole Shareholder of the Fund is the Government of the Republic of Kazakhstan. The Fund plays a key role in the sustainable development of the economy of Kazakhstan through the management of the most important state assets.

The mission of the Fund is to ensure sustainable economic development and create long-term value through effective management of a diversified portfolio of assets and business support in the interests of the people of the Republic of Kazakhstan.

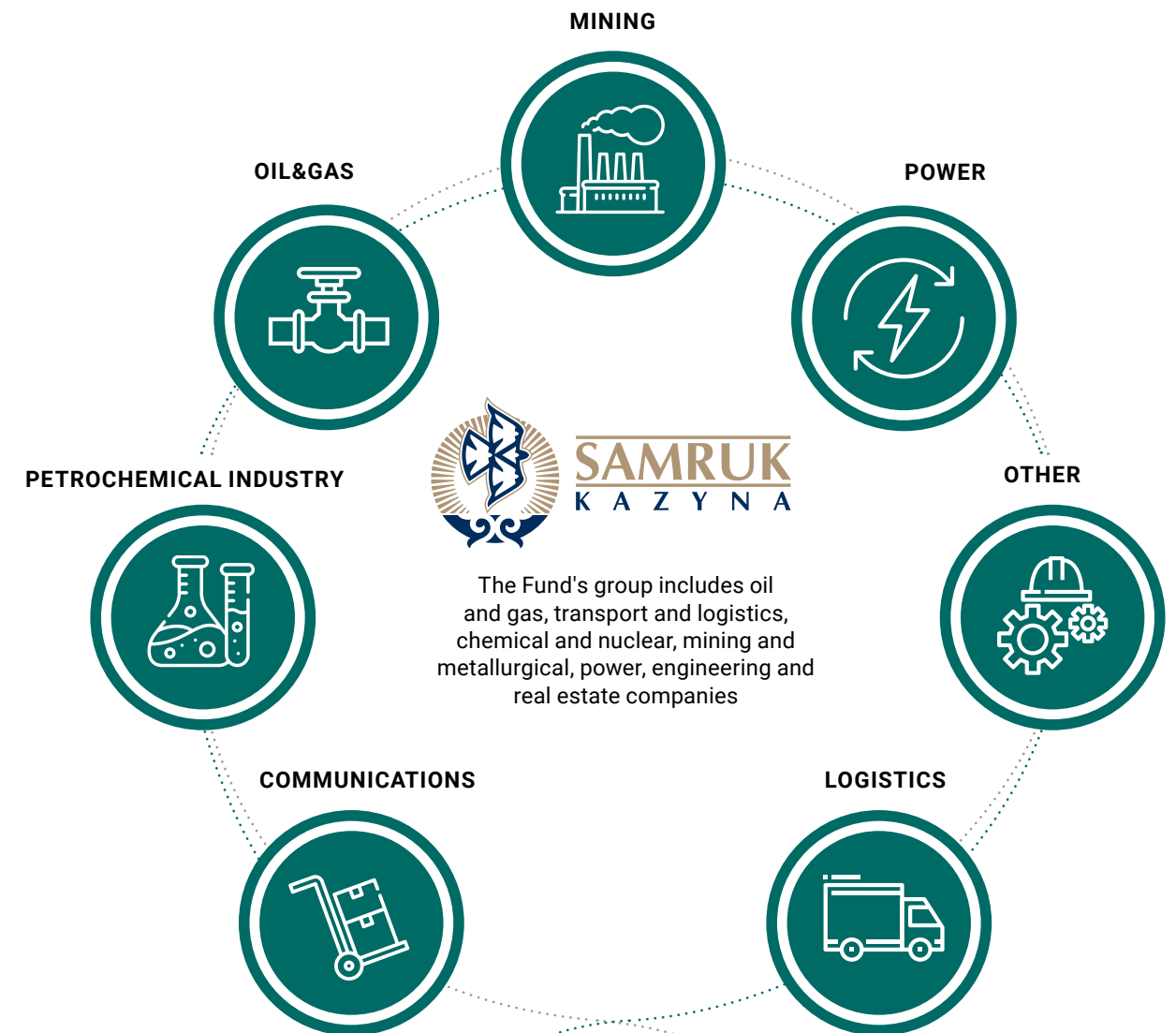
Sustainable development with the task of implementing ESG principles has been identified as one of the key strategic directions.

### About the Fund's Group of Companies

The Fund's Group of companies includes enterprises of the oil and gas and transport and logistics sectors, chemical and nuclear industries, mining and metallurgical complex, energy and real estate. Total assets under management of the Fund at the end of 2021 amounted to KZT30.3 trillion.



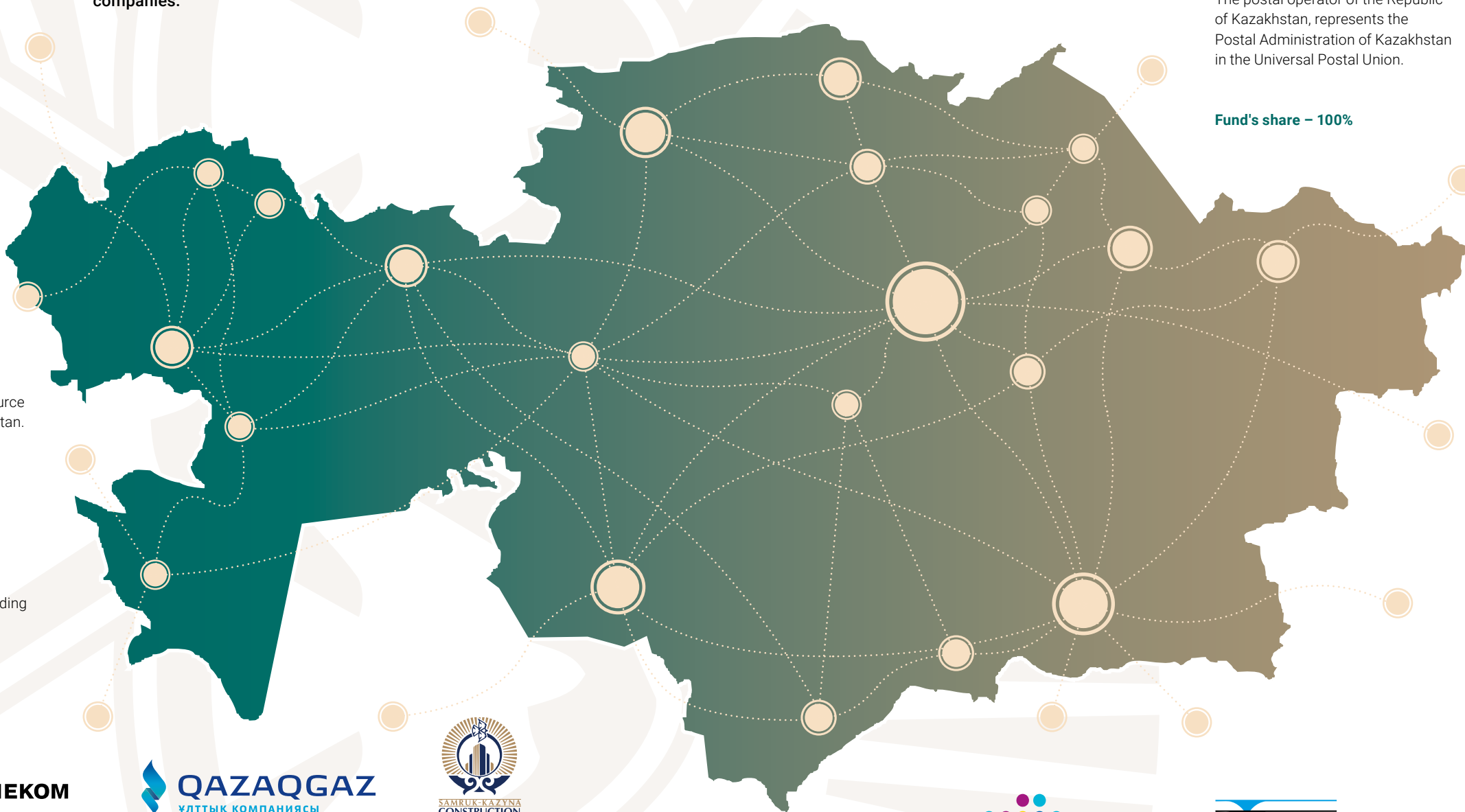
## SECTORIAL FOCUS





# GEOGRAPHY OF ACTIVITY

The Fund operates on the territory of the Republic of Kazakhstan. Please find below the geography of activity and markets of presence of Portfolio companies.



National operator for the export and import of uranium, rare metals, nuclear fuel, special equipment and dual-use technologies of the Republic of Kazakhstan.

Fund's share – 75%



Kazakhstan operator for exploration, development, production, processing and sale of solid minerals, as well as reproduction of the mineral resource base of the Republic of Kazakhstan.

Fund's share – 100%



The largest multidisciplinary holding company for managing electric power assets in Kazakhstan.

Fund's share – 100%



Leading communications operator of the Republic of Kazakhstan, providing a wide range of information and communication services.

Fund's share – 51%



Kazakhstan gas company, carrying out activities on the entire chain from geological exploration and production to the sale of the final products.

Fund's share – 100%



Operator of the Anti-Crisis Program, Nurlu Zher Program in rental and commercial housing.

Fund's share – 100%



Regional airline for domestic routes in Kazakhstan.

Fund's share – 100%



The postal operator of the Republic of Kazakhstan, represents the Postal Administration of Kazakhstan in the Universal Postal Union.

Fund's share – 100%



Fast-growing international airline, national carrier of the Republic of Kazakhstan with high safety indicators and technical expertise of the international level.

Fund's share – 51%



Kazakhstani hydrocarbon exploration, production, processing and transportation operator, representing state interests in the oil and gas industry of Kazakhstan.

Fund's share – 90,42%



A company established to implement projects in the chemical industry.

Fund's share – 100%



National operator of the main railway network of the Republic of Kazakhstan.

Fund's share – 100%



System operator of the Unified Electric Power Grid of the Republic of Kazakhstan (UEG of the Republic of Kazakhstan).

Fund's share – 90%

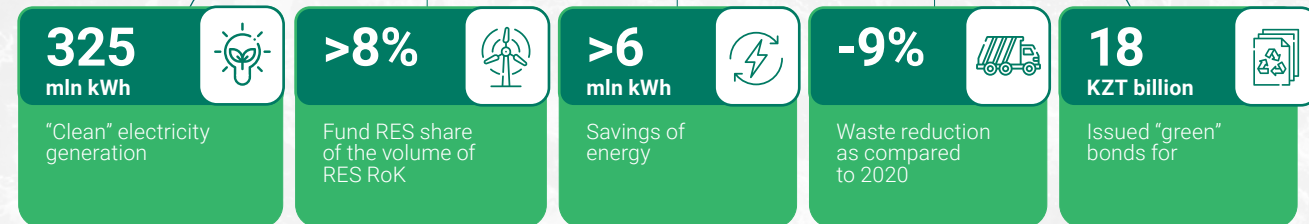


# KEY RESULTS FOR 2021

## ECONOMIC



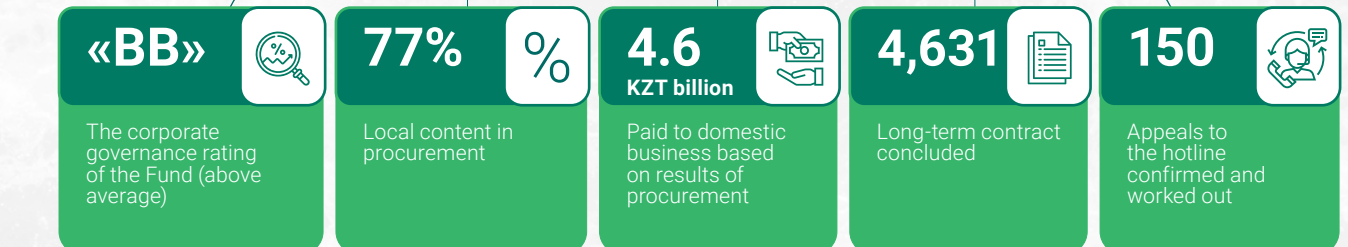
## ENVIRONMENTAL



## SOCIAL



## CORPORATE GOVERNANCE





# SUSTAINABLE DEVELOPMENT IN THE FUND

Being the largest employer in Kazakhstan, whose asset value is comparable to about 40% of the country's GDP, we are aware of our impact on the environment and social environment, we understand the importance of sustainable development designed to preserve the ecosystem for present and future generations.

Sustainable development is not the goal itself, it is an approach to doing business, to making decisions on operational activities, investment projects, and procurement.

We are constantly revising approaches to managing sustainable development issues and updating our priority

goals. Thus, we have identified the most important directions in each of three aspects of sustainable development.

In recent years, the trend towards social responsibility and environmental friendliness has spread to the investment sector. In the foreseeable future, institutional investors will stop investing in organizations that ignore ESG principles. Thus, in the light of the global struggle for financing in the capital markets, ecology, the social agenda, and the quality of corporate governance are of particular strategic importance.



## Sustainable development management structure

The sustainable development system management model assumes the integration of ESG principles into the activities of the organization and decision-making processes.

The Board of Directors and the committees of the Board of Directors play a key role in shaping the strategy and determining the priority direction of sustainable development. The Management Board of the Fund, in its turn, ensures introduction of ESG aspects to achieve the strategic goals.

Responsibilities for direct management of various aspects of sustainable development are distributed among the functional structural subdivisions of the Fund, which, in accordance with their own functional areas, are responsible for setting goals and implementing specific activities.

A specially established Sustainability Committee plays an important role in the implementation of the ESG agenda, whose goal is to increase the efficiency and coordination of the activities of Portfolio Companies in the field of sustainable development.

## Interaction with stakeholders

The Fund strives to ensure a high level of transparency for internal and external stakeholders in its activities.

The Fund defines for itself the following groups of stakeholders:

- society;
- investment community;
- employees;
- contractors and suppliers;
- Media;
- Sole Shareholder;
- Portfolio Companies.

The Fund has arranged a dialogue with groups of key stakeholders with high-quality feedback.

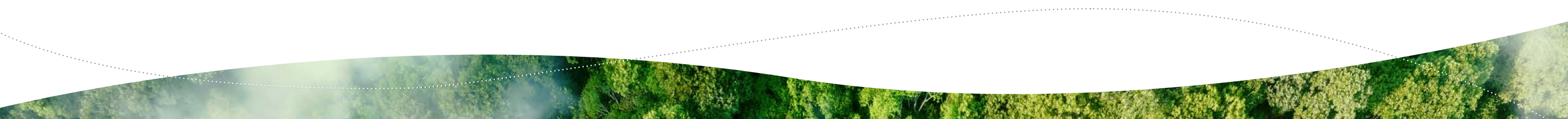
Stakeholders raise their concerns during meetings, conferences, as part of social, as well as through a direct appeal to the Fund.



**Interaction with stakeholders**

Stakeholders	Interaction	Interaction results
<p><b>Society</b></p> <p>Interests:</p> <ul style="list-style-type: none"> <li>• support of social sphere</li> <li>• accountability to the public</li> <li>• tariffs for socially significant goods and services</li> <li>• regional development</li> </ul>	<ul style="list-style-type: none"> <li>• implementation of charity and sponsorship</li> <li>• development of the infrastructure of the regions of presence</li> <li>• public hearings</li> <li>• round tables and public discussions</li> <li>• Improving the well-being and welfare of society in the regions of presence</li> <li>• Providing a comfortable environment for the life of the population in the regions of presence</li> </ul>	<ul style="list-style-type: none"> <li>• Public Council of the Fund was established</li> <li>• more than 30 briefings and press conferences have been held with the participation of the public</li> <li>• 32 charity projects totaling KZT7.1 billion have been implemented, covering more than 500 thousand beneficiaries</li> <li>• purchase of one million doses of COVID-19 vaccines has been financed, which allowed 500 thousand people to be vaccinated</li> </ul>
<p><b>Investment Community</b></p> <p>Interests:</p> <ul style="list-style-type: none"> <li>• disclosure of financial and non-financial information</li> <li>• investment projects</li> <li>• privatization and IPO</li> </ul>	<ul style="list-style-type: none"> <li>• high level of information transparency</li> <li>• placement of reports and other publications</li> </ul>	<ul style="list-style-type: none"> <li>• The Annual Report and the Sustainability Report of the Fund for 2020 have been published on KASE and the official website of the Fund</li> <li>• 8 large assets of the Fund are subject to IPO/sale to strategic investors</li> <li>• 12 assets are subject to transfer to the competitive environment in other ways</li> <li>• infrastructure and investment projects in the field of renewable energy are being implemented</li> </ul>
<p><b>Employees</b></p> <p>Interests:</p> <ul style="list-style-type: none"> <li>• safe working conditions</li> <li>• competitive salary</li> <li>• professional growth</li> <li>• high-quality social package</li> </ul>	<ul style="list-style-type: none"> <li>• creating safe working conditions</li> <li>• strengthening the health of employees</li> <li>• creating comfortable working conditions</li> <li>• expansion of the package of social benefits</li> <li>• development of employee competencies</li> <li>• development of the talent pool and leadership potential</li> <li>• corporate culture development</li> </ul>	<ul style="list-style-type: none"> <li>• H&amp;S indicators were improved by 11 %</li> <li>• 2,435 jobs created</li> <li>• the salary of production personnel has been increased by 25%</li> <li>• more than 30 man-hours of training were held</li> <li>• 78% was the Production Personnel Involvement Index</li> <li>• 73% was the Social Stability Index</li> <li>• The staff of 9 Portfolio Companies is covered by collective agreements</li> </ul>

Stakeholders	Interaction	Interaction results
<p><b>Contractors and suppliers</b></p> <p>Interests:</p> <ul style="list-style-type: none"> <li>• procurement transparency</li> <li>• minimizing barriers</li> </ul>	<ul style="list-style-type: none"> <li>• support of business, especially local producers and small and medium-sized businesses</li> <li>• increasing procurement transparency and minimizing corruption risks</li> <li>• expanding access and removing barriers to business</li> <li>• organization of training seminars and round tables for suppliers and contractors</li> </ul>	<ul style="list-style-type: none"> <li>• KZT4.6 trillion was paid to domestic business based on results of procurement</li> <li>• 77% was the share of local content in procurement</li> <li>• 4,391 long-term contracts with domestic suppliers have been concluded</li> </ul>
<p><b>Media</b></p> <p>Interests:</p> <ul style="list-style-type: none"> <li>• publishing news</li> <li>• responses to journalists' inquiries</li> <li>• briefings/press conferences</li> </ul>	<ul style="list-style-type: none"> <li>• discussions on topical issues at round tables</li> <li>• public events, forums, briefings, press conferences</li> <li>• publishing news on the website and in social networks</li> <li>• response statements to media publications</li> </ul>	<ul style="list-style-type: none"> <li>• more than 2000 materials have been published in Kazakhstani and foreign media mentioning the Fund</li> <li>• information support of newsworthy events, projects and initiatives of the Fund has been carried out</li> <li>• www.sk.kz website was redesigned</li> </ul>
<p><b>Sole Shareholder</b></p> <p>Interests:</p> <ul style="list-style-type: none"> <li>• implementation of strategic goals</li> <li>• improving efficiency and achieving KPIs</li> <li>• impact on employment</li> <li>• support for the regions of presence</li> </ul>	<ul style="list-style-type: none"> <li>• payment of taxes</li> <li>• payment of dividends</li> <li>• participation in the implementation of state programs and initiatives</li> <li>• participation in the improvement of legislation</li> <li>• providing necessary information</li> </ul>	<ul style="list-style-type: none"> <li>• KZT1.167 billion of taxes paid</li> <li>• dividends payable by the end of 2021 – KZT170 billion</li> <li>• more than 250 thousand people are provided with work</li> <li>• achievement of planned indicators</li> </ul>
<p><b>Portfolio Companies</b></p> <p>Interests:</p> <ul style="list-style-type: none"> <li>• defining strategic goals</li> <li>• defining ESG goals</li> <li>• improving the corporate governance system</li> </ul>	<ul style="list-style-type: none"> <li>• improving performance</li> <li>• introduction of ESG principles in all aspects of activity</li> <li>• introduction of best international practice in the field of corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>• the task of obtaining ESG ratings for all PCs has been set</li> <li>• diagnostics of corporate governance was carried out</li> <li>• Plans on improving the corporate governance system have been developed</li> </ul>





## Material topics

In the reporting year, the Fund carried out work to determine the list of material topics that are most significant for disclosure in the Report.

Based on the results of the analysis of reports of peer companies in the context of GRI indicators, an online questionnaire has been prepared, including about 30 significant topics relevant to the Fund's activities. All the topics presented in the questionnaire are divided into

The list of material topics includes:

three groups: environmental, social aspects and corporate governance.

During the survey, the CEOs of the Fund group of companies defined topics in terms of their priority.

Increasing the level of interaction with stakeholders has increased the number of social aspects disclosed in this report. Thus, this Report is more focused on the social impact of the activities of the Fund group of companies.

**E**



### Environmental

- Direct and indirect CO<sub>2</sub> emissions
- Low-carbon development
- Economical energy consumption
- Waste minimization

**S**



### Social

- Health and industrial safety (including COVID-19)
- Impact on employment
- Diversity and inclusivity
- Staff training and development
- Remuneration and evaluation of personnel
- Charity
- Corporate culture

**G**



### Corporate governance

- Corporate governance system
- Anti-corruption
- Integrity and compliance
- Transparency and information disclosure
- Socially responsible procurement
- Balance of gender composition of management bodies, including the Board of Directors

## Commitment to the UN SDGs

We support the 17 Sustainable Development Goals adopted in 2015 by the UN General Assembly, aimed at eradicating poverty, preserving the planet's resources and ensuring universal well-being. Ten of them were selected as strategic priorities for the Fund group.





# S COMPONENT. SOCIAL ASPECT

The Fund Group is one of the largest employers in the Republic of Kazakhstan. In 2021, the average number of employees in the Fund's Group amounted to more than 250 thousand people, of which 92% were production workers.

Our employees are the main value of the company. The results of the Fund's activities and the value created for investors depend on the level of professionalism and safety of everyone. That is why we start the Report with the social aspect and reveal our key results in this direction.

## Health and safety in the workplace

The issues of improving the HSE system are the highest priority for us. A person's life was and remains the main value.

Our approach to occupational safety and industrial safety is based on responsible leadership, a culture of "zero injuries" and effective risk management.

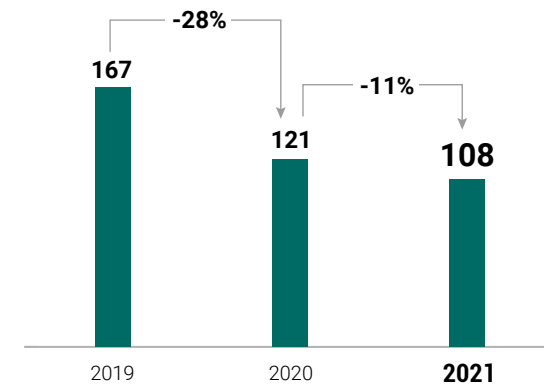
We strive to provide a safe, productive and stable work environment for all our employees and contractors. To this end, measures are being implemented on an ongoing basis to continuously improve the indicators of industrial safety and achieve zero damage in production.

### Key results

In 2021, the level of occupational injuries decreased by 11% due to measures to tighten the requirements of H&S.

The Lost Time Injury Frequency Rate (LTIFR) decreased by 4.3%.

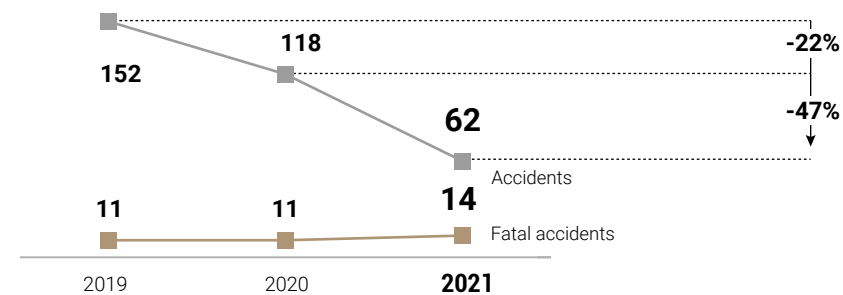
### Dynamics of the number of the injured in the Fund Group



Since April 2021, the practice of visiting production facilities has been introduced in order to get acquainted with the H&S state and issue recommendations on identified violations. The H&S Committee has been established to improve the efficiency of the H&S system.

Despite the measures taken, serious accidents, including fatal ones, continue to occur.

### Dynamics of the number of accidents, including fatal ones





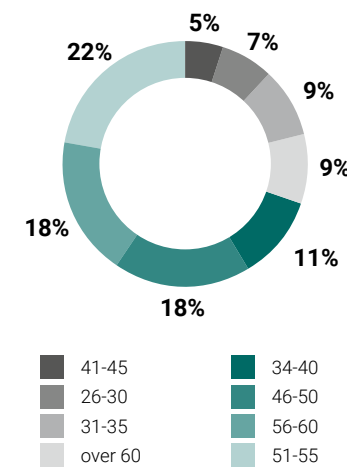
We are deeply saddened by the death of 14 employees in 2021. We express our sincere condolences to all those affected by these tragic events. Fatal accidents are unacceptable, and we continue to work to eliminate such cases in the future.

A thorough investigation was carried out for each fatal case in order to develop appropriate preventive measures and reduce the risk of repeated cases.

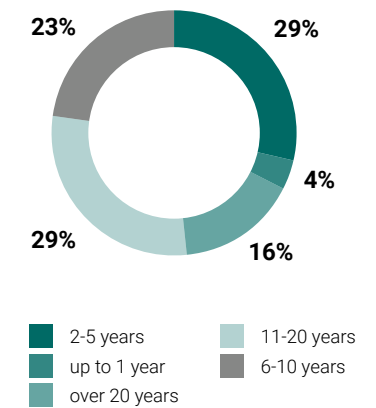
In general, the Fund regularly analyzes accidents. Thus, according to the results of the analysis, it was revealed that more than 50% of the victims were employees with many years of work experience, whose increased sense of complacency led to a lack of concentration when doing work.



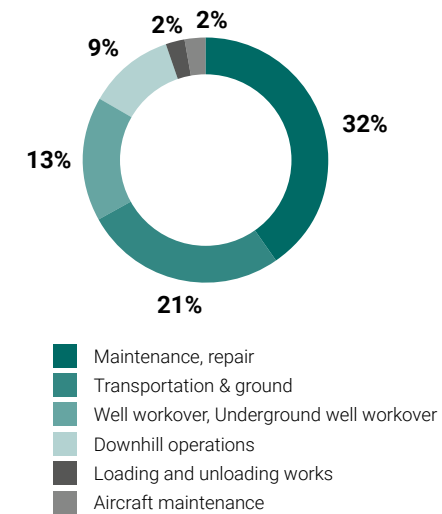
### Age of the injured



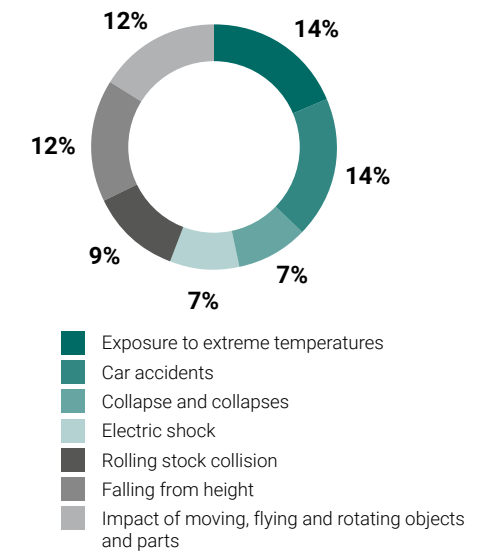
### Work experience of the injured in their current position



### Accidents by type of production work



### Types of accidents





The main cause of accidents was the operation of worn-out equipment and insufficient financing of measures to ensure the safe operation of equipment.

Another reason was the violation of rules, standards, operational norms and instructions by the employees themselves, which led to accidents, for example, related to exposure to extreme temperatures.

**Future plans**

We have identified the following goals for ourselves to improve further the efficiency of the HSE system:

- exclude serious accidents of injuries and diseases, including fatal ones;
- eliminate accidents at work with particularly dangerous consequences;
- implement the best industry world practices.

In order to achieve these goals, the following activities are planned to be implemented.

1. H&S training, including:
  - organization of trainings on the programs “NEBOSH HSE Certificate in Health and Safety Leadership Excellence” for line managers, employees responsible for HSE, “Defensive Driving”, “Leadership Accountability” (CEO and CEO-1 of manufacturing companies), “Incident Injury Free” or an equivalent program to improve Safety Culture. Thus, the KTZh is planning to train 305 people in the NEBOSH/IOSH courses, 212 drivers in the “Defensive Driving” course;
  - launch of a corporate training program and an e-course in HSE aimed at improving the skills of Fund and PC management;
2. Further diagnostics and field visits:
  - visits to production facilities of employees of the HSE sector and sectorial departments in order to get acquainted with the state of HSE and issue recommendations on the violations identified;
  - strengthening the work of Production Councils in the field.
3. Exchange experience with leading international companies:
  - exchange of experience with leading companies TCO, KPO, NCOC on the study of best practices for further application;
  - holding ESG and HSE Forums.

Moreover, it was decided to proclaim 2022 as the “Year of Occupational Safety and Health” in the Fund Group of Companies in order to strengthen the responsibility of the first managers on HSE issues.

**Countering the COVID-19 spread**

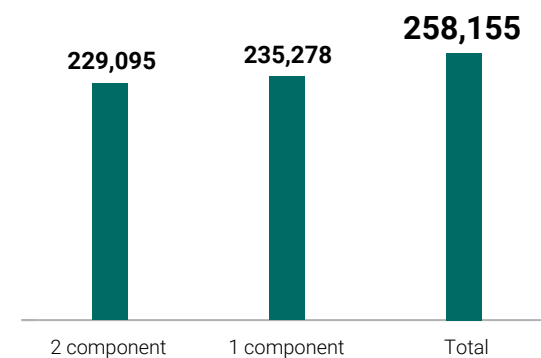
As of the end of 2021, 86% of employees have been vaccinated, as a result, the uninterrupted operation of production facilities has been ensured. Jobs with timely payment of salaries to all employees during the pandemic have been preserved.

In 2021, 13,860 cases of COVID-19 infection were detected among the employees of the Fund Group, 69 of them fatal cases (including COVID-19 and pneumonia). At the same time, there is a 60% decrease in deaths compared to 2020 (173 deaths among workers were recorded).

The companies of the Fund Group continued mandatory social distancing and strict sanitary and epidemiological disinfection procedures at production facilities and offices, with the widespread transfer of administrative personnel to remote operation, depending on the sanitary and epidemiological situation in a particular region of presence.

We have retained all preventive measures for the non-proliferation of CVI and carried out booster vaccination and revaccination of workers.

**Vaccination coverage of the Fund Group employees**



**FURTHER COMPLIANCE WITH QUARANTINE MEASURES IS PLANNED IN ACCORDANCE WITH POTENTIAL RESTRICTIONS IN THE REGIONS WHERE PORTFOLIO COMPANIES OPERATE**





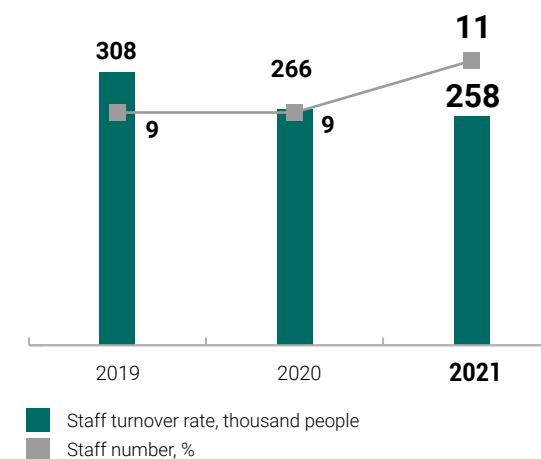


### Human capital, diversity and inclusivity

We are guided by the principles of ensuring equal opportunities and inclusiveness in the workplace. For example, there are no differences in the base salary and in the remuneration system depending on gender differences.

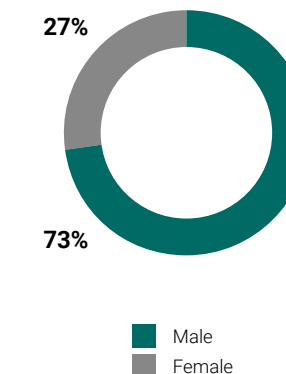
We are implementing a set of measures to work with human resources, including the creation of an effective system of motivation and retention of employees, training and advanced training, the implementation of the institute of mentoring, attracting young personnel and promoting their professional growth.

### Dynamics of the number of employees and staff turnover rate for the Fund Group, from 2019–2021

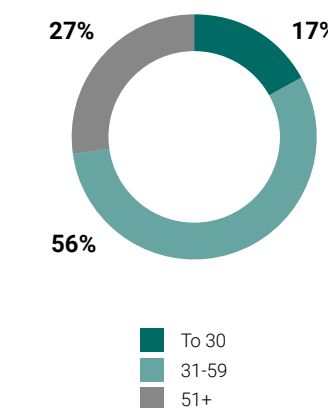


Every year we identify underutilized divisions, identify duplications of functionality or “extra” management levels that do not bring added value to our companies. In this regard, we annually optimize the number of our staff, in order to increase wages and improve working conditions for valuable employees.

### Employees by gender, %



### Age distribution by the Fund Group in the reporting period, %



Due to the specifics of the production activities of individual portfolio companies of the Fund, the share of men among employees traditionally accounts for the majority. Thus, the share of women in the Fund's Group of Companies prevails 27%, including 33% in senior positions.

The average age of the staff, in turn, reflects a balanced approach to human resource management.



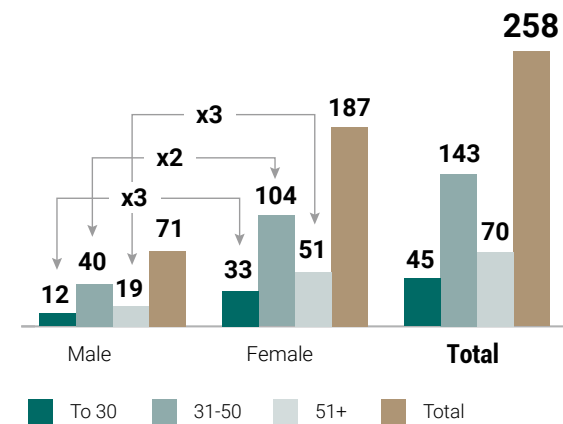
We take systematic measures to improve the social attitudes of employees on an ongoing basis. In order to ensure social and labor stability in the Fund's Group of Companies, the following measures have been taken:

- establishment of an operational headquarters for social stability issues;
- launch of the Social Stability Monitoring Center, which collects and analyzes operational data on the prerequisites or facts of the emergence of social tension in labor collectives 24/7;
- functioning of the interactive Social Stability Map at the Fund, through which the situation at the enterprises of the Group of Companies is monitored in real time.

An annual study was conducted to determine the social well-being of employees. 26,596 people in 12 portfolio companies were interviewed by random selection. According to the results of the study, the level of social stability was 73%, having decreased by 5 percentage points compared to 2020. The decrease is due to the general socio-economic situation in the country.

Within the framework of this direction, field meetings were held with the CEO-1 of the Fund's production portfolio companies on issues of social and labor

**Age and gender distribution by the Fund Group in the reporting period, thousand people**

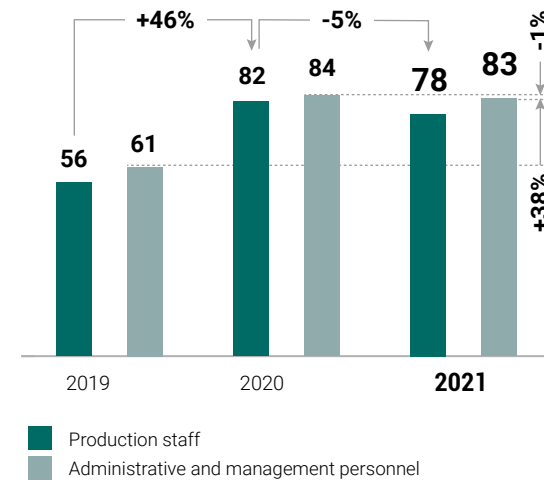


relations. As a result, long-term measures have been developed to stabilize the level of social welfare.

The index of involvement of the production personnel, in turn, amounted to 78%.

In general, according to the majority of employees, we have provided the staff with all the necessary working conditions and safety, including during quarantine.

**Involvement of the Fund Group's production and administrative staff, %**



**Professional staff development**

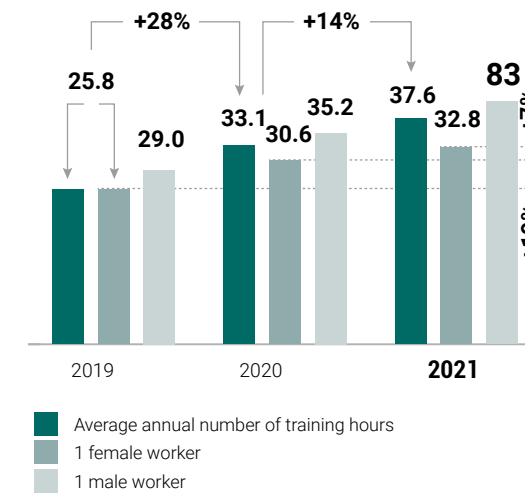
We create conditions for the disclosure of the intellectual, professional and creative potential of our employees.

In 2021, the hard and soft skills, as well as the digital skills of our employees, will be strengthened through the possibility of high-quality training (30 hours per employee), including:

- significant increase in the level of competence of 250 employees in the field of environmental protection;
- providing the opportunity to constantly improve the level of proficiency in Kazakh and English languages;
- enhanced competence in the field of information security for 110 employees;

- training 100 young specialists within the framework of "KTZh – 100 young people" for the development of the KTZh personnel reserve;
- strengthening management skills of senior employees through specialized trainings and workshops.

**Indicators for training and development of Fund Group employees, male, female and total**



**Remuneration and evaluation**

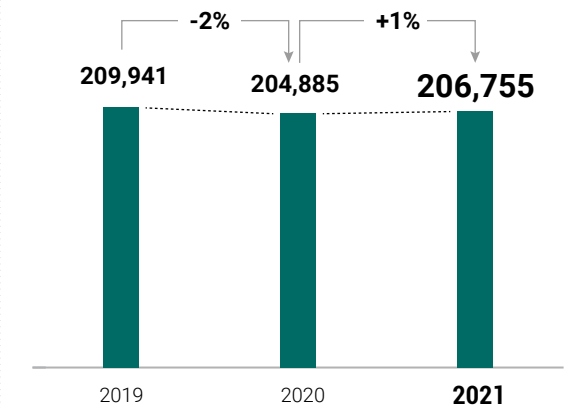
The average salary in 2021 amounted to KZT348,000, which is 40% higher than the national average. At the same time, the average salary of production staff has been increased by 25%.

In general, the motivation system provides a clear dependence of the remuneration of our employees on the results of their work.

We use a grading system to evaluate positions. A unified approach to job evaluation provides for objective comparing of positions between companies, compare salaries of specialists in the country, in the region and globally.



**Salary expenses, including social tax and deductions, KZT thousand**



In order to create favorable conditions for effective work, attract and retain highly qualified personnel, social support is provided for all employees of the Fund Group.





By the end of 2021, social benefits were paid in the amount of more than KZT180 million for the Fund Group.

The following types of social support were provided:

- financial assistance for recovery;
- payment of maternity leave, leave to employees who have adopted a newborn child (children);
- compensation payments;
- health insurance program;
- assistance in solving housing issues;
- financing of subscriptions to the fitness club.

On an annual basis, a voluntary medical insurance contract is concluded in case of illness.

### Search and selection of personnel

We strive to attract professional candidates to the labor market in an open and transparent way. Appointment to vacant positions of the Fund is carried out in compliance with the principles of meritocracy. Candidates are selected who meet the requirements for the level of qualification, professional, business and personal competencies. As a result of the implementation of the Fund's projects, more than 2,000 jobs have been created by the end of 2021.

In order to ensure transparency in the selection of personnel, the unified digital platform Samruk Qyzmet has been improved, on which 51,383 new applicants have been registered since the beginning of 2021 and 5,669 vacancies have been announced.

### Development of corporate culture

The Fund's fundamental success factor at all levels is a corporate culture that unites professional and purposeful employees.

More than 200 mentors from more than 80 companies are involved in the development of corporate culture under the "Zhas Orken" program

5,868 applications were received under the Digital Summer 2021 program, as a result of which 45 students completed an internship in the Fund's Group of Companies, 5 students were employed.

In order to popularize industrial professions, a competition "Uzdik Maman" was held.

### Charity and Sponsorship

By the end of 2021, 32 projects totaling KZT7.1 billion were implemented within the framework of charitable assistance, covering more than 500 thousand beneficiaries.

The main share in the structure of charitable assistance was made up of charitable projects implemented in the social and medical sectors – 39% of the total amount of charity. First of all, this is due to the Fund's support in the creation of rehabilitation centers for children diagnosed with cerebral palsy and neuro-orthopedic disorders.

In general, when implementing projects, the emphasis is placed on ensuring financial stability and increasing efficiency in the implementation of projects.

12 projects totaling KZT2.8 billion have been implemented in the social and medical sectors. For example:

- furnishing with modern equipment and inventory of 8 rehabilitation centers and 2 early intervention centers in 8 regions of the country;
- rehabilitation courses for 1,360 children with neuro-orthopedic disorders from socially vulnerable segments of the population in 3 rehabilitation centers in the cities of Nur-Sultan and Shymkent;
- furnishing the Multifunctional Children's North Kazakhstan Regional Hospital with equipment, in which more than 600 children will be provided with



medical rehabilitation services free of charge every year;

- consultations to 158 families on obtaining quotas for treatment abroad, financial assistance was provided to 149 children with serious diseases incurable in Kazakhstan. As a result, 25 quotas were received;
- providing 497 consultations on problematic issues arising at all stages of the placement of children in the family, release of 56 TV programs "Stork Day" with subsequent broadcast on television;
- consultations to 260 families where children with autism spectrum disorders (ASD) grow up, providing





regular assistance from specialists to 60 children with ASD;

- organization of 6,697 volunteer raids in 35 cities and districts of the country, within which 2,153 veterans and home front workers of the Great Patriotic War were covered by volunteer assistance;

- 176 events with the coverage of 1,287 activists, 12 seminars with the chairmen of primary organizations by Veterans' Councils in the regions, 3,091 reconciliations with the participation of veterans were carried out under the Daneker project;
- providing targeted charitable assistance to 111 oil veterans in 5 regions of the country.



Within the framework of human potential development, 16 projects totaling KZT2.6 billion have been implemented. The following work has been carried out:

- organization of leisure and training for 3,123 children and adolescents from socially vulnerable segments of the population in educational, sports, music and creative circles of 6 courtyard clubs in Nur-Sultan, opening a Youth coworking center in Nur-Sultan, which 176 children visited;
- providing special social services in the Child Support Centers based on Children's Villages in the cities of Nur-Sultan, Almaty and Temirtau. 82 families with foster children and families with children who found themselves in a difficult life situation, 61 children

- left without parental care were assisted in restoring relations with biological relatives, 162 candidates for substitute parents were trained;
- training 26 psychologists, providing 15,174 consultations to adolescents and their parents on domestic, sexual violence, reproductive health, family/peer relationships, suicidal behavior, all types of addiction, etc.;
- conducting a competition among 150 teachers of educational schools of the country, identifying 10 winners, who were nominated from Kazakhstan for the global award Global Teacher Prize 2022, issue of 30 small grants for the implementation of initiatives of teachers of rural schools of the country;
- 6 trainings on the soft skills course (Mobilography, Sketching, Scratch!, STEAM) for 62 teenagers with special educational needs and 1 training for their parents.



As part of implementation of the regional social investment program, 4 projects totaling KZT1.7 billion were implemented in the regions where the Fund Group operates. The projects have been implemented in the field of promoting a healthy lifestyle and creating an accessible sports infrastructure. Thus, for example:

- start of construction of 6 multifunctional sports complexes in 6 regions of the country on the basis of air-support structures;
- installation of a universal sports ground with an area of 1,300 m<sup>2</sup> in Taraz, Zhambyl region.



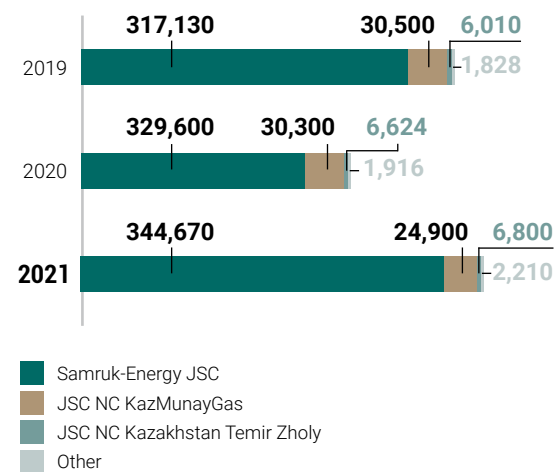
# E COMPONENT. ENVIRONMENT

Today, the international community has fully realized the importance of the environmental and climate agenda, which has resulted in a shift of paradigm in thinking. Heads of Government and representatives of business communities understand the need to reduce the impact on the environment and strive to find constructive solutions. Investors are also aware that environmental risks are becoming investment risks that affect the long-term sustainability and value of companies.

Governments and major multinational companies, including energy and oil companies, around the world declare goals on achieving carbon neutrality. International financial organizations completely refuse to finance coal production.

Energy policy at the global, national and corporate levels has the greatest impact on the speed of the energy transition. The widespread development of technologies results in the introduction of more environmentally friendly solutions in the operational activities of

## Gross emissions of major pollutants and terms of companies (NOx, SOx, solids)



companies. All this is due to behavioral changes, and the COVID-19 pandemic has certainly accelerated the transition to the "green" economy.

The Fund focus in the field of environmental well-being is aimed at decreasing emissions of pollutants, reducing the carbon footprint and careful consumption of resources.

The strategic goal is to reduce the carbon footprint (coverage 1 and coverage 2) of the Fund by 10% by 2032 as compared to the base year 2021. The Fund will aim to achieve carbon neutrality by 2060. Achieving carbon neutrality will be based on a reasonable balance between energy and environmental security.

## Environmental impact and ecosystem

The production activities of the Fund group of Companies are focused on minimizing the impact on the environment, rational use of natural resources and conservation of biodiversity. Implementation of environmental measures in 2021 made it possible to improve the indicators in terms of environmental impact. Measures are being taken to dispose of waste, including historical, and recultivation of polluted lands.

## Emissions of pollutants

Emissions of the main pollutants in the Fund group of companies are increasing due to growth of the production indicators of companies. Thus, in 2021, Samruk-Energy JSC achieved the maximum amount of electricity generation for the entire period of the company's existence, associated with significant increase in demand.

The 1<sup>st</sup> category fuel stations are main sources of pollutant emissions. Nitrogen oxides, sulfur oxides, carbon monoxide, dust (ash) are marker pollutants specific for thermal power plants.

At the same time, the volume of pollutants per unit of generated electricity is reduced annually in Samruk-Energy JSC. In 2021, decrease was almost 10%, due to the implementation of measures to dismantle old equipment, install new technological equipment, in particular at the largest thermal power plants like GRES-1 and GRES-2.

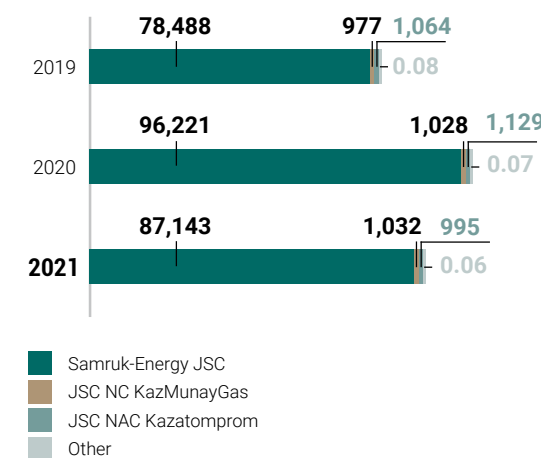
## Waste management

The problem of waste disposal remains relevant at the global and national level.

The Fund group of companies is developing and implementing a set of measures aimed at improving the waste management system. At production facilities, regular accounting of and control over all waste in circulation is carried out, including waste from contracting organizations; measures are taken to reduce the volume of their formation; work on the processing and (or) disposal of newly generated, accumulated and historical waste is annually financed.

The Fund companies, when handling waste, ensure compliance with environmental, sanitary and epidemiological requirements of the Republic of Kazakhstan. All transportation of hazardous waste is carried out in accordance with the rules for transportation of dangerous goods by motor vehicles on the territory of the country.

## Waste dynamics for the Fund Group of Companies, million ton



Due to the maximum use of waste in the production process, the total volume of waste has been reduced by 9% as compared to 2020. More than 90% of waste was disposed.

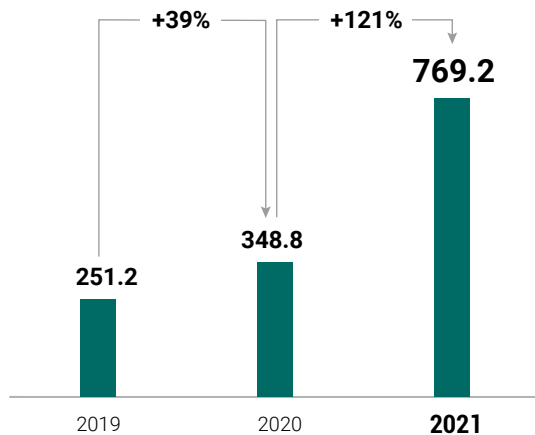
Portfolio Companies developed a requirement for separate collection and temporary storage in specially equipped places, and activities have been carried out to raise awareness and involvement in waste reduction and recycling initiatives.

Moreover, the inventory of contract territories has been carried out, within the framework of which the characteristics of waste, the content of petroleum products in waste and their volumes have been determined. Relevant projects for the reclamation of oil-contaminated lands were developed and coordinated with public authorities.





Fines from 2019 to 2021



For the Fund group of companies, the total mass of waste in circulation in 2021 amounted to 89 million tons, of which 72% was classified as "hazardous", and 28% was "non-hazardous", respectively. The main share of waste is drilling and ash and slag waste.

For example, in 2021, 540 thousand tons of historical waste were disposed of at the facilities of JSC NC KazMunayGas, sites of their locations were reclaimed.

JSC NC Kazakhstan Temir Zholy, in turn, realized 108 tons of waste for recycling and reuse. The following items were transferred in the reporting year:

- wastepaper – 47.2 tons;
- plastic – 9.3 tons;
- glass – 6.8 tons;
- used batteries – 33.2 tons;
- used office equipment – 3.6 tons;
- used car tires – 7.6 tons.

More than 50% of waste is transferred for processing to specialized companies under the contract; more than 20% of waste is processed by biological methods. Recycling, landfill placement and reuse are other significant ways of waste management.

### Compliance with the requirements of environmental legislation

Global trends dictate stricter carbon regulation aimed at minimizing the negative impact on the environment. The entry into force of the new Environmental Code from July 01, 2021, as well as the updating of the Code of Administrative Offenses on Environmental Issues entails the risks of paying fines for "brown" productions.

We strive to conduct our production activities within the framework of the legislation of the Republic of Kazakhstan and take appropriate measures to prevent harm to the environment.

Fines imposed for non-compliance with environmental requirements for the Fund group of companies amounted to KZT769 million, thereby exceeding the same

value in 2020 by KZT420 million. Significant share of the amount (91%) of fines and other sanctions imposed for non-compliance with regulatory requirements for environmental protection for the Group falls on JSC NC KazMunayGas. Fines were issued for violation of environmental requirements during subsoil use operations, as well as violation of environmental requirements for waste management.

We will continue to identify nonconformities at production facilities and prevent the detection of similar situations in the future.

### Climate change and the low-carbon economy

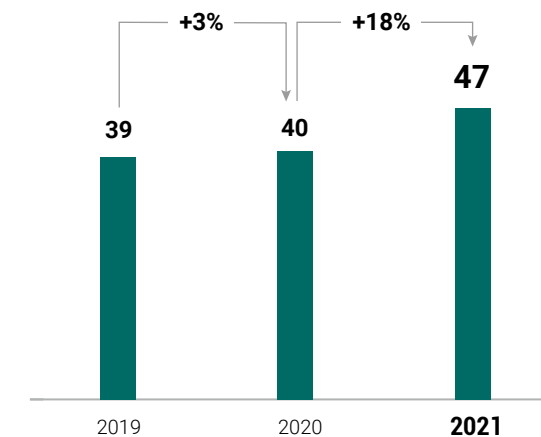
We share the global public's concern about climate change and support global efforts to reduce greenhouse gas emissions, improve energy efficiency, transit to alternative energy sources and phase out the burning of carbon fuels.



With a systematic and balanced approach, energy transition will accelerate diversification of our portfolio and development of new industries, create new jobs, improve the skills of personnel, gain access to investments, as well as ensure transfer of advanced technologies and knowledge.

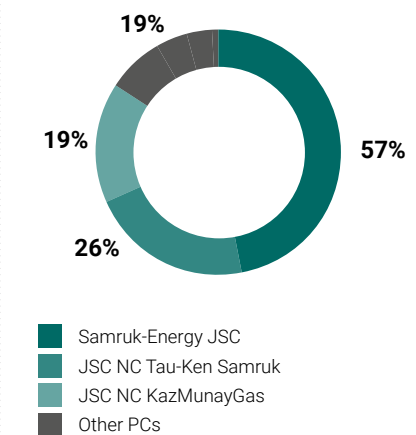
### Direct CO<sub>2</sub> emissions

Direct emissions of CO<sub>2</sub> in the Fund group, million ton



### CO<sub>2</sub> emissions

CO<sub>2</sub> emissions structure (SCOPE1 and SCOPE2)





In the reporting period, 325 million kWh of “clean” electricity was generated. The share of the Fund RES of the volume of RES in the country was 8%. Implementation of projects in the field of renewable energy sources has begun, including two WPPs – in Yereimentau with a capacity of 50 MW and the Shelek corridor with a capacity of 60 MW.

In order to reduce the negative impact on the environment, Samruk-Energy JSC initiates transfer of Almaty HPP to gas. In November 2021, in the presence of the Head of State, the project for transfer of the Almaty CHP-2 was launched. In the future, it is planned to transfer Almaty CHP-3 and expand the capacity of Almaty CHP-1, which has already been converted to gas in 2017. The conversion of Almaty CHP-2 to gas will reduce greenhouse gas emissions at the plant by almost 32% – from 3.7 million tons in 2020 to 2.5 million tons per year by 2027.

The volume of APG utilization in the Fund companies in 2021 amounted to 98%, and the volume of emissions from flaring was only about 2.2 tons of CO<sub>2</sub>-eq. per

thousand tons of hydrocarbon production (this is 24% lower than in 2019, and 79% lower than the global average for the industry according to the International Association of Oil and Gas Producers). The Fund subsidiaries managed to significantly reduce flaring due to the implementation of various projects. In particular, after the introduction of the hydrogen sulfide removal system at EMG, the volume of utilization is 93%, and MMG recycles 99% of the gas at the Kalamkas field as fuel for its own needs, including at the Kalamkas GTPP.

JSC NC KazMunayGas transfers vehicles to gas engine fuel, including compressed natural gas. In Kazakhtelecom JSC, in turn, at the end of 2021, the number of cars converted to gas is more than 30% of the fleet.

In 2021, JSC NC KazMunayGas also signed a memorandum of cooperation with Shell in the development of carbon capture, utilization and storage technologies. At the moment, Portfolio Companies of the Fund are considering the possibilities of using CCS technologies.

### Direct emissions of CO<sub>2</sub> of the Fund group by technological processes

Technological processes	CO <sub>2</sub> emission, thousand tons	Share, %
Fuel combustion, total	45 005	96%
Generation of electric and thermal energy	33 478	72%
Transport, including	2 898	6
<i>air</i>	609	
<i>railway</i>	2 203	
<i>motor transport</i>	83	
<i>marine</i>	2	
Oil and gas transportation	2 690	6
Mining and processing of minerals	5 915.2	13
Other	17	0
Industrial processes, total	1 694	4
<b>Total</b>	<b>46 699</b>	<b>100</b>

The Fund has started implementing some elements of Smart Grid technology. Thus, KEGOC JSC is implementing a monitoring and control system based on WAMS/WACS synchrophasor technologies, which will maximize the use of network bandwidth through real-time management. The Fund is planning to implement a comprehensive plan for development of intelligent networks, which includes the development of an integrated energy accounting system, through the development and introduction of the concept of Smart Metering (smart meter), which will allow real-time monitoring and remote control over energy consumption, development of analytics and big data management and research on the possibility of using systems energy storage for renewable energy integration.

Green bonds were placed on the AIFC stock exchange in the amount of KZT18.4 billion, with a coupon rate of 11.4% per annum and a circulation period of 6.5 years to further attract investments for implementation of projects in the field of “green” economy.

We are actively involved in updating the regulatory framework of the country, improving knowledge and skills in order to increase efficiency in implementation of strategic initiatives to reduce emissions.

Moreover, we have begun to develop a Concept for Transition to Low-Carbon Development, which defines the vision and goals of the Fund on achieving carbon neutrality.

The main CO<sub>2</sub> emitters in the Fund group are Samruk-Energy JSC (70%) and JSC NC KazMunayGas (17%), whose activities are focused on fossil fuels. The source of pollution for other PCs (13%) is also the use of “brown” energy sources to ensure their production and operational activities.

During the 2019–2021 period, there was increase in the level of CO<sub>2</sub> emissions, due to growth of the production indicators of Samruk-Energy JSC. The following production processes dominate in the structure of direct emissions (coverage 1):

- stationary burning of fossil fuels (coal, gas, fuel oil) to generate electricity and heat (boilers, furnaces, gas compressors, electric power generators);
- fuel combustion on technological equipment (furnaces, heaters, gas compressors, gas treatment plants, drilling rigs, mining machines);



- emissions from transport (aircraft engines, internal combustion engines, traction needs of diesel locomotives);
- volatile emissions (equipment leaks, losses from evaporation, ventilation) and flaring of gas;
- emissions in the processes of grinding coal and associated formations during coal mining, emissions as a result of endogenous fires caused by low-temperature carbon oxidation reactions during storage of internal stripping on external rock dumps.





### Efficient use of resources

The Fund Portfolio Companies, being mostly manufacturing enterprises with energy-intensive technologies, pay great attention and implement a number of measures on energy saving and energy efficiency improvement.

For example, Samruk-Energy JSC has an Energy Saving and Energy Efficiency Improvement Program for 2015–2025. The Program is a fundamental document for planning and implementing activities in the field of energy conservation and energy efficiency improvement. The goal of this Program is to develop measures for the rational and economically feasible use of fuel and energy resources.

The Portfolio Companies of the Fund collect and analyze data on energy consumption and energy efficiency

indicators, track progress and identify opportunities for improvement.

By the end of 2021, more than 6 million kW of electricity was saved through implementation of more than 50 measures.

The management processes of the international standard ISO 50001 "Energy Management Systems" have been introduced in all production PCs to optimize energy consumption.

In 90% of enterprises, lighting lamps were replaced with LED ones.

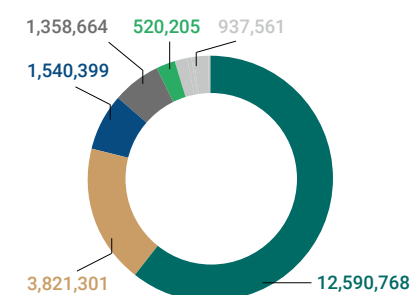
The competence of employees in the field of energy saving and energy efficiency has been increased by conducting special training programs and trainings.

### FER consumption

Due to the specifics of the activities of the Fund companies, the largest consumption of energy resources (61%) falls on Samruk-Energy JSC – about 12.7 million tons of reference fuel per year. The basis of consumption is coal from the Bogatyr mine, the consumption of which for the production of electric and thermal energy exceeds 20.6 million tons of coal per year.

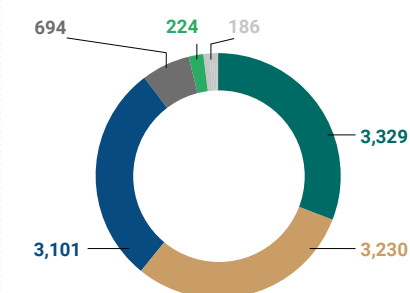
In the structure of energy resources consumption for the Fund group of companies, coal occupies about 60%, natural gas – 16%, liquid fuel – 10%, electricity from external sources – 7%, associated petroleum gas (APG) – 4%.

### Energy consumption in terms of Fund companies for 2021, TRF, year



- Samruk-Energy JSC
- JSC NC KazMunayGas
- JSC NC QazaqGaz
- JSC NC Kazakhstan Temir Zholy
- LLP Samruk-Kazyna Odeu
- Other PCs

### The CO<sub>2</sub> emission structure in terms of the Fund group in 2021, thousand tons



- JSC NC KazMunayGas
- JSC NC Kazakhstan Temir Zholy
- KEGOC JSC
- JSC NAC Kazatomprom
- Kazakhtelecom JSC
- Other PCs

### Indirect CO<sub>2</sub> emissions

We are continuously working to improve the completeness of information disclosure and expand the scope of reporting on indirect emissions.

The most energy-intensive industries in terms of electricity and heat consumption are KazMunayGas (30% of indirect emissions) and Kazakhstan Temir Zholy (30%). Purchase of KEGOC electricity is associated with compensation for losses.



## G COMPONENT. GOVERNANCE

### Corporate governance

We consider corporate governance as one of the key non-financial factors for ensuring effective portfolio management, as well as increasing the long-term value of assets. The Fund operates an efficient and transparent corporate governance system that meets international standards.

We comply with the principles of corporate governance specified in the Corporate Governance Code of the Fund, thereby ensuring the protection of the legitimate rights and interests of the shareholders and investors.

We constantly monitor the main changes in international corporate governance trends, in national legislation and implement the best corporate governance practices in our activities. As a recognized international standard in the field of corporate governance of quasi-public companies, the Fund applies the Guidelines of the Organization for Economic Cooperation and Development (OECD) on Corporate Governance for Enterprises with state participation.

In 2021, an independent diagnosis of the corporate governance of the Fund and Portfolio Companies was carried out. The Fund rating based on results of the diagnosis is "BB" – above average. In addition, practical tools have been introduced to improve the level of corporate governance in accordance with the requirements of the LSE and AIX listing.

In 2022, it is planned to strengthen provisions of the Corporate Governance Code of the Fund to further improve the efficiency of decision-making processes. New provisions will include increase in the percentage of independence of the composition of the Board of Directors, strengthening the risk management system, internal audit and compliance systems, succession planning of the Board of Directors, integration of ESG goals, gender balance issues.

The Fund will introduce new standards for information disclosure in order to enhance the quality and accessibility of information in public reporting. Moreover, the Fund is planning to extend requirements for compliance with ESG principles to contractors, suppliers and investment partners to promote introduction of ESG principles in the business community of the Republic of Kazakhstan.

### Composition of the management body and its committees

The share of independence in the Board of Directors of the Fund is 50%, which corresponds to the best international practices. Moreover, an independent director is the Chairman of the Board of Directors of the Fund.

In Portfolio Companies of the Fund, the share of independent directors ranges from 30% to 50%, which contributes to the establishment of a constructive dialogue between shareholders and the company's management.

The Board of Directors and its Committees maintain a balance of skills, experience and knowledge that ensure taking independent, objective and effective decisions in the interests of shareholders and other key stakeholders.

The members of the Board of Directors have the necessary experience in the field of sustainable development, namely in environmental issues, social agenda and high-quality corporate governance.

As of the date of publication of this Report, the composition of the Board of Directors is as follows.

## COMPOSITION OF THE BOARD OF DIRECTORS



**Jon Dudas**  
*Chairman of the Board of Directors,  
Independent Director*

#### Education:

- University of Witwatersrand (South Africa) – Bachelor in Mining;
- University of Witwatersrand (South Africa) – Master in Mining Metallurgy;
- Heriot-Watt University (UK) – MBA.

#### Professional Experience:

Mr Dudas began his working career at Rand Mines Ltd in 1984 and held a variety of senior managerial positions across a number of committees and functions at companies such as Gencor Ltd and BHP Billiton, where he served as CEO of the Aluminum division.



**Timur Suleimenov**  
*Member of the Board of Directors,  
First Deputy Head of the Executive  
Office of the President of the  
Republic of Kazakhstan*

#### Education:

- S. Toraihyrov Pavlodar State University – Social Economics and Management;
- S. Toraihyrov Pavlodar State University – Jurisprudence;
- University of Maryland (USA) – Master of Business majoring in Finance.

#### Professional Experience:

From 2009 to 2010, he held the position of Vice-Minister of Economy and Budget Planning of the RoK. From 2010 to 2012, he held the position of Vice-Minister of Economic Development and Trade of the RoK. From 2012 to 2016, he was a member of the Board of the Eurasian Economic Commission (Minister) for Economics and Financial Policy. From 2016 to 2019, he held the position of the Minister of National Economy of the RoK. From February to March 2019, he served as Deputy Chairman of the National Bank of the RoK. From March to July 2019, he held the position of an Assistant to the President of the RK.

Timur Suleimenov was awarded the Kurmet Order, Yeren Yenbegi Ushin and other medals.



**Alibek Kuantyrov**  
*Member of the Board of Directors,  
Minister of National Economy of the  
Republic of Kazakhstan*

#### Education:

- Tomsk State University – "Finance and Credit" and "Linguistics and Intercultural Communication";
- University of Michigan – Master of Applied Economics.

#### Professional Experience:

In 2013, he was appointed Deputy Chairman of the Geology and Subsoil Use Committee of the Ministry of Industry and New Technologies of the Republic of Kazakhstan. From 2013 to 2019, he held the positions of Deputy Head of the Center for Strategic Research and Analysis, Deputy Head of the Socio-Economic Monitoring Department of the Executive Office of the President of the Republic of Kazakhstan. From 2019 to 2021, he served as Deputy Head of the Office of the First President of the Republic of Kazakhstan – Yelbasy. In February 2021, he was appointed Vice-Minister of National Economy of the Republic of Kazakhstan; in January 2022, he was appointed Minister of National Economy of the Republic of Kazakhstan.

**Awards:** Yeren Yenbegi Ushin medal, 4 jubilee medals.





**Luca Sutera**  
Member of the Board of Directors,  
Independent Director

**Education:**

- School of Management, Enel SpA / SAA (Italy) – Master of Planning and Control;
- Bocconi University (Italy) – Bachelor of Business Administration majoring in Accounting, Finance and Control;
- London School of Economics and Political Science, Student Exchange Program (England).

**Professional Experience:**

Mr Sutera is an experienced business manager with over 22 years of post-graduate experience, of which 15 years served as CFO for global energy companies and Sovereign Wealth Funds in Europe, Russia and the Middle East.

Mr Sutera is currently Chief Financial Officer of the Energy Asset Group, a leading UK-based integrated diversified utility company.

Prior to joining Energy Asset Group, from 2015 to 2020, Mr Sutera served as Chief Financial Officer of the Nebras Power Group, a Qatar-based state-owned global energy company.



**Zhamishev Bolat Bidakhmetovich**  
Member of the Board of Directors,  
independent director

**Education:**

- Kazakh agricultural Institute – Economist

**Labor activity:**

Chairman of OSF "Kazakhstan khalkyna". Since January 2004 he has been position of the Chairman of the Agency of the Republic of Kazakhstan for the regulation financial market supervision and supervision and financial organizations. Worked Minister of Finance of the Republic Kazakhstan, Minister of Regional development of the Republic of Kazakhstan, Chairman of the Board of JSC "Bank Development of Kazakhstan»

**Awards:**

Order "Kurmet", "Parasat", Anniversary-naya medal "10 years of Astana"



**Almasadam Satkaliyev**  
Member of the Board of Directors,  
CEO

**Education:**

- Kazakh National University named after Al-Farabi – Mechanical Engineer, Application Mathematician;
- International Institute of Civil Service and Management (IICSM), Department of Public Sector Finance, Economics direction, Financial Economics program;
- Russian Academy of National Economy and Public Administration under the President of the Russian Federation, Moscow, Master of Economics;
- Graduate School of Business of Nazarbayev University, Executive MBA program, joint program with Duke University's Fuqua School of Business – Master of Business Administration;
- Graduate School of Business, Stanford University, Stanford Executive Program.

**Professional Experience:**

He held the positions of First Vice President of KEGOC JSC, Director for Electricity Assets Management at Samruk Kazakhstan Holding for State Assets Management JSC, Vice Minister of Energy of the Republic of Kazakhstan, Chairman of the Board of Directors of KEGOC JSC, Chairman of the Board of Directors of Samruk-Energy JSC, Managing Director of Samruk-Kazyna JSC

The members of the Board of Directors disclose information about their interest in the form of annual statements and notify the Corporate Secretary of the Fund of any changes.

The Board of Directors of the Fund has established Committees whose competence includes consideration of issues related to audit and risk management, strategic planning, personnel, remuneration and social issues.

**Composition of the Executive Body**

As of the date of publication of this Report, the composition of the Management Board is as follows.

(page 44)





# COMPOSITION OF THE MANAGEMENT BOARD



**Almasadam Satkaliyev**  
CEO

**Education:**

- Kazakh National University named after Al-Farabi – Mechanical Engineer, Application Mathematician;
- International Institute of Civil Service and Management (IICSM), Department of Public Sector Finance, Economics direction, Financial Economics program;
- Russian Academy of National Economy and Public Administration under the President of the Russian Federation, Moscow, Master of Economics;
- Graduate School of Business of Nazarbayev University, Executive MBA program, joint program with Duke University's Fuqua School of Business – Master of Business Administration;
- Graduate School of Business, Stanford University, Stanford Executive Program.

**Professional Experience:**

Mr. Satkaliyev held the positions of First Vice President at KEGOC JSC, Director for Electricity Assets Management at Samruk Kazakhstan Holding for State Assets Management JSC, Vice Minister of Energy of the Republic of Kazakhstan, Chairman of the Board of Directors at KEGOC JSC, Chairman of the Board of Directors at Samruk-Energy JSC, Managing Director at Samruk-Kazyna JSC

**Awards:** Kurmet, Parasat orders. Medals: "10th anniversary of the Constitution of Kazakhstan", "10th anniversary of Astana", "20th anniversary of the Independence of Kazakhstan", "Jubilee Medal of the 20th Anniversary of the Constitution of Kazakhstan", "25th Anniversary of the Independence of Kazakhstan" and "10th Anniversary of KAZENERGY Association". Mr Satkaliyev was awarded the title of the Honored Power Engineer of the CIS and Barys medal of III degree.



**Yernar Zhanadil**  
Managing Director for Development and Privatization

**Education:**

- Kazakhstan Institute of Management, Economics and Strategic Research (KIMEP) with a degree in Accounting;
- Manchester School of Business, University of Manchester (UK), Master's degree, Accounting and Finance.

**Professional Experience:**

Over the years, Yernar Beisenuly worked for Philip Morris Kazakhstan, PricewaterhouseCoopers. In 2016, he was appointed to the position of Financial Controller of Samruk-Kazyna JSC with subsequent approval to the position of Managing Director for Finance and Operations and Co-Managing Director for Economics and Finance – a member of the Management Board of Samruk-Kazyna JSC.



**Yernat Berdigulov**  
Managing Director for Strategy and Asset Management

**Education:**

- 2007–2010 University of Toronto, Canada, Public Policy and International Studies;
- 2015–2018 University of Warwick, United Kingdom, Master of Business Administration.

**Professional Experience:**

Mr. Berdigulov started his career in 2011 at Samruk-Kazyna JSC. In the period from 2013 to 2018, he held the positions of directors of various departments and Adviser to the CEO at Samruk-Energo JSC. From 2019 to 2021, he worked at WhiteshieldPartners as a Project Manager. In 2021, he was appointed Co-Managing Director for Strategy, Sustainable Development and Digitalization at Samruk-Kazyna JSC.



**Nazira Nurbayeva**  
Managing Director for Economics and Finance

**Education:**

- University of Wisconsin Center Richland (USA) under the student exchange program.

**Professional Experience:**

Nazira Nurbayeva started her career in 1998 at the PriceWaterhouse branch. From 2003 to 2004, she held a position of a senior tax adviser at LUKOIL Overseas Services Ltd. From 2004 to 2014, she worked as a senior manager at PricewaterhouseCoopers Tax & Advisory LLP. From 2014 to 2020, she held a position of Director of PricewaterhouseCoopers Tax & Advisory LLP. From June 2020 to April 2021, she worked as a Partner in Deloitte TCF LLP.



**Nikolay Kazutin**  
Managing Director for Legal Support, Security and Risks

**Education:**

- Kazakh Economic University named after T. Ryskulov, specialization in Accounting and Audit.

**Professional Experience:**

Nikolay Yuryevich started his career in 2001 and worked for insurance companies as a financial analyst until 2005. In 2006-2016 he worked at PricewaterhouseCoopers Tax and Advisory LLP. 2016 – 2020: Director of the Internal Audit Service and Adviser to the CEO of Kokshetau Mineral Waters JSC and East Kazakhstan Regional Energy Company JSC. 2020 – 2022: Deputy Chairman of the State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan.





The executive body has a number of Committees in the field of sustainable development:

**HSE Committee**

The Committee serves as a dialogue platform for discussing problematic issues, sharing experiences, as well as submitting strategic HSE initiatives and ideas for consideration.

**Sustainability Committee**

The purpose of the creation of the Sustainability Committee is to develop recommendations and coordinate the activities carried out by Portfolio Companies in the field of sustainable development.

**Risk management system**

In 2021, we have updated the list of major risks given new factors, such as the coronavirus pandemic, lower interest rates, environmental accidents, new requirements for managing climate risks and opportunities. As a result of the coronavirus pandemic, the Fund has upgraded the risk status associated with human capital to a key one.

The key principles and approaches to the organization of risk management and internal control in the Fund Group are reflected in the Fund’s Risk Management and Internal Control Policy. This Policy was compiled taking into account “Conceptual framework for risk management of organizations: integration with strategy and performance indicators” COSO recommendations and is designed to strengthen the responsibility of risk owners for risk management at all levels of the Fund, to increase the integration of risk management into all processes.

In the Fund and Portfolio Companies of the Fund, the risk appetite, risk register and risk map are approved on an annual basis; management reporting on significant areas of activity is provided for consideration of the management bodies of Portfolio Companies and the Fund on a regular basis.

The Board of Directors continuously monitors the following key risks:

- accident risks;
- risks of significant investment projects;
- risks of social stability;
- credit and currency risks;
- risks of litigation;
- risks of financial stability;
- risk of confidential information leakage;
- risks of information systems;
- reputation risk.

**Transparency, accountability and compliance**

**Public Council of the Fund**

The Public Council of Samruk-Kazyna JSC – an advisory and supervisory body – was established to represent the interests of civil society and take into account the opinion of the public in the discussion and decision-making, to increase accountability and transparency of the activities of the Fund and national companies.

Tasks of the Public Council include:

- Representing the interests of civil society;
- Developing constructive interaction with civil society;
- Monitoring the implementation of the Fund’s development strategies and plans;
- Submitting recommendations on improving the Fund’s activities.

**Anti-corruption and compliance**

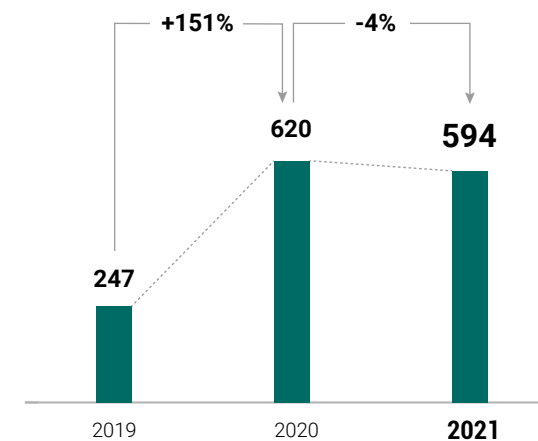
Samruk-Kazyna JSC actively promotes the institute of compliance in all Portfolio Companies to ensure transparency, compliance with legal requirements and prevention of corruption risks, thereby bringing the fight against corruption to a qualitatively new level.

In 2021, independent compliance services and subdivisions were created in the Group of companies, which are entrusted with the execution of anti-corruption compliance functions. All Compliance Services subordinate directly to the Board of Directors, which ensures their independence from executive bodies.

The Board of Directors of the Fund adopted a new Anti-Corruption Policy of Samruk-Kazyna JSC, which establishes the basic principles of anti-corruption in the Fund, managerial and organizational bases for the prevention of corruption offenses.

The “Adaldyk Alany” project office was opened together with the Anti-Corruption Agency of the Republic of Kazakhstan.

**Number of relevant appeals through the hotline**



Holding compliance training for employees, banners with updated information about the “hotline” and anti-corruption requirements are posted.

The proactive information system (hotline) has become an effective tool in the fight against violations of legislation and corruption.

In 2021, 594 calls were received through the hotline, of which 150 cases were confirmed. 43% of the received appeals relate to labor conflicts, 15% relate to procurement procedures, 12% is regarding violations of established procedures and legislation, 13% is about fraud, theft and embezzlement.

The largest number of appeals concern Kazakhstan Temir Zholy, KazMunayGas and Kazpost. Information on the detected violations is submitted to the relevant public authorities in case of detection of the composition of a criminal or administrative offense.

**Conflict of interests**

The Board of Directors of the Fund approved the Policy on Settlement of the Conflict of Interests of Samruk-Kazyna JSC to improve measures on resolving a conflict of interests.

The Policy enshrines the main declarations and principles of the conflict of interests settlement, which in turn are based on the legislation of the Republic of Kazakhstan and international compliance practices. The purpose of the Policy is to increase the efficiency of decisions taken by ensuring a fair, objective and independent decision-making process in the interests of the Fund and shareholders.

In relations with partners and other stakeholders, the Fund establishes and requires compliance with fiduciary relations, in which the parties are obliged to act towards each other as honestly, conscientiously, fairly and loyally as possible, takes measures to prevent, identify and exclude conflicts of interest.





### Responsible procurement

The procurement system of the Fund group guarantees transparency of procedures, equal conditions of competition, honest partnership, reliability of suppliers and full compliance by all parties with the relevant norms.

An electronic procurement information system operates, which is a single portal for member companies of the Fund group, to simplify and ensure transparency of procurement procedures. The Portal includes a full cycle from planning the need for goods, works and services to procurement and delivery of goods to the warehouse. Work is underway to systematically increase the share of procurement through the e-store.

New rules for pre-qualification selection (hereinafter-PQ) were developed to improve the quality of goods and services supplied, as a result, the level of single-source procurement has been significantly reduced, the share of invalid procurement has been reduced to 1%. By the end of 2021, the level of satisfaction with the PQ process among potential suppliers was 98%.

### Development of local content

The Fund companies are coordinated on an ongoing basis to support the development of local content in procurement. By the end of 2021, the share of local content in procurement was 77%.

Goods and services were purchased from domestic businesses for KZT4.6 trillion. Of these:

- goods – KZT2 030 billion (LC – 66%)
- works – KZT864 billion (LC – 77%)
- services – KZT1 739 billion (LC – 90%).

4 391 long-term contracts worth KZT13 trillion were concluded with domestic suppliers. Long-term procurement plans were developed with an emphasis on the purchase of domestic products.

Every year we increase the share of purchases from domestic manufacturers for the goods of the “economy of simple things”. Thus, at the end of 2021, the share of purchases for goods of the “economy of simple things” amounted to 90%, which is 7% higher as compared to 2020, including:

- light industry – 97% (at the 2020 level);
- food industry – 91% (3p.p. increase);

- construction materials – 91% (6p.p. increase);
- chemical industry – 89% (4p.p. increase);
- mechanical engineering – 82% (3p.p. increase).

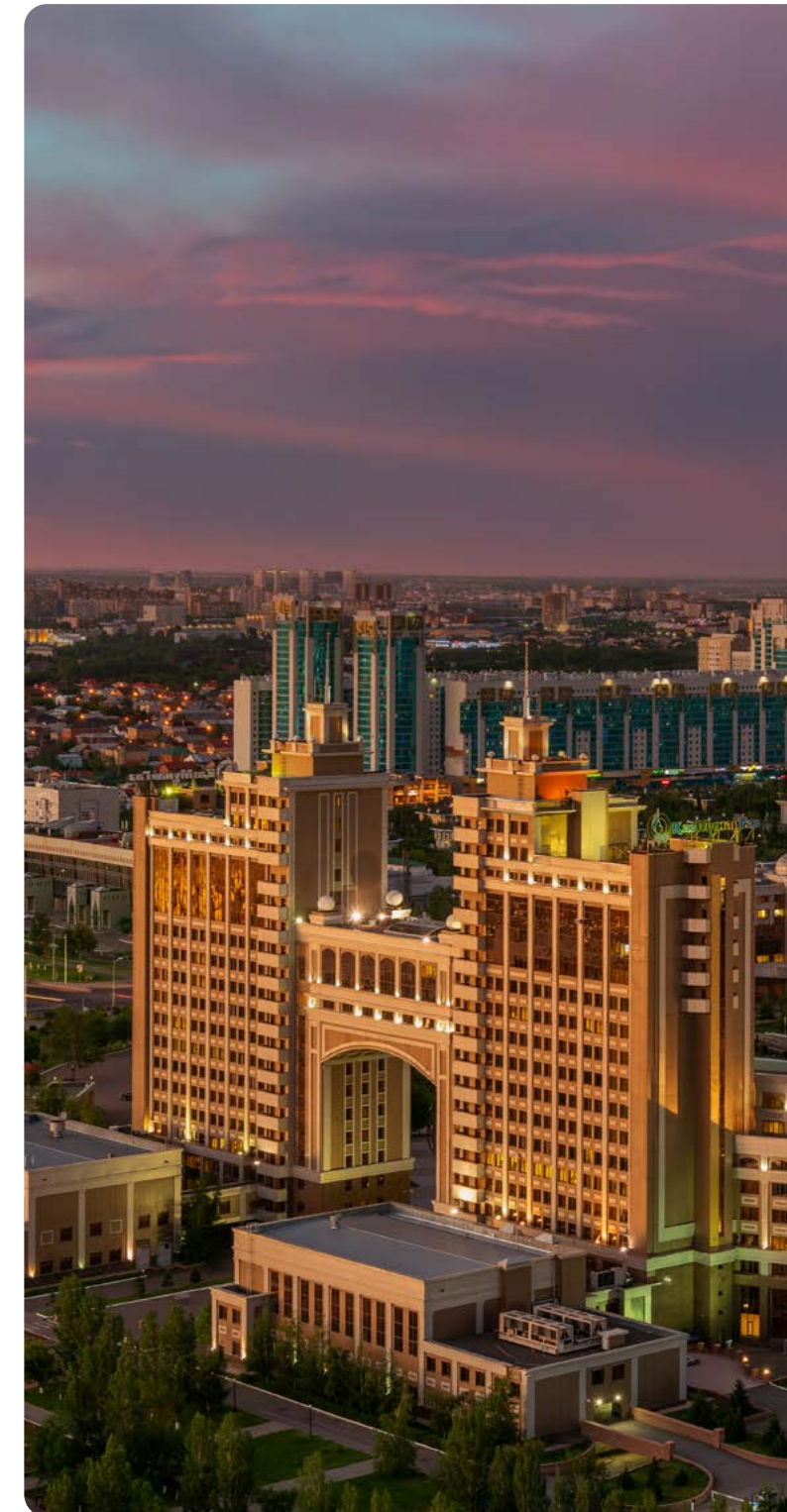
### Support of domestic business

In 2022, the Fund has developed a draft Procurement Procedure, while maintaining all existing measures to support domestic producers.

The key amendments in the procurement procedures provided for in the Procedure can be divided into the following three units:

**Unit 1.** Amendments aimed at increasing transparency of procurement and minimizing corruption risks:

- 1) unification of all documents regulating procurement procedures has been carried out. Instead of 9 existing multi-level documents, 1 draft new Procedure has been approved, which contains a description of all procurement procedures without the reference norms for other documents and will be a document of direct action;
- 2) justifications for single-source procurement (from 34 to 20 as compared to 2021) were reduced by 41%;
- 3) compulsory coordination of the list of procurement categories, as well as a list of goods, works, services purchased using pre-qualification, including qualification criteria, with Atameken National Chamber of Entrepreneurs is provided for;
- 4) compulsory posting of all information about category management in open access on the web portal, including the list of categories and the procurement category strategies themselves is provided for;
- 5) compulsory coordination of single-source procurement Customers with the Compliance Services is provided for on grounds where there are risks of corruption;
- 6) requirement to monitor planned prices for compliance with the average prices for the Fund Group and public procurement through the procurement web portal is set.





**Unit 2.** Measures aimed at supporting businesses, especially local producers and small and medium-sized businesses:

- 1) Exemption of domestic goods producers from all types of security, including the return of the advance payment. Compulsory payment of an advance payment for at least 30% of the contract amount;
- 2) within 5 working days, the calculation is carried out for domestic producers and SMEs (in an e-store);
- 3) Extending preferences (benefits) for representatives of SMEs:
  - conditional discount to SMEs in the amount of 1% when participating in tenders;
  - priority to SMEs with the equality of the lowest prices of potential suppliers;
- 4) the delivery time of all goods purchased from domestic manufacturers is at least 60 days, for complex goods – at least 120 days.

**Unit 3.** Expanding access and removing barriers to business:

- 1) the number of procurement category strategies has been reduced from 78 to 27;
- 2) a completely new concept of the e-store will be developed by the end of 2022, taking into account approaches similar to public procurement;
- 3) exclusion of requirements for the presence of a potential supplier of machinery and equipment in procurement of works subject to mandatory licensing.

## ESG integration into business processes

To assess efforts of Portfolio Companies on complying with the ESG principles, the Fund also intends to actively introduce such a tool as ESG ratings into the practice of Portfolio Companies. The ESG rating is an independent opinion of the agency on the extent to which the process of taking key business decisions in the company is focused on sustainable development in the environmental, social and economic spheres. A high ESG rating is also an important tool for increasing the investment attractiveness of Portfolio Companies.



JSC NC KAZMUNAYGAS HAS BEEN UNDERGOING THE ESG RATING ASSESSMENT OF THE SUSTAINALYTICS INTERNATIONAL RATING AGENCY FOR THE SECOND YEAR. IN THE MEDIUM TERM, THE FUND SETS A TASK FOR PORTFOLIO COMPANIES TO OBTAIN ESG RATINGS.



## GLOSSARY

This Report shall use the following definitions and abbreviations:

<b>Fund, Samruk-Kazyna JSC</b>	Joint Stock Company "Sovereign Wealth Fund "Samruk-Kazyna"
<b>Atyrau Refinery</b>	Atyrau Oil Refinery
<b>OHS</b>	Occupational health and safety
<b>RES</b>	Renewable energy source
<b>WEF</b>	World Economic Forum
<b>GDP</b>	Gross domestic product
<b>CDB</b>	China Development Bank
<b>SPIID</b>	State Program of Industrial and Innovative Development
<b>GMI</b>	Global Methane Initiative
<b>HPP</b>	Hydroelectric power plant
<b>GRES</b>	Condensing power plant
<b>Subsidiary</b>	Subsidiaries and Affiliates
<b>USD</b>	US Dollar
<b>EAEU</b>	Eurasian Economic Union
<b>USIC GWS</b>	Uniform Stock Item Identification Guide of Goods, Works, Services
<b>EU</b>	European Union
<b>UEPS</b>	Unified Electric Power System of the Republic of Kazakhstan
<b>PS</b>	Polluting substances
<b>PCS</b>	Procurement Category Strategy
<b>IT</b>	Information technology
<b>ISP</b>	Index of social stability
<b>EPIS</b>	Electronic procurement Information System of Samruk-Kazyna JSC
<b>Companies, Fund Portfolio companies, PCs</b>	National companies and other legal entities, more than 50% of the voting shares (interests) of which is owned by the Fund on the right of property or trust management
<b>CPM</b>	Category procurement management
<b>KPI</b>	Key performance indicator
<b>KMG</b>	JSC NC KazMunayGas
<b>KTZh</b>	JSC NC Kazakhstan Temir Zholy
<b>CRMS</b>	Corporate risk management system
<b>LC</b>	Local content
<b>IFRS</b>	International Financial Reporting Standards
<b>SMEs</b>	Small and medium-sized businesses
<b>Khorgos ICBC</b>	Khorgos International Center for Cross-Border Cooperation
<b>MDDIAI RoK</b>	Ministry of Digital Development, Innovation and Aerospace Industry of the Republic of Kazakhstan
<b>AIFC</b>	Astana International Financial Center
<b>MEN</b>	Main electric networks
<b>R&amp;D</b>	Research, Development and Engineering works
<b>Refinery</b>	Oil processing plant

<b>NGO</b>	Non-governmental organization
<b>NPO</b>	Non-profit organization
<b>NCOC</b>	North Caspian Operating Company
<b>OHIS</b>	Occupational health and industrial safety
<b>HSE</b>	Occupational health, safety and environmental protection
<b>OSCE</b>	Organization for Security and Co-operation in Europe
<b>UN</b>	United Nations
<b>UCC</b>	United Chemical Company LLP
<b>OECD</b>	Organization for Economic Cooperation and Development
<b>GG</b>	Greenhouse gases
<b>PQ</b>	Pre-qualification
<b>APG</b>	Associated petroleum gas
<b>Pavlodar Refinery</b>	Pavlodar Oil Chemistry Refinery
<b>ISL</b>	In-situ leaching
<b>UN FCCC</b>	United Nations Framework Convention on Climate Change
<b>SKI</b>	Samruk-Kazyna Invest LLP
<b>CTCMS</b>	Commuter transportation control and management system
<b>Media</b>	Mass communication media
<b>SKI</b>	Samruk-Kazyna Invest LLP
<b>USA</b>	United States of America
<b>CGPU</b>	Complex gas processing unit
<b>FS</b>	Feasibility study
<b>HPP</b>	Thermal power plant
<b>DPC</b>	Data Processing Center
<b>CFT</b>	Cyclic-flow technology
<b>SDG</b>	17 UN Sustainable Development Goals
<b>CTI</b>	Center for Technology Initiatives
<b>SWF</b>	Sovereign Wealth Fund
<b>ET</b>	Electric train
<b>ESG</b>	Environmental – Social – Governance
<b>GIIN</b>	Global Impact Investing Network
<b>GRI</b>	Global Reporting Initiative
<b>FWA</b>	Fixed Wireless Access
<b>ROA</b>	Return on assets
<b>ROE</b>	Return on equity
<b>SK Trust</b>	Samruk-Kazyna Trust corporate fund
<b>IRENA</b>	The International Renewable Energy Agency
<b>ISO</b>	International Standardization Organization
<b>HSE</b>	Health, safety, and environment
<b>SPE</b>	Society of Petroleum Engineers
<b>SWFI</b>	Sovereign Wealth Fund Institute



# ANNEX 1

## Partnership and membership in associations

The Fund Group strives to comply with and implement the best practices in the field of sustainable development in its activity, including the key principles of the UN Global Compact, and consistently increases its competencies in partnership with the international community:

- Member of the IFSWF (International Forum of Sovereign Wealth Funds);
- Partnership with the Committee for the Promotion of International Trade of the People's Republic of China within the framework of the Kazakh-Chinese Business Council;
- Partnership with DIT, the Department of International Trade of the Ministry of Foreign Affairs of the United Kingdom within the framework of the Kazakh-British Business Council;
- Partnership with KITA, the Korean International Trade Association within the framework of the Kazakh-Korean Business Council.



“For more than 15 years, the London Stock Exchange has been the preferred platform for public and private companies in Kazakhstan to attract financing – debt and equity. Our relationship continues to grow and develop. Most recently, in October 2021, the London Stock Exchange welcomed the listing of Samruk-Kazyna’s debut Eurobonds. Shortly before the landmark COP26 summit in Glasgow, we had held the Kazakhstan @30 Investment Forum, which attracted a large audience of international investors, consultants and other decision makers in the capital market. The Forum, presented

jointly by Samruk-Kazyna, the AIFC and the Embassy of Kazakhstan, demonstrated the country’s commitment to a sustainable transition and highlighted the workflows that have been launched to achieve its ambitious new goals. The London Stock Exchange welcomes Samruk-Kazyna’s contribution to the economic development of Kazakhstan and its commitment to contributing to the global goals of the Paris Agreement. We look forward to supporting the country’s further integration into the global capital markets community by linking new investment stories with one of the world’s deepest capital pools.”



“The Korea International Trade Association is the largest business organization in Korea, representing more than 70,000 member companies. KITA was founded in 1946 with the aim of developing the Korean economy through trade. On the occasion of the state visit, Kassym-Jomart Tokayev, President of the Republic of Kazakhstan, visited Korea in August 2021, Samruk-Kazyna and KITA co-chair the Kazakh-Korean round table to strengthen cooperation between Kazakh and Korean companies. Samruk-Kazyna and KITA also held a bilateral meeting between their chairmen and signed a Memorandum of Understanding on the establishment of the Kazakh-Korean Business Council to promote bilateral cooperation in the field of trade, investment, services, technology, joint ventures and projects in the Blue House, the Office of the President of the Republic of Korea.”

## Partnerships and Memberships of the Fund Portfolio Companies

Portfolio Company	Initiatives and Associations
	<p><b>Membership in associations</b></p> <ul style="list-style-type: none"> <li>International Association of Scientific, Technical and Business Cooperation in Geophysical Research and Well Work (AIS)</li> <li>International Association of Oil Transportation (IAOT)</li> <li>Association of Taxpayers of Kazakhstan</li> <li>Association of Kazakhstan Machinery Industry</li> <li>Kazakhstan Welding Association "KazWeld"</li> <li>Union of Power Engineers of the Republic of Kazakhstan</li> <li>National Business Association "IRIS"</li> <li>Association of Entrepreneurs of Maritime Transport of the Republic of Kazakhstan</li> <li>Union of Oilfield Service Companies of Kazakhstan</li> <li>International Association "Trans-Caspian International Transport Route"</li> <li>International Association for Emergency Oil Spill Response Limited (OSRL)</li> <li>Kazakhstan Union of Lawyers NGO</li> <li>IOGP. International Association of Oil and Gas Producers</li> <li>Atameken National Chamber of Entrepreneurs of the Republic of Kazakhstan</li> <li>Kazakhstan Association of Organizations of the Oil and Gas and Energy Complex "KAZENERGY"</li> <li>International Standardization Organization ISO</li> <li>The UN Global Compact</li> </ul> <p><b>Partnerships</b></p> <ul style="list-style-type: none"> <li>Extractive Industries Transparency Initiative (EITI)</li> <li>The World Bank initiative "Complete cessation of regular flaring of APG by 2030"</li> <li>Global Methane Initiative</li> <li>CDP Climate Program</li> <li>Caspian Environmental Protection Initiative (CEPI)</li> </ul> <p><b>Participation in ratings</b></p> <ul style="list-style-type: none"> <li>Rating of environmental responsibility of oil and gas companies in Kazakhstan</li> </ul>



## Portfolio Company

## Initiatives and Associations

**Membership in associations**

Organization of Cooperation of Railways (OCRW) (participation of the Republic of Kazakhstan)  
 International Coordinating Council for Trans-Eurasian Transport (ICCTT)  
 Shanghai Cooperation Organization (participation of the Republic of Kazakhstan)  
 Association of National Freight Forwarders of Kazakhstan (ANFF)  
 International Union of Railways (UIR)  
 Association of Taxpayers of Kazakhstan  
 Association of Kazakhstan Machinery Industry  
 Union Sportive Internationale des Cheminots (USIC)  
 The UN Global Compact  
 Union of Transport and Logistics Organizations and Associations "KAZLOGISTICS"  
 Corporate Fund "KAZLOGISTICS"  
 Non-profit partnership "Association of Railway Equipment Manufacturers"  
 Atameken National Chamber of Entrepreneurs of the Republic of Kazakhstan  
 Eurasian Economic Union (participation of the Republic of Kazakhstan)  
 Association for the Development of Competition and Commodity Markets  
 International Association "Trans-Caspian International Transport Route"  
 ISO (International Organization for Standardization)  
 The Paris Agreement  
 Vision ZERO – Global program to promote the concept of "Zero injuries"

**Membership in associations**

CIS Electric Power Council  
 Kazakhstan Electric Power Association  
 Kazakhstan Association of Organizations of the Oil and Gas and Energy Complex "KAZENERGY"  
 Atameken National Chamber of Entrepreneurs of the Republic of Kazakhstan  
 The UN Global Compact

**Membership in associations**

Kazakhstan Electric Power Association  
 Kazakhstan Association of Organizations of the Oil and Gas and Energy Complex "KAZENERGY"  
 Establishment of a Pool of Reserves of Electric Power in Kazakhstan  
 CIS Electric Power Council  
 Conseil International des Grands Réseaux Électriques – CIGRE  
 Eurasian Economic Union (Republic of Armenia, Republic of Belarus, Republic of Kazakhstan, Russian Federation, Kyrgyz Republic)  
 World Energy Council  
 EURELECTRIC Association  
 Executive Assembly of the World Energy Council (WEC)  
 United Nations Economic Commission for Europe  
 Coordinating Electric Power Council of Central Asia (CEC CA)

## Portfolio Company

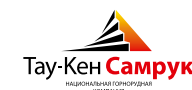
## Initiatives and Associations

**Membership in associations**

International Air Transport Association (IATA)  
 Association of Asia Pacific Airlines (AAPA)  
 IATA Clearing House  
 World Flight Safety Fund  
 AREX (Airline Passenger Experience Association)

**Membership in associations**

Association of Kazakhstan Machinery Industry  
 International Telecommunication Union (ITU)  
 Regional Communications Commonwealth (RCC)  
 Atameken National Chamber of Entrepreneurs of the Republic of Kazakhstan  
 Association for the Development of Blockchain and Data Center Industry in Kazakhstan  
 Association for the Development of Competition and Commodity Markets  
 National Telecommunication Association of Kazakhstan

**Membership in associations**

Republican Association of Mining and Metallurgical Enterprises  
 Republican Association of Precious Metals Producers

**Membership in associations**

International Civil Aviation Organization (ICAO)  
 International Air Transport Association (IATA)

**Membership in associations**

Association of Kazakhstan Builders  
 Qazaqstan Qurylysshylyar Odagy  
 Atameken National Chamber of Entrepreneurs of the Republic of Kazakhstan



## ANNEX 2

### Table of the Report Compliance with GRI Standards

GRI Standard	Number	Content
	102-1	Organization name
	102-2	Activities, brands, products and services
	102-3	Headquarters location
	102-4	Location of production sites
	102-5	Ownership nature and organizational and legal form
	102-6	Service markets
	102-7	Organization scale
	102-8	Information about employees and other workers
	102-9	Supply chain
	102-10	Significant changes in the organization and its supply chain
	102-11	Precautionary principle or approach
	102-12	External initiatives
	102-13	Membership in associations
	102-14	Message of the top management
	102-15	Key impacts, risks and opportunities
	102-16	Values, principles, standards and norms of behavior
	102-17	Mechanisms of consultations and appeals on ethics
	102-18	Management structure
	102-19	Delegation of authority
	102-20	Senior positions responsible for economic, environmental and social issues
	102-21	Advising stakeholders on economic, environmental and social issues
	102-22	Composition of the supreme corporate governance body and its committees
	102-23	Chairman of the Supreme Corporate Governance Body
	102-24	Nomination and selection of the supreme corporate governance body
	102-26	The role of the supreme corporate governance body in defining goals, values and strategy
	102-31	Overview of economic, environmental and social topics
	102-35	Remuneration policies
	102-36	Remuneration determining
	102-40	List of stakeholder groups
	102-41	Collective labor agreements
	102-42	Identification and stakeholders determination
	102-43	The approach to interaction with stakeholders

GRI Standard	Number	Content
	102-44	Key topics and concerns raised
	102-45	List of legal entities included in the consolidated financial statements
	102-46	Report content determining and the topics boundaries
	102-47	List of significant topics
	102-48	Repeated statements
	102-49	Amendments to the reporting
	102-50	Reporting period
	102-51	Date of last report issue
	102-52	Reporting cycle
	102-53	Contact information for questions about the Report
	102-54	Statements on reporting in accordance with GRI Standards
	102-55	GRI Content Index
	102-56	External assurance
GRI 103:	103-1	Explanation of the essential topic and its boundaries
Management Approach 2016	103-2	Management approach and its components
	103-3	Evaluation of the management approach
GRI 201:	201-1	Direct economic value created and distributed
Economic performance	201-2	Financial aspects and other risks and opportunities related to climate change
GRI 204:	204-1	Share of costs for local suppliers
Indirect economic impact		
GRI 205:	205-1	Production units assessed for corruption-related risks
Anti-corruption	205-2	Informing about and training in anti-corruption policies and methods
	205-3	Confirmed cases of corruption and actions taken
GRI 302:	302-1	Energy consumption within the organization
Energy 2016	302-3	Energy intensity
	302-4	Reduction of energy consumption
GRI 304:	304-2	Significant impact of activities, products and services on biodiversity
Biodiversity 2016		
GRI 305:	305-1	Direct greenhouse gas emissions
Emissions 2016		
GRI 307:	307-1	Compliance with environmental legislation and regulatory requirements
Compliance with environmental regulations 2016		



GRI Standard	Number	Content
GRI 401:	401-1	Newly hired employees and staff turnover
Employment 2016	401-2	Benefits provided to employees working on a full-time basis that are not provided to employees working on a temporary or part-time basis
GRI 403:	403-1	Percentage of employees of contractors and subcontractors who have received appropriate training in occupational health and safety
Health and Safety 2018	403-2	Types and level of occupational injuries, the coefficient of lost days and absence from the workplace, as well as the total number of fatalities
	403-9	Industrial injuries
GRI 404:	404-1	The average annual number of training hours per employee
Training and education 2016	404-3	Share of employees for whom periodic performance and career development evaluation are conducted
GRI 406:	406-1	Cases of discrimination and corrective actions taken
No Discrimination 2016		

## FEEDBACK

Questions regarding this Report can be directed to the Corporate Governance Sector of the ESG Department at [governance@sk.kz](mailto:governance@sk.kz), phone: +7 7172 55 26 74 <mailto:governance@sk.kz>

### Full name – Joint Stock Company “Sovereign Wealth Fund “Samruk-Kazyna”

*Location address:* Republic of Kazakhstan, Nur-Sultan, 010000

*Registered address:* 17/10, Syganak street

*Actual address:* 17/10, Syganak street

*Website address:* [www.sk.kz](http://www.sk.kz)

*Executive office:* +7(7172)55-40-01

### Technical support of the procurement portal, Call Center:

+7 (7172) 55-22-66

*Mail:* [support@skc.kz](mailto:support@skc.kz)

### Call Center for the Privatization Program:

+7 (7172) 55-22-66

*Phone:* +7 (7172) 55-92-81

*E-mail:* [dpra@sk.kz](mailto:dpra@sk.kz)

### On issues of investor relations

*Phone:* +7 (7172) 55-40-71,

*Mail:* [ir@sk.kz](mailto:ir@sk.kz)

### On issues of international cooperation

*Phone:* +7 (7172) 55-40-36

### On issues of media relations

*Mail:* [press@sk.kz](mailto:press@sk.kz)

### Procurement Methodology, Control and Monitoring Department

*Phone:* +7 (7172) 55-92-80



**Hotline**  
8 800 080 4747



**WhatsApp**  
+7 771 191 88 16



**Internet portal**  
[sk-hotline.kz](http://sk-hotline.kz)



**Email**  
[mail@sk-hotline.kz](mailto:mail@sk-hotline.kz)



**CALL CENTER "NYSANA"**  
**(according to social and labor questions)**  
8 800 080 3030  
8 702 075 3030



