



SAMRUK
K A Z Y N A



SAMRUK-KAZYNA — A GUIDE TO A SUSTAINABLE FUTURE

2023 Sustainability Report

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ABOUT THE REPORT

The Sustainability Report of Joint-Stock Company Sovereign Wealth Fund Samruk-Kazyna [GRI 2-1](#) (hereinafter - the Fund) for 2023 (hereinafter - the Report) is intended to inform a wide range of stakeholders of the Fund about the results of our activities and contains information on our contribution to the economic, infrastructural and social development of the country, as well as on environmental and economic aspects of the Fund and its portfolio companies.

We strive to ensure effective and high-quality communication with our stakeholders, so we strictly follow the world's leading sustainability reporting standards when disclosing information in this area. This report has been prepared in accordance with the GRI Sustainability Reporting Standards (GRI), as well as using the principles and approaches to sustainability disclosure of Sustainability Accounting Standards Board (SASB) standards.

Sustainability reports of the Fund are published on an annual basis starting from 2016. The reporting period coincides with the reporting period of the financial statements. This report includes consolidated information about the Fund and its portfolio companies for the period from January 1 to December 31, 2023, in accordance with «Annex 7. Reporting boundaries», and was approved by the Fund's Board of Directors on June 26, 2024. [GRI 2-3, GRI 2-14](#)

The report was published on August 27, 2024. [GRI 2-3](#) The previous report for 2022 was published on 29 September 2023.

In [Annex 5](#), you will find contacts for questions and feedback on the Report and on the Fund's sustainability practices in general.

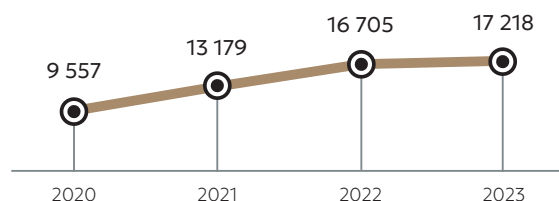


Key sustainable development indicators 2023

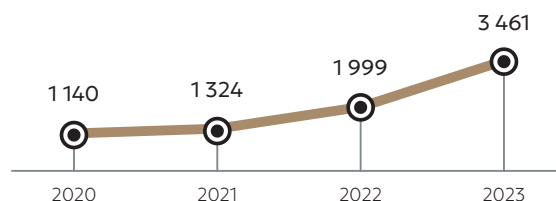


Contribution to the development of regions and local communities

Direct economic value created, KZT billion



Payments to the State of Kazakhstan, KZT billion



The investment portfolio of the Fund KZT

~49
trillion

Share of goods, works, and services purchased from domestic producers

92%

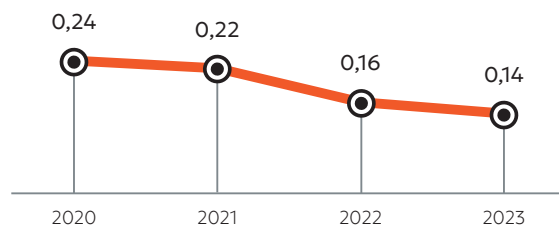
Shares of portfolio companies are owned by

167
thousand of retail investors

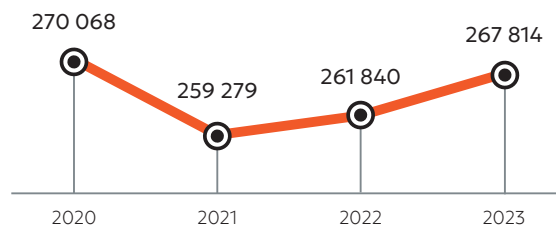


Labor practices

LTIF¹ Indicator



Number of full-time employees at the end of the year, person



Staff with disabilities

2,764
people

Investments in occupational safety

109
KZT billion

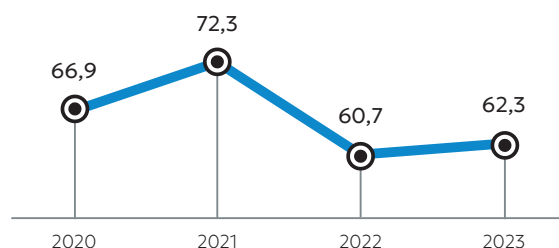
Hired employees

41,075
people

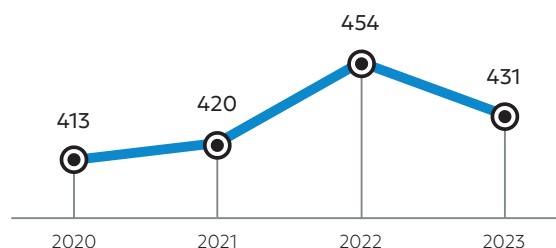


Environment

Carbon footprint, million tonnes CO₂-eq



Total energy consumption, million GJ



Total water withdrawal volume

63,924
million m³

incl. for production needs³

331
million m³

Pollutant emissions

500
thousand tonnes

¹ LTIF (Lost Time Injury Frequency) - the number of the company's employees injured in lost time accidents attributed to a severe work injury according to the work injury severity report (including fatalities) multiplied by 1 million man-hours and divided by the total number of man-hours worked during the 12 reporting months.

² Excluding water withdrawal from hydroelectric power stations



Message from the member of the board of directors



**Bolat Bidakhmetovich
Zhamishev**

Member of the Board of Directors,
Independent Director of Samruk-
Kazyna JSC

Dear Readers,

I am pleased to present the Fund's eighth Sustainability Report, which has become essential to information disclosure about our activities over the years. We are constantly improving our reporting to provide all stakeholders with high-quality and valuable information.

In 2023, the Government of the Republic of Kazakhstan - the Sole Shareholder of Samruk-Kazyna JSC - approved the Fund's Development Plan for 2023-2032. And sustainable development - implementation of ESG principles - remains a strategic work direction for us. The well-being of people, the preservation of ecosystems, and maintaining an effective and transparent corporate governance system are integral parts of our work to ensure long-term sustainable growth and development of assets [GRI 2-22](#)

2023 was marked by significant financial and operational results that allowed us to contribute to the country's economy. In 2023, we allocated more than KZT 1,469 billion to the Government. This included a record dividend payment of KZT 1,269 billion. KZT 133 billion was allocated to support state social and infrastructure projects. In particular, starting in 2023, the Fund allocates funds of at least seven percent of net income to the Public Fund Kazakhstan Khalkyna. The PF Kazakhstan Khalkyna implements charitable programs and projects aimed at solving the urgent problems of Kazakhstani citizens in health care, education, culture, sports, and other social issues. In 2023, KZT 67 billion was allocated to the Public Fund.

Ensuring a solid corporate governance system

We work closely with the international community and Kazakhstani government agencies in developing our Corporate Governance system. In 2023, the Government of the Republic of Kazakhstan and the Organization for Economic Cooperation and Development (OECD) completed a major review of corporate governance in Kazakhstan's quasi-state sector, which provided recommendations for improving the corporate governance system applicable to Kazakhstan's state-owned enterprises. With the assistance of OECD experts, the Fund's Corporate Governance Code was updated and brought in line with the strictest requirements of the listing rules in the Premium segment of the leading stock exchanges (OECD and the UK Corporate Governance Code). The new version of the Code is the foundation for attracting investments into the Fund's group.

Our portfolio includes companies that have already launched IPOs or are planning to do so in the future. This provides citizens an opportunity to receive additional income through reliable financial instruments. At the same time, the presence of a professional Board of Directors can protect the interests of investors.

Therefore, we systematically work on strengthening and qualitatively renewing the composition of the Boards of Directors and Supervisory Boards in all Fund portfolio companies. The Fund brings together leading professionals in the country. For example, I would like to note with pleasure that at the forum on corporate governance, organised under the auspices of the National Council on Corporate Governance under the Presidium of the National Chamber of Entrepreneurs «Atameken», two members of the Board of Directors of JSC NC KazMunayGas were recognised as the best in their field: Mynsharipova Saya Naimanbaykyzy in the nomination "Independent Director 2023" and Argazin Arman Anuarbekovich in the nomination "Chairman of the Board of Directors 2023".

We promote gender equality and increase the presence of women in the governing bodies of companies. The Corporate Governance Code recommends including at least 30% of women in the Boards of Directors and executive bodies of the Fund Group. Our goal is to double the share of women in decision-making bodies within seven years. In particular, together with the National Commission on Women's Affairs and Family and Demographic Policy, we implemented a program to increase the share of women in the governing bodies of companies with state participation called «Gender Equality.» The project was aimed at developing managerial skills and training women leaders. As a result, a pool of 71 women leaders was formed.

Transparency of operations and open dialogue

Building a mutually beneficial, continuous, and direct dialogue with the Society is a priority area of the Fund's Public Council activity. In 2023, 12 meetings of the Public Council were held, at which the results of the work of the Fund and portfolio companies were heard, and the Fund's management responded to topical issues of concern to citizens. Significant topics raised by the public included the Fund's procurement issues, transfer of companies to a competitive environment, development plan, portfolio companies' activities in industrial safety, the status of investment projects implementation, and changes in corporate governance.

The new public status of portfolio companies gives additional impetus to increase transparency and improve the corporate governance system by global standards.

In particular, we have introduced the practice of preparing annual reports that comply with the best international sustainability standards (GRI, SASB, TCFD, CDP), and we obtain independent assurance of our sustainability performance. Following international corporate governance best practices, a self-assessment report on the Fund's compliance with the Santiago Principles has been prepared and sent to the International Forum of Sovereign Wealth Funds (IF-SWF). The commitment to the Santiago Principles contributes to the fact that the Fund is configured with efficient management and investment mechanisms by the standards of the international financial markets.

We strive to integrate the best international sustainable development practices into the management system across the Fund Group. For this purpose, among other things, we are expanding the practice of obtaining ESG ratings by companies. In 2023, seven of the largest portfolio companies received ESG ratings from the world's leading analytical agencies: Sustainalytics, S&P Global, and/or CDP (Carbon Disclosure Project). This included five companies receiving them for the first time. The results of the assessments show that while there are always areas for development, the companies' current level of corporate governance and sustainability management is at a high level.

We will continue to work on further developing the corporate governance system and implementing relevant global changes. Our future priorities are ensuring the best international governance standards across the Fund Group, maintaining transparency and productive communication with the Society, and implementing sustainable development practices in the Fund Group of Companies.



Message from the chairman of the management board



**Zhakupov Nurlan
Karshagovich**

Chairman of the Management Board
of Samruk-Kazyna JSC

Dear colleagues and friends,

The past year for the Fund Group was a period of productive work and impressive results in various areas of activity. The Fund successfully coped with the set tasks and achieved its goals.

2023 was a significant year for the Fund. We celebrated important anniversaries and achievements, such as the Fund's 15th anniversary, the fifth anniversary of NAC Kazatom-prom JSC's IPO, and the successful SPO of the national company KEGOC JSC.

In particular I would like to note a historical moment for the aviation industry in Kazakhstan: Air Astana JSC's listing on three leading stock exchanges in February 2024. This demonstrates investor confidence and recognizes us as a reliable and promising player in the global market. Thus, today, seven companies of the Fund's group are traded on the stock market, with a market capitalization of 32 billion US dollars.

Today, the Fund is a large family that unites more than 267 thousand employees. The Fund has a huge impact on the state of the country's economy, being its driver and leader in business approaches. The Fund's contribution to the sustainable development of Kazakhstan for 2023 is estimated at KZT 10.1 trillion in the following areas.

Strategic approach

At the end of 2023, the net profit attributable to the Shareholder amounted to KZT 1.7 trillion, and EBITDA was at KZT 4.5 trillion, even with a decrease in oil prices by 18% and a decrease in gas exports to meet the needs of the domestic market.

In 2023, the Fund paid the State a record amount in taxes, dividends, and other distributions — KZT 3,461.3 billion.

The investment portfolio of the Fund's group of companies includes over 130 investment projects worth ~ KZT 49 trillion. These projects will become important points of growth for the country's economy and individual industries, ensure energy security, and have high socio-economic value.

In 2023, 15 projects worth KZT 1.1 trillion were implemented. Thus, three new gas fields have been launched, the production of natural gas from which, upon full-scale development, will amount to over 1.1 billion cubic meters of gas per year. To ensure a reliable gas supply to consumers in the west of Kazakhstan, a project to expand the Makat-North Caucasus gas pipeline was implemented, and the throughput of the second line of the Beineu-Zhanaozen gas pipeline was increased.

The gasification project for the Sarsha area and the Warm Beach resort area has been completed. The project will allow the development of rural greenhouse farming in the region and help attract investment in tourism sites and business development. In addition, the project will help solve the water shortage problem in the area. One of the primary consumers of new gas volumes should be a gas-fired desalination plant.

A comprehensive reconstruction of the Astrakhan-Mangyshlak main water pipeline has been completed. This pipeline will provide an additional 60 thousand cubic meters of water for the population, enterprises, and agriculture of the Atyrau and Mangistau regions.

To ensure the reliability of the power supply, a strategically important project was implemented to strengthen the electrical network of the Western zone of the Unified Electric Power System of Kazakhstan, within the framework of which 780 km of power transmission lines were built, which more than doubled the throughput capacity.

An important point was opening a new Kazpost logistics center in Astana, which became one of the largest in Central Asia. This center will improve the quality of postal delivery services and contribute to the development of e-commerce in our country.

We also continue to invest in modern communication technologies. 1,157 5G base stations have been installed, which opens up new opportunities for the population in education, work, and entrepreneurship.

Social contribution

Our social contribution is estimated at KZT 396 billion in 2023, which includes various expenses for social projects, support for employees and regions, charity, and financing various activities aimed at ensuring safety at work.

Adhering to the «Vision Zero» principle of zero injuries, we are convinced that ensuring workplace safety is not only a legal requirement but also our moral obligation to our employees, their families, and Society as a whole. At the end of 2023, the LTIF ratio decreased by 13% compared to 2022, reaching 0.14⁰³.

As part of the initiative to promote inclusion, 34 rehabilitation centers (15 rehabilitation centers, 14 early intervention centers, 5 centers for children with autism) have been opened throughout Kazakhstan since 2021, of which 13 (7 early intervention centers, 5 centers for children with autism and other mental disorders and 1 rehabilitation center) were opened in 2023. Thus, more than 30 thousand children are covered by free rehabilitation.

The plans for the next year are to increase coverage to 35 thousand children and increase the number of centers to 50.

Through a single charitable activity operator, the Fund's group implemented 46 projects worth KZT 7.2 billion in healthcare, education, culture, and sports in 2023, reaching 524 thousand people with assistance.

Contribution to low carbon development and environmental protection

In 2023, we made significant progress in attracting investors and partners into the energy sector to develop renewable energy sources in the country. Agreements were reached with major foreign partners such as Total Eren, Masdar, ACWA Power, and China Power International Holding on 4 GW renewable energy projects, including energy storage systems.

Working to reduce greenhouse gas emissions, we are implementing a project to convert Almaty CHPPs from coal to gas. The Fund's portfolio companies implement the best available technology, install filters to reduce the negative impact on the environment, and automatic emissions monitoring systems.

In 2023, in the energy sector, in order to reduce pollutant emissions, repairs and modernization of dust and gas purification systems were carried out in the amount of KZT 1.6 billion.

Eight of the largest facilities in terms of emissions have been equipped with automated emission monitoring systems, which allow for real-time monitoring of emissions into the environment. Four more facilities will be equipped with such systems next year.

In conclusion, I would like to congratulate the employees of the Fund's group, as well as partners and stakeholders on the Fund's anniversary. I wish you health, energy, prosperity, and new victories! Together, we can continue to deliver impressive results and create value for our shareholders, customers, and Society as a whole.



Key events in the field of sustainable development in 2023

3

March

- KEGOC JSC successfully completed the second placement of KZT 16.9 billion of its green bonds on KASE's trade floor.
- Samruk-Kazyna JSC held an open meeting of the Public Council on industrial safety in the Group

4

April

- Samruk-Kazyna JSC experts presented their experiences at the XXIII World Congress in Spain on Prevention of Industrial Safety Risks
- PI «Centre for Social Interaction and Communications» has introduced a new way of communication between employees and the management of the Fund's companies

5

May

- Graduates of Samruk-Kazyna's Gender Equality Program are included in the State Commission for Women's Affairs.
- Green Office concept implemented at Samruk-Kazyna Ondeu LLP and Stepnogorsk Sulphuric Acid Plant SSAP LLP.

6

June

- Employees of Samruk-Kazyna's portfolio companies took first aid courses according to international standards
- KEGOC JSC was awarded Green Finance Awards 2023 for the largest issue of green bonds

7

July

- Tau-Ken Samruk JSC and International Program Centre JSC concluded an agreement on mutual support of the Bolashak International Scholarship graduates.

9

September

- NAC Kazatomprom JSC became a participant in the SDG Ambition Program of the UN Global Compact.
- The School of Corporate Volunteering in NC Kazakhstan Temir Zholy JSC was launched.
- HR-connect, a professional community for the Group's HR professionals, was launched
- Air Astana JSC opened a flight training center in the capital city certified by the European Aviation Safety Agency

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October

- The Board of Directors of NAC Kazatomprom JSC approved the Program on Water Resources Management and Radioactive Waste Management until 2030
- Samruk-Kazyna JSC and China Power International Holding signed an agreement on the construction of a 1 GW wind farm
- Samruk-Kazyna JSC, China National Petroleum Corporation, and the Ministry of Energy of the Republic of Kazakhstan signed a Memorandum of understanding in the field of renewable energy.
- NC QazaqGaz JSC launched the second string of the main gas pipeline in Mangistau
- The project "Work Safety Culture" of Samruk Business Academy won the contest of HR-projects EMBRAS 2023
- The Annual report of Samruk-Energy JSC was honored with the platinum (highest) award in the prestigious international competition MarCom Awards (USA).
- A shop for extracting gold from production waste was launched at Tau-Ken Altyn LLP's refinery.

11

November

- 1 GW wind power plant in Kazakhstan's joint venture construction agreement was signed with Total Eren
- Chairman of the Management Board of NC KazMunayGas JSC took part in the Black Sea Energy and Security conference in the USA

12

December

- Five employees of the Samruk-Kazyna Group were enrolled in the Presidential Youth Personnel Reserve (out of 50 Kazakhstani enrollees).
- Samruk-Kazyna JSC, the Ministry of Energy of the Republic of Kazakhstan and the Ministry of Investment of the UAE signed a Memorandum on the development of a 10 GW low-carbon energy program in Kazakhstan
- Samruk-Kazyna JSC with ACWA Power and Masdar signed agreement at the COP 28 conference on the construction of a wind farm
- KazMunayGas signed a Memorandum of Understanding with UNEP and joined the OGMP 2.0 (The Oil & Gas Methane Partnership) at the COP 28 conference.
- Kazakhtelecom JSC presented a new cyber security model at the annual IDC Government Innovation Forum in Astana.
- Samruk-Kazyna Construction JSC and contractors signed EPC contracts on «Comfortable Schools»
- Kazpost JSC and Zhasyl Damu JSC signed a memorandum on developing a "green" economy and ESG.
- The Development Strategy of NMC Tau-Ken Samruk JSC until 2033 was approved; one of the goals is to introduce ESG principles and reduce net carbon footprint by 10%.



SAMRUK-KAZYNA,
NATIONAL
WELFARE FUND

CONTRIBUTION TO SUSTAINABLE
DEVELOPMENT OF KAZAKHSTAN KZT

10.1
TRILLION

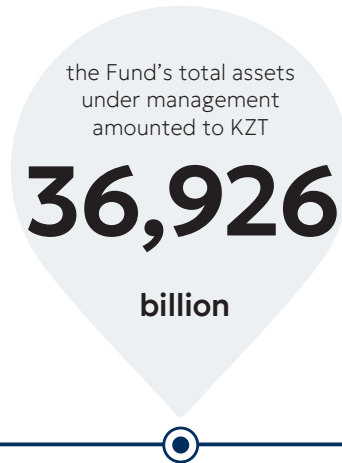
267
THOUSAND EMPLOYEES

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SAMRUK-KAZYNA JSC WAS FOUNDED IN 2008 BY THE DECREE OF THE PRESIDENT OF THE REPUBLIC OF KAZAKHSTAN. THE FUND PLAYS A VITAL ROLE IN THE SUSTAINABLE DEVELOPMENT OF KAZAKHSTAN'S ECONOMY BY MANAGING THE MOST ESSENTIAL STATE ASSETS.



We attract investments and create favorable conditions for business development, actively support innovations, contribute to developing small and medium-sized businesses, and implement socially significant projects.

The Fund's sole shareholder is the Government of the Republic of Kazakhstan. **GRI 201-4** Relations between the Government and the Fund Group are conducted through the Board of Directors in accordance with corporate governance principles.

The Fund's Group of Companies includes portfolio companies from various economic sectors. Its asset portfolio includes companies from the oil and gas and transport and logistics sectors, chemical and nuclear industries, mining and metallurgical complexes, energy, and real estate. As of the end of 2023, the Fund's total assets under management amounted to KZT 36,926 billion. The Fund operates on the territory of the Republic of Kazakhstan.⁵ **GRI 2-1** **GRI 2-6**

The role of the Fund is:

- ensuring synergies between portfolio companies;
- making investments, especially in non-resource industries and new areas where the private sector is limited;
- developing target industries through the provision of expertise, competencies, and investments;
- attracting investment, including foreign investment, through strategic partnerships;
- developing an advanced business culture based on the principles of property protection and shareholder rights and supporting domestic companies, including SMEs;
- developing international partnerships with global strategic investors, industry leaders, and other sovereign wealth funds.

Mission

Ensuring sustainable economic development and long-term value creation through effective management of a diversified portfolio of assets and business support in the interests of the people of the Republic of Kazakhstan.

Our vision

To be a leader in the national economy, making breakthroughs in innovative development based on the principles of human well-being and environmental protection through responsible investment.

⁵ More detailed information on the geographies of the largest portfolio companies can be found in the Fund's 2023 Annual Report in the "Portfolio Assets" section of this report.

How we create value for our stakeholders GRI 2-6

Strategic goals of the Fund until 2032



Fund's portfolio of assets



Resources and scope of activities

<p>Finance</p> <hr/> <p>36,926 KZT billion</p> <p>Fund's total assets</p>	<p>Employees</p> <hr/> <p>267,814 person</p> <p>number of full-time employees, person</p>
<p>Production</p> <hr/> <p>23,546.3 thousand tons</p> <p>Oil and condensate production</p>	<p>40.5 billion kW/h</p> <p>electricity generation volume</p>
<p>11.8 billion pkm</p> <p>passenger turnover (railway)</p>	<p>20,996 tons</p> <p>Natural uranium production volume</p>
<p>193,400 tons</p> <p>sulfuric acid production</p>	<p>14 million subscribers</p> <p>Number of mobile communication subscribers</p>

Key performance results

<p>Finance</p> <hr/> <p>1,698 KZT billion</p> <p>net profit</p>	<p>1,268.9 KZT billion</p> <p>dividends</p>	<p>Environment</p> <hr/> <p>~6 GW</p> <p>RES construction projects</p>	<p>10 GW</p> <p>the Memorandum on low-carbon energy development was concluded</p>
<p>Employees</p> <hr/> <p>41,075 person</p> <p>hired employees</p>	<p>27%</p> <p>share of women in the personnel structure</p>	<p>25 KZT billion</p> <p>Employee wellness and education</p>	<p>Social projects</p> <hr/> <p>54 KZT billion</p> <p>social support of the regions</p>
<p>Production</p> <hr/> <p>49 KZT trillion</p> <p>investment portfolio</p>	<p>2.7 KZT trillion</p> <p>capital investments</p>	<p>Training</p> <hr/> <p>6.2 million hours</p> <p>training hours amount</p>	<p>76 KZT billion</p> <p>charity expenses</p>

Our key areas of activity⁶

GRI 2-6

Oil and gas sector



Oil and gas chemical and chemical sectors



Mining and metallurgical sector



Transport and logistics sector



Electricity sector



Telecommunications sector



- Geological exploration
- Oil and gas production
- Oil and gas transportation
- Oil and gas processing
- Production of petroleum products, benzene, and paraxylene
- Oilfield services

- Polypropylene production
- H₂SO₄ production
- Herbicide production
- Production of polymer products
- Infrastructure objects in the SEZ NIST

- Geological exploration
- Mining Fe, Mo, W ores, polymetallic ores, U₃O₈
- Processing
- Purification and conversion
- Production of U₃O₈, UO₂,²³⁵U, Nb₄₁, Be₄, Ta₇₃, Au, Ag, Si and quartz
- Sales and transport

- Trucking
- Passenger transport
- Postal and courier services

- Mining of thermal coal
- Electric power generation
- Heat energy production
- Transmission and distribution of electric power

- Provision of all types of telecommunication services

60,996

217.6

7.2

2.3 GJ/t of produced hydrocarbons

615

1.7

0.4

0,00016 thousand GJ/t of sulfuric acid

2,209

10.7

0.5

141,033

6.6

2.8

87.9 thous. GJ/ billion gross tons-km

22,655

63,686

84.3

4.3 GJ/ thous. kWh

19,022

0.3

2.6

⁶ Significant changes in 2023 relate to the inclusion of two HPPs in the Group's structure ("AES Shulbinskaya HPP" LLP and "Ust-Kamenogorsk HPP" LLP)

GRI 2-6

Number, persons
 Water withdrawal, million m³
 Specific energy consumption
 Intensity of greenhouse gas emissions per revenue, tons CO₂-eq/ KZT million

Our Strategy

Sustainable development is one of the strategic directions of our Development Plan (Strategy) for 2023-2032. It defines our strategic actions and helps us to grow qualitatively, increasing shareholder value. The Fund strives to balance economic growth, caring for social needs, and protecting the environment. We want our progress to benefit both the economy and society, improving people's quality of life while reducing the burden on the environment.



Until 2032, the Fund will focus on integrating ESG principles and implementing initiatives in the following priority areas:

- corporate governance
- H&S best practices
- decarbonisation
- social responsibility
- openness, transparency and compliance
- human capital development
- "green" financing
- resource conservation

Principles

- Respect for human rights
- Intolerance to corruption
- Accountability
- Ethical behaviour
- Transparency
- Personal example
- Openness
- Inadmissibility of conflict of interest

Principles of sustainable development

Our sustainability strategy is based on principles that underpin our operations and help us achieve our strategic goals. We strive to be leaders in their observance by demonstrating them in practice.



Respect for human rights

GRI 2-23 GRI 2-24

We strictly honor fundamental human rights and adhere to ethical principles in all our activities.

Our Code of Conduct establishes values, basic principles, and standards of behavior on the topics of anti-corruption, ethical behavior, discrimination, data privacy, conflict of interest, reporting misconduct, and the environment, health, and safety of employees.

GRI 3-3

The standards and principles set out in the Code are binding on all Fund employees, officers, directors, and our group companies.

Business partners, suppliers, and other third parties who work with us or represent the Fund are advised to adhere to the provisions of this Code. The Fund does not provide unjustified advantages and privileges to business partners and maintains business relations with them based on mutual benefit. We select suppliers openly, giving preference to the most favorable price, quality of goods/services, and good business reputation of the supplier.

A compliance program, including communication and training, ensures compliance with the Code.

OUR COMMITMENT TO PROTECTING FUNDAMENTAL HUMAN RIGHTS REMAINS UNCHANGED: WE DO NOT USE CHILD LABOUR, WE DO NOT PRACTICE FORCED LABOUR, AND WE RECOGNIZE THE EQUAL RIGHTS OF ALL EMPLOYEES AND CONTRACTORS, REGARDLESS OF THEIR RACE, RELIGION OR GENDER.

Intolerance to corruption

GRI 3-3

The unacceptability of corruption in all its manifestations continues to be a significant focus of the Fund Group. The primary internal documents regulating anti-corruption issues in the Fund are the Code of Conduct, the Anti-Corruption Policy, and the Proactive Reporting Policy.

According to our policies, the Fund and its entities should not fund charitable and sponsorship projects⁸, and our officers and employees should not fund political parties or public associations to gain or maintain an advantage in their activities. Under the Fund's Code of Conduct and the laws of the Republic of Kazakhstan, we prohibit the receipt of material remuneration, gifts or services provided for actions (inaction) in favour of someone else.

One key principle of the Anti-Corruption Policy is the «commitment of the top management and setting the «Tone at the Top.» The company's first manager is personally liable for corruption offenses committed by his/her subordinates. These provisions apply throughout the Group.

Openness, transparency, and accountability

Dialogue and direct stakeholder engagement are crucial to sustainable economic development and long-term value creation. Therefore, we build relationships based on mutual trust, transparency, and honesty. The system of regular stakeholder engagement involves providing meaningful and reliable information, enabling bilateral dialogue, raising awareness of environmental hazards and risks associated with portfolio company operations, and developing a flexible grievance mechanism.

The Public Council operates to exercise public control over the activities of the Fund and our portfolio companies. Each meeting of the Fund's Public Council is covered by the Fund's own information resources, and various media are invited. Events are covered both in online publications and on television. A page of the Fund's Public Council has been created on the corporate website, where all recommendations issued by it and the Regulations on the Public Council are published.

In addition, regular press briefings are organized for the Fund's Group leaders, where they answer questions from the media and the public. We also actively communicate about our work on social networks, including the @samrukkazynaofficial Telegram channel. Another new form of interaction with society is open meetings with citizens as part of the IPO campaign.

The Fund is internationally recognized and considered one of the world's most efficient and transparent funds. It is among the top 30 leading SWFs by assets (Global SWF) – 21st place by the end of 2023.

Inadmissibility of conflict of interest

We highly respect privacy and are sensitive to and respectful of the right of every officer and employee of the Fund to engage in lawful activities outside the Fund. However, any conflict of interest between personal interests and professional responsibilities at the Fund must be disclosed and managed following the Conflict of Interest Policy. This Policy applies to all activities of the Fund and is mandatory for all officers and employees of the Fund to familiarize themselves with and apply upon assuming their positions.



⁷ The Code of Conduct has been approved by the Board of Directors GRI 3-3

⁸ Except the Samruk-Kazyna Trust corporate fund, which is the single operator of the Fund Group's philanthropic activities.



Challenges to sustainable development

To ensure business sustainability in the long term, we regularly analyse and take into account global trends. Today, there are several challenges that may have a multiplicative effect on the main activities of the Fund Group companies.

Population growth in the country

Among the global trends of the present time, it is worth noting the expected population growth around the world. In Kazakhstan, by 2030, the population will increase by almost 12 per cent (compared to 2019), reaching about 20.7 million people.⁹ Population growth, digitalization, and automation trends may increase energy consumption in the country by up to 3 times and increase the load on the basic infrastructure. Considering climatic conditions, specific heat consumption in Kazakhstan for space heating is more than two times higher than in other countries.

Currently, Kazakhstan's power system lacks basic capacities, and the wear and tear of the power network infrastructure is about 70%. In addition, by the time RES will be integrated into the energy system, the national power grid must be strengthened and ready on time. In this regard, the Fund's priority projects aim to construct and expand basic infrastructure and manoeuvring capacities, reconstruct and modernize grid infrastructure, and build new high-voltage transmission lines. At the same time, the renovation and construction of new infrastructure facilities require fair tariffs. The existing tariffs do not provide sufficient income to enable enterprises to fully renew their assets.

The Fund is constantly working to balance the interests of end consumers and the right of the Fund's group companies to fair tariff setting, allowing investment in the renewal and modernization of infrastructure and ensuring decent wages for production workers. A significant part of the Fund Group's income is formed from the regulated income of the companies and closely related to the setting of tariffs and prices by authorized bodies in the areas of oil and oil products, gas and gas supply, railway transportation, water supply and postal services.

Since 2022, the government has actively taken measures to improve tariff policy and eliminate cross-subsidies as part of economic liberalization. Nevertheless, in 2023 the volume of cross-subsidization remains at KZT 1.2 trillion, unprofitable areas continue to be cross-subsidized at the expense of profitable areas.

A step-by-step and smooth transition of regulated tariffs and prices to the market level, taking into account the income level of specific groups of consumers. The increase in tariffs in 2023 did not fully avoid losses in certain segments. Legislative restrictions, social aspects and imperfections in the legal framework do not allow to fully return prices and tariffs to their fair level.

Energy transition

Achieving carbon neutrality by 2060 should be based on balancing energy and environmental security while maintaining social stability.

The Decarbonisation Pathway Fund relies on a smooth and smart transition to low-carbon technologies without abandoning traditional energy sources. A rapid transition to renewable energy sources could lead to systemic energy security problems, while a sudden switch away from coal and oil would lead to the collapse of the entire economy, with some 40,000 coal employees losing their jobs across the country.

GAS WILL CONTINUE TO PLAY A KEY ROLE AS A "TRANSIT FUEL" ON THE PATH TO CARBON NEUTRALITY AND WILL INCREASE ITS MARKET SHARE OVER THE NEXT 10-15 YEARS.

At the same time, Kazakhstan has limited marketable gas resources in the volumes required for large-scale development of gas generation. Moreover, the price of gas for the domestic market is much lower than for export, making domestic supplies less attractive economically.

Therefore, the Fund will focus its efforts on increasing the gas resource base through geological exploration and new projects. At the same time, the development of gas generation is both a challenge and a growth point for us, which will entail investments in field exploration and gas infrastructure.

We are converting existing coal-fired power plants to natural gas to reduce harmful emissions and installing modern filters at coal-fired plants.

The Fund is already implementing a number of renewable energy projects in Kazakhstan. In the medium and long term, a number of new large-scale renewable energy projects are planned for implementation.

Water deficit

Water scarcity is acutely observed worldwide, which aggravates the general ecological crisis and damages the economy.

IN THE NEXT 20 YEARS, WATER SCARCITY IN CENTRAL ASIA WILL INCREASE BY 2.8 TIMES, WITH INCREASING INTER-COUNTRY DEPENDENCE ON WATER BASINS¹⁰.

Given the importance of water in our portfolio companies' technological processes, the problem of water scarcity is significant to us. Water shortages can significantly hinder our companies' technological processes, including suspending production processes.

As part of our operations, we are implementing several projects to solve water supply problems in the regions where we operate. The commissioning of desalination plants reduces the load on water supply sources by using treated by-product water in production processes, thereby redistributing additional water volumes to the population. The water pipeline expansion project will also provide additional cubic meters of water for households, businesses, and agriculture.

Given the existing challenges and tasks, the main focus in 2023 was on the implementation of projects necessary for successful adaptation to the changing external environment. These projects are key to our future success and the country's long-term development.

We strictly monitor the implementation of these projects, with regular monitoring reports presented at each Board meeting. In addition, we have adjusted the goals of top management and executives (KPI maps) to include metrics on the implementation of priority projects. This allows us to not only monitor progress but also actively manage it to achieve the planned results.

[We provide more details about our projects in the Investments in economic and social development section.](#)

⁹ According to a study conducted by the Centre for Human Resources Development JSC

¹⁰ Eurasian Development Bank (eabr.org)



Sustainable Development Goals





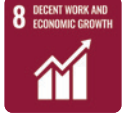

We set ambitious goals to effectively respond to the challenges we face. The Fund and its portfolio companies share a commitment to the Sustainable Development Goals adopted by the United Nations (hereinafter, the UN SDGs), the principles of the UN Global Compact, the Principles of Responsible Investment of the United Nations, and the Equator Principles.

We ensure an alignment of strategy, goals, and tasks with the general goals in sustainable development, including but not limited to the objectives reflected in the UN SDGs, the Paris Agreement on climate, and relevant national and regional goals. Sustainable development activities are incorporated into the Action Plan for the Implementation of the Development Strategy (Development Plan) of the Fund. More details on our

commitment to the UN SDGs, the strategic goals of the Fund, and activities aimed at achieving target indicators are provided in [Annex 1. Our contribution to the achievement of the UN SDGs](#).

Qualitative and quantitative goals have been defined for each of the key initiatives reflected in our Strategy. [GRI 3-3](#)

Sustainable Development Goals

Key initiatives	SDGs	Goal	Target indicator	The achieved figure in 2023	Annex
Corporate governance		ESG-rating of the Fund Group Increasing the proportion of women in the management of the Fund's companies The share of independent directors in the Board of Directors of the Fund and portfolio companies	70 percentile by 2032 30% by 2030 Maintaining at 50%	The weighted average ESG rating is 57 percentile. The weighted average share of women in the Board of Directors in portfolio companies is 13% and 17% in the Management Board (14% and 15% in 2022) In the portfolio company Samruk-Kazyna Business Service LLP, the Supervisory Board comprises 67% women. The Board of Directors of the Fund consists of 3 independent directors 43% (43% in 2022)	Annex 1. Our contribution to the achievement of the UN SDGs Creating equal opportunities Annex 1. Our contribution to the achievement of the UN SDGs Selection of the Board of Directors Annex 1. Our contribution to the achievement of the UN SDGs
H&S Best Practices		Achieving LTIF 0,12	2027	LTIF equals 0,14 (0,16 in 2022) ¹¹	Workplace safety. Annex 1. Our contribution to the achievement of the UN SDGs
Human capital development		Building human resources, strengthening competence in new areas		The average number of hours of training per 1 employee is 23 academic hours (19 hours in 2022). 232,081 employees were trained within the framework of the requirements of the legislation of the Republic of Kazakhstan in the field of occupational safety, industrial and fire safety 59,176 employees were trained in courses outside the framework of the legislation of the Republic of Kazakhstan	Professional development. Annex 1. Our contribution to the achievement of the UN SDGs
Resource saving		Reducing the energy intensity of production activities	-10% by 2027	Cumulative energy savings - 6% compared to 2021 energy consumption ¹² (energy consumption reduction as a result of reduction initiatives - 11,497 thousand GJ in 2023)	Optimization of energy consumption Annex 1. Our contribution to the achievement of the UN SDGs
Openness, transparency and compliance		Certification of anti-corruption compliance systems for compliance with the requirements of international standards ISO 37001:2016 «Anti-bribery management systems» and ISO 37301:2021 «Compliance Management System.»		The Strategy for developing the compliance function until 2027 has been approved.	Openness, transparency, and accountability. Annex 1. Our contribution to the achievement of the UN SDGs
Social responsibility		The introduction of corporate values and the implementation of measures to develop corporate culture	In 2023–2027	The HR forum «Bolashagymyz – birlikte!» was held with the main theme of human capital development.	Corporate culture and values. Annex 1. Our contribution to the achievement of the UN SDGs
		Increasing the salaries of employees in low-paid professions and positions	In 2023–2027	Between 2% and 33% wage increases for about 243,000 employees, with an emphasis on lower-paid positions.	Ensuring decent working conditions. Annex 1. Our contribution to the achievement of the UN SDGs
Decarbonization		Reducing direct and indirect greenhouse gas emissions (Scope 1 and Scope 2)	≥ [-10%] by 2032	Greenhouse gas emissions reduced by 14% compared to 2021.	Initiatives to reduce climate impacts. Annex 1. Our contribution to the achievement of the UN SDGs
		Increasing the share of low-carbon generation in electricity purchases	45% by 2032	The share of low-carbon generation in electricity purchases remained at the 2022 level – less than 1%.	Optimization of energy consumption. Annex 1. Our contribution to the achievement of the UN SDGs
«Green» financing		Formation of a portfolio of offset projects The share of renewable energy and hydroelectric power plants in electricity production	5,8 million tons CO ₂ -eq by 2032 ¹³ 26 % by 2032	307 thousand tons CO ₂ -eq 15% (14.5% in 2022) ¹³	Initiatives to reduce climate impacts. Annex 1. Our contribution to the achievement of the UN SDGs Optimization of energy consumption. Annex 1. Our contribution to the achievement of the UN SDGs

¹¹ LTIFR in 2023 is 0.26

¹² Progress on energy saving is tracked by 2021, the latest reporting year at the time of adoption of the Low Carbon Development Concept of Samruk-Kazyna JSC. [GRI 302-4](#)

¹³ Restated for changes in reporting boundaries for Companies with HPPs.

The UN Global Compact

In our activities, we focus on the principles of the UN Global Compact—one of the world’s main initiatives aimed at aligning companies’ strategies with ten universal principles in human rights, labor relations, environmental protection, and the fight against corruption.

24,625 companies from 167 countries, including 70 Kazakhstani companies, have joined the Agreement. Several companies of the Fund Group have been signatories to the Agreement for many years.

Fund Group companies that have joined the UN Global Compact



Principles of the UN Global Compact

Principle	Report Section
Human rights	
Businesses should support and respect the protection of internationally proclaimed human rights; and	Section “Creating equal opportunities”
make sure that they are not complicit in human rights abuses.	Section “Creating equal opportunities”
Labour relations	
Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Section “Social and Labor Relations”
the elimination of all forms of forced and compulsory labour;	Section “Principles of Sustainable Development”
the effective abolition of child labour; and	Section “Principles of Sustainable Development”
the elimination of discrimination in respect of employment and occupation.	Section “Creating equal opportunities”
Environmental protection	
Businesses should support a precautionary approach to environmental challenges;	Section “Environment”
undertake initiatives to promote greater environmental responsibility; and	Section “Environment”
encourage the development and diffusion of environmentally friendly technologies.	Section “Initiatives to reduce climate impacts”
Anti-corruption	
Businesses should work against corruption in all its forms, including extortion and bribery.	Section “Compliance and handling of inquiries”

Strategic partnerships and cooperation

GRI 2-28

Cooperation and partnership play a central role in solving the fundamental problem of energy transition.



The Fund is committed to playing its part, and we believe that we will overcome the most pressing and important challenges along the way through cooperation and innovation.

Our partnership with the global community:

- Member of 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;
- Member of the International Concept of Zero Injury “Vision Zero.” [GRI 2-28](#)

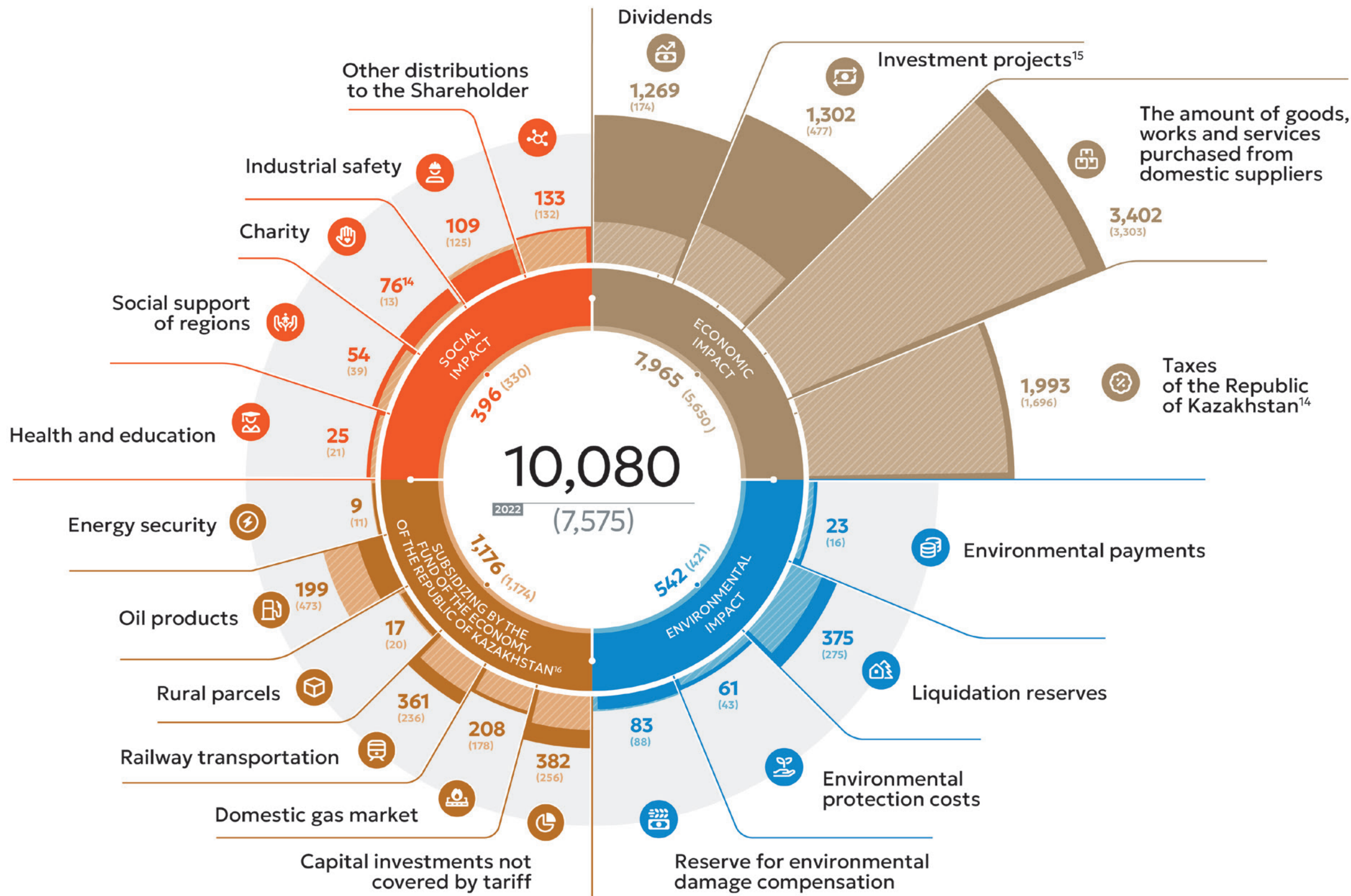
Moreover, we are actively working with foreign partners to implement major projects. Our joint efforts with foreign partners aim to develop infrastructure, support innovation, and promote economic growth. Such projects contribute to solving global challenges and strengthen international relations.

[For more information about our partnership for implementing major projects, see the section International investment and cooperation.](#)

Impact matrix, KZT billion

GRI 203-1 GRI 203-2

2023: ● ● ● ●
 2022: ● ● ● ●



¹⁴ Excluding Individual Income Tax.
¹⁵ Excluding VAT, on an accrual basis.
¹⁶ Cross-subsidization of socially significant areas by the Fund to curb the rise in prices and tariffs.
¹⁷ Subsidizing is expressed in lost profits of oil producing companies due to the difference in export and regulated domestic prices for the volume of oil supplied to the domestic market minus export customs duties and transportation (netback).
¹⁸ The costs approved by the Committee for Regulation of Natural Monopolies of the Ministry of National Economy of the Republic of Kazakhstan (CRNM) in the tariff estimate do not cover the actual costs of freight and passenger transportation on intra-republican traffic at regulated tariffs of JSC National Company Kazakhstan Temir Zholy (KTZ) for the services of the main railway network and locomotive traction. Accordingly, subsidies were calculated as the difference between actual costs and the costs of regulated services approved in the tariff estimate.
¹⁹ The actual costs of purchasing and transporting gas exceed the revenues at the approved tariffs for commercial gas on the domestic market. Thus, subsidizing is revenue minus the cost of gas and transportation costs.
²⁰ Capital investments not covered by approved tariffs are calculated as the difference between capital costs approved by CRNM and actual capital costs.
²¹ Including distributions to the Public Fund "Kazakhstan Khalkyna," according to the accrual method.



2

KONAEV CITY

KAPCHAGAI SOLAR POWER PLANT

INSTALLED CAPACITY 2 MW

Sustainable development governance

- 47 Risk management and internal control
- 48 Information security and data protection
- 50 Compliance and handling of inquiries
- 52 Ombudsman Institute



WE ARE CONSTANTLY DEVELOPING A CORPORATE GOVERNANCE SYSTEM THAT PROPERLY CONSIDERS THE SOCIAL, ECONOMIC, AND ENVIRONMENTAL PRINCIPLES OF SUSTAINABLE DEVELOPMENT. WE ALSO DRIVE CHANGE IN PORTFOLIO COMPANIES BY SETTING HIGH STANDARDS AND REQUIREMENTS.

Achieving the Sustainable Development Goals is our strategic priority. We strive to ensure the well-being of the natural and social environment and economic sustainability. An important success factor in this work is the integration of the principles of sustainable development into the corporate governance system.

Our Corporate Governance Code (hereinafter – the Code)²² was developed in accordance with the legislation of the Republic of Kazakhstan, taking into account the existing international experience and principles of the Organization for Economic Cooperation and Development (hereinafter – the OECD) in the field of corporate governance.

Corporate governance in the Fund and its portfolio companies is focused on achieving long-term asset value growth and sustainable development.

THROUGHOUT THE FUND'S GROUP, WE IMPLEMENT THE PRINCIPLES OF EFFICIENCY, RESPONSIVENESS, AND TRANSPARENCY AT ALL LEVELS.

A goal has been set for all portfolio companies to improve corporate governance practices to the level of listing requirements of leading international stock exchanges.

The corporate governance system includes relationships between the executive body, the Board of Directors, shareholders, and stakeholders.

In the Boards of Directors and Supervisory Boards, as well as their committees, we maintain a balance of skills, experience, and knowledge, ensuring that independent, objective, and effective decisions are made in the interests of the Fund. In particular, the Board of Directors includes professionals with expertise in economics, regional development, anti-corruption, work with society and social activities, and renewable energy sources. [GRI 2-9](#)

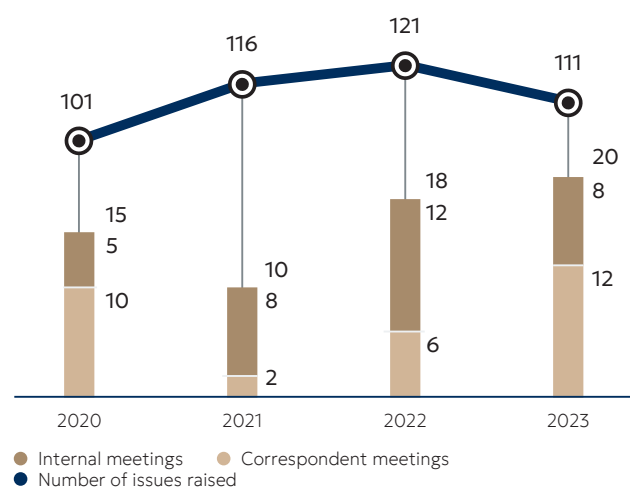
Members of the Board of Directors should continuously improve their knowledge, including areas such as legislation, corporate governance, risk management, finance and audit, sustainable development, knowledge of the industry and the specifics of the organization's activities. The Fund has Rules for the professional development of members of the Board of Directors of the Fund²³. [GRI 2-17](#)

Our Sole shareholder is the Government of the Republic of Kazakhstan. Its powers include approving the Fund's Development Strategy, appointing directors and a Chairman of the Management Board, approving financial results, and receiving dividends.

The Chairman of the Board of Directors of the Fund is the Prime Minister of the Republic of Kazakhstan. According to internal regulatory documents, the Chairman of the Fund's Management Board cannot be the Chairman of the Committee of the Fund's Board of Directors. [GRI 2-11](#)

In 2023, 20 meetings of the Fund's Board of Directors were held. The Board of Directors pays special attention to monitoring the implementation of investment projects implemented by the Fund Group within the framework of a list determined by the Sole Shareholder

Number of meetings of the Board of Directors



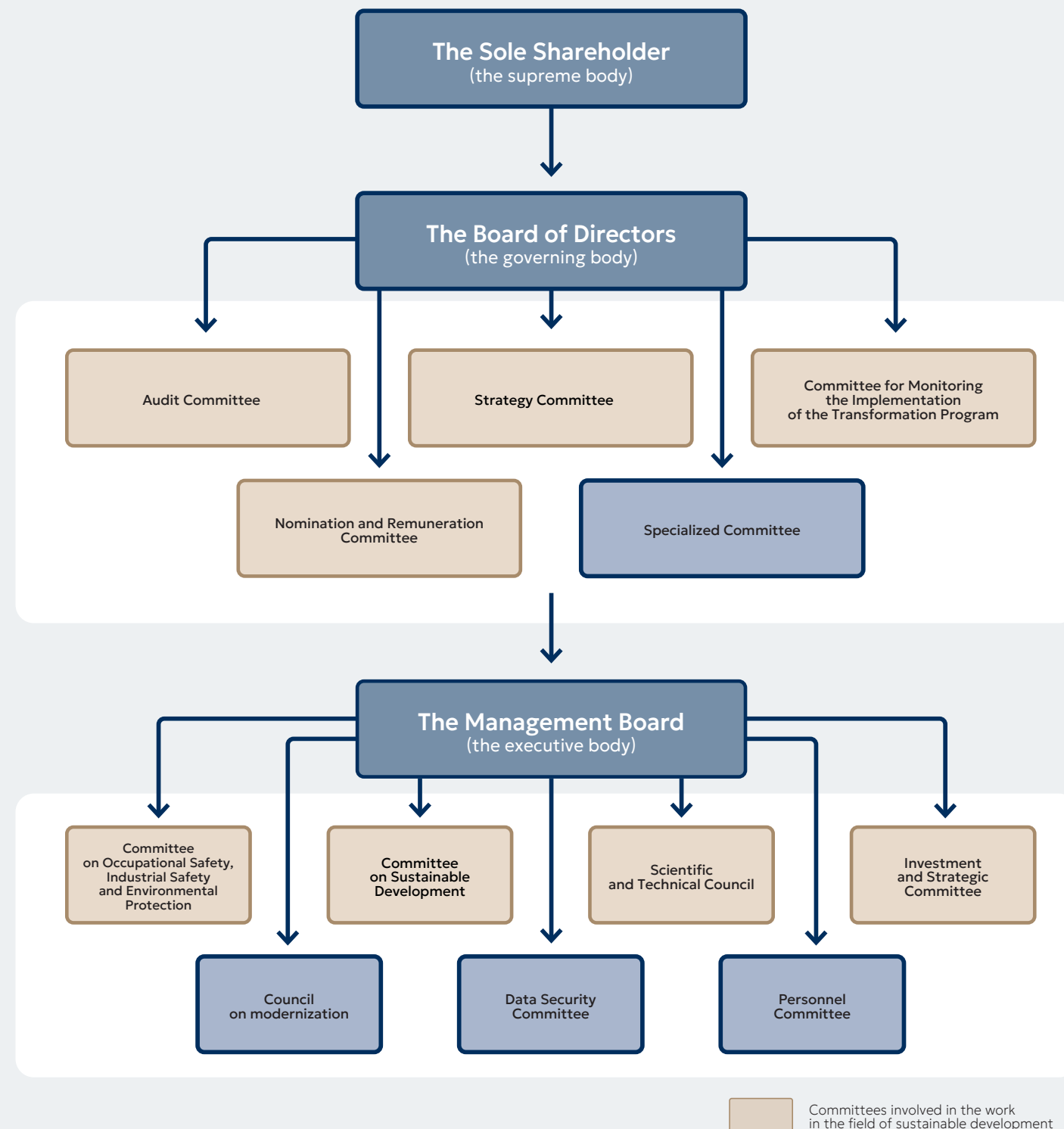
²² The Corporate Governance Code of Samruk-Kazyna JSC was approved by the Decree of the Government of the Republic of Kazakhstan No. 1403 dated November 5, 2012

²³ No professional development activities were carried out in the reporting year.



The corporate governance structure of the Fund:

[GRI 2-9](#)





Sustainable development issues

The management of sustainable development issues is integrated into the corporate governance system so that these issues are considered at various levels, from the highest strategic management body – the Board of Directors – to executive bodies and heads of structural divisions. [GRI 2-12](#)

The Board of Directors considers strategic issues in sustainable development, reviews the Sustainable Development Report, and approves it. [GRI 2-14](#)

The Board of Directors considers issues related to the Fund's economic activities, environmental protection, and social issues, including approving strategic plans and reviewing reports on their implementation. The Board of Directors interacts with all interested parties, including the sole shareholder and the Management Board of the Fund, directly or through official communication channels adopted by the Fund. Issues related to the Development Strategy and the Development Plan, including Sustainable Development, are reviewed by the Board of Directors quarterly, and the work's effectiveness and efficiency are examined. [GRI 2-12](#)

The Board of Directors' committees promote in-depth consideration of issues and improve the quality of decisions, especially those related to sustainable development.

The following committees operate under the Board of Directors:

- Audit Committee;
- Strategy Committee;
- Nomination and Remuneration Committee;
- Committee for Monitoring the Implementation of the Transformation Program;
- Specialized Committee. [GRI 2-9](#)

The Management Board manages the operational activities of the Fund, solves economic issues, and addresses issues of sustainable development. It is also responsible for the implementation of the strategy. The Management Board reports quarterly to the Board of Directors on the results of the Fund's activities. The relevant departments involved in the work in the field of sustainable development report to the Board.

[GRI 2-12](#) [GRI 2-13](#)

The following committees in the field of sustainable development carry out their activities under the Board:

- Committee on Occupational Safety, Industrial Safety, and Environmental Protection,
- Committee on Sustainable Development,
- Scientific and Technical Council,
- Investment and Strategic Committee.

In 2023, the Fund's Management Board approved the Rules on Disclosure and Preservation of the Fund's Information in a new edition, taking into account the requirements of Kazakh legislation, listing Rules, and the Rules of the Kazakhstan Stock Exchange, as well as best international practices in corporate governance.

The Fund's portfolio companies are working to improve the quality of non-financial information disclosure and publish non-financial statements annually: a sustainability report or an integrated annual report. We follow the development of existing and new standards in international practice (SASB, TNFD, GRI, ISSB, CDP) and consider their adaptation in the Fund and portfolio companies.

The quality and accessibility of the information disclosed to interested parties is ensured through regular reporting to the IFSWF (International Forum of Sovereign Wealth Funds) on compliance with the Santiago Principles.

THE FUND'S PORTFOLIO COMPANIES SHOW POSITIVE RESULTS IN INTERNATIONAL ESG RATINGS, BOTH AMONG KAZAKHSTANI COMPANIES AND ON THE WORLD STAGE IN THEIR INDUSTRIES, FROM THE TELECOMMUNICATIONS SECTOR TO THE NUCLEAR SECTOR. OUR LARGE PORTFOLIO COMPANIES WILL COVER EVEN MORE INTERNATIONAL ESG RATINGS IN 2024, CONFIRMING THEIR PROGRESS IN SUSTAINABLE DEVELOPMENT WORK.

Selection of the Board of Directors

The criteria for selecting and electing members of the Board of Directors, including independent directors and the Chairman of the Board of Directors, are defined in the Fund's Charter, the Corporate Governance Code, and the Regulations on the Board of Directors of the Fund. They also take into account the requirements established by the Law of the Republic of Kazakhstan «On Joint Stock Companies.»

THE REVISED CORPORATE GOVERNANCE CODE RECOMMENDS THAT AT LEAST 30% OF WOMEN BE INCLUDED IN THE FUND GROUP'S BOARDS OF DIRECTORS AND EXECUTIVE BODIES. WE AIM TO DOUBLE THE PROPORTION OF WOMEN IN DECISION-MAKING BODIES WITHIN SEVEN YEARS.

Compliance departments of the Fund Group provide opinions on the compliance of candidates of portfolio companies with criteria²⁴ of independence²⁵, and the presence of affiliation or conflict of interest before including a candidate in the list of candidates for election as members of the Board of Directors/Supervisory Boards. [GRI 2-10](#)

The Board of Directors of the Fund is composed of the following persons:

- The first head of the central authorized body for state planning is a representative of the sole shareholder of the Fund,
- Assistant to the President of the Republic of Kazakhstan,
- Three independent directors,
- Chairman of the Board of the Fund. [GRI 2-9](#)

In 2023, the Fund's Board of Directors consisted of 7 people, of whom 3 were independent directors, whose share was 43%, corresponding to international best practices. [GRI 2-9](#)

The General Meeting of Shareholders elects the members of the Board of Directors based on clear and transparent procedures, taking into account the candidates' competencies, skills, achievements, business reputation, and professional experience²⁶. [GRI 2-10](#)

Share
of independent
directors in the Board
of Directors of the Fund

43%

[GRI 2-10](#)

When selecting candidates for the Board of Directors, consideration is given to:

- 1 work experience in senior positions;
- 2 work experience as a member of the Board of Directors;
- 3 work experience;
- 4 education, specialty, including the availability of international certificates;
- 5 availability of competencies in areas and industries
(industries may vary depending on the asset portfolio);
- 6 business reputation;
- 7 the presence of a direct or potential conflict of interest in case of election to the Fund's Board of Directors.

²⁴ The independence criteria are determined by the Law of the Republic of Kazakhstan "On Joint Stock Companies"

²⁵ In accordance with the Rules for the formation of the composition of the Boards of Directors and Supervisory Boards of companies of Samruk-Kazyna JSC

²⁶ According to the provisions of the Fund's Corporate Governance Code

The members of the Board of Directors are elected for up to three years. Subsequently, in correspondence to satisfactory performance results, they may be re-elected for another term of up to three years. As of March 2024, the Board of Directors has five members with a term of less than a year, one of the Board of Directors with a term of more than a year, and one with a term of more than three years. **GRI 2-9**

The Boards of Directors of portfolio companies ensure the transparency and legality of the companies' operations, efficient management of the executive body, execution of strategies and development plans, supervision of the adoption of necessary measures to prevent corruption, and development of the risk management and internal control system.

Board of Directors' performance assessment

We annually assess the effectiveness of the committees of the Board of Directors, the Chairman and members of the Board of Directors of Samruk-Kazyna JSC. The evaluation is based on the Regulations on Evaluation of the Board of Directors' Performance, which was updated in 2023 due to the entry of the Prime Minister of the Republic of Kazakhstan Foundation into the Board of Directors.. **GRI 2-18**

The assessment allows us to determine the contribution of the Board of Directors and each of its members to the growth of long-term value and sustainable development of the Fund, as well as to identify areas and recommend measures for improvement. We use both the self-assessment method and

Work is being systematically carried out to qualitatively update the professional composition of the Boards of Directors and Supervisory Boards in our portfolio companies, considering the goals, objectives, plans, and industry areas of the Fund's companies.

In 2023, the composition of the Boards of Directors and Supervisory Boards in the Fund's portfolio companies was updated by attracting experts with relevant industry expertise and work experience, which is especially important in the framework of IPOs of the Fund's portfolio companies.

engage an independent consultant to improve the quality of the assessment. At the same time, the evaluation with the involvement of an independent consultant is carried out at least once every three years. The results of the assessment are taken into account during the re-election or early termination of the Board of Directors' powers. **GRI 2-18**

In 2024, it is planned to conduct a self-assessment of the performance of the Fund's Board of Directors based on the results of 2023 through a questionnaire. survey of the members of the Board of Directors.

Fund's strategic goal is to enter the **70th** percentile in terms of ESG rating indicators by 2032

In general, companies' levels of corporate governance are above the industry average, which became possible thanks to the Fund's many years of efforts to integrate ESG factors into strategy and business processes, commitment to the principles related to corporate governance, social responsibility, and business ethics, and quality of disclosure of information about activities.

Sustainability ratings

To track progress, including in corporate governance, we have introduced and will expand the practice of assessing the Fund's portfolio companies by independent international rating agencies based on ESG criteria. These independent ratings evaluate the effectiveness of environmental, social responsibility, and corporate governance management in accordance with the Fund's strategy.

Our strategic goal is to enter the 70th percentile in terms of ESG rating indicators by 2032 (with intermediate goals of entering the 40th percentile by 2025 and the 60th percentile by 2028).

In 2023, the Fund's portfolio companies showed excellent results in ESG ratings both among companies in Kazakhstan and on the world stage.



MORNINGSTAR | SUSTAINALYTICS

	22.9 points (medium risk)
	19.2 points (low risk)
	24.1 points (medium risk)
	32.3 points (high risk)

S&P Global

	54/100
	51/100
	43/100
	32/100



Conflict of Interest Prevention

GRI 2-15

We know the importance of preventing conflicts of interest in our activities and decision-making processes. Our Policy on Conflict of Interest Resolution reflects our desire to avoid such conflicts. All employees and directors are aware of their obligations and responsibilities regarding conflicts of interest and fully adhere to the existing Policy.

We require our employees and directors to fully and timely disclose information about any actual or potential conflicts of interest. The Board of Directors and the Management Board monitor and strive to eliminate potential conflicts of interest at the officer level.

We maintain robust monitoring and enforcement mechanisms to ensure compliance with conflict of interest policies. In the event of a conflict of interest, the Fund provides clear procedures to allow individuals to refuse to participate in decision-making processes when their personal interests may jeopardize their objectivity. In such a situation, alternative decision-making mechanisms help us maintain the integrity of the process and prevent conflicts from affecting the results.

BY IMPLEMENTING POLICIES AND PROCEDURES FOR IDENTIFYING, DISCLOSING, AND MITIGATING CONFLICTS OF INTEREST, WE ENSURE THAT DECISION-MAKING PROCESSES ARE FAIR, OBJECTIVE, AND IN LINE WITH THE INTERESTS OF THE FUND AND OUR STAKEHOLDERS.

Remuneration policy for members of the Board of Directors and the Management Board

The Sole Shareholder of the Fund determines the amount and conditions of remuneration to independent directors in accordance with the Charter of the Fund²⁷. [GRI 2-19](#) [GRI 2-20](#)

Remuneration payments to an Independent Director are determined on the basis of conscientious performance of their duties in the interests of the Fund and participation in meetings. [GRI 2-19](#)

When determining the amount of remuneration for the Board of Directors, the responsibilities of members of the Board of Directors, the scope of the company's activities, long-term goals and objectives determined by the development strategy, the complexity of issues considered by the Board of Directors, the level of remuneration in similar companies (benchmarking, remuneration review) are taken into account. [GRI 2-19](#)

As a rule, members of the Board of Directors are paid a fixed annual remuneration and additional remuneration for chairing the Board of Directors and participating in and chairing committees of the Board of Directors. [GRI 2-19](#)

The remuneration of Management Board members includes permanent and variable components²⁸. The variable component is linked to the fulfillment of medium-term goals and objectives and is set in accordance with the Fund's corporate and functional KPI, approved by the Board of Directors. With regard to performance-based remuneration, clear target measurable efficiencies have been identified. For more information about the remuneration policy and process, see the [Fund's Annual Report for 2023](#).

²⁷ Third-party consultants are not involved in determining remuneration

²⁸ Remuneration of members of the Board of Directors and the Management Board does not include bonuses or incentive payments upon employment, termination payments, refunds, pension payments.

[GRI 2-19](#)

Information security and data protection

We are committed to maintaining stability and reliability among our portfolio companies and make every effort to protect the personal information of our employees and customers from leakage, theft, or loss.

The Fund has organized an Information Security Committee, which provides recommendations on ensuring information security in portfolio companies and maintains constant interaction with government agencies and other stakeholders to address security issues in the information space better.

The Fund has implemented the "Basic Rules of Information Security Policy" with applications in the form of methods, guidelines, and rules that cover the required activities of information security and IT specialists and all employees to implement measures to ensure information security. [GRI 3-3](#)

Work is underway to develop a Corporate Information Security Standard that regulates a general set of rules for ensuring information security and managing the process of coordinating activities in the Fund's group of companies. There are procedures for providing information security, resolving incidents, managing user access to information systems, etc. [GRI 3-3](#)

A cybersecurity risk register is formed annually, and a risk report is generated quarterly, including regarding the Fund's group of companies.

In 2023, audits of the Fund's portfolio companies were conducted to ensure compliance with information security requirements, and recommendations were developed for bringing into compliance and increasing the level of information security.

Our principles for minimizing information security risks are:

- rapid identification, analysis, and forecast of threats in IT that can negatively affect the stability and reliability of the Fund;
- assessment of the impact of adverse factors;
- prioritization of information security requirements;
- continuity of information security;
- controllability and effectiveness of measures.

Measures have been initiated to implement the international information security standard ISO 27001 at the Fund. A working group has been created to take part in the formation of a register of information assets and classify assets according to degrees of significance.

Also, to maintain users' cyber hygiene, the Fund's employees are trained and tested using specialized software.

We provide data protection based on the Monitoring Center created to support information security systems from external and internal threats to the IT infrastructure in the conditions of the Fund and the operational information security center of QazCloud LLP. Companies in the Fund Group continue to improve their information security systems. As part of the engagement, policy issues and projects to improve the level and ensure information security in portfolio companies were considered.

Ensuring the security of information systems is becoming increasingly important in the context of digital transformation and growing cybersecurity threats. Our efforts, in particular, aim to protect customer data's confidentiality.

The total number of information security incidents was 16,094 in the reporting year, with malware detection and unauthorized access/hacking accounting for 49%. All incidents are processed on time, preventing leakage of customer data. There were no incidents related to customer data



Risk management and internal control

GRI 2-28

The Corporate Risk Management System (hereinafter referred to as CRMS) aims to timely identify, assess, manage, and monitor risks that may affect the achievement of the organization's strategic and operational goals.

The Fund's Board of Directors has defined the principles and approaches to organizing the risk management and internal control system based on the system's objectives and considering best practices and the Fund's methodology in this field.

Our primary internal regulatory document governing risk management issues is the Fund's Risk Management and Internal Control Policy. This Policy has been compiled taking into account the recommendations of COSO, "Conceptual foundations of risk management of organizations: integration with strategy and performance indicators." It is designed to ensure increased responsibility of risk owners for risk management at all levels of the Fund and to integrate risk management into all Fund processes.

THE BOARD OF DIRECTORS HAS DEFINED THE PRINCIPLE OF "THREE LINES OF DEFENSE" TO MANAGE RISKS EFFECTIVELY. THE FIRST LINE OF DEFENSE IS THE DIRECT OWNERS OF THE RISKS. THE SECOND LINE OF DEFENSE IS THE RISK MANAGEMENT AND INTERNAL CONTROL DEPARTMENT AND THE COMPLIANCE SERVICE, WHICH PERFORM CONTROL AND MONITORING FUNCTIONS. THE THIRD LINE OF DEFENSE IS THE INTERNAL AUDIT SERVICE, WHICH PROVIDES AN OBJECTIVE AND INDEPENDENT ASSESSMENT OF THE EFFECTIVENESS OF RISK MANAGEMENT AND INTERNAL CONTROL.

The Risk Management Department, Compliance Service, and Internal Audit Service bring information about emerging critical issues and issues requiring attention to the Board of Directors. [GRI 2-16](#)

The system of internal control is an integral part of the Fund's CRMS and is aimed at building a management system capable of quickly responding to process risks, monitoring main and auxiliary processes and daily operations, and is built following the COSO model "Internal Control – Integrated Model," and also consists of five interdependent components:

- Control environment;
- Risk assessment;
- Control procedures;
- Information and communication;
- Monitoring.

In 2023, work continued on building an effective internal control system by documenting control procedures in the Fund's internal regulatory documents and compliance with internal regulatory documents in the field of risk management and internal control.

The Fund's Internal Audit Service is a critical element of risk management and control system. The Service conducts its activities according to international professional internal audit standards, including the International Institute of Internal Auditors Code of Ethics. In 2023, the Internal Audit Service successfully passed an external independent assessment for compliance with the International Professional Standards of Internal Audit and the Code of Ethics developed by the Institute of Internal Auditors.



The role of the Board of Directors is to approve the Fund's general risk management and internal control policy. All key risks, including accident risks, risks of significant investment projects, risks of social instability, financial risks, risks of litigation, risks of damage to reputation, risk of impact of sanctions legislation, and risks of the asset privatization program, were in constant focus of attention and control of the Board of Directors in 2023. [GRI 2-12](#)

The Management Board is responsible for the organization and effective functioning of the CRMS.

In 2023, the risk register included 22 risks, the most significant for the Fund's activities. The risks are divided into the following groups: strategic, financial, operational, and legal.

The 2023 risk register includes risks associated with ESG, such as accidents, social instability, personnel risks, litigation risks, compliance risks, and highlighted environmental risks, including climate risks



Compliance and handling of inquiries

GRI 2-24 | GRI 3-3 | SASB

The Compliance Service of the Fund ensures compliance with the anti-corruption legislation of the Republic of Kazakhstan and is engaged in the development of the compliance program:

- coordinates the activities of the compliance services of portfolio companies,
- organizes communication and training,
- supports the operation of the Hotline,
- conducts inspections and investigations,
- interacts with third parties,
- identifies and resolves conflicts of interest,
- develops other aspects of compliance in the Fund's Group of Companies.

The Compliance Service is guided by the Regulations on the Compliance Service, the Republic of Kazakhstan's anti-corruption legislation, and best international practices in the fields of compliance and anti-corruption.

During 2023, the Compliance Service worked on developing and improving the regulatory and methodological framework. In particular, the Fund's Code of Conduct was updated, and the Strategy for the Development of the Compliance Function in the Fund's Group of Companies for 2023-2027 was approved.

The Corporate Standard for the compliance function of the Fund's Group of Companies, which regulates compliance activities in the Fund's portfolio companies, has been completely revised. The Standard provides guidelines for creating a compliance function and developing, implementing, evaluating, maintaining, and improving an effective compliance system.

An internal audit, «Analysis of the activities of the Compliance Service," was conducted to assess the effectiveness of the anti-corruption system in the Fund, taking into account compliance with the requirements of anti-corruption legislation and the requirements of ISO 37001 standard. The effectiveness of the conflict of interest control system was assessed, and the procedure for verifying the reliability of counterparties, including foreign ones, for sanctions risks was analyzed. [GRI 3-3](#)

Appeals may be submitted by all persons in Russian, Kazakh and English languages through the following communication channels:

by phone number



8 800 080 4747

(The call is free of charge within the Republic of Kazakhstan)

by e-mail



mail@sk-hotline.kz

via the Internet portal



www.sk-hotline.kz

via WhatsApp messenger with the number



+7 771 191 8816

In order to ensure confidentiality and anonymity, all appeals are received and processed by an external independent Operator, who transmits information on received appeals to the Compliance Service on a daily basis.

DURING THE REPORTING PERIOD, CORRUPTION AND OTHER RISKS WERE ASSESSED IN MORE THAN 46% OF SUBSIDIARIES AND AFFILIATES OF THE FUND'S PORTFOLIO COMPANIES.

GRI 205-1

In 2023, the Compliance Service held activities to increase employees' awareness about the Hotline's work. Videos, posters, and screensavers with Hotline contacts are posted in public places continuously. [GRI 2-25](#), [GRI 2-24](#) Explanatory work and popularization of the hotline are being carried out to increase the culture of reporting violations, including with the involvement of senior management of companies. The operator of the Hotline is an independent company in relation to the Fund, which ensures the proper level of confidentiality and anonymity of the applicant.

The Compliance Service has automated the review of requests received by the Hotline and the verification of the reliability of counterparties. [GRI 2-26](#)

In 2023, the Hotline received 540 applications, almost half related to labor conflicts. Of the total number of applications received in 2023, confirmed and partially confirmed – 174 or 32% of the total number of applications for the year. Among partially confirmed appeals, there are 2 cases partially related to discrimination, which were considered by the organization and referred to subsequent instances. However, there were no confirmed cases of discrimination.

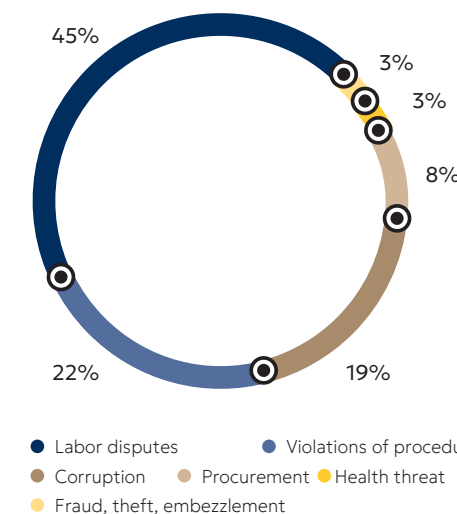
Based on incoming requests, we consider emerging or potential negative impacts on society and take the necessary corrective actions. [GRI 2-25](#) The compliance officers of the Fund's group of companies receive all appeals from the hotline operator in real-time.

The effectiveness of complaint mechanisms is assessed through the efficiency of work on confirmed complaints. Interested parties can submit suggestions, questions, or complaints through established communication channels. [GRI 2-25](#)

The compliance officers of the Fund's group of companies receive all appeals from the hotline operator in real-time.

540

Types of calls to the Hotline



THE COMPLIANCE OFFICERS OF THE FUND'S GROUP OF COMPANIES RECEIVE ALL APPEALS FROM THE HOTLINE OPERATOR IN REAL-TIME.

In the medium term, effective and close cooperation with the anti-corruption Service, financial monitoring bodies, and the Prosecutor's office is planned to ensure transparency of the Fund's activities.

Ombudsman Institute

The Ombudsman in the Fund and portfolio companies ensures the maintenance of the principles of business ethics and the adequate settlement of social and labor disputes.

He advises employees who have applied to him and participants in labor disputes and conflicts, helping them to develop fair and constructive solutions. **GRI 2-24**

The appointment of the Ombudsman is carried out by the Fund's Board of Directors every two years.

The activities of the Fund's Ombudsman are regulated by relevant legislation, the Fund's Corporate Governance Code, the Regulation "On the Ombudsman of Samruk-Kazyna JSC, and organizations belonging to the Fund's Group and are based on the best practices of the International Ombudsman Association.

The Ombudsman Institute operates in more than 9 portfolio companies, as well as subsidiaries and affiliated organizations of the Fund.

To accept appeals, together with the Center for Social Interaction and Communications, the Nysana Call Center hotline has been organized, to which all the Ombudsmen of the Fund's Group of Companies are connected. **GRI 2-25**
GRI 2-26 In 2023, more than 22,586 requests were received, of which 1,722 were relevant. Various consultations and clarifications were given on all relevant appeals, and negotiations were held in various formats. Compared to 2022, the number of appeals increased by 66%, which may indicate increased employee confidence in the Ombudsmen and increased transparency in the Fund.



In 2023
1,722
relevant requests were received

VARIOUS CONSULTATIONS AND CLARIFICATIONS WERE GIVEN ON ALL RELEVANT APPEALS, AND NEGOTIATIONS WERE HELD IN VARIOUS FORMATS.

In 2023, the "Council of Ombudsmen" was launched. The Ombudsmen of the Fund's portfolio companies exchange experiences and consider critical cases from practice.

For a deeper understanding of social and labor problems on the ground, the Fund's Ombudsman organized visits to Pavlodar, Turkestan, Kyzylorda, Atyrau, and Mangystau regions. During the trips, the Fund's Ombudsman visited enterprises in the oil and gas sector, the nuclear industry, and other sectors of the Fund. In 2024, it is planned to continue the practice of the Ombudsman's departure to the regions of presence.



3

GLOBAL POLYPROPYLENE PRODUCTION

ABOUT 1%

KAZAKHSTAN PETROCHEMICAL INDUSTRIES INC

500 THOUSAND TONS OF POLYPROPYLENE PER YEAR

CAPABLE OF PASSING UP TO

64

GRADES OF PROPYLENE

INTEGRATED GAS CHEMICAL COMPLEX IN ATYRAU REGION

The Fund's contribution to the welfare of the country

- 57 Financial results and sustainable growth
- 59 Investments in economic and social development
- 66 Development of essential social services and infrastructure
- 71 Research and development activities
- 72 International investment and cooperation
- 73 IPOs and SPOs: stimulating the stock market
- 74 Promoting the development of small and medium-sized businesses
- 76 Charity and social projects



THE WIDE RANGE OF INVESTMENT PROJECTS AND SOCIAL AND CHARITABLE PROGRAMS WE ARE WORKING ON IS DESIGNED TO IMPROVE PEOPLE'S LIVES TODAY AND IN THE LONG TERM. WE STRIVE FOR OUR COUNTRY'S SUSTAINABLE SOCIO-ECONOMIC DEVELOPMENT AND SOCIETY'S WELL-BEING.

Ensuring a stable financial position allows us to generate income for the Shareholder, which we pay in the form of dividends, taxes, and other distributions in favor of the state. It also allows us to invest in the construction and development of essential socially necessary infrastructure and services that are not always profitable but are very important for the population and the functioning of economic facilities. **GRI 3-3**

We are implementing an extensive portfolio of investment projects to ensure medium—and long-term economic growth. These projects aim to develop critical infrastructure for the country's growing needs and have a significant social impact: They create jobs and increase citizens' social security by providing guaranteed access to essential social services and opportunities.

The Fund plays a crucial role in attracting investment into the country by co-investing in projects with foreign partners and raising additional funds for further development through the placement of shares of national companies on the stock market. Investments provide funding for initiatives important for the country and help attract new knowledge and technologies. The local stock market development increases the population's participation in the economy.

We understand the crucial role of SMEs in the country's economy and create conditions for increasing their share in Kazakhstan's GDP by providing infrastructure and supporting

domestic entrepreneurs through the procurement system and the provision of offtake contracts.

Our social and charitable programs and projects implemented in close cooperation with the Fund's portfolio companies, the population, and the public and local executive authorities are aimed at directly supporting the population and participating in solving urgent problems of society throughout the country. Every year, we implement many projects in health care, medicine, sports, regional support, and emergency assistance. Our resources, financial stability, and effective corporate governance allow us to effectively implement projects in different areas of the economy and contribute to various aspects of society. **GRI 3-3**



Financial results and sustainable growth



The Fund Group's assets at the end of 2023 amounted to KZT 36.9 trillion, 9.8% more than in 2022 (KZT 33.6 trillion). Revenues increased by 3% and reached KZT 17.2 trillion.

In 2023, the state paid subsidies²⁹ in the amount of KZT 61 billion (KZT 53 billion in 2022). **GRI 201-4**

Created and distributed direct economic value, KZT billion³⁰ **GRI 201-1**

Indicator	2020	2021	2022 ³¹	2023
The direct economic value created				
Total revenues³²	9,557	13,179	16,705	17,218
Distributed economic value				
Total costs³³	-8,974	-1,270	-14,331	-15,090
Retained economic value				
Profit	583	1,908	2,374	2,128
Including profit per Shareholder's share	558	1,629	1,927	1,698
Payments to the state ³⁴	-1,523	-2,065	-2,630	-2,941
Payments to capital suppliers ³⁵	-252	-248	-306	-1,469
Capital investments	1,434	1,572	1,880	2,747

Credit ratings support our stable financial results:

FitchRatings

BBB

the forecast is "Stable"

S&P Global

BBB-

the forecast is "Stable"

MOODY'S

Baa2

the forecast is "Positive"

²⁹ Apart from subsidies, the companies of the Fund Group do not receive any other financial assistance from the state.

³⁰ Financial data for 2022 have been restated following the Consolidated Financial Statements of 2023.

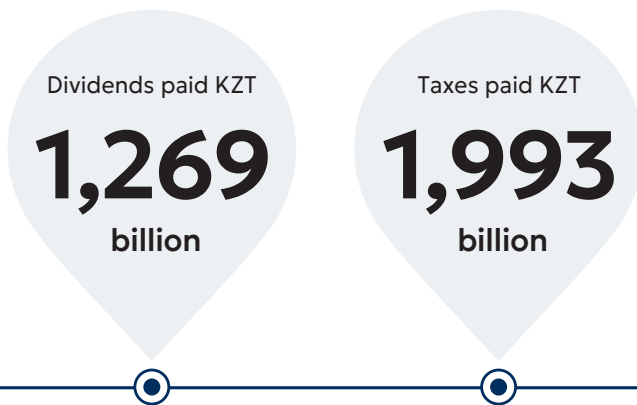
³¹ Total revenue and other income in the statement of comprehensive income.

³² Total expenses and expenses in the statement of comprehensive income.

³³ Payments to the budget and CIT in all regions of the Fund Group's activities.

³⁴ Includes dividends and other distributions.

³⁵ Following the GRI recommendations on disclosure 201-1, the Fund's financial statements prepared following IFRS were used to prepare the table.



Dividends and other payments to the budget

We regularly pay dividends and provide income to the state, our sole shareholder. In 2023, we paid KZT 1,269 billion in dividends.

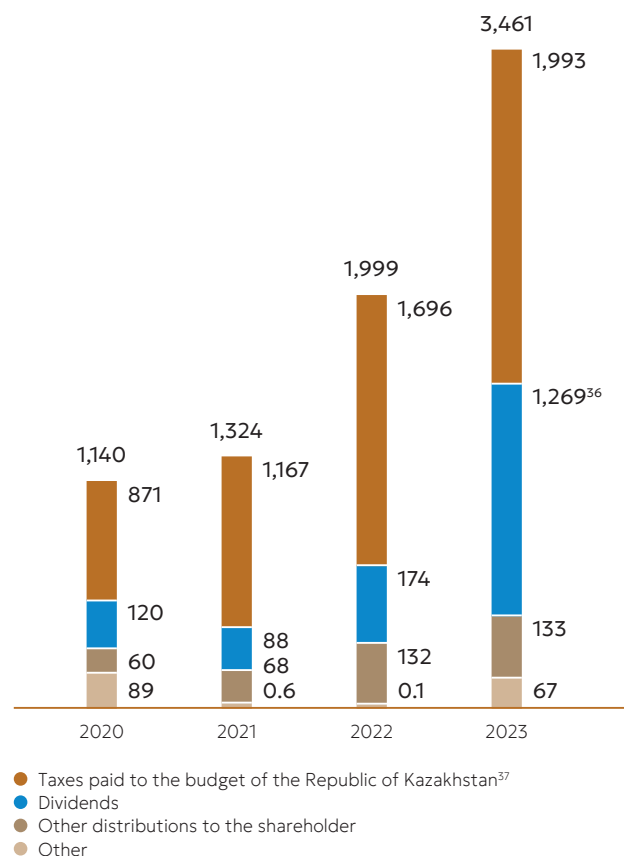
We also pay various taxes and fees set by the Government of Kazakhstan. Last year, we paid taxes totalling KZT 1,993 billion, which is about 9% of all tax revenues to the state budget.

Other distributions to the Shareholder in 2023 amounted to KZT 133 billion and aimed to support social and infrastructure projects.

IN 2023, WE LAUNCHED A HORIZONTAL MONITORING PLATFORM FOR TRANSPARENT TAX ACCOUNTING

This allows the tax authorities to see our data in real-time and reduces the risk of errors when paying taxes. The innovation helps reduce fines and penalties for tax violations and increases investment attractiveness. **GRI 3-3**

Payments to the state RoK, KZT billion



³⁶ In addition to payments based on the results of 2022, during the period from October to November 2023, the Fund, following the Government Decree dated October 20, 2023, paid dividends to the Shareholder in the amount of KZT 1,026.7 billion from retained earnings of 2021.

³⁷ Excluding individual income tax

Investments in economic and social development

GRI 203-1 | GRI 203-2 | GRI 3-3

We are actively investing in various sectors of the economy, contributing to the country's socio-economic development and creating opportunities for the population to improve their well-being. **GRI 3-3**

In the next six years, we are focused on investments in the country's social and infrastructural development. In sectors where private businesses cannot implement projects independently for various reasons, such as a high level of risk or insufficient financial base, we take on the role of co-investor, sharing investment risks and providing support in communications with government authorities.

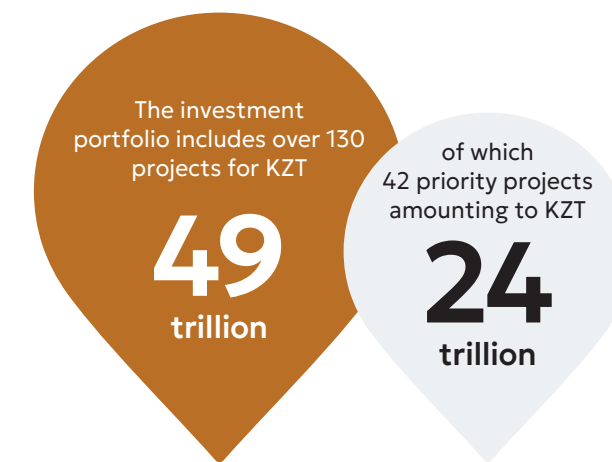
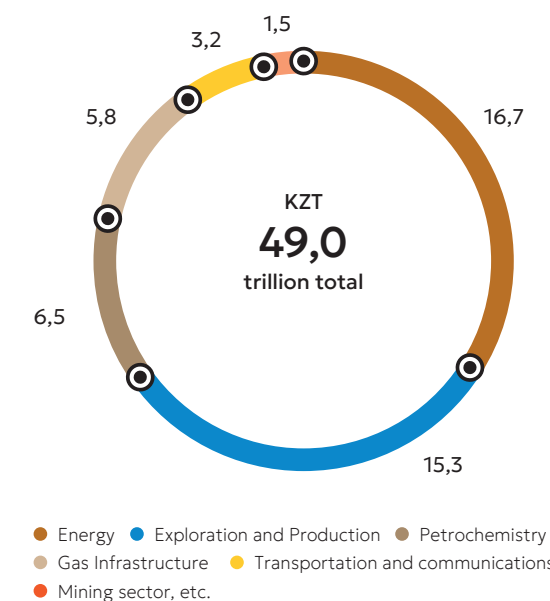
Our investment projects play an essential role in the regions where we operate, providing:

- social benefits: creation of jobs, improvement of standards of living;
- economic development: expansion of the regional economy, income growth, small business development;
- human resources development: attracting and developing specialists, their participation in new technological productions;
- economic diversification: reducing dependence on individual sectors and creating new growth opportunities.

The Fund's current investment portfolio consists of projects in different sectors of the economy worth KZT 49 trillion.

In 2023, the Board of Directors of the Fund defined a list of 42 major investment projects for a total amount of ~ KZT 24 trillion, subject to regular monitoring by the Fund, a significant part of which is initiated within the framework of state programs, programs of the Government of the Republic of Kazakhstan. Their implementation plays a vital role in various sectors of the economy. Each of the projects contributes to the sustainable socio-economic development of the regions, as well as creates a favorable environment for attracting foreign investment in priority sectors of the economy.

The Fund's investment portfolio, KZT trillion





Key areas of priority projects:

1 Expansion of critical infrastructure

Gained access to the gas

213 thousand
new consumers
from 112 settlements

We focus on infrastructure projects, including transport networks, energy, and telecommunications, which will meet society and industry's growing needs.

In 2023, we provided a reliable gas supply to the population and large industrial enterprises of the Atyrau and Mangystau regions. More than 213 thousand new consumers from 112 settlements gained access to gas in 2023. In the Mangystau region, in particular, a stable gas supply has been provided to the facilities of the agricultural and tourism industries, which will help develop tourism in the region. This is an important step for the further development of the region.

Our projects will also supply gas to the country's southern, central, and northern regions, including the region's backbone enterprise.

Since 2023, the active deployment of the 5G network in Kazakhstan has begun, allowing people to improve their quality of life, education, and work. At the end of the year, over 1,157 5G base stations have already been installed under license obligations. A project will lay a backbone of fiber-optic communication lines along the bottom of the Caspian Sea, which will allow us to ensure the country's telecommunications security and information sovereignty by increasing transit capacities and diversifying current routes laid mainly through the territory of the Russian Federation.

We are working to increase the throughput and carrying capacity of Kazakhstan's transit corridors with neighboring countries. For example, one of the projects will increase the capacity of the railway section from China to Europe by five times. This includes implementing a project that will reduce the load on the Almaty railway junction by 40%.

2 Construction of social infrastructure

For the period 2023-2024 it is planned to build

208 Comfort Schools

We are implementing the "Comfortable Schools" project to eliminate the shortage of pupil places with comfortable learning conditions and finally solve the problem of overcrowded classes, emergency schools, and three-shift education in secondary education organizations. In the reporting period, almost all 208 comfortable schools planned for the first stage (2023-2024) signed procurement contracts for complex work on the design and construction of facilities.

A 24/7 video monitoring service was integrated into the Bitrix project management information system to effectively monitor facility construction. This service allows you to monitor the progress of the construction of objects online. The video monitoring system connects 205 out of 208 objects. Four observation cameras were installed in the video monitoring system. All stakeholders have access to the four review cameras.

The information system fully covers tasks from the initial construction to completion to ensure transparency. In addition to daily reports, contractors post weekly drone photos and reports to show work progress. All construction work can be fully monitored online using cameras installed at the sites. Also, from the beginning of construction, reports of the author's technical supervision of contractors' work will be available daily, weekly, and monthly.

Special attention was paid to discussing with the general public architectural solutions for building facades, external and internal design, interior design, and volume planning plans for comfortable schools. The design and estimate documents take into account the wishes to increase the number of equipped places for changing clothes and storing personal belongings, the comfortable stay of children outside classrooms, and so on.

3 Ensuring energy security

The gas resource base has been increased by

19% compared
to 2022

A significant share of our portfolio of investment projects is occupied by projects focused on ensuring the state's energy security.

New technologies introduced in 2023 at the Bogatyr coal mine increased production from 32 million tons to 40 million tons of coal per year.

Due to geological exploration and the introduction of new projects, the gas resource base has been increased by 19% compared to 2022, and the Anabai field has been put into operation.

We have completed a project that doubled the capacity of power supply lines in the country's western regions, minimizing the probability of disconnecting consumers. A similar project is already being implemented for the country's southern regions.

Commissioning new power-generating capacities and increasing the capacity of existing ones is planned. These projects will help improve the power supply's sustainability and solve power shortages during peak load periods.

As the long-term shortage of petroleum products persists, we are implementing projects to expand our refining capacity. Our task is, first of all, to meet the domestic market's energy demand for petroleum products priced below export prices. Losses on supplies to the domestic market are covered by marginal exports.

The RK's concept of developing the fuel and energy complex provides for mechanisms of transition to market pricing. Nevertheless, the volume of cross-subsidies in 2023 amounted to about KZT 199 billion. In the coming years, crude oil supplies to the domestic market are expected to increase due to the projected growth in consumption, which poses new challenges for the Fund group.

4 Development of renewable energy sources

Projects to construct solar and wind power plants with a capacity of up to

~6 GW

Considering the commitments to reduce emissions reflected in our Low-Carbon Development Concept, projects to develop renewable energy sources and convert traditional coal-fired power plants to gas are particularly important.

We are working on projects to construct solar and wind power plants with a capacity of up to ~6 GW. These projects are planned in partnership with the most prominent global industry players with extensive experience implementing similar projects, such as Total Eren, ACWA Power, Masdar, China Power International Holding Ltd, Power China, etc. We have already implemented a 60 MW wind farm project in the Shelek corridor of the Almaty region, the capacity of which is planned to increase to 810 MW by 2030.

It is also planned to build a plant with Sany Renewable Energy Co. Ltd. to produce wind power plants' components (blades, nacelles, and towers).





5 New product conversions

The plant mastered 6 grades of polypropylene,

58 companies became customers in the country

Several of our projects open up new opportunities in various sectors of the economy and create modern jobs. In particular, the development of the oil and gas and petrochemical industry has a multiplier effect and can push the development of related industries. For example, the Kazakhstan Petrochemical Industries Inc. plant, launched at the end of 2022, not only met the demand for polypropylene in the domestic market in 2023 but also contributed to the activities of small and medium-sized businesses producing polypropylene products for the construction and medical industries, automotive, and food industries. In 2023, the plant mastered six grades of polypropylene in demand in the country and worldwide, 58 companies became customers in the country. In 2024, it is planned to increase the number of branded products to twelve brands.

At the moment, we are simultaneously implementing seven projects aimed at increasing product conversion. We are designing work on constructing gas processing plants, a gas separation complex, and a polyethylene production plant. Implementing the polyethylene production project will attract advanced foreign technologies to the country, and the project products will become raw materials for more than 50 types of polymer products for further processing.

6 Access to clean drinking water

176 km of the main water pipeline was renewed, the capacity of which increased by

60 thousand m³ per day

Access to clean drinking water through our investment projects will improve people's quality of life and create favorable conditions for economic development and social stability in the regions.

In 2023, the project to reconstruct and expand the main water pipeline providing water to the Atyrau and Mangystau regions, as well as the city of Zhanaozen, was completed. 176 km of the pipeline was updated, and its capacity increased by 60 thousand m³ per day (+54% compared to 2022), providing water to the population and businesses of the western regions.

A project to construct a desalination plant is being implemented to solve the water supply problem for the population and enterprises of Zhanaozen and reduce the burden on the social security sector of the Mangystau region. The plant will provide the city with an additional 50,000 m³ of water per day.



Results of 2023:

15 PROJECTS WORTH KZT 1.1 TRILLION HAVE BEEN IMPLEMENTED, OF WHICH 5 ARE PRIORITY.

A complete list of investment projects and the effect of their implementation is presented in Table 7.

Priority investment projects of the Fund Group GRI 203-1 GRI 203-2 GRI 3-3

1	Project Name	Project effect	Timing of implementation
Expansion of critical infrastructure			
	Construction of gas infrastructure for CHPP-2, CHPP-3, Almaty city	The necessary infrastructure for the conversion of Almaty CHPPs to gas. Creation of 450 temporary jobs (construction period), 22 permanent jobs (operation period).	2021-2024
	Construction of the second string of the "Beineu-Bozoi-Shymkent" main gas pipeline	Increase of gas transportation volumes, provision of infrastructure for the development of gas supply to the southern and central regions of Kazakhstan. Creation of 4.5 thousand temporary jobs (construction period), 200 permanent jobs (operation period).	2023-2026
	Construction of compressor stations based on CS-14 and the main gas pipeline "CS-14 – Kostanay"	Provision of reliable gas supply to the population of Kostanay city and Kostanay region, as well as backbone enterprises. Creation of 1.2 thousand temporary jobs (construction period), more than 400 permanent jobs (operation period).	2023-2026
	Construction of second tracks on the Dostyk – Moyinty railway section	Increase in train speed, increase in throughput and carrying capacity of Kazakhstan's main transit corridor along the China-Europe route. Creation of 1.5 thousand temporary jobs (construction period), 235 permanent jobs (operation period).	2022-2025
	Construction of a railway line bypassing Almaty junction	Unloading of the Almaty railway junction by 40%; Considering the projected growth in freight flows, increasing the capacity and speed of freight passing through the China-Europe and China-Central Asia transit corridors. Creation of more than 1 thousand temporary jobs (construction period), 500 permanent jobs (operation period).	2023-2025
	Construction of the "Darbaza-Maktaaral" railway line	By relieving the Saryagash checkpoint and attracting additional cargo traffic of up to 10 million tonnes per year, the project will contribute to the development of the Turkestan region by connecting it to the leading railway network of the republic. Creation of more than 3.4 thousand temporary jobs (construction period), 600 permanent jobs (operation period).	2023-2026
	Construction of the third "Bakhty" railway border crossing on the Kazakhstan-China border with access to the existing Semey-Aktogay railway section	Increasing the throughput capacity between Kazakhstan and China to 20 million tonnes. Creation of more than 1.7 thousand temporary jobs (construction period), 500 permanent jobs (operation period).	2023-2027
	Construction of 5G network in the Republic of Kazakhstan	Provision of broadband access to mobile Internet and a corresponding increase in data transmission speed. Creation of 100 new jobs.	2023-2027
	Laying a backbone of fiber-optic communication lines along the Caspian Sea bottom	Enhancing the country's status as a regional digital hub. Create a digital corridor from Europe to China, ensure the country's telecommunications security and information sovereignty, and diversify current routes.	2023-2025
	Infrastructure facilities of the Special Economic Zone "National Industrial Petrochemical Technopark"	To increase the efficiency of the free economic zone's potential in the economic sphere. Creation of more than 400 temporary jobs (construction period), 300 permanent jobs (operation period).	2014-2026

	Project Name	Project effect	Timing of implementation
2	Construction of social infrastructure		
3	1. Comfortable schools	Solving the problem of lack of school places. Domestic raw material producers will be involved in the project's implementation.	2023-2026
	Ensuring energy security		
	Rehabilitation of Power Unit No. 1 of SDPP-1	Rehabilitation of the power unit, reduction of emissions due to installation of new electrostatic precipitators Creation of more than 500 temporary jobs (construction period), 54 permanent jobs (operation period).	2012-2024
	Expansion and reconstruction of Ekibastuz SDPP-2 with the installation of power unit st. N°3	Increasing the capacity of base power generation by more than 1.2 GW in order to ensure reliable power supply. Creation of more than 1.5 thousand temporary jobs (construction period), 400 permanent jobs (operation period).	2006-2027
	Expansion of Ekibastuz SDPP-2 with the installation of power unit st. No. 4		2022-2029
	Construction of Ekibastuz SDPP-3 with the installation of power units st. No.1 and No.2 based on clean coal technology	Increase of base power generation capacity based on clean coal technology up to 1.2 GW. Creation of more than 1.5 thousand temporary jobs (construction period), 500 permanent jobs (operation period).	2023-2029
	Construction of a CCGT-based power plant with a capacity of up to 1,000 MW in Turkestan Oblast	Solving the problem of energy deficit, smoothing the peak of energy consumption during congestion hours in the southern zone, creating conditions for integration of RES into the national energy system. Creation of more than 2 thousand temporary jobs (construction period), 500 permanent jobs (operation period).	2022-2026
	Unification of the power system of West Kazakhstan with the Unified Power System of Kazakhstan	Strengthening 220 kW power grids between the country's western regions will increase the capacity and reliability of power supply and provide power supply to future significant wind and gas generation facilities. Creation of more than 900 temporary jobs (construction period), 20 permanent jobs (operation period).	2021-2027
	The first stage of the project of strengthening the power grid of the Southern Zone of the Unified Electricity System of Kazakhstan	Strengthening the power system to ensure the reliability of the power supply to consumers and to strengthen the electrical connection between the regions of the South Zone. Creation of about 400 temporary jobs (construction period), 17 permanent jobs (operation period).	2021-2026
	Modernisation of Almaty CHPP-2 CCGT with capacity up to 600 MW	Converting the plant to gas and reducing the negative impact on the environmental situation in Almaty. Providing consumers of Almaty and Almaty region with reliable and uninterrupted power and heat supply. Creation of about 700 temporary jobs (construction period), 250 permanent jobs (operation period).	2021-2026
	Reconstruction of Almaty CHPP-3 based on CCGT with an increase of plant capacity up to 450 MW	Increasing gas generation capacity and providing consumers of Almaty and Almaty region with reliable and uninterrupted power and heat supply. Creation of about 650 temporary jobs (construction period).	2021-2026
4	Construction of a cyclic-flow stripping complex (CFSC) at "Bogatyr" open pit mine	Increasing the production capacity of the Bogatyr open pit mine.	2023-2026
	Development of renewable energy sources		
	Construction of WPP up to 810 MW with Power China	Expansion of renewable energy generation from 60 MW to 810 MW. Creation of about 400 temporary jobs (construction period), 40 permanent jobs (operation period).	2023-2030
	Construction of a 1 GW WPP with an energy storage system in the south-east of Kazakhstan together with "Total Eren"	The generation of renewable energy and the prevention of carbon dioxide emissions (estimated at 3 million tonnes of CO ₂ -eq). Creation of about 400 temporary jobs (construction period), 40 permanent jobs (operation period).	2022-2028



	Project Name	Project effect	Timing of implementation
	Construction of a 1 GW wind farm together with "ACWA Power"	Generation of renewable energy, prevention of carbon dioxide emissions. Creation of about 400 temporary jobs (construction period), 40 permanent jobs (operation period).	2023 – 2029
	Construction of 1 GW WPP with "Masdar"	Generation of renewable energy, prevention of carbon dioxide emissions. Creation of about 400 temporary jobs (construction period), 40 permanent jobs (operation period).	2023-2028
	Construction of a 1 GW WPP with "China Power International Holding Ltd"	Generation of renewable energy, prevention of carbon dioxide emissions. Creation of about 400 temporary jobs (construction period), 40 permanent jobs (operation period).	2023-2028
5	Construction of SPP with "Unigreen Energy" for up to 1 GW capacity	Generation of renewable energy, prevention of carbon dioxide emissions. Creation of about 500 temporary jobs (construction period).	2025-2028
	New product redesigns		
	Polyethylene production project	Shifting away from the raw materials orientation of the economy by producing technological and high-margin products, expanding the portfolio of hydrocarbon products. Creation of about 8 thousand temporary jobs (construction period), more than 800 permanent jobs (operation period).	2022-2028
	Construction of a gas separation complex for the "Polyethylene" project	During the construction of the gas separation complex, the creation of about 4,000 temporary jobs (construction period) and more than 138 permanent jobs (operation period).	2018-2028
	Construction of a new gas processing plant in Zhanaozen city	Providing the population and industrial enterprises of Mangistau region with industrial and socially important fuel. About 400 new jobs will be created during the construction period, 171 during the operation period. Creation of about 400 temporary jobs (construction period), 171 permanent jobs (operation period).	2018-2026
	Construction of the "Kashagan" gas processing plant (stage 1)	Building up the resource base for further gasification of the country, development of the gas processing industry in Kazakhstan. Creation of about 2 thousand temporary jobs (construction period), 600 permanent jobs (operation period).	2021-2026
	Construction of a sulphuric acid plant with a capacity of 800 thousand tonnes per year	Import substitution (imports amounted to 2021 ≈ 10%, 2022 ≈ 38%). Associated generation of 30 MW. Clean electricity. Creation of about 700 temporary jobs (construction period), 121 permanent jobs (operation period).	2022-2026
	Exploration of the "Shalkiya" polymetallic ore deposit	Expansion of the resource base. Lead-zinc ore. Creation of about 1.1 thousand temporary jobs (construction period), 1.5 thousand permanent jobs (operation period).	2015-2026
	Exploration of the "Alaigyr" field	Development of technologically advanced sub-sector of non-ferrous metallurgy and import substitution of polymetallic ore processing products. Creation of about 250 temporary jobs (construction period), 500 permanent jobs (operation period).	2013-2026
6	Access to clean drinking water		
	Construction of the "Kenderley" seawater desalination plant	Access to water for the population and enterprises of Zhanaozen and load reduction on the "Astrakhan-Mangyshlak" water pipeline. Creation of about 200 temporary jobs (construction period), 100 permanent jobs (operation period).	2021-2025

Development of essential social services and infrastructure

Our portfolio includes strategic and socially important assets that provide critical services and infrastructure to the population and are necessary for the economy to function.

These services help ensure the population's comfortable living and working conditions and contribute to developing small and medium-sized enterprises.

The Fund actively implements socially significant projects in various sectors of the economy, including:

- Providing the population with access to gas;
- intra-country rail passenger and cargo transportation;

- construction of socially substantial facilities to strengthen the economy and well-being of the people;
- provision of telecommunication services;
- providing postal services, distribution of periodicals, delivery of pensions and allowances;
- domestic passenger air transport. **GRI 3-3**

Gasification for social development

One of our most large-scale and socially significant work areas is the gasification of the country's regions. We are building gas infrastructure and constructing new facilities, ensuring a reliable and uninterrupted gas supply. In addition, we convert industrial facilities and businesses to natural gas, reducing the environmental impact of our operations.

Thanks to our efforts, the country's gasification level has reached 60%. We ensured uninterrupted gas supply to the Republic all year round despite unprecedented challenges in the energy sector at the beginning of 2023.

Further gasification of the country, including the Northern regions, by 2030 assumes an increase in natural gas coverage to 13.5 million people, which will account for about 65% of the country's population. These efforts contribute not only to improving the level of comfort and safety of citizens' lives, but also stimulate the economic development of the regions-- gas is an important energy resource for industry and business.

At the same time, the approved wholesale prices do not cover the cost of marketable gas in the domestic market. Revenues from exports, gas transit and introduction of a separate tariff category for large industrial enterprises and miners smoothed losses in the domestic market in the amount of KZT 208 billion. Due to imperfect regulatory policy, capital expenditures of KZT 163 billion were not included in the tariff.

Legislative and regulatory restrictions and the policy of price restraint within the inflation corridor do not allow this segment's break-even level to be reached. The Fund Group follows the principle of targeting subsidies to end consumers and carries out measures to gradually achieve break-even in the domestic market within 3-5 years. **GRI 203-1**



Open transport corridors and logistics

We play a crucial role in connecting cities through JSC NC Kazakhstan Temir Zholy by providing reliable and affordable transport services to citizens, especially in remote regions of the country where other modes of transport may be unavailable or limited. Thanks to our wide network – 138 rail routes and 16 thousand km of railroads in the country – and affordable fares, we provide the population with the opportunity to travel safely and comfortably between cities and towns.

In 2023, the trains of JSC Passenger Transportation carried over 13,681 thousand passengers. JSC NC Kazakhstan Temir Zholy promotes inclusiveness and safety in its operations. For instance, there was a 42% increase in transportation for passengers with special needs compared to 2022. There are 87 carriages with seats for citizens with reduced mobility. They run on 36 routes. By 2025, 11 additional carriages with compartments for this category of passengers will be purchased – with lifting mechanisms, special sanitary facilities, etc. Disabled people can benefit from discounts of up to 50% on fares, and online ticketing will be simplified from 1 September 2023.

At the end of 2023, about 161 thousand Kazakhstan passengers used the “Women's Car” services. For comparison 2022, more than 114 thousand people traveled in such cars. By the end of 2023, women's cars will be part of 8 passenger trains. All necessary conditions for comfortable traveling will be created, and female conductors will accompany passengers. **GRI 203-2**

To ensure competitive wages for production workers, tariffs for railroad network services and locomotive traction services were raised. However, the unprofitability of certain types of freight transportation on intra-republican communications still remains. At the end of 2023, the volume of cross-subsidies amounted to KZT 580 billion, including capital investments for maintenance of fixed assets not compensated by tariffs – KZT 219 billion. Losses from regulated communications are covered by revenues from marginal cargo transportation and transit. **GRI 203-1**



Construction as the foundation of the economy and people's well-being

The development of the construction industry in Kazakhstan is supported by our portfolio company Samruk-Kazyna Construction JSC. Supporting the construction segment in the regions helps increase housing affordability for different segments of the population. The company's work aims to:

- increasing the availability of housing to the population by commissioning new residential facilities;
- creation of favourable and comfortable living conditions for residents through the implementation of the programme of renovation of dilapidated and emergency housing;
- renovation of the architectural appearance of the city;
- improvement of the investment climate in housing construction and territorial development.

IN 2023, A NUMBER OF RESIDENTIAL COMPLEXES WERE PUT INTO OPERATION IN 5 CITIES OF KAZAKHSTAN.

A plant for the production of roofing and cladding materials has also been completed and commissioned in Astana, which will reduce imports of products from Russia, China, and Finland.

The investment company Samruk-Kazyna Invest LLP finances manufacturing, machine building, light and food industries. This creates new production, quality jobs, reduces import dependence, attracts foreign investments and technologies.

Developing telecommunications for social progress

We provide advanced telecommunications services through our subsidiary Kazakhtelecom JSC. We are currently expanding telecoms coverage, particularly in rural communities. In total, 5,351 rural settlements will be provided with internet by 2023.

Leading telecom operators of Kazakhstan and Azerbaijan, Kazakhtelecom JSC and AzerTelecom JSC, signed a Shareholders' Agreement on the establishment of a joint venture for the construction and operation of the Trans-Caspian fiber-optic communication line (FOCL) along the Caspian Sea bottom during the visit of the Prime Minister of Kazakhstan, Alikhan Smailov, to Baku.

As part of the project to modernize the network infrastructure in 2023, Kazakhtelecom JSC migrated almost 55 thousand subscribers across the country to fiber-optic communication lines. At the end of the same year, the large-scale migration of Stepnogorsk residents to a more modern type of wired Internet connection (from ADSL to GPON) was completed. As a result, almost 11 thousand families living in this small town were upgraded to GPON. Since 2022, nearly 170 thousand telecom operator customers have switched from copper to optical technologies.

GRI 203-2



By 2023 the Internet will be available in **5,351** rural settlements

Postal infrastructure for social welfare

Ensuring access to postal services, including in remote regions of the country, is an essential aspect of the Fund Group's social support. Our portfolio company, Kazpost JSC, is the national postal operator of Kazakhstan and has the most extensive branch network in the country, covering almost the entire territory of the Republic of Kazakhstan, particularly at the district and rural level (around 3,000 post offices).

Through it, we provide a wide range of services to the public, including:

- Postal services include the delivery of letters and parcels, express and courier services, money transfers and the distribution of periodicals.
- In the area of financial services, we provide services such as payment acceptance, cash and settlement services for legal entities, payment of pensions and allowances, currency exchange, deposits, electronic money transfers, issuance of payment cards, etc;
- Agency services include processing loans and deposits from second-tier banks, insurance policies, and the sale of air and rail tickets. This line of business's main objectives are to increase branch efficiency, ensure service accessibility, and provide socially important services to the rural population.

To ensure equal access to public services and to bridge the digital divide between rural and urban areas, a pilot project to provide public services in rural post offices was launched in May 2023. The project has been implemented in 11 regions and covers over 200 rural post offices. Since its launch, more than 16,000 public services have been provided. More than 900 thousand rural residents have access to government services. At the same time, the established commission rate does not cover the cost of services, losses in this area amounted to about KZT 17 billion. In 2023, the financial services segment was strengthened by introducing the project 'Corporate Banking', which made it possible to reach the break-even level in the sum with the established commission fee. **GRI 203-1**

Kazpost JSC delivers pensions free of charge to people over 80 and special categories of citizens. Money is delivered directly to homes. **GRI 203-2**

Kazpost JSC's postal network is an effective tool for developing e-commerce, logistics services, and financial services for businesses and citizens. With a presence in the most remote areas, post offices are becoming centres of economic activity in rural areas, making them an indispensable element of Kazakhstan's social and economic development.

A wide range of postal, financial and agency services for the public provide **~3,000** post offices





Affordable air travel for all categories of citizens

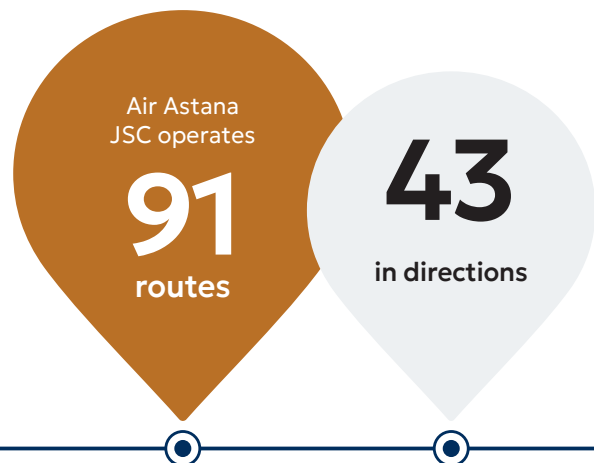
THROUGH AIR ASTANA JSC, WE ARE MAKING A SIGNIFICANT CONTRIBUTION TO DEVELOPING CIVIL AVIATION IN KAZAKHSTAN AND PROVIDING AFFORDABLE AIR SERVICES.

Air Astana JSC operates 91 routes to 43 destinations (international and domestic). The international route network was expanded with new flights and frequencies to China, India, Central and Southeast Asia, the Caucasus, the Mediterranean, the Middle East and the United Kingdom. During the reporting period, the fleet of Air Astana and low-cost carrier FlyArystan grew to 49 aircraft.

The company provides preferential air travel for certain categories of citizens of the Republic of Kazakhstan:

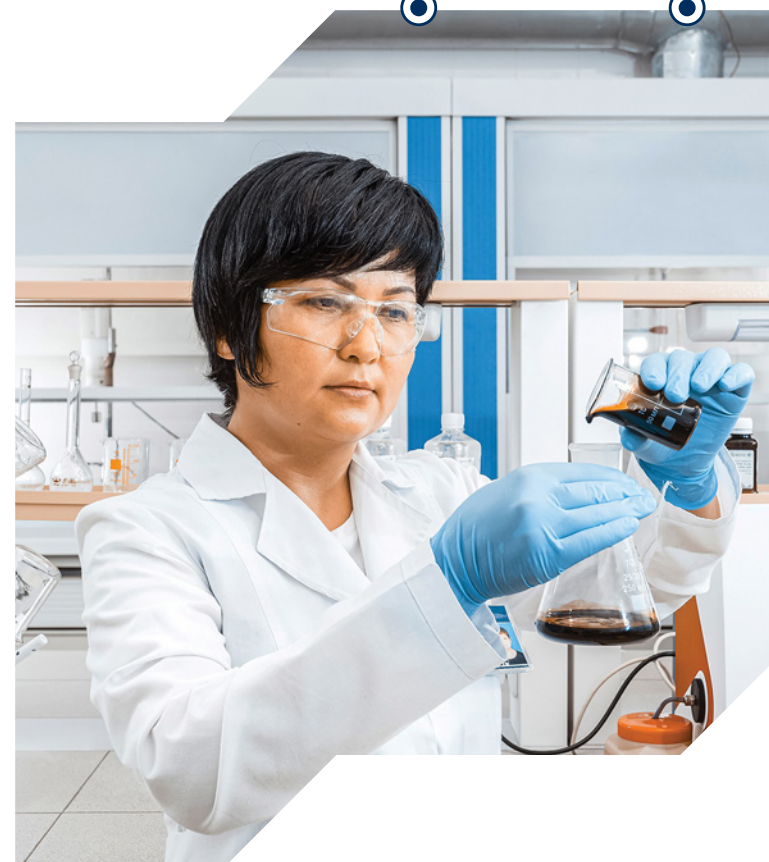
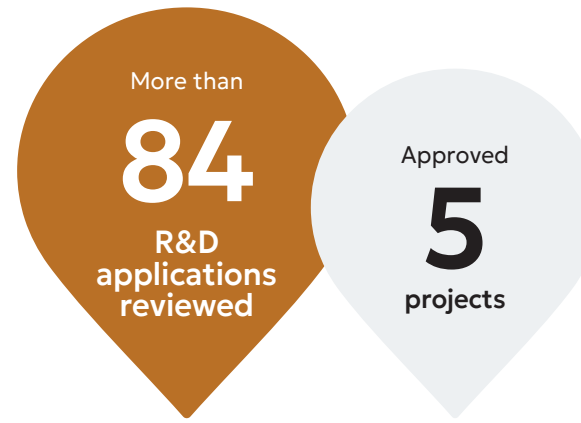
- children from low-income families with incurable in Kazakhstan oncological or cardiovascular diseases travelling for treatment or surgery. Round-trip tickets are provided for a child and one accompanying person.
- Veterans of civil aviation flying for treatment or surgery.
- Veterans of the Great Patriotic War (GPW) and veterans of civil aviation, citizens of the Republic of Kazakhstan, the airline helps them to travel within Kazakhstan and the CIS, providing a 100% discount on flights, excluding airport and other charges.
- providing free flights under the "Zhas Kyran" social programme. The programme is aimed at supporting talented young people aged 7 to 17 who participate in international creative, sporting and intellectual competitions and contests; tickets are provided round-trip for a child and one accompanying person.

QAZAQ AIR JSC, also part of the Fund's portfolio, operates subsidized socially significant routes in the Republic of Kazakhstan on seven routes. The airline offers discounts to seriously ill children, children with disabilities and their companions, and a special preferential fare for passengers aged 16-22 and over 60. [GRI 203-2](#)



Research and development activities

The Fund pays attention to research and development activities to expand the production of high-tech products that will become the basis for qualitative economic and social transformation. Research work by local specialists is actively supported to stimulate internal scientific capacity.



We pay particular attention to commercializing scientific and experimental developments to achieve a timely economic impact. To coordinate this work, we have set up the Centre for Scientific and Technological Initiatives (CSTI), which has become a "single window" for scientific and innovative projects. This allows us to effectively manage the process of developing scientific products, industrial innovations, and innovation culture in our portfolio companies and ensures the successful implementation of domestic scientific developments in production.

Since December 2023, the Fund's subsoil users have been financing scientific research through CSTI. The new selection and funding mechanism based on the "single window" principle has become a key tool for optimal and transparent resource allocation within the Fund. This innovative system develops priority areas of science and production, providing adequate support for research projects.

According to the results of 2023 CSTI has already considered more than 84 applications for R&D (according to the procedures of the Corporate Standard on R&D and Innovations, adopted on 18 November 2022), of which 5 projects (70 projects in 2022) were approved for implementation at the meetings of the Scientific and Technical Council of the Fund for a total amount of KZT 2.7 billion. Changes in project approval are due to improvements in the application review system.



International investments and cooperation

Implementing large investment projects and producing high-tech products require significant start-up and development investments. That is why we actively attract foreign investment, which provides the necessary capital and helps attract advanced technologies and knowledge from different countries.

We stimulate the inflow of investment by co-investing with partners from different countries. By co-investing, we reduce investment risks and provide assistance in communicating with government authorities.

WE ARE CURRENTLY IMPLEMENTING 21 INVESTMENT PROJECTS WITH FOREIGN PARTNERS.

We have co-invested with partners from China, UAE, Saudi Arabia, Russia, Italy, USA, Qatar, France, and Azerbaijan in oil and gas, chemicals, energy, transport, logistics, engineering, and digitalization projects. **GRI 2-6**

In particular, the Fund has a strong commitment to renewable energy projects that help reduce harmful emissions and combat climate change. In 2023, we have entered into the following partnerships:

- A Roadmap, Agreements on principles and joint development for constructing and operating a wind power plant with a total capacity of 1 GW in the Zhetisu region (Dzhungar Gate) were signed with ACWA Power; construction is planned to begin in 2025.
- A Memorandum of Understanding, Roadmap and Joint Development Agreement were signed with the Chinese company China Power International Holding (CPIH) to construct a wind farm with a total capacity of 1 GW with an energy storage system. The first 500 MW of power is planned to be implemented in the Zhambyl region.
- With Kazakhstan Investment Development Fund (KIDF) and Masdar Energy Company (UAE), a new wind farm with an installed capacity of up to 1 GW and an energy storage system will be constructed in the Zhambyl re-

gion. An Agreement on Joint Development, a Cooperation Agreement, a Road Map, and an Intergovernmental Agreement between the Governments of the Republic of Kazakhstan and the United Arab Emirates were signed on the project.

- Agreements have been concluded with Total Eren on the purchase and sale of electricity, on joint development and on investments in the construction of wind power plants in Kazakhstan with a total capacity of 1 GW. The project will use energy storage devices.
- A project to construct 1 GW of wind power plants is planned with Qazaq Green Power PLC and the Russian company Unigreen Energy.
- A Memorandum of Understanding has been signed between the Ministry of Energy of Kazakhstan and the Ministry of Investment of the UAE to develop low-carbon energy with a total capacity of 10 GW in Kazakhstan.
- A Memorandum of Understanding was signed with Power Construction Corporation of China (PRC) to expand the renewable energy project to 810 MW in the Shelek corridor of the Almaty region.
- A Memorandum of Understanding on developing renewable energy sources was signed with China National Petroleum Corporation.

IPOs and SPOs: stimulating the stock market

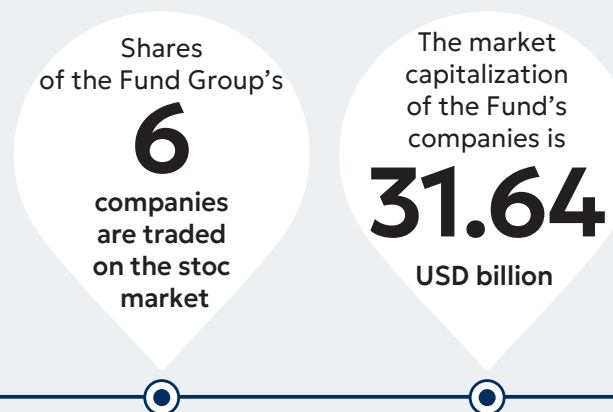
IPOs and SPOs of portfolio companies conducted by the Fund contribute to the replenishment of the National Fund, creation of market value of the Fund's assets, expansion of access to equity and debt capital markets, improvement of operational efficiency of companies due to increasing requirements to their activities and adherence to the best management practices.

It also contributes to developing the domestic securities market and improving the investment culture and financial literacy of the country's population. The IPOs and SPOs of the Fund's companies activate citizens' participation in investing and increase the number of retail investors in the stock market. The population has additional opportunities to participate in the country's economic development and improve their wealth by investing in successful companies.

Our securities offerings have generated significant interest in investing on the part of citizens. As of the end of 2023, shares of 6 companies of the Fund Group (KEGOC, NC KazMunayGas, NAC Kazatomprom, KazTransOil, Kcell and Kazakhtelecom), whose shares are owned by more than 167 thousand retail investors, are traded on the stock market.

The number of brokerage accounts in domestic depository systems has grown significantly, in line with investors' expectations and the execution of transactions themselves. Since the beginning of 2021, the total number of accounts in the CSD and MFCA depository systems has increased from approximately 236 thousand to 3.9 million as of 1 January 2024.

In 2023, the KEGOC SPO was held, raising over KZT 22.6 billion, with the share of retail investors increasing from 2% to 5.6%. The funds raised through the SPO were used to implement KEGOC's major investment project to strengthen the networks of Kazakhstan's Southern Zone of the Unified Electricity System.

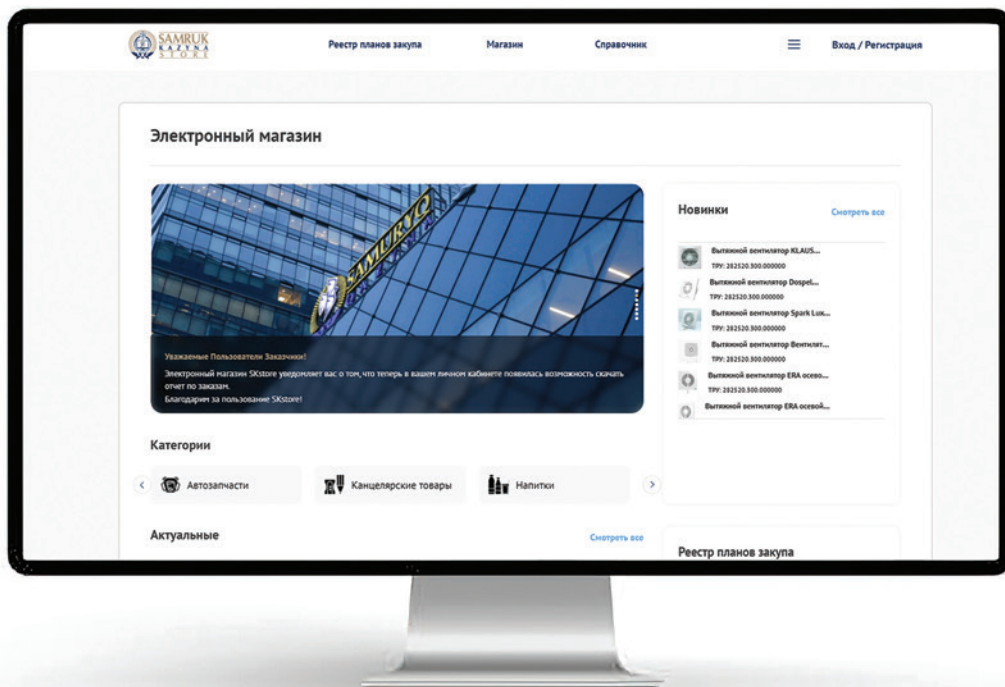


Since entering the stock market, the capitalization of the Fund's companies has grown significantly and reached \$31.64 billion – an increase of 85%.

We will continue to work on bringing large companies to the stock market. The IPOs of Air Astana JSC, JSC NC Kazakhstan Temir Zholy and NC QazaqGaz JSC are planned. For the successful IPO of these companies, it is necessary to bring their tariffs to the break-even level and ensure profitability.

Promoting the development of small and medium-sized businesses

We actively support the development of small and medium-sized enterprises (SMEs) and domestic entrepreneurship in Kazakhstan.



This sector of the economy is a driver of innovation, employment growth and sustainable development, and we attach particular importance to its support. **GRI 3-3**

The share of SMEs in Kazakhstan at the end of 2023 was 36 per cent. To ensure the sustainability of Kazakhstan's economy, we focus on supporting the expansion of the SME share in GDP.

The companies of the Fund Group provide service support to SMEs by expanding the resource base, providing access to critical infrastructure, guaranteeing offtakes, making purchases from domestic producers, and attracting investors. **GRI 3-3**

For example, the realization of major projects for new production processes creates conditions for SME development, forming new regional clusters. Our major transport projects provide new opportunities for SMEs by providing access to new trade routes and global markets. With Atameken, we are increasing local content in the gas industry and creating a gas service industry almost from scratch.

The import substitution program is the key instrument for the support and development of domestic commodity producers (hereinafter – DCP). From 2018 to December 31, 2023, 68 new manufacturing projects were approved and 475 off-take contracts worth KZT 115.7 billion were signed with suppliers.

Additional measures are being developed to encourage Kazakh producers to participate in this program. For example, the possibility of concluding offtake-contracts for up to 20 years if there is a shortage of domestic products. At conclusion offtake-contract a potential manufacturer will be given counter obligations to purchase raw materials and components from DCP. **GRI 3-3**

IN ORDER TO SUPPORT SMALL BUSINESSES IN THE FUND'S PROCUREMENT SYSTEM, AN ELECTRONIC SHOP SKSTORE.KZ WAS CREATED IN 2023

GRI 3-3

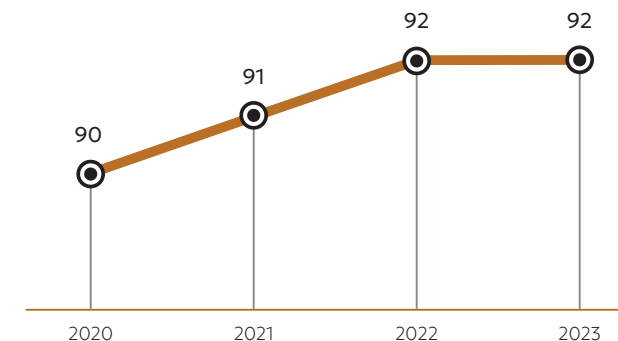
Approximately 6,000 suppliers are registered there, more than half of which are sole proprietorships. There is a possibility to buy in 1 day, i.e. there is no bureaucracy, and there is an automatic selection of suppliers, which reduces the risk of corruption. The amount of orders in 2023 was KZT 2.4 billion. This indicator is planned to reach KZT 100 billion by 2029, which means a 40-fold growth rate.

In 2023, the amount of goods (works, services) procured by the Fund totalled KZT 3,696 billion, and 92% of this amount is attributable to domestic suppliers. **GRI 203-2** The share of local content in procurement increased to 98% (79% in 2022). In 2024, the volume of procurement of goods from DCP is planned at KZT 0.75 trillion, by 2029 – KZT 2.1 trillion. **GRI 3-3**

Support for domestic producers is also provided for in our investment projects. For example, when implementing the "Comfortable School" project, the participation of domestic producers is enshrined in legislation.

We implement ESG criteria in our procurement activities. Particularly in reviewing applications from potential suppliers for projects under the New Productivity Programme. This process involves assessing projects against various criteria, including the use of renewable energy sources at all stages of a product's lifecycle and the use of technologies to reduce carbon footprints.

Table 8. Share of goods (works, services) purchased from domestic suppliers, %. **GRI 204-1**



³⁸ Vlast.kz

³⁹ Domestic suppliers are suppliers registered in the Republic of Kazakhstan. The indicator takes into account companies subject to the Fund's Procurement Rules.

Charity and social projects

We contribute to the social development of the country through charitable projects, sponsorship and the promotion of corporate volunteering. **GRI 203-2**

GRI 3-3

Social support in the regions where we operate

The portfolio companies of the Fund finance, within the framework of subsoil use contracts, socially significant objects, construction of sport complexes, social and economic development of the region, etc. In 2023, the total amount of financing for the Fund's group of companies will reach 54 billion KZT. **GRI 203-1**

Thus, NC KazMunayGas JSC allocated about KZT 5.6 billion for the development of regions of presence and social assistance. This includes the development of social infrastructure in Mangistau, Atyrau, Kyzylorda and Aktobe regions. For example, a 280-seat kindergarten was built in rural areas of the Atyrau region, as well as a building-complex "Schoolchildren Palace" for 350 seats in the Kyzylorda region.

In 2023, NAC Kazatomprom JSC initiated projects totalling KZT 2.3 billion to finance the construction of cultural centres, children's playgrounds and sports grounds, the purchase of educational equipment and the improvement of communities. Financial assistance is provided to vulnerable social groups by purchasing coal, food baskets, school supplies, and New Year gifts.



Social support in the regions of operation reached KZT

54 billion



Charitable projects with portfolio companies through a single operator – Samruk-Kazyna Trust.

Within the framework of the Charity Program 46 projects were implemented for KZT

7.2
billion

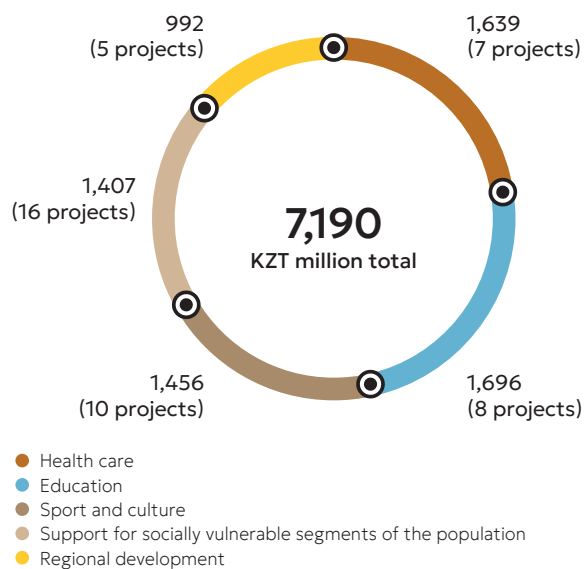
Charity projects covered

524
thousand people



A total of 46 projects worth KZT 7.2 billion were implemented in 2023. These projects reached 524 thousand people in Kazakhstan. Among them, mothers and children – 97 thousand people, rural population – 87 thousand people, 700 people were employed.

Charitable projects through a single operator – Samruk-Kazyna Trust.



Health care

In the healthcare sector, we pay special attention to increasing the availability of medical and rehabilitation care, using modern treatment approaches, and improving the quality of life of Kazakhstan. As part of the initiative to create a network of rehabilitation centers, the Fond and partners opened early intervention centers for children under three years of age, centers for children with autism, and rehabilitation centers for children under 18. In particular, 13 centers are launched in 2023: 7 early intervention centers, 5 centers for children with autism and other mental disorders and 1 rehabilitation center. At present we have opened 34 rehabilitation centers in all regions of Kazakhstan.

MORE THAN 500 CHILDREN WITH CANCER RECEIVED TREATMENT USING MODERN EQUIPMENT AT THE SCIENTIFIC CENTER FOR PEDIATRICS AND PEDIATRIC SURGERY.

As part of the “Give Children Life” project, the foreign treatment of 61 children whose diagnoses are incurable in Kazakhstan was paid for.

Often, there are no hospitals in remote villages, and not all residents can travel to the districts. For several years, we have been supporting the “Medical Trains” project to provide

free medical and legal assistance to residents of remote villages. In 2023, assistance was provided to about 100 thousand citizens. The medical train ran through 121 remote stations in all regions of the Republic of Kazakhstan. Until 2023, the train consisted only of doctors; this year, mediators and lawyers joined the train. The medical teams comprise 35 specialists performing diagnostic procedures and small outpatient operations. These are therapists, surgeons, general practitioners, neurologists, ultrasonic diagnosticians, obstetricians, laboratory technicians, nurses, radiologists, radiation diagnosticians, dentists, otolaryngologists, psychologists, ophthalmologists, gynecologists, and urologists. The schedule of the medical train was drawn up, taking into account the absence of medical centers at remote stations and based on appeals from citizens and government agencies. The medical train stayed 1-2 days at each station. Free consultations on protecting citizens’ rights included receiving State social support, assigning pensions, allowances, social payments, and targeted social assistance.

Free adaptive sports clubs have been opened in 23 settlements, and more than 1,100 special children attend them.

Education

In education, we are working to create equal conditions and opportunities for obtaining quality education and developing human potential.

IN THE ALMATY REGION, FREE EXTRACURRICULAR ACTIVITIES WERE ORGANIZED FOR 500 STUDENTS FROM SOCIALLY VULNERABLE CATEGORIES.

As part of the projects we support “Tugan elge sayahat”, “All ability camp”, “Summer without borders”, summer educational and sports-inclusive camps were organized for more than 1000 children and their parents.

Also, as part of an environmental educational project to cultivate the ecological culture of the population and form a new type of environmental consciousness among the younger generation in the East Kazakhstan region, an eco-laboratory has been created based on the regional library, which is equipped with equipment and a kit for studying the air, water, and soil of the city. Young ecologists learn to work with a 3D printer to design and print original models of birdhouses and bird feeders, devices for watering plants, and eco-souvenirs.



Sport and culture

Thanks to social projects in the field of sports, modern sports infrastructure is appearing in the regions. In 2023, 3 large sports complexes were built in Kostanay, Kyzylorda and North Kazakhstan regions.

IN TOTAL, WITH THE SUPPORT OF THE FOUNDATION, 11 SUCH COMPLEXES WERE OPENED AND 26 NEW SPORTS AND PLAYGROUNDS WERE INSTALLED.

As part of the development of the creative industry, the building of the regional youth library of the Aktope region was completely updated and revitalized into a creative center for science and modern creativity. The Creative Centre offers a wide range of different zones in terms of functionality and themes: a studio for content creation, photo, and video shooting, a music studio, co-working, a music lounge, multifunctional event space, community space for urban communities, thematic book rooms, TIKTOK-zones, workshops for artists, designers and architects, outdoor recreational area with a cinema screen for evening screenings, as well as a summer art residence with street activities and more.



Support for socially vulnerable segments of the population

As part of the Republican charitable project "Road to School," assistance was provided to 15,000 first-graders. When distributing social assistance, priority was given to needy residents of rural areas. Volunteers and employees of the Fund Group carry out the delivery and handing out gifts. First-graders in ten regions were provided to cross the threshold of an educational institution with their first school backpacks and all necessary school supplies offered on behalf of the Fund.

In 15 special boarding schools in Astana, Atyrau, Akmol, Aktope, and Pavlodar regions, sports kits were purchased-- balls for basketball, football, and volleyball, as well as gymnastics equipment, mats, wall bars with a horizontal bar, table tennis table, and other equipment. Thanks to the project, more than 2 thousand children from vulnerable sections of the population with special educational needs, orphans and children without parental care, children with speech and hearing impairments and mental retardation, and childhood disabilities will be able to engage in various sports fully.

Family yard clubs have been established in Astana. Thanks to the project, children from socially vulnerable sections of the population learn English and engage in robotics, music, and chess. Sports and creative clubs in Astana cover 3,500 children. At the same time, in these yard clubs, psychologists assist parents who find themselves in difficult life situations.



Corporate volunteering

THE FUND'S GROUP OF COMPANIES HAS THE SK VOLUNTEER LEAGUE, WHICH UNITES ALL EMPLOYEES OF THE GROUP OF COMPANIES WHO ARE NOT INDIFFERENT.

Volunteering is carried out in four areas: Qamqor – care for people in need, Umit – public volunteering, Asyl mura – assistance in preserving the history of Kazakhstan, Taza Kazakhstan – contribution to the preservation of nature.

Representatives of the Fund's portfolio companies regularly organize environmental actions to clean the banks of rivers from garbage. In the New Year, employees of the Fund and volunteers give gifts to children from large and low-income families. The "Donor's Day" campaign is held, and employees of the Fund's group of companies participate every year. Within the framework of the charity project "Zheinis," aimed at providing targeted assistance to veterans, volunteers regularly visit veterans of the Great Patriotic War and home front employees. They bring them food baskets and medicines and help with household chores.

We also try to respond to emergencies. For example, in 2023, the Fund allocated KZT 200 million to the victims of fires in the Abay region. The funds were used to provide humanitarian aid to residents of evacuated settlements and to specialists involved in firefighting.





Our people

- 85 Creating equal opportunities
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- 97 Social and labor relations
- 100 Workplace Safety
- 108 Employee health and well-being



ATYRAU
REFINERY

THE DESIGN
CAPACITY
OF PROCESSING
IS

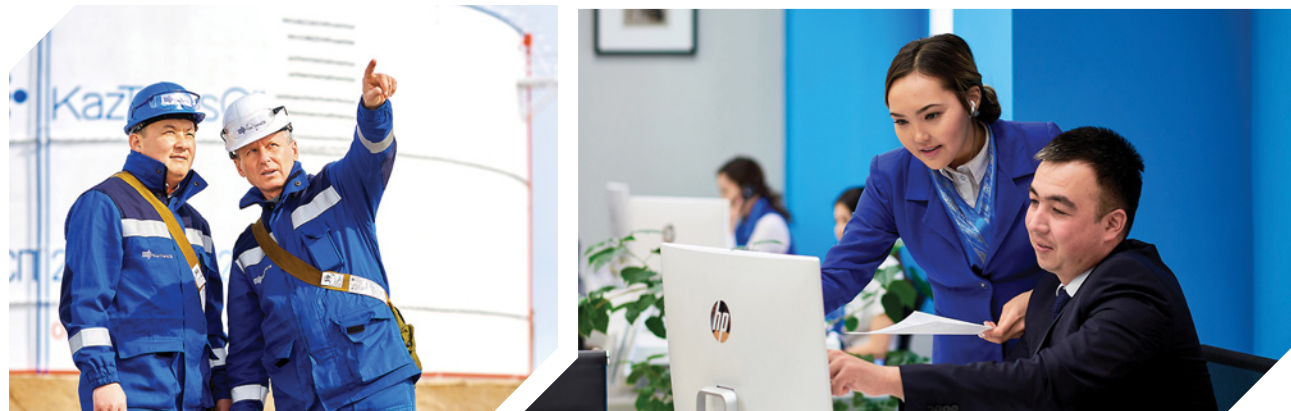
5.5 MILLION
TONS
PER YEAR

REFINING
DEPTH UNTIL

86.4%



WE CREATE AN INCLUSIVE WORK ENVIRONMENT WHERE EVERY EMPLOYEE IS RESPECTED AND HELD TO THE HIGHEST ETHICAL STANDARDS. WE PROVIDE EQUAL CAREER OPPORTUNITIES FOR EVERYONE.



We attract professional candidates to the labor market openly and transparently, develop programs to develop and improve employees' skills, and provide employees with access to training per the principle of meritocracy. It is essential to provide a safe working environment for employees, especially production personnel, and an inclusive work environment where discrimination in any form is not tolerated. Employees' success, professional growth, and development are the main guidelines for personnel policy in the Fund and portfolio companies.

Personnel policy reflects the principles that we adhere to in our activities:

- continuous improvement of programs for advanced training and human capital development;
- continuity of experience and knowledge as a necessary condition for increasing internal expertise throughout the Fund's Group of Companies;
- focus on maintaining a balance of interests of employees and employers through the implementation of IR, HSE, and CSR practices throughout the Fund's Group of Companies;
- ensuring transparency of HR processes and maintaining a policy of openness.

In 2023, individual portfolio companies (Air Astana JSC, NC KazMunayGas JSC, Mangistaumunaigas JSC, NAC Kazatomprom JSC, Embamunaigas JSC, Ozenmunaigas JSC, JSC NC QazaqGaz, KTZ — Freight transportation JSC) were included⁴⁰ in rating of the most attractive employers, which once again proves the Fund Group's focus on employees and society as a whole and the guarantee of decent working conditions.

Personnel management processes are regulated by corporate documents, which are developed by the law of the Republic of Kazakhstan and follow the obligations and rules related to the Labor Code of the Republic of Kazakhstan. The Fund and its portfolio companies have developed and approved:

- Rules for remuneration, bonuses, and evaluation of employee performance;
- Rules for providing social support to employees;
- Rules on business trips of employees;
- Rules for searching and selecting employees;
- Code of Business Ethics⁴¹;
- Rules for competitive selection, hiring for vacant positions, and adaptation of personnel;
- Rules for personnel training and development;
- Internal labor regulations, etc. **GRI 3-3**

⁴⁰ The rating was conducted as part of a large-scale independent study of employer brand perception, commissioned by ANCOR in 2023
⁴¹ The Code of Business Ethics was developed by the legislation of the Republic of Kazakhstan and taking into account the requirements of the International Labor Organization.

GRI 2-23

Creating equal opportunities

In our activities, we pay special attention to respect for human rights.

In our activities, we pay special attention to respect for human rights. We are committed to the human rights principles in the International Bill of Human Rights and ILO Labor Standards. In particular, we monitor compliance with employees' rights. We pay special attention to protecting women's rights. **GRI 2-23** HR management processes are regulated by corporate documents. Corporate documents, in turn, are developed by the law of the Republic of Kazakhstan and follow the obligations and rules related to the Labor Code of the Republic of Kazakhstan. **GRI 3-3**

We strive to create a working environment where any form of discrimination on religious, racial, ethnic, gender, age, and other grounds is excluded. The Fund prohibits any form of behavior that is offensive, aggressive, or hostile. **GRI 3-3 GRI 2-24**

To ensure an effective management system, we constantly update the HR Policy, implement the best HR practices throughout the Fund Group, and update regulatory documents on non-discrimination and human rights. **GRI 2-24**

As the largest employer in Kazakhstan, we need to maintain a high level of social stability and ensure social justice in working conditions and remuneration. The Fund Group continues to work to create equal career opportunities for all employees. We aim to encourage a diverse balance of age, gender, and nationality. **GRI 3-3**



As of the end of 2023, the Fund Group employs more than **267** thousand people



Inclusion and equality

The Fund Group employs more than 267 thousand people at the end of 2023 (262 thousand in 2022). There have been no significant changes in the number of employees over the past four years. Of the full-time employees, the number of permanent employees is 250,333, while the number of temporary employees is 17,481. The largest number of employees is in the transport and logistics sector (53% of the total) and in the oil and gas sector (23%). The number of employees with a part-time schedule is 7,129 people. The executive bodies of the companies employ 213 people. **GRI 2-7**

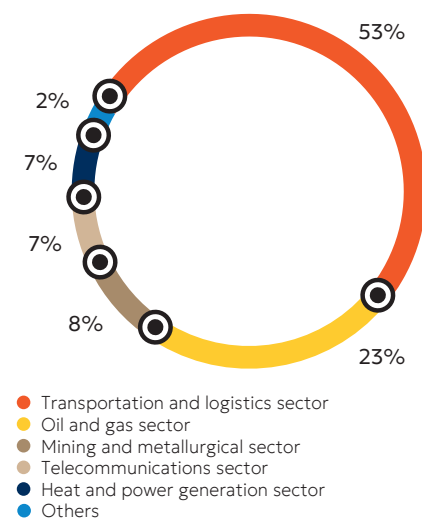
In the reporting year, as before, we emphasized actions in favor of the need to respect gender equality. We are committed to the seven principles of gender equality through the UN Women partnership and the UN Global Compact:

- support for measures to ensure gender equality,
- fair treatment of women and men – no discrimination based on gender, equal treatment and access to all social opportunities,
- respect and support of human rights, lack of discrimination,
- ensuring health, safety, and well-being for all,
- promoting education, professional growth, and empowerment of women in enterprises,
- promoting equality at the local community level,
- assess results and inform the public about progress towards achieving gender equality. **GRI 3-3**

Production activities lead to a traditional predominance of men (73% in 2023), the share of women in the personnel structure is 27%. In senior management, the share of women on the boards of the Fund's Group of Companies is 17% (14% in 2022), and on supervisory and trustee boards, as well as on boards of Directors – 13%. **GRI 405-1**

INCREASING THE SHARE OF WOMEN ON THE BOARD OF DIRECTORS AND EXECUTIVE BODIES IS CARRIED OUT IN PHASED STEPS IN PORTFOLIO COMPANIES TO ACHIEVE THE GOAL OF 30% BY 2030.

Personnel structure by sector, %



Thus, in one of our portfolio companies – Samruk-Kazyna Business Service LLP– the share of women in the Supervisory Board has already reached 67%. At the same time, in the short term, by December 2024, it is planned to achieve a 21% average share of women in the management bodies of the Fund Group. **GRI 3-3**

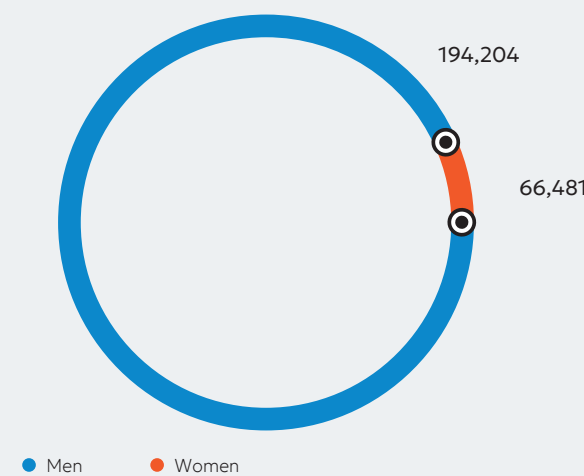
Progress towards gender equality is also being seen in other areas. For example, in 2023, 528 men went on parental leave [\(more details in Annex 11\)](#).

The Fund, together with the National Commission for Women's Affairs and Family and Demographic Policy under the President of the Republic of Kazakhstan, created the "Gender Equality" program to increase the proportion of women in the management bodies of companies.

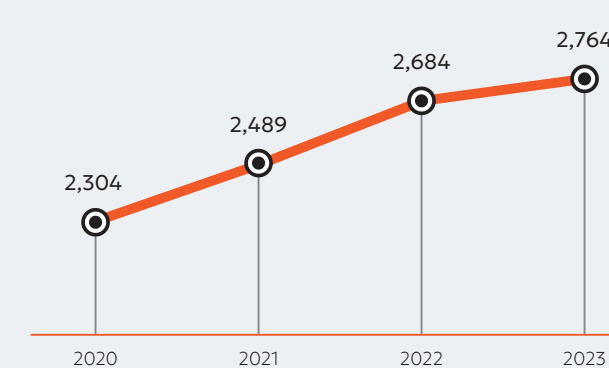
In total, 71 employees of the Fund Group from all over Kazakhstan completed the training course. Fifteen graduates have already been included in expert groups at central government agencies and regional commissions on women's affairs and family and demographic policy. Another 10 participants were accepted into the governing bodies of state-owned companies. **GRI 3-3**



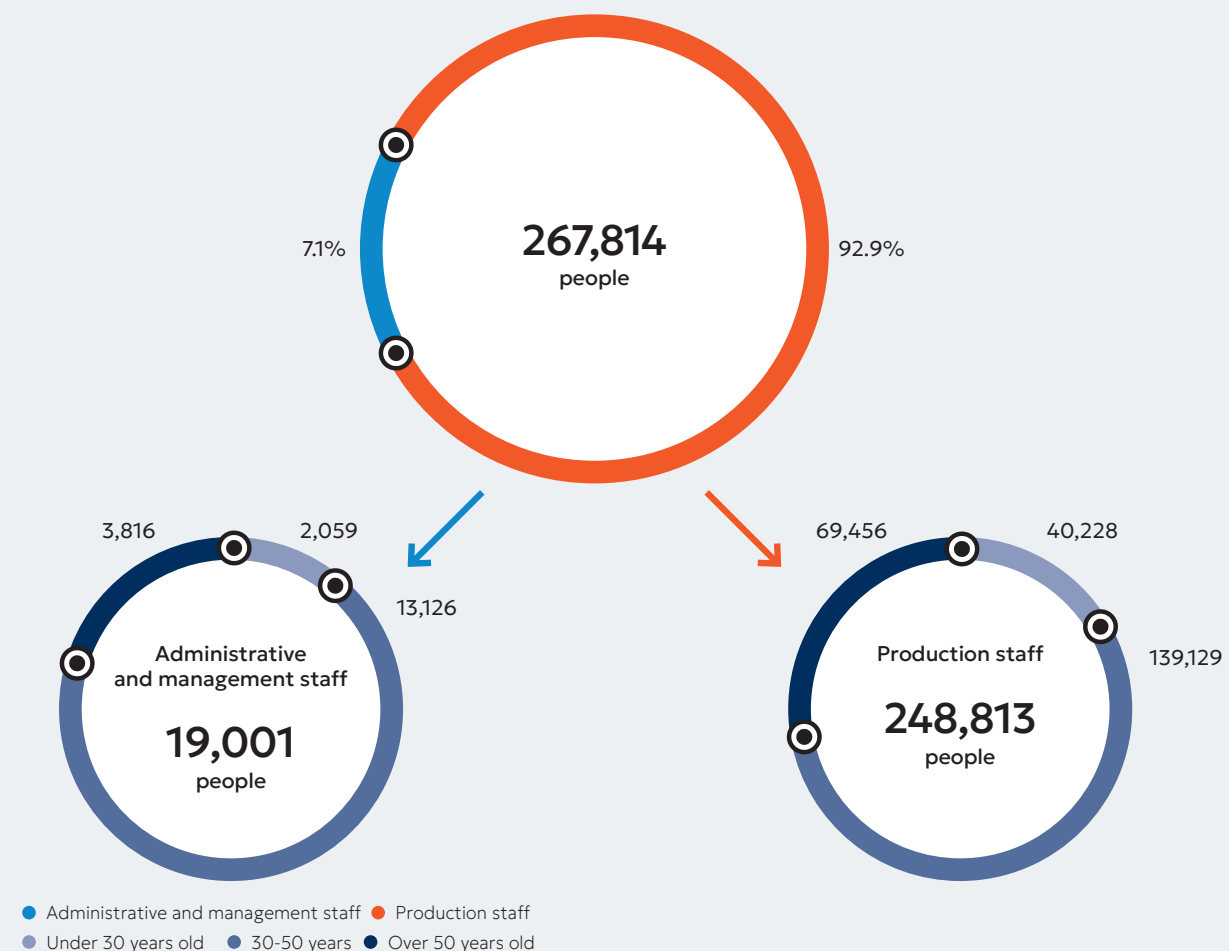
Number of full-time employees by gender, people **GRI 2-7**



Number of employees with disabilities, people **GRI 405-1**



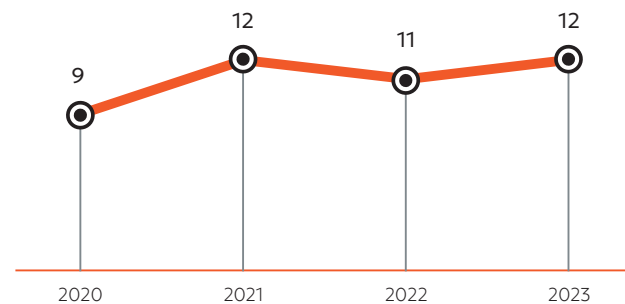
Structure of administrative, managerial and production staff by age, people



⁴² Employees on maternity and childcare leave, educational leave, etc.



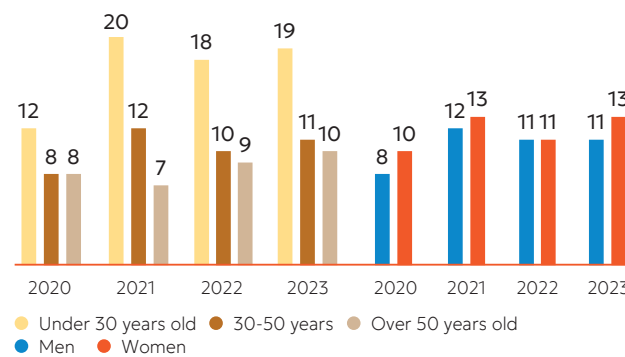
Employee turnover, %



The staff turnover rate at the end of 2023 was about 12%. **GRI 401-1**

AN EQUALLY IMPORTANT SIGN OF EQUALITY FOR US IS THE BALANCE OF THE AGE STRUCTURE OF THE STAFF. IN 2023, THE LARGEST SHARE WAS OCCUPIED BY EMPLOYEES AGED 30 TO 50 YEARS – ABOUT 152 THOUSAND PEOPLE OR 57% OF THE TOTAL NUMBER.

Employee turnover by gender and age, %



There is also high age diversity in the composition of the Management Board. We actively attract members of the Presidential Youth Talent Reserve to leadership positions. Two of the five managing directors of the Fund itself are young graduates of the reserve.

We strive to promote Kazakhstani personnel to leadership positions. The number of members of the Boards of Directors and Supervisory Boards who are citizens of Kazakhstan increased to 72.5% across the entire Fund Group. **GRI 202-2**

The Fund Group ensures fairness and equality in employee remuneration. Salary and remuneration depend on the employee's position and professional achievements, not gender and age. Salary parity is ensured for comparable positions. **GRI 405-2**

To create equal career opportunities for everyone, we also recruit people with disabilities to work in the Fund Group. In 2023, we employed more than 2,700 people with disabilities, the most significant number in the Mangistau region (346 people).

Our activities include freelance employees in the chain of production and administrative processes. The payroll number of freelancers is 10.3 thousand at the end of 2023 (13.7 thousand people in 2022), including employees under an outstaffing agreement – 4.2 thousand people. The number of personnel working under a civil contract is more than 6 thousand people at the end of the year. Freelance employees are essential to seasonal work and short-term and medium-term projects. They perform various types of work in accordance with the specifics of the activities of portfolio companies and administrative work (translation services, smartphone photography, etc.). **GRI 2-8**

We pay attention to employee recognition and incentives to achieve business results and improve the remuneration system. We analyze the labor market, keep salaries in line with financial and economic opportunities, maintain a differentiated approach to determining salary levels, and reduce gaps between administrative and management personnel and production personnel. The same system is being implemented in portfolio companies.

The Fund has a positive reporting policy and takes corrective actions when discrimination cases arise. In the Fund's portfolio companies, no cases of discrimination against employees based on gender, age, nationality, religion, or other grounds were registered in the reporting year. **GRI 2-24 GRI 406-1 GRI 3-3**

Employment and equal opportunities

Fair and transparent hiring and promotion processes are fundamental to maintaining diversity among the Fund's and its portfolio companies' workforce and ensuring equal career opportunities.

The Fund's management system is focused on a fair recruitment procedure from all regions of Kazakhstan, selecting professionals with diverse work experience and in compliance with non-discriminatory principles. **GRI 3-3** The Fund Group companies hired 41 thousand employees in the reporting year, which is 7% more than in 2022. **GRI 401-1** Most employees are accepted in Astana.

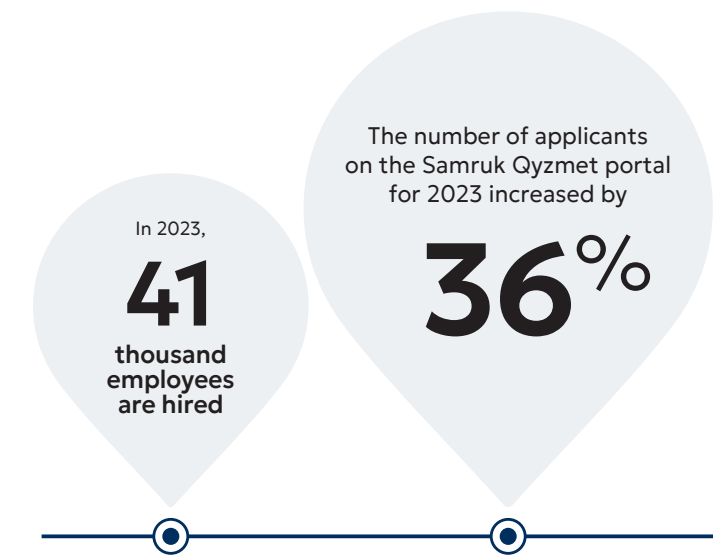
To increase the transparency of the procedure for selecting and hiring employees for the Fund and portfolio companies, a single online recruiting platform, Samruk Qyzmet, has been operating since 2019 (Qsamruk.kz). The platform unites 549 organizations and branches, 521 of which are part of the Fund Group. Since 2022, vacancies have been published publicly in the tg channel @samrukkazynaofficial for most cities and regions of Kazakhstan. Training is provided for HR specialists of the Fund's Group of Companies to introduce a culture of inclusivity and diversity. **GRI 3-3**

More than 50 different online tools are available to users, including integration with other resources, testing, video interviews, messenger, automation of resume screening, and much more.

From 2019 to January 1, 2024, companies published 49,537 vacancies (for 2023 – 21,910). The number of applicants on the portal for 2023 increased by 36% (from 136,489 to 186,211 applicants), and the number of responses from applicants by 43% (from 143,465 to 205,201), which indicates a significant increase in candidate's interest in open vacancies.

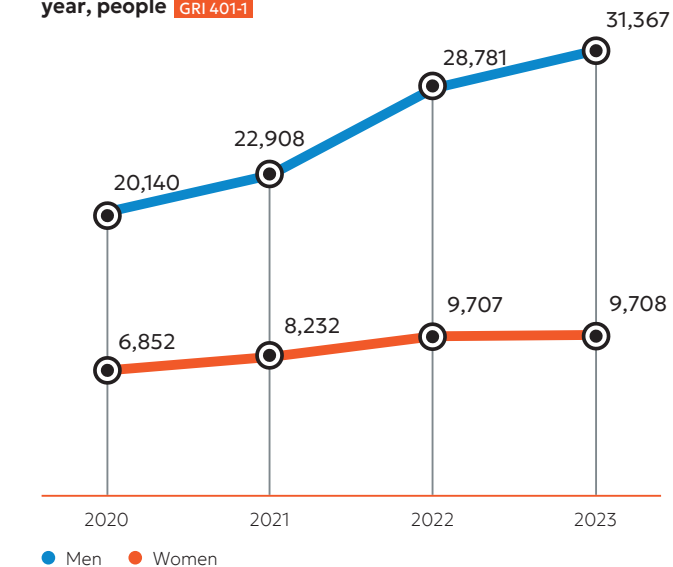
THE FUND OPENS EMPLOYMENT OPPORTUNITIES FOR PEOPLE WITH SPECIAL NEEDS BY POSTING INCLUSIVE VACANCIES ON THE QSAMRUK.KZ WEBSITE (23 VACANCIES IN 2023).

GRI 404-1



Strengthening the requirements for management personnel allows us to maintain transparency when accepting candidates for the positions of chief executives, managing directors and heads of divisions of the Fund's companies. Managers supervising and dealing with procurement issues undergo a specialized polygraph test using psychological profiling for resistance to corruption risks (lie detector) to predict the potential risk of affiliation and corruption. **GRI 205-1** In 2023, 150 candidates in 47 companies passed a polygraph test, while 86 candidates did not achieve the required indicators and were not hired.

New employees hired in the reporting year, people **GRI 401-1**



⁴³ Data was collected through consolidation from portfolio companies

Ensuring decent working conditions

We use a large-scale social support system that meets employees' interests, promotes their retention, and ensures comfortable working conditions. **GRI 3-3**

Supporting social stability by providing competitive wages and a social package for employees is an important aspect of the Fund's activities.

In addition to its social package, all guarantees and benefits provided by the Labor Code of the Republic of Kazakhstan are provided in the Fund and portfolio companies⁴⁴. We provide employees with a guaranteed social package, which includes the following types of social benefits and compensation:

- financial assistance for recovery before work leave,
- payments in connection with pregnancy and childbirth,
- monthly payments to employees on parental leave until the child reaches the age of 1.5 years,
- provide assistance in resolving housing issues,
- compensation upon termination of an employment contract in accordance with current legislation,
- a one-time payment in connection with the death of an employee for the organization of a funeral, a one-time payment to the family of an employee who died as a result of an accident at work. **GRI 401-2**

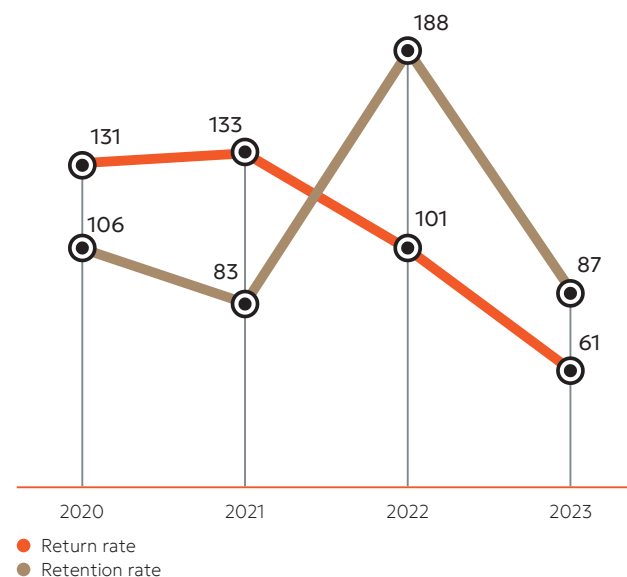
As one of the measures to support employees, our expenses for health improvement and education in 2023 amounted to KZT 25 billion, compared to KZT 20.8 billion in 2022.

In 2023, 8,555 people took maternity and parental leave (including 6% of men). All employees of the Fund Group had the right to maternity or childcare leave by Kazakhstan legislation. **GRI 401-3**

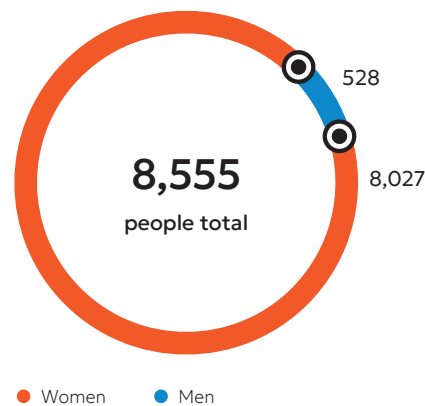
We provide voluntary health insurance to support the health of employees **GRI 401-2**

In addition to the basic social package, historically developed types of social support for employees are provided. **GRI 401-2** Social assistance of this kind is enshrined in collective agreements or regulated in the requirements of regulatory documents of an individual enterprise⁴⁵ **GRI 2-30**

Return rate and retention rate, %



Number of employees who took maternity and parental leave, people **GRI 401-3**



Between 2% and 33% wage increases were given to

243
thousand employees

Expenses for health improvement and education in 2023 amounted to KZT

25
billion

We include payments to such support:

- for treatment and payment for medical operations if the costs of treatment exceed the limit established by the insurance program;
- disabled employees;
- employees in connection with the birth of a child;
- for short-term leave upon marriage;
- employees in connection with marriage;
- employees in connection with reaching the anniversary age;
- employees in connection with the death of relatives – with retention of wages;
- children of disabled employees, and many others.

GRI 404-1

Crisis periods in the economy do not affect the payment of these benefits.

Employees' pension savings are kept in the Unified Accumulative Pension Fund. They consist of a minimum pension rate guaranteed by the state; from individual pension savings (10% of monthly salary) and additional regional allowances. **GRI 201-3**

In 2023, the salaries of about 243 thousand Fund Group employees were increased from 2% to 33%, with an emphasis on low-paid positions.

The minimum notice period for significant changes in the organization's activities is no later than 15 calendar days unless

labor and collective agreements provide for a more extended notice period. **GRI 401-2**

In 2023, we carried out significant work to improve employee well-being, focusing on supporting production staff. For example, the Preferential Lending Program of KEGOC JSC has been implemented to provide social support to employees to retain and attract highly qualified personnel in demand. As a result, in 2023, 51 employees purchased housing, and 129 employees were assisted in resolving housing issues by partially reimbursing housing costs.

We are working to create favorable working conditions. For example, in 2023, as part of the implementation of industrial relations standards, JSC NC Kazakhstan Temir Zholy allocated KZT 20 billion (KZT 3.5 billion in 2022) for:

- repair of 228 buildings, 465 premises, and 37 rest houses for locomotive crews;
- installation of 1,224 heating points for production employees;
- installation of 137 modular buildings;
- purchase of 384 vehicles;
- supply of more than 17 thousand units of furniture, more than 2.1 thousand units of household appliances;
- delivery of more than 2,800 units of small mechanization and 4 motorized locomotives.

Similar activities are planned for 2024, including building/premises repairs, rest homes for locomotive crews and purchasing modular buildings, etc.

⁴⁴ The social package may vary depending on the company. The Fund does not provide benefits for employees in the form of share ownership. All significant benefits in the Fund Group are indicated.

⁴⁵ If the employee is not a participant in the Collective Agreement, his working conditions are determined by the internal documents of the employing company.

Professional development

Human capital development through building human resources potential, strengthening the competencies of employees in new fields and continuous improvement of their qualifications based on the best international practices is one of the strategic objectives of the Fund.

We contribute to the competitiveness and resilience of the labor market by promoting workforce retraining and development. One of the Fund's strategic objectives is developing human capital through increasing human resources, strengthening employees' competencies in new areas, and continuously improving their qualifications based on the best global practices. [GRI 3-3](#)

Employee development is based on the 70/20/10 principle, in which each employee is responsible for his training and development through an individual development plan. We invest in self-development, training, coaching, mentoring, functional academies, HR projects, and professional communities within the Fund Group to create a highly qualified human resources potential. [GRI 3-3](#)

Key priorities for maintaining and strengthening competitive advantages:

- implementation of competency development programs, modular training programs,
- priority training of engineers and technicians, and employees,
- development of dual training for engineering and technical specialties,
- use of digital technologies in teaching,
- development of adaptation programs for all levels of personnel.

Approaches in the Fund Group include developing an internal training system, rotating employees to acquire and develop skills, creating a talent pool, improving assessment methods, ensuring knowledge transfer between foreign and local employees, supporting employees in international training programs, and introducing outplacement programs to help employees in transitioning to new opportunities in the event of downsizing, restructuring, liquidation or retirement. [GRI 404-2](#) [GRI 3-3](#)

Staff training

On average, one employee of the Fund Group completed 23 academic hours (19 hours in 2022) of training in 2023. [GRI 404-1](#)

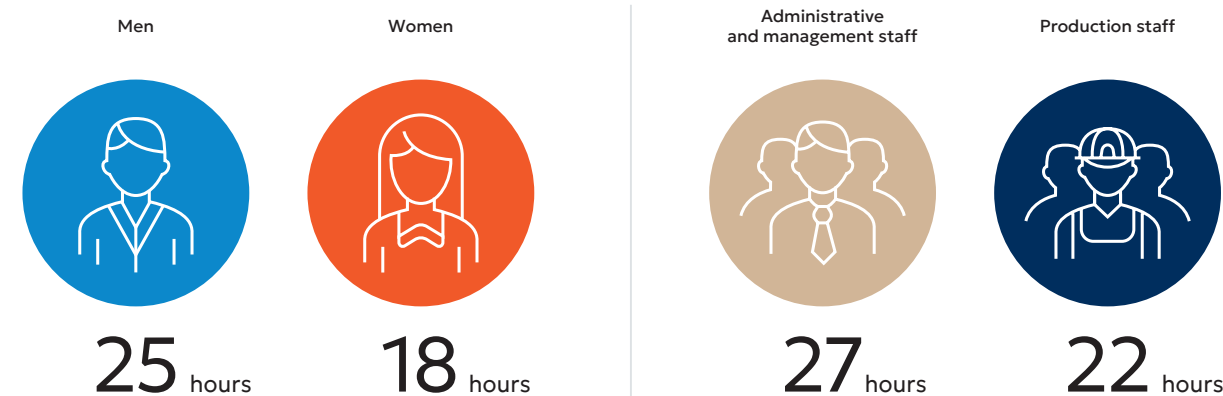
THE TOTAL NUMBER OF HOURS OF PERSONNEL TRAINING FOR 2023 WAS 6.2 MILLION (PRODUCTION PERSONNEL – 5.6 MILLION HOURS PER YEAR, ADMINISTRATIVE AND MANAGEMENT PERSONNEL – 0.5 MILLION HOURS PER YEAR).

Portfolio companies also conduct training on sustainable development issues. For example, to increase employee awareness of ESG best practices, during the second quarter of 2023, the power and heat generation sector organized corporate training for employees at all levels on the topics: "Global Climate Agreements," "National Greenhouse Gas Regulations," "ESG principles/practices," "Carbon cycle, climate change, monitoring methods," "RES: global trends and development in the Republic of Kazakhstan," "Corporate strategies." The training was conducted by Tetra Tech ES, Inc., a corporation implementing the Central Asia Energy project funded by USAID.

We value our employees' talent and diligence. The core principles of talent management include developing the Fund's talent pool in line with business strategy, transparency, and fairness, creating a pool of successors that meet real needs, discussing career plans, and developing employees' careers outside their department. The main objective of the talent management system is to create a pool of employees who have the potential to perform essential roles for the company and provide the Fund with the necessary talent in various industries in the future.



Average number of academic hours of employee training by gender and by personnel category



Internal regulations regulate regular assessments of the personnel performance of the Fund's personnel. The assessment aims to increase employees' efficiency by determining the requirements for work results, skills, knowledge, and competencies of employees to achieve the Fund's strategic goals. The number of employees receiving regular performance and performance reviews is 40,010, representing 15% of the Fund's headcount. [GRI 404-3](#)

Performance assessment is based on the following basic principles:

- providing fair and objective feedback built on trust;
- assist in identifying training and development needs;
- assistance in improving individual performance indicators.

We conduct development forums and educational programs with the private company Samruk Business Academy. The company has passed institutional accreditation by the international agency IAAR, confirming the high quality of educational services at the international level. All educational programs

and educational organizations that have passed international accreditation by the IAAR agency are included in the European database – DEQAR (The Database of External Quality Assurance Results), which confirms the compliance of educational programs and organizations with global ESG quality standards and is the basis for recognition of accredited educational programs on the territory of the European Higher Education Area.

Corporate culture and values

We continue to create and develop an effective corporate culture based on strong leadership teams, implementing the fundamental principles of meritocracy and investment in personnel development.

Further promotion should be given to corporate values that will contribute to the achievement of the strategic goals and key priorities of the Fund. Corporate values HIT (Humility, Integrity, Transparency): humility, honesty, and transparency underlie the corporate culture and are the main principles of internal and external communications. **GRI 3-3**

Each manager and employee of the Fund takes responsibility for following corporate values, which are embedded in ethical standards of behavior.

AMONG THE MAIN EVENTS OF 2023 IS THE HOLDING OF THE HR FORUM “BOLASHAGYMYZ – BIRLIKTE!” (FOR THE FUTURE – TOGETHER!) WITH THE CENTRAL THEME OF HUMAN CAPITAL DEVELOPMENT OF THE FUND GROUP OF COMPANIES, WHICH ATTRACTED THE ATTENTION OF MORE THAN TWO HUNDRED HR PROFESSIONALS.

At the forum, the industry's most critical issues were discussed to form a common understanding of the tasks and priorities of the Fund's Personnel Policy, increase the level of communications among companies, exchange experience and effective HR practices. The event was attended by managers and HR specialists from the Fund's largest portfolio companies, as well as their branches and subsidiaries.

As part of the HR Forum, a new project was launched, which will become a center of attraction for expertise and networking in the field of human resource management – “HR school”, where the Group's employees will learn advanced industry practices.

The Fund's portfolio companies have launched a new interaction platform for the professional community of HR companies of the Fund – HR connect. HR connect is aimed at stimulating the exchange of experience and best practices within the Group of Companies. The platform will become a platform for finding new solutions, both in matters of training and developing the potential of employees and improving the skills of the Group's HR directors.

We pay special attention to training and supporting young professionals. In May 2023, a training program for young HR specialists of the Fund Group from all over Kazakhstan was held in Astana. The main theme of the course was trending

areas – diversity and inclusion.

The School of Corporate Volunteering was launched at JSC NC Kazakhstan Temir Zholy to inspire and support employees' participation in the company's social and charitable initiatives. 120 people have already completed a training course. Employees received new knowledge and skills and participated in the environmental youth project “Clean Games” and the intellectual game “Temirzhol bilgirleri”.

In addition to holding events for the employees, we conduct various safety master classes for their children on basic traffic rules, fire safety rules, protection from strangers, and Internet use.

Further directions of development:

- Launch of new training programs (HR, PR, IR schools, etc.):
 - C&B School, scheduled to start in April 2024;
 - HR school, scheduled to start in April 2024;
 - PR school, scheduled to start in May 2024;
 - IR School, scheduled to start in June 2024.
- International accreditation FMD Global/Global CCU.
- Implementation of the SBA LMS system (automated system for disseminating knowledge and experience). Today, the LMS (learning management system) hosts HSE and Financial Freedom courses. Negotiations are also underway with partners to host online courses.
- Creation of a center for applied qualifications with expert and methodological support.
- Development of industrial training programs: “School of Oil and Gas Industry and Petrochemistry,” “School of Transport and Communications,” “School of IT and Telecommunications,” “School of Energy,” “Health&Safety School.”
- Implementation, development, and updating of adaptation programs for all personnel levels.
- Introduction of mentoring for newly hired employees (Buddy program).
- Improving the professional competencies of HR employees, including certification of HR employees.



Programs for youth

We are actively developing corporate culture and employer branding to attract and retain specialists, especially young talent. **GRI 3-3**

Young professionals under the age of 35 over

80
thousand people

The Fund has over 80 thousand young specialists under the age of 35 out of the total number of employees.

A systematic approach to working with youth is ensured by emphasizing young specialists' intellectual and professional development. The Fund complies with the Action Plan for the development of youth policy. In portfolio companies,

responsible persons have been identified for working with youth, and the institution of Youth Councils also operates.

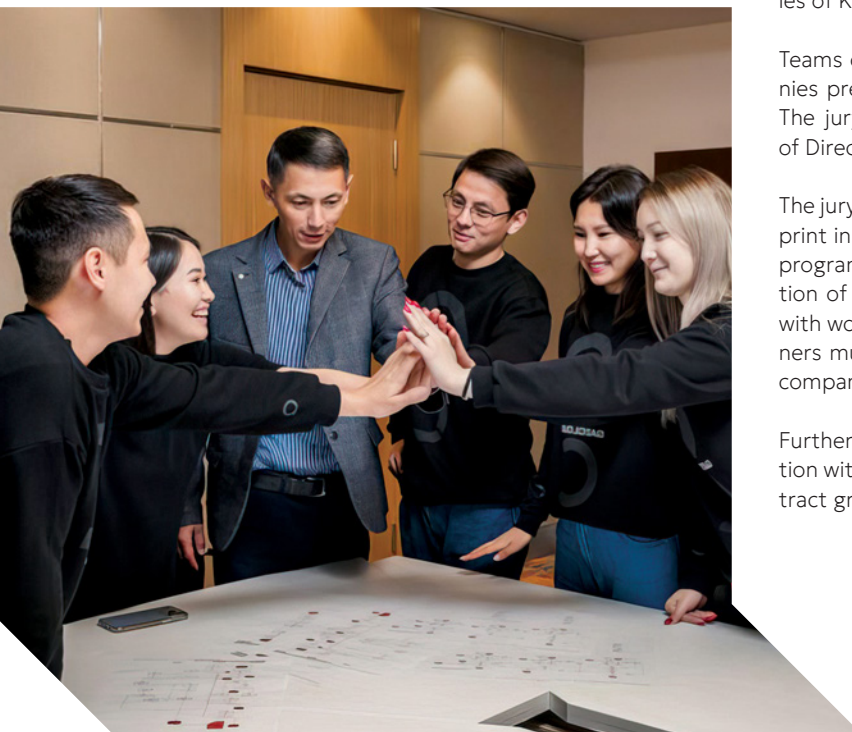
In August 2023, we summarized the results of the "Zheti Kadam" modular program for developing young leaders. The program was created as part of implementing a program to support youth policy to turn young and effective employees of the Fund and portfolio companies into future leaders. Teach them techniques for introducing management competencies, developing communication skills, working in a team, and understanding the principles of budget planning.

At the youth forum of the "Zheti Kadam" program, 49 were chosen from 200 participants based on a special challenge. They were then divided into seven teams, each assigned two experienced mentors from the presidential youth personnel reserve. Seven training modules were conducted in seven cities of Kazakhstan.

Teams consisting of specialists from the Fund Group companies prepared for the defense of projects for seven months. The jury of the final stage included members of the Board of Directors and heads of the Fund's portfolio companies.

The jury recognized the work "Reducing the hydrocarbon footprint in enterprises" as the best project of the "Zheti Kadam" program, the second place went to the project "Implementation of youth policy", the third place was taken by the team with work on the topic "Safety culture in enterprises". The winners must implement their project in one of the Fund Group companies over the next two years.

Further development plans mainly include extensive interaction with universities/secondary educational institutions to attract graduates.



Social and labor relations

We strive to improve employees' working conditions, safety measures, and other social aspects to ensure people's wellbeing.

Share of employees covered by collective bargaining agreements

97%

Share of trade union members among production staff - more than

84%

We consider the balance between production goals and social priorities to be one of the main tasks in the regions where we are present. Regular sociological research in all portfolio companies and the development of corrective measures are carried out continuously. **GRI 3-3**

The inalienable rights of employees include the right to freedom of association, the right to unite in trade unions to protect the interests of labor collectives. We fully support this right and create a favorable environment for developing this institutional structure. **GRI 407-1**

One of our strengths is the presence of qualified and competent personnel focused on common corporate values. At the same time, given our presence in most of the country and Kazakhstan's different levels of regional development, social issues arise in the teams of both portfolio companies and contractors. Trade unions are an excellent example of a platform for dialogue, as evidenced by global experience. The share of employees covered by collective agreements is 97% of the total number of employees of the Fund. **GRI 2-24**
GRI 407-1 **GRI 2-30** **SASB**

Regulation of social and labor relations and the development of social partnership is carried out through the Center for Social Interaction and Communications (hereinafter referred to as CSIC) in the Fund's Group of Companies. To coordinate the interaction of the Fund's divisions and portfolio companies in the event of crisis situations and the organization of anti-crisis measures, the Fund's Operational Headquarters has been operating since 2021. During the reporting period, 5 meetings of the Operational Headquarters were held.

We monitor the moral and psychological climate in work collectives. Work is underway to improve working conditions and prevent labor disputes. The Center for Monitoring Social Stability operates under the CSIC, which collects and analyzes 24/7 operational data on the preconditions or facts of the emergence of social tension in work collectives through 5 communication channels (email, telephone, WhatsApp messenger, website). Since April 2023, a new fifth communication channel has been launched – a QR code that directs the applicant to the website <https://nysana.csc.kz/website>. QR codes are placed at the Fund Group enterprises, allowing employees to quickly resolve conflict situations, get answers to questions, and be heard.

The Fund has approved a Comprehensive Plan to Ensure Social Stability. The interactive Social Stability Map system allows monitoring of the situation in real-time at the enterprises of the Fund's Group of Companies (there are 12 portfolio companies in the perimeter, more than 230 thousand people).

Since 2013, the Fund's Group of Companies has been conducting a Study of the Level of Social Stability by Samruk Research Services. This study covers almost all employees and allows the Fund to diagnose problem areas in the social and labor relations of production teams throughout Kazakhstan and take timely preventive measures.

THE LEVEL OF SOCIAL STABILITY IN THE FUND'S GROUP OF COMPANIES AT THE END OF 2023 IS SATISFACTORY – THE OVERALL SRS INDICATOR WAS 70%, REMAINING UNCHANGED SINCE 2022 (COVERAGE OF MORE THAN 72 THOUSAND RESPONDENTS). THE STUDY WAS CONDUCTED VIA SMS (ONLINE SURVEY) AND TELEPHONE SURVEY.

More than 84% of the Fund Group companies' production personnel are trade union members. Collective agreements provide more than 20 types of social benefits for employees and their families, which will be expanded.

Our comprehensive educational project, "Corporate School of Trade Union Activists," has nurtured professional trade union employees of a new generation for over six years. The training program pays special attention to issues such as conflict management, mediation, the psychology of effective communication, and forming a collective agreement. Much attention is paid to the step-by-step algorithm for creating a trade union and forming a collective agreement. At the Activist School, students are taught to prevent disputes from occurring rather than deal with their consequences. The School's program in-



cludes training in today's in-demand skills, such as labor law, collective bargaining, and union organizing. **GRI 407-1**

In 2023, more than 300 participants participated in two Forums of trade union activists, mediators, and Ombudsmen of the Fund Group of Companies, held in June in Almaty and December in Shymkent.

Work will continue to promote and strengthen the role of conciliation institutions, including training trade unions and creating its own pool of mediators.

To promote alternative methods of resolving conflicts and disputes without leading to litigation, a special mediation course, "Pool of Mediators," has been organized since 2022.



IN 2023, 63 MEDIATORS COMPLETED ADVANCED MEDIATION TRAINING, AND ANOTHER 4 MEDIATORS COMPLETED THE INITIAL BASIC COURSE IN MEDIATION IN VARIOUS PORTFOLIO COMPANIES.

GRI 407-1 GRI 102-2

More than 160 specialists have been trained within the Center for Social Interaction and Communications. Due to their certificates, all of them are included in the Republican Register of Mediators and now have the official right to act as mediators in negotiations between production personnel and company management. The track record of the pool of mediators that forms the CSIC already includes over ten successful cases of overcoming contradictions.

Thanks to the measures taken, labor disputes are resolved within the legal framework using mediation methods involving local trade union organizations of the Fund Group of Companies and through appeals to the judiciary.

Another direction is the introduction of IR (Industrial relations) methods in the Fund's Group of Companies, which will improve the level of social and living conditions in production. In 2022, the Corporate Standard was approved to ensure uniform approaches and centralized regulation of IR development in the Fund's Group of Companies.

Based on the results of IR screenings to study social and living conditions in 2023, 43,602 sanitary and epidemiological wellbeing inconsistencies were identified across the Group of Companies of Samruk-Kazyna JSC. The average number of non-compliances in the field of sanitary and epidemiological welfare per enterprise is 221. The degree of provision of production personnel with basic social and living conditions in the Fund Group is 54%. To ensure working conditions, action plans have been developed to improve social and living conditions based on the results of the analysis of IR screenings. For the Fund Group, level 1-2 inconsistencies (19,537) must be eliminated by the end of 2024; currently, 5,664 inconsistencies have been eliminated.

The training program for IR specialists of the Fun's Group of Companies was completed in the reporting year. In five months, employees could improve practical skills in in-

dustrial relations and develop an introductory course for new employees. Over the course of five modules, program participants studied labor conflicts and the causes of their occurrence in production, the basics of the psychology of industrial relations, sanitary and epidemiological wellbeing, personal effectiveness, GR, and much more. In addition, they presented possible solutions to real cases recorded by the Nysana contact center. Based on the program's results, CSIC awarded certificates to those who completed the training, as well as valuable prizes for the best teams at the award ceremony.

As part of implementing the "listening state" concept, as well as taking into account the interests of civil society and public opinion to discuss a wide range of issues, we have created a Public Council, the role of which will grow. Thus, in 2023, a meeting of the Public Council was held in Astana, at which the results of activities related to strengthening social stability at enterprises and the activities of the institution of corporate Ombudsmen were discussed. Changes have been made in the methodology for determining the level of social stability. From now on, research in the Group of Companies is carried out every six months. The new methodology considers issues that reveal problem areas before they result in conflicts, that is, social unrest is prevented in advance.

Further directions of development :

- conducting an audit of HR processes of portfolio companies and their branches;
- conducting engagement research and Samruk Research Services on an annual basis and developing activities to increase the level of staff engagement;
- conducting IR audits of portfolio companies and their branches.





Workplace Safety

An essential part of our strategy is to ensure industrial safety and adherence to the Vision Zero principle. **GRI 3-3 SASB**

Investments to ensure operational safety KZT
109
billion

solutions, development of the necessary qualification competencies, as well as increasing awareness and safety culture among employees. Close interaction and exchange of practices with contracting companies are being built to improve and ensure workplace safety when performing work and providing services for the Fund Group. **GRI 403-1 GRI 3-3**

Each company understands its responsibility and actively implements certification of health and safety management systems through developing or updating individual procedures in the relevant areas of industrial safety. The industrial safety management system covers all our employees. **GRI 403-1**

To strengthen the industrial safety function in the most critical large portfolio companies from its point of view, corresponding separate services have been created with direct administrative accountability of the function to the first managers.

We use a risk-based approach that allows us to ensure safety in the workplace. We conduct workplace audits at various levels of management regularly throughout the year.

THE NUMBER OF INTERNAL AUDITS CONDUCTED FOR COMPLIANCE WITH INDUSTRIAL SAFETY REQUIREMENTS IN 2023 REACHED 86,581 AUDITS (61,916 AUDITS IN 2022).

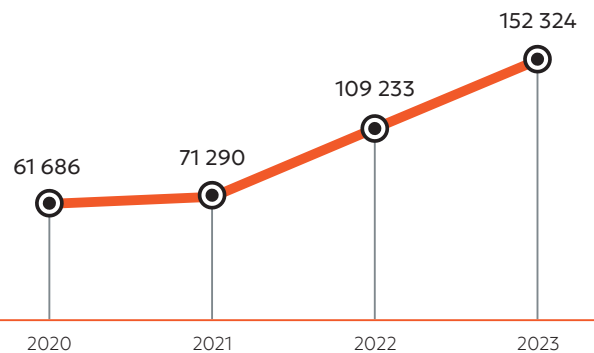
GRI 403-2

Ensuring safety today is not just compliance with legal requirements, but also a moral duty to employees and their families, representatives of contractors and society. In addition, we understand that implementing best practices in ensuring labor safety and health has a highly positive effect, while failure to comply with safety rules can lead to significant losses. Due to the specific nature of the activity, work at production facilities included in the Fund Group can be potentially dangerous for people and cause loss of ability to work.

Our activities comply with international standards ISO 45001-2018 "Management system in the field of occupational health

and safety", which applies to all employees of the Fund Group. Subsidiary-dependent organizations and their parent companies (78 organizations) have a certificate of conformity. We are constantly improving our work to ensure personal safety and accident-free production. Key areas of development are focused on both legislative and global practices in the field of industrial safety, including the use of innovative and digital

Number of employees in subsidiaries with ISO 45001-2018 certificate of compliance



1

Become a leader – show commitment to principles.

Every year, we conduct specialized events on industrial safety, such as forums, seminars, and master classes for managers, aimed at increasing leadership, commitment, and experience exchange. In addition, managers at the CEO-1 level of portfolio companies inspect production sites, visiting the enterprises at least once every two months.

Since 2019, the Fund has had a Committee on Labor Protection, Industrial Safety, and Environmental Protection under the Management Board, which includes responsible representatives of the CEO-1 level of 13 large portfolio companies. The main goal of the Committee is to ensure coordination and control over the progress of the activities of portfolio companies to improve the efficiency of the corporate management system in the field of industrial safety and other measures aimed at improving safety culture, developing leadership to bring the area of "industrial safety" in portfolio companies to the level of the world standards.

2

Identify threats – control risks.

To prevent accidents and early diagnosis, on-site cross-audits of industrial facilities are conducted with the participation of experts in various areas of industrial safety of portfolio companies.

Proactive injury prevention tools are actively being introduced into the activities of portfolio companies, which are aimed at reducing risks, such as registering dangerous conditions, dangerous actions, potentially dangerous incidents (Near Miss), and conducting Behavioral safety observations. Moreover, every employee knows that he has the right to suspend unsafe work, which is spelled out in the Labor Health and Industrial Safety Policy of Samruk-Kazyna JSC, which every employee of the Fund's group of companies is familiar with. Our employees may verbally or in writing report a potentially dangerous situation that threatens the life and health of employees or the environment and suspend work until the situation is eliminated. **GRI 403-2**

3

Define goals – develop programs.

The enterprises of the Fund's group strive to achieve "zero injuries," ensure a high level of labor protection and industrial and fire safety and protect the health of their employees from hazardous production factors. For this purpose, industrial safety management systems are constantly being improved by national requirements and international standards, and programs are being developed to achieve goals.

Occupational safety goals and objectives are established, monitored, and revised as necessary. The Fund Group has approved the "Process Safety Action Plan for 2024", consisting of 33 specific activities with established deadlines. Such plans are approved on an annual basis. The main activities of the Plan are: increasing the level of safety culture, developing managers' leadership in safety matters, ensuring equipment reliability and preparedness to deal with possible emergencies. **GRI 403-9**

4

Create a system of occupational safety and health – achieve a high level of organization.

Our activities are governed by the Occupational Safety Policy and the Corporate Occupational Safety Management Standard, which apply to our portfolio companies, their subsidiaries, affiliates and service providers. **GRI 403-1** **GRI 403-8** **GRI 3-3**

5

Ensure safety and hygiene in the workplace when working with machines and equipment.

To minimize the risks of accidents and accidents with severe and fatal outcomes at the level of portfolio companies, long-term Plans for the technical re-equipment of obsolete and physically worn-out equipment and structures are in place. Their updating is carried out in stages and is under employee" control at production units.

6

Improve your qualifications – develop professional skills.

To improve the competence of employees, personnel are regularly trained in courses and programs that go beyond the minimum legal requirements of the Republic of Kazakhstan.

7

Invest in people – motivate through participation.

The motivation and reward system allows us to constantly expand the circle of employees interested in the safety of production processes. The Fund's Group of Companies has introduced the practice of remunerating employees who actively identify dangerous conditions, dangerous actions, and potentially dangerous incidents and stop unsafe work, thereby preventing traumatic incidents. Since 2022, the practice of awarding an annual nomination from the Chairman of the Board of Samruk-Kazyna JSC in the form of 1st place for achieving results in the field of industrial safety has been introduced. Thus, according to the assessment results, Kazakhtelecom JSC was nominated for first place in 2022, and KEG-OC JSC in 2023. Also, 8 local employees who distinguished themselves, showed heroism, and saved colleagues' lives were awarded certificates of honor and souvenir gifts.

Large portfolio companies also hold competitions for innovative ideas in the field of industrial safety, for the best children's drawing, and an Olympiad among occupational safety and health employees.

Work in accordance with the «7 golden rules» is carried out regularly. It is a set of systemic measures.

Achieving a zero level of accidents and incidents at work in the Group of Companies is not only due to the actions of its employees but also largely depends on the employees of contractors. Contracting organizations must strictly comply with corporate standards and rules for occupational safety and health, which is an integral part of the Fund's effective management system in industrial safety. Requirements for the qualifications and competence of contractors' employees are established, similar to the requirements for the Fund's personnel. These requirements are included in contracts with contractors and are regularly verified during on-site audits. The Fund conducts factual assessments of contractors' work, considering their compliance with high safety standards, ensuring safe working conditions at all stages of projects. The control process is carried out for all contractors performing work and providing services for portfolio companies.

Thus, to monitor compliance with industrial safety requirements by employees of contractor organizations, requirements for the presence of specialists in occupational safety and health (OHS), fire, and industrial safety, as well as the availability of trained personnel and tested knowledge of health and safety, industrial safety, and fire safety standards, must be met.

In addition to management, it is important for us to contribute to industrial safety by financing activities to prevent accidents, improve sanitary and living conditions for employees, improve

employee health, purchase personal protective equipment, dry clean and wash work clothes, conduct training, and promote occupational safety issues. In 2023, KZT 108.7 billion was spent for these purposes (KZT 125 billion in 2022).

Investments to ensure industrial safety, billion KZT





Key results for 2023

Together with portfolio companies, we carried out systematic work to improve industrial safety management systems and reduce the level of injuries. Every year, work in the field of industrial safety is built based on three main areas:



People and improving the level of safety culture

The Fund conducts training sessions and seminars to ensure employees and managers take a responsible approach to safety issues and demonstrate leadership and involvement by example.

IN 2023, WE TRAINED 232,081 OR 87% OF EMPLOYEES WITHIN THE FRAMEWORK OF THE REQUIREMENTS OF THE LEGISLATION OF THE REPUBLIC OF KAZAKHSTAN IN THE FIELD OF LABOR PROTECTION, INDUSTRIAL AND FIRE SAFETY, 59,176 OR 22% OF EMPLOYEES WERE TRAINED IN COURSES THAT GO BEYOND THE LEGISLATION OF THE REPUBLIC OF KAZAKHSTAN.

GRI 403-5

The Fund's employees also undergo first aid training at international courses organized by Samruk Business Academy:

1. Heartsaver (first aid for cardiopulmonary resuscitation).
2. Prehospital Trauma Life Support (prehospital life support system for injuries).
3. American Heart Association (use of an automatic external defibrillator according to the American Heart Association method)

We implement training projects on occupational safety. Samruk Business Academy was among the winners at the sixth International Employer Brand Summit and HR project competition EMBRAS 2023 in Tashkent. The company presented the training project "Occupational Safety Culture", based on the 7 Vision Zero Rules and designed to increase the level of competence of the Fund Group's employees in creating and maintaining safe working conditions at each workplace. This course will be offered from January 2023, subject

to the UK Institute for Occupational Safety and Health approval. The course includes training from leading experts in the HSE field, subsequent access to an online course and training with a pool of internal trainers. At the end of 2023, 428 internal trainers of portfolio companies were trained on the "Safe Work Culture" course, which in turn trained 121,282 production employees in the regions.

The exchange experience between the Fund's portfolio companies and leading companies in industrial sectors is carried out on an ongoing basis. At the same time, the portfolio companies themselves also exchange experience with foreign partners in the field of labor protection ([see Annex2](#)).

Portfolio companies also provide training to increase employees' awareness of industrial safety. Thus, Kazakhtelecom JSC, with our support, held a training seminar on industrial safety for top managers on the topic "Leadership in the field of occupational health and safety." Seminar participants learned about the principles of creating a leadership culture of safety, discussed authoritarian and participative management styles and their impact, and also learned about how employee health and safety affects the business as a whole.

Also, Kazakhtelecom JSC conducted a master class, "Virtual reality in training," for employees responsible for ensuring industrial safety and implementing information technologies. Participants had the opportunity to try out virtual reality kits and became familiar not only with technical training but also with the principles of safe work on overhead communication lines through their own virtual experience. Since the beginning of the reporting year, four similar master classes have been held by Air Astana JSC, Samruk-Energy JSC, NAC Kazatomprom JSC, and KEGOC JSC.



Ensuring safety during the operation of technological equipment

To ensure safety when working on equipment at the level of portfolio companies, "Plans for the technical re-equipment of morally and physically worn-out equipment and structures for 2023, for 2024-2027" have been developed for the operation of which there is an increased risk of accidents and accidents with severe and fatal outcomes.

We actively continue to work to prevent road accidents and reduce injuries among employees of the Fund's Group of Companies.

THUS, TO DEVELOP THE HABIT AMONG EMPLOYEES OF WEARING SEAT BELTS IN CARS, PRACTICAL TESTING OF THE "CONVINCER" (A SIMULATOR OF A FRONTAL COLLISION DURING AN ACCIDENT) WAS CARRIED OUT IN 10 CITIES OF THE REPUBLIC OF KAZAKHSTAN

GRI 403-9

Employees apply international best practices, including proactive accident prevention tools (registration of hazardous actions, conditions, potentially dangerous Near Miss incidents, conducting behavioral observations/safety audits, suspension of unsafe types of work using "stop cards").

AIR ASTANA JSC OPENED A FLIGHT TRAINING CENTER IN ASTANA, THE FIRST IN CENTRAL ASIA CERTIFIED BY THE EUROPEAN AVIATION SAFETY AGENCY (EASA).

The facility is located on the territory of Astana International Airport and is equipped with advanced flight simulators that meet international standards. L3 Harris's Reality Seven full flight simulator allows you to simulate various aspects of flight with increased realism. Thanks to the training center, more than 500 pilots of the Air Astana JSC group of companies will be able to undergo training in Kazakhstan without interrupting the airline's operational activities. The company has also invested in cabin emergency evacuation simulators (CEET) and RFFT simulators, simulating various aircraft evacuation and firefighting situations as part of flight attendant and pilot training. The launch of the training center also highlights Air Astana JSC's commitment to ESG principles, which includes flight safety, environmental and social sustainability in the aviation industry.



3

Prevention of emergency situations.

A permanent Headquarters has been created in the Samruk-Kazyna JSC group of companies to regulate actions in case of accidents and emergencies.

To improve the labor protection and industrial safety system, the Fund's Group of Companies conducts tactical exercises in hazardous industries:

1. The Fund and NAC Kazatomprom JSC conducted emergency exercises at the Ulba Metallurgical Plant during an emergency depressurization and spill of liquid ammonia from a wagon in the warehouse area with deployed crisis management teams.
2. The Fund and JSC NC Kazakhstan Temir Zholy conducted emergency exercises in the port of Aktau, through which dry cargo, oil and petroleum products are transported. Interdepartmental interaction of port employees was developed during the conditional localization and elimination of one of the possible accidents – an oil spill from a tanker during loading at the berth.
3. JSC NC KazMunayGas and the Fund conducted emergency response exercises on the topic "Elimination of an open fountain at a well with a fire and rescue of a victim from a vertical steel tank" at the Zhetybai field of JSC "Mangistaumunaigas" at a specially equipped training ground PU "Zhetybaymunaigaz."

We continue intensive work in responding to possible industrial emergencies so that the Fund's Groups are always fully prepared.

WE ALSO REGULARLY CONDUCT CROSS-AUDITS ON INDUSTRIAL SAFETY IN PORTFOLIO COMPANIES AND THEIR BRANCHES.

Industrial safety experts from various companies of the Fund Group are involved in the audit, which allows for the exchange of experience and helps to increase knowledge in the field of industrial safety, which in turn helps to improve the level of occupational safety culture. Despite the best performance in terms of creating a safety culture in some portfolio companies, there are always horizons for development. In total, we, together with company experts, conducted audits in 17 industrial enterprises. **GRI 403-2**

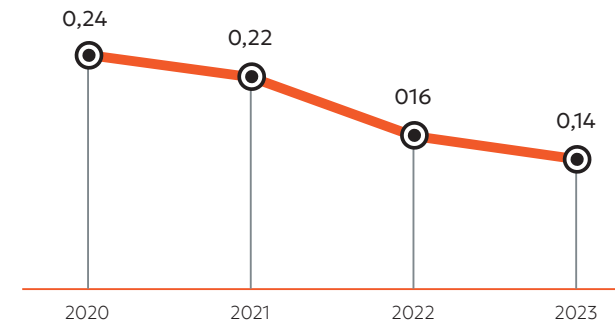
To ensure the required level of reporting transparency and development of communications in the field of industrial safety, several initiatives were implemented in the current reporting year regarding the digitalization of processes:

- dashboards on incidents were created to inform management about the current statistics of industrial injuries promptly;
- the «Log of information on events and incidents in contracting organizations of portfolio companies» and «Operational information on contractors in portfolio companies» were launched in the reporting management system;

- the practice of collecting and considering proposals from employees via QR and the practice of assessing the level of industrial safety by all employees of the Fund when on business trips to subsidiaries/branches of portfolio companies have been introduced; **GRI 403-4**
- forums in the field of digitalization are also held. NAC Kazatomprom JSC organized a forum dedicated to the digitalization of industrial safety in the city of Shymkent. A subsidiary of NAC Kazatomprom JSC, KAP Technology LLP (IT integrator of the nuclear holding), presented plans for the development of eKAP and eKAP HSE information systems in the field of industrial safety, namely the automation of processes for managing personnel admission to high-risk work.



Lost time injury rate (LTIF)⁴⁶, units.



Statistics on occupational injury rates are monitored daily. The number of people injured due to industrial accidents was 120 in 2023. The assessment of occupational injuries included employees of portfolio companies engaged in production activities. **GRI 403-9**

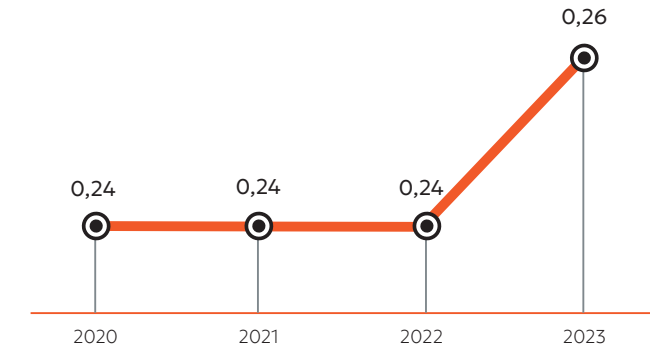
The LTIF ratio was 0.1416F16F14F, showing a 13% decrease compared to 2022.

The Fund's work-related serious injury rate began to be calculated in 2022 and amounted to 0.10 in 2023, which is a 12% decrease compared to the base year of calculation.

Based on the hazards that create the risk of injury with severe consequences, the Fund's portfolio companies develop their own industrial safety action plans to prevent occupational injuries and proactively reduce risks and threats in the workplace. **GRI 403-9**

Despite our efforts, there were 11 fatalities in 2023 (12 cases in 2022): at JSC NC Kazakhstan Temir Zholy – 6, Samruk-Energy JSC – 2, NC KazMunayGas JSC – 2, JSC NC QazaqGaz – 1. **GRI 403-9**

Lost Time Injury Frequency Rate (LTIFR)⁴⁷, units.



In 2023, the majority of serious injury incidents involve falls, electrical shocks, motor vehicle accidents, and exposure to moving, flying, or rotating objects. **GRI 403-9**

An important aspect is the analysis and investigation of incidents that occur at work and the adoption of measures to prevent their recurrence in the future. For each case, an analysis is carried out, and newsletters are sent out with a brief description of the circumstances, reasons, and corrective measures taken to prevent their recurrence in other companies. **GRI 403-1** **GRI 403-2** In addition, we aim to achieve LTIF 0.12 by 2027. Additionally, the KPIs of portfolio companies include registration of behavioral safety observations, health and safety cards, audits of contractors, and others, which should positively impact minimizing injury cases.

⁴⁶ LTIF (Lost Time Injury Frequency) - the number of the company's employees injured in lost time accidents attributed to a severe work injury according to the work injury severity report (including fatalities) multiplied by 1 million man-hours and divided by the total number of man-hours worked during the 12 reporting months.

⁴⁷ LTIFR (Lost Time Injury Frequency Rate) - the number of the company's employees injured in lost time accidents attributed to a light and severe work injury according to the work injury severity report (including fatalities) multiplied by 1 million man-hours and divided by the total number of man-hours worked during the 12 reporting months.



Employee health and well-being

We are committed to supporting employees in developing a mindful approach to wellbeing and developing the skills needed to live a healthy and happy life both at work and beyond.

We actively carry out systematic work to improve employees' physical and psychological health, stimulating the development of healthy habits that contribute to an improved quality of life, overall health and increased productivity. **GRI 3-3**

Management of issues in the field of health protection and occupational hygiene in the Fund Group is carried out by the requirements of Kazakhstani legislation: Labor Code, Health Code, Sanitary Rules and Instructions of the Republic of Kazakhstan, International requirements in the field of occupational health and hygiene. At least once every five years, production facilities are certified for working conditions with the involvement of an independent specialized organization, based on the results of which a set of organizational and technical measures is carried out to improve working conditions and safety. **GRI 3-3** **GRI 403-3**

The number of deaths among the Fund Group's employees not related to labor activity due to health deterioration increased to 42, compared to 2022, an increase of 55% (27 in 2022). Circulatory diseases, including cardiovascular diseases cause 90% of these cases. These are influenced by bad habits, improper nutrition, ecology, the level of medicine, and many other things.

Trade union organizations support the preservation of the life and health of employees in the workplace.

TRADE UNIONS, TOGETHER WITH THE FUND, CARRY OUT SEVERAL ACTIVITIES TO IMPROVE WORKING CONDITIONS, PREVENT OCCUPATIONAL INJURIES, AND ORGANIZE INTERNAL AND PUBLIC CONTROL.

GRI 403-7

We have set the Health Protection KPI (NWRF) for CEOs at the CEO-1 level in 2023. To improve the overall health and quality of life of employees, the following work is being carried out in portfolio companies:

1. An annual medical examination, pre-shift and post-shift monitoring of the health status of employees is carried out. Based on the results of the medical examination, recommendations are issued for the prevention of socially significant diseases, as well as for further observation, treatment, and rehabilitation;
2. An annual action plan is developed to improve the health of employees and improve working conditions, agreed with the territorial division of the department of the state body in the field of sanitary and epidemiological welfare of the population;
3. Sporting events are held at enterprises and central offices of portfolio companies, aimed at improving the health of employees;
4. Medical employees conduct sanitary and educational work in the form of lectures and conversations on the prevention of diseases of the circulatory system, tobacco smoking, alcoholism, and poor nutrition at production facilities;
5. Employees are sent to sanatorium-resort treatment, and financial assistance is provided for vacation for health improvement. **GRI 403-6** **GRI 403-7**

Due to existing shortcomings in the field of industrial safety:

- low level of culture and leadership in the field of industrial safety;
- failure of managers and employees to accept personal responsibility for ensuring safety;
- lack of employee involvement in safety issues through the use of proactive tools;
- low level of awareness and communication between employees,

An occupational safety action plan for 2024 was developed and approved by Order of the Chairman of the Management Board, which, in addition to the development of three main areas of work, includes a large-scale campaign to conduct awareness-raising work among employees.

This is done to ensure that every local employee is aware of the work being done, is involved, understands the consequences and seriousness of violating safety requirements, and takes care not only of themselves but also of preserving the lives and health of their colleagues. The long-term Strategy for developing industrial safety of Samruk-Kazyna JSC for 2024–2028 is in the process of development, within the framework of which it is planned to establish key performance indicators for each industrial safety area. Preventing injuries in the workplace is not just a formal requirement, it is the moral and professional responsibility of every employee, regardless of the level of their position.

Development plan for industrial safety for 2024 and the medium term:

- support training and improve the qualifications of company managers and employees using VR technologies and introducing international course programs in portfolio companies;
- organize thematic meetings on industrial safety issues to explain the programs and initiatives being implemented;
- consider the possibility of including one indicator on industrial safety for production site managers in the list of KPIs;
- implement measures to reduce the number of deaths not related to work: conduct seminars and develop internal standards on health protection and occupational hygiene, as well as review and tighten the requirements for medical organizations providing services to employees;
- implement the process of using the LOTO (Lockout-tagout) security system at production facilities;
- monitor the use of proactive tools for preventing accidents and injuries (conducting behavioral audits, recording and investigating hazardous conditions, the right to suspend work);
- ensure the availability of material and financial resources to carry out work to eliminate a major accident or emergency in accordance with the emergency response plan;
- The new fourth area of industrial safety outreach includes plans:
- ensure the release of a video message from the Chairman of the Board of the Fund on the importance and need to comply with industrial safety requirements for World Occupational Safety and Health Day
- develop and display screensavers on employees' personal computers to remind them of the need to ensure safety;
- finalize the information section on industrial safety of the Fund and portfolio companies Internet portals to post up-to-date information;
- hold competitions in portfolio companies among children and young employees to promote the importance of industrial safety and propose innovative ideas;
- develop videos on industrial safety involving injured employees.

5

Environment

- 114 Initiatives to reduce climate impacts
- 124 Atmospheric air quality
- 126 Optimization of energy consumption
- 130 Biodiversity conservation
- 136 Water resources management
- 142 Waste management
- 144 Compliance with requirements

972 MILLION KWH

AVERAGE ANNUAL ELECTRICITY GENERATION

KAPCHAGAI HYDROELECTRIC POWER PLANT

CHANNEL DAM

470M HEIGHT 50M



OUR ENVIRONMENTAL POLICY PRIORITIZES REDUCING THE FUND GROUP'S CARBON FOOTPRINT AND EFFECTIVELY MANAGING ECOSYSTEM IMPACTS.

Due to the significant scale of our operations, it is important for us to ensure responsible consumption of natural resources and effective management of environmental impacts. In line with our strategy, we aim to comply with ESG principles and prevent impacts on biological and physical natural systems, use limited resources efficiently, reduce our carbon footprint, implement environmentally friendly, energy—and material-saving technologies, develop and manufacture environmentally friendly products, and minimize and recycle waste.

WE SHARE THE BASIC TENETS OF THE PRECAUTIONARY PRINCIPLE (PRINCIPLE 15 OF THE UN RIO DECLARATION ON ENVIRONMENT PROTECTION AND DEVELOPMENT, 1992).

GRI 2-23

Before embarking on new projects and facilities, we engage with the public through a series of environmental impact assessment (EIA) activities. These activities are designed to inform the public about our plans and their potential impact, and we value the opinions and feedback of local residents. We ensure that all stakeholders have access to draft EIAs and that their comments and suggestions are received and registered, fostering a sense of inclusivity and shared responsibility in our environmental initiatives.

The Fund's portfolio companies that significantly impact the environment have an environmental policy, sustainable development management policy, environmental management system in accordance with ISO 14001 standard, industrial ecological control program, and other internal documents on management and mitigation of impacts on environmental components. [GRI 3-3](#)

Environmental legislation requires the companies to conduct quarterly industrial environmental control and monitoring. Environmental monitoring is a comprehensive system of observations, measurements, collection, accumulation, storage, accounting, systematization, generalization, processing and analysis of data obtained regarding environmental quality. A number of portfolio companies have approved motivational KPIs related to the implementation of a sustainable development system, for example:

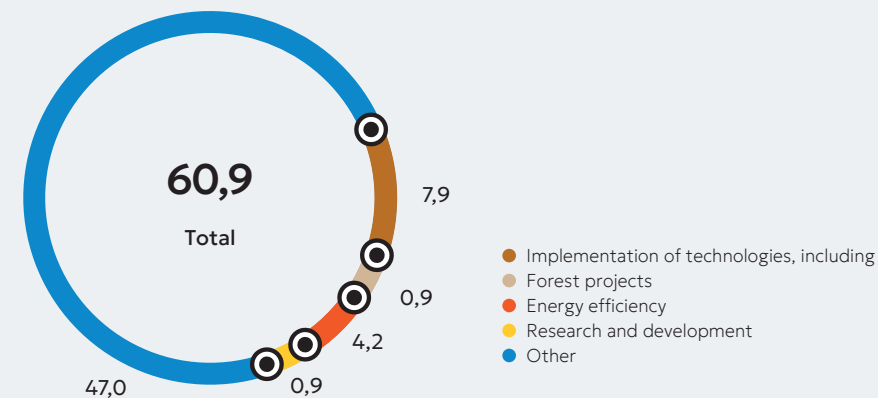
- implementation of sustainable development projects;
- reduction of GHG emissions;
- reduction of occupational injuries;
- implementation of action plans for Low Carbon Development, Water Resources Management, Sustainable Development Management Programmes, etc.



Our environmental compliance activities in 2023:

- conducting EIA and public hearings;
- development and approval of emission, discharge and waste disposal standards and obtaining emission permits;
- strict adherence to the norms approved in the above documents;
- fulfillment of the requirements of the Environmental Code of the Republic of Kazakhstan regarding the installation of automated systems for monitoring pollutant emissions;

Expenditure on environmental protection*, KZT million



* Emission fees and taxes do not relate to environmental costs, see Annex 11. ESG Data for more details



In 2023, environmental protection expenditures increased

43%

- Active participation in the work of technical working groups on developing BAT reference books.

In 2023, environmental protection costs totaled KZT 60.9 billion, 43% more than last year. Portfolio companies increased investments in introducing new, more efficient technologies with lower environmental impact.



Initiatives to reduce climate impacts

The global development trend in the modern world is the transition from the industrial agenda to the climate agenda.

STRATEGIC GOAL:
Reduce carbon dioxide
emissions by 2032 by

10%

The international community's attention is focused on the transformation of energy resource consumption. The pressure on coal companies and the decommissioning of coal combustion plants have a substantial impact on the Fund, as coal mining, generation, and utilization of electricity generated through coal combustion play a significant role in the Fund Group's production processes (coal accounts for about 61% in the Fund's energy consumption structure).

WE RECOGNIZE THE NEED TO REDUCE THE GROWING PRESSURE ON THE CLIMATE AND THE ENVIRONMENT, ARE FOCUSED ON THE CLIMATE GOALS DEFINED BY THE COUNTRY AND SUPPORT THE INITIATIVE TO ACHIEVE CARBON NEUTRALITY FOR THE REPUBLIC OF KAZAKHSTAN BY 2060.

The Fund's Group of companies is collectively responsible for about 15% of the total CO₂ emissions in the country. The Fund, as a large holding company representing the state's interests in sectors of the economy with a significant impact on the climate, plays a key role in the transition of Kazakhstan's economy to the path of sustainable development.

For us, the transition to low-carbon development is a strategic objective to increase sustainability and strengthen competitiveness.

Combating climate change will require the development of many new approaches and solutions. Considering the high priority of ensuring the country's energy security, on the way to decarbonization, we rely on a systematic and reasonable transition to low-carbon technologies without abandoning traditional energy carriers. The commissioning of additional conventional capacity will ensure the stability and reliability of the country's energy system and maintain the operation of less stable RES.

With a systematic and balanced approach, the energy transition can make our portfolio more diverse and contribute to developing new industries. This will create new jobs, improve staff skills, enhance investment attractiveness, and ensure the transfer of advanced technologies and knowledge.

Samruk-Kazyna JSC has set a strategic goal to reduce carbon dioxide emissions by 10% by 2032 compared to 2021. The Fund's long-term goal is to achieve carbon neutrality by 2060. A Low-Carbon Vision has been approved, including a Low-Carbon Business Model Transition Plan. The plan includes specific infrastructure projects, best practices, and technological solutions in four key areas of low-carbon development.

1 PILLAR ONE: Alternative energy and low-carbon technologies

In 2023, a delegation of Samruk-Kazyna JSC participated in the 28th UN Climate Change Conference (COP 28). As part of the conference, several business negotiations were held and agreements were reached with international partners regarding developing green energy and introducing new digital technologies in Kazakhstan.

WE CONCLUDED A MEMORANDUM ON THE DEVELOPMENT OF LOW-CARBON ENERGY WITH A TOTAL CAPACITY OF 10 GW IN KAZAKHSTAN TOGETHER WITH THE MINISTRY OF ENERGY OF THE REPUBLIC OF KAZAKHSTAN AND THE MINISTRY OF INVESTMENT OF THE UAE.

To reduce the negative impact on the environment, projects are being implemented to replace coal with gas at Almaty CHPPs. Implementing gasification projects will ensure the reduction of carbon dioxide emissions and harmful substances into the atmosphere in the Almaty region, increasing the capacity and reliability of heating and electrification.

We are working on a pilot project to capture, store, and use carbon dioxide (CCUS) and identify the potential for injecting it to enhance oil recovery from depleted oil reservoirs.

All portfolio companies aim to convert petrol vehicles to electric vehicles gradually. For example, JSC NC KazMunayGas is considering implementing a project to develop charging infrastructure for electric cars in Kazakhstan to stimulate the development of the electric vehicle market and contribute to the achievement of decarbonization targets at the country level.

We are also exploring the prospect of sustainable aviation fuel production (SAF) in our country. The EBRD and we agreed to jointly implement and finance the study.

[We provide more details on RES projects in the "The Fund's Contribution to the Welfare of the Country" section.](#)

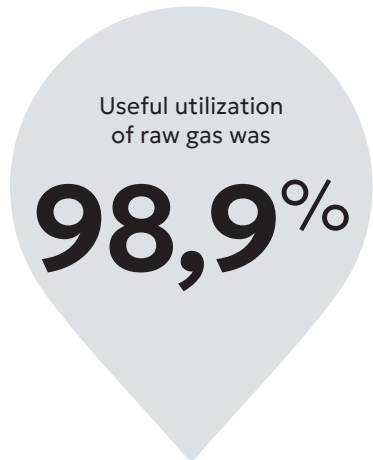
2 PILLAR TWO: Resource efficiency and emissions management technologies

In this direction, the key challenge is the reduction of methane emissions. In the oil and gas production and refining sector, a methane management system is being introduced and measures under the Global Methane Pledge are being implemented. In 2023, JSC NC KazMunayGas joined the UNEP OGMP 2.0 methane initiative, which implies voluntary commitments to reduce methane emissions and reporting. JSC NC KazMunayGas is gradually implementing a methane management system (it is planned to inventory methane emissions using the MIST program, develop the Instruction on methane leak detection, implement the leak detection and repair program, etc.).

One of the most important tasks to reduce emissions into the atmospheric air is to increase the beneficial use and utilization of raw gas, minimizing gas flaring in the oil and gas production and processing sector, as one of the largest emitters of pollutant emissions in the Fund. JSC NC KazMunayGas in 2015 supported the World Bank's initiative "Full utilization of associated petroleum gas by 2030" to minimize the volume of regular flaring of crude gas. The Company annually reports on the volume of flaring of raw gas at the World Bank office in Kazakhstan.

In recent years, several measures have been implemented to increase the valuable utilization of raw gas, and this indicator has been improved to 98.9% by the end of 2023. The volume of raw gas flaring decreased by 89.4% compared to 2017. The gas flaring Indicator is at 1.4 tonnes per 1,000 tonnes of HC produced, which is 7% lower than in 2022 and 84% below the IOGP industry average.

Samruk-Energy JSC and Nazarbayev University are conducting R&D on the possibilities of using CO₂ capture and storage (CCS) technology. An analytical review of existing and prospective technologies for capture, storage and use of CO₂ separated from flue gases of CHPPs was developed, design documentation for the production of an experimental laboratory unit for research of steam oxygen-free gasification of coal was developed.



One of the main directions is to compensate for emissions by implementing offset projects. In 2020-2022, First Wind Power Plant LLP received 238.7 thousand tonnes of CO₂-eq offset units, and in the future, it is planned to issue and implement I-REC certificates.

IN 2023, ENERGIYA SEMIRECHIYA LLP RECEIVED 68.4 THOUSAND TONNES OF CO₂-EQ OFFSET UNITS, AND FOR 2022 AT THE WIND POWER PLANT, IT IS PLANNED TO IMPLEMENT CARBON OFFSETS.

Voluntary international renewable energy certificates I-REC (International Renewable Energy Certificate) confirm the information on the fact of electricity generation from a renewable energy source (RES) and by international practice (GHGP, CDP, RE100, ISO, etc.) allow their purchasers to declare the reduction of GHG emissions associated with the use of electricity under Scope 2. In Kazakhstan, company issuing I-REC certificates is the Kazakh association ECOJER. In 2023 it issued 19.5 thousand green I-REC certificates for the Company Samruk-Green Energy LLP. It attracts financing to the companies for which they are issued. The Company sold 12 thousand certificates.

In 2023, JSC NC KazMunayGas purchased I-REC certificates and redeemed them for 10 million kWh, which corresponds to the expected electricity consumption of the Company's corporate center in 2023. Earlier, in 2022 JSC NC KazMunayGas acquired certificates for 8.5 million kWh.

3 PILLAR THREE: Infrastructure and regulation

The introduction of RES systems requires the development of power grid infrastructure and electricity storage and accumulation systems. We have started to implement some elements of Smart Grid technology. For example, KEGOC JSC is implementing a monitoring and control system based on synchrophasor WAMS/WACS technologies, which will maximize the use of grid capacity through real-time control.

Loads on power systems are uneven throughout the day, so maneuvering capacity is needed to cover peak loads.

WE ARE IMPLEMENTING PROJECTS TO BUILD THE COUNTER-REGULATING KERBULAKSKAYA HPP, SEMEYSKAYA HPP WITH A CAPACITY OF UP TO 300 MW (COUNTER-REGULATOR OF AES SHULBINSKAYA HPP). IN ADDITION, THE CONSTRUCTION OF THE MANEUVERABLE COMBINED-CYCLE PLANT IN TURKESTAN HAS BEEN STARTED.

Also, measures will be taken to strengthen the power grid of the Western zone and to reconstruct the power grid of the Southern zone of the EAU.



4 PILLAR FOUR: Effective carbon footprint management

Effective carbon footprint management includes introducing digital carbon footprint solutions in the Fund and portfolio companies, broader data disclosure, implementing ESG principles in relationships with partners and suppliers, and strengthening environmental culture.

JSC NC KazMunayGas and JSC NAC Kazatomprom, Samruk-Energy JSC are implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Portfolio companies implement several measures within the Green Office: separate waste collection (plastic, paper, batteries); reduction of paper use (transition to electronic document management, double-sided printing on a printer); use of LED lamps; environmental training for employees (online on the Company's platform and as part of induction training for new employees); annual environmental drawing competition among children of employees to raise environmental awareness.

Several Group companies disclose climate information under the Carbon Disclosure Project (CDP), which includes data on direct and indirect greenhouse gas emissions for all company assets, climate risks and opportunities, and an assessment of the total carbon footprint of products. In 2023:

Climate risks

We pay significant attention to climate risks and their effective management. The Board of Directors is responsible for approving both short-term and long-term goals, including climate-related aspects.

WE IDENTIFY CLIMATE RISKS USING TCFD GUIDELINES.

Climate risks are included in the corporate risk management system and are categorized as environmental risks. The risk management system aims to timely identify, assess, monitor, and mitigate potential risk events that may adversely affect the achievement of strategic objectives.

JSC NC KazMunayGas, Samruk-Energy JSC, JSC NAC Kazatomprom, JSC NC Kazakhstan Temir Zholy among the Group of companies of the Fund identify climate risks of their activities.





Risks associated with the transition to a low-carbon economy GRI 201-2

Transitional risks

Political and legal risks	
Risks:	Measures:
<ul style="list-style-type: none"> ⦿ Tightening of national and international carbon regulation ⦿ Non-compliance with national environmental legislation ⦿ Introduction of new climate initiatives that restrict business operations 	<ul style="list-style-type: none"> • Control over compliance with the legislative norms in the field of environmental protection and compliance with the established deadlines for applying for emission permits and reporting to the state regulatory authorities • Control over the use of GHG emission quotas and inventory of GHG emissions. • Implementation of the practice of disclosure of climate-related information, Risks and Opportunities by the requirements of the CDP and TCFD in portfolio companies • Educate staff on legislative changes to expand/strengthen GHG reporting obligations • Ensuring commercial attractiveness and payback of projects, which is currently constrained by tariff policies aimed at curbing growth • Participation in working groups to improve the legislative framework for low-carbon development, energy efficiency and conservation, RES and alternative energy, taking into account corporate interests • Utilization of the offset mechanism
Technological risks	
Risks:	Measures:
<ul style="list-style-type: none"> ⦿ Need for low-carbon technologies and BAT implementation ⦿ Scarcity of energy, raw materials and other resources 	<ul style="list-style-type: none"> • Implementation of RES projects • Realisation of forest-climate projects • JSC NC KazMunayGas and Samruk-Energy JSC signed a Memorandum of cooperation on a project to build solar power plants • Realisation of Smart Grid jointly with KEGOC JSC • Research of CCUS technologies, hydrogen energy, production of sustainable hydrogen fuel • Implementation of methane management system • Interaction with state authorities and organizations on the development of the electricity and capacity market • Increasing the gas resource base through geological exploration and new projects • Financing and implementation of R&D program • Compliance with the equipment modernization and repair plan
Market risks	
Risks:	Measures:
<ul style="list-style-type: none"> ⦿ Reduced demand for fossil fuels • Changing consumer preferences ⦿ for certain climate-related goods, products, and services 	<ul style="list-style-type: none"> • Ensuring a smooth and reasonable energy transition based on a reasonable balance between the pace of development of human civilization and ensuring ecological balance • Gradual conversion of CHPP to gas • Increasing the share of RES in power generation • Transparent and competitive conditions for selecting investment projects and ensuring a high level of stability for investors • Attracting investments that previously were mainly directed to the oil and gas sector development
Reputational risks	
Risks:	Measures:
<ul style="list-style-type: none"> ⦿ Negative social impact as a result of abandoning the use of coal (5 single-industry towns and about 40,000 employees depend on the country's coal industry) ⦿ Lack of possibility of rapid reduction of fossil fuel consumption 	<ul style="list-style-type: none"> • Ensuring a gradual and "fair" energy transition with job creation • Membership in international associations and initiatives • Obtaining ESG rating

Physical risks

Short-term Risks, caused by extreme weather events, such as cyclones, hurricanes, floods	
Risks:	Measures:
<ul style="list-style-type: none"> ⦿ Abnormally high temperatures ⦿ Destruction of production facilities, linear infrastructure due to extreme weather events. 	<ul style="list-style-type: none"> • Property insurance against damage (accidental loss, loss or damage) resulting from accidental and unforeseen direct physical impacts • Ensuring control of readiness and duty of non-state firefighting services and emergency rescue services to eliminate possible accidents • Switching to backup power sources in case of emergency power outage • Transfer of equipment and machinery to summer mode • Carrying out firefighting activities and fire safety drills • Mandatory environmental insurance
Chronical risks, caused by long-term climate change	
Risks:	Measures:
<ul style="list-style-type: none"> ⦿ Decrease in water levels in the Caspian Sea and rivers. 	<ul style="list-style-type: none"> • Construction of a desalination plant in the village of Kenderli. • Implementation of water supply projects in the western regions. • Remediation of historical oil contamination. • Monitoring of waterlogged and flooded wells.

We intend to expand cooperation with major international organizations to implement projects and attract investment jointly. This will not only allow us to attract investments for sustainable economic development but also ensure the transfer of advanced knowledge and technologies. Strengthening global partnerships and diversifying the geography of cooperation will allow us to expand access to new markets, pool resources and competencies through joint investment, and enhance the image of the Republic of Kazakhstan and the Fund.

We have carried out modeling for three scenarios of the Fund's development up to 2032 with the prospect of achieving carbon neutrality by 2060: Business as Usual, Decarbonisation, and Deep Decarbonisation.

The most optimistic of the scenarios is Deep Decarbonisation, which will achieve a 10% reduction in carbon footprint by 2032 from 2021 levels. This scenario assumes a faster energy transition through accelerated commissioning of nuclear

power plants, with the first unit in 2032, increasing the share of RES and HPPs to 30%, increasing the electrification of motor vehicles to 19% and the share of electricity purchased from alternative sources to 45%

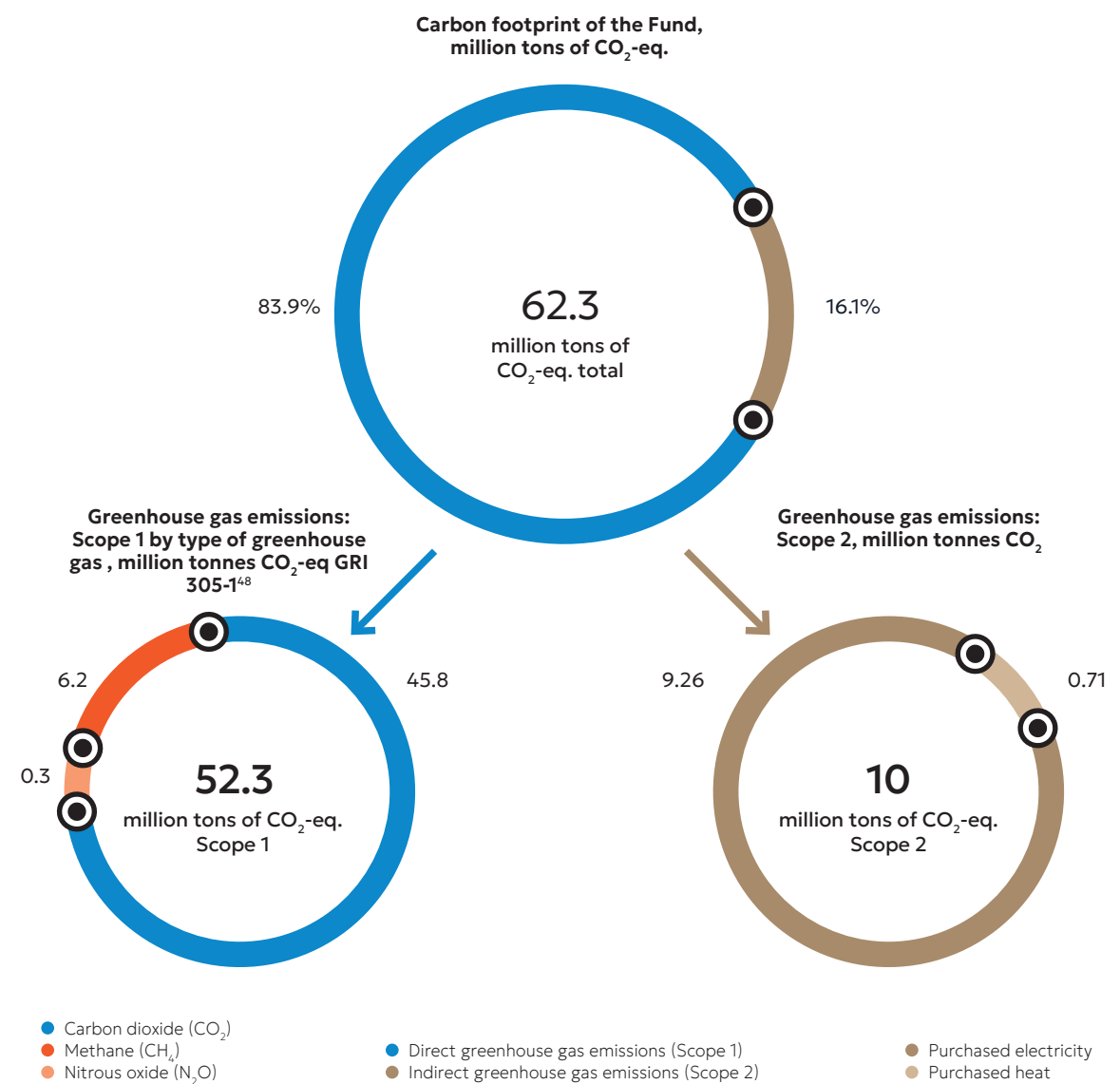
Under the Neutral scenario (decarbonization), emissions can only be kept at the 2021 level. Under the Business as Usual scenario, the carbon footprint is projected to grow by 19%, as the scenario assumes the continuation of current trends in the Fund Group's operations without a focus on decarbonization.

The direction of our low carbon development is fully aligned with the country's 'Strategy to achieve carbon neutrality by 2060'. In all scenarios, we are driven by the need to commission new capacity to avoid energy shortages in the country, with alternative energy, including nuclear generation, playing an important role in the transition of Kazakhstan's economy from coal dependence.

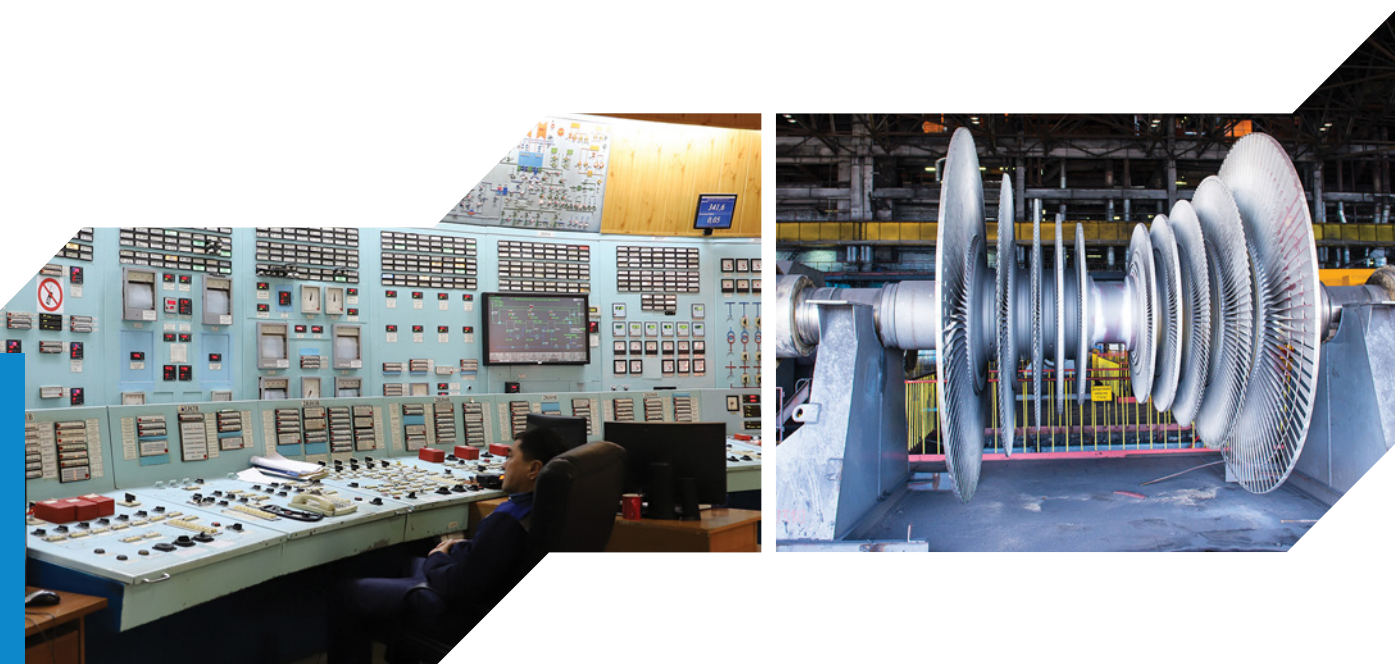


Greenhouse gas emissions

In 2023, the Fund Group's carbon footprint (direct and indirect greenhouse gas emissions) was 62.3 million tons CO₂-eq. Scope 1 greenhouse gas emissions were 52.3 million tons CO₂-eq (3% growth by 2022). Indirect greenhouse gas emissions were 10.0 million tons CO₂ (a decrease of 1%).



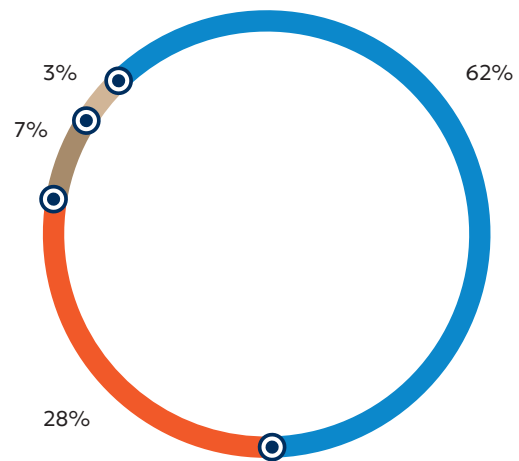
⁴⁸ Greenhouse gas emissions are calculated by Order No.280-p dated November 05, 2010 «On approval of certain methods for calculating greenhouse gas emissions», Order No. 9 of the Minister of Ecology and Natural Resources of the Republic of Kazakhstan dated January 17, 2023 «On approval of Methods for calculating greenhouse Gas emissions and absorption», Order No.221 of the Minister of Energy of the Republic of Kazakhstan dated March 19, 2015 «On approval of the Rules for Monitoring and Controlling the inventory of greenhouse gases», by Order No. 502 of the Acting Minister of Energy of the Republic of Kazakhstan dated July 28, 2015 «On Approval of Greenhouse Gas Inventory Report Forms», by Order No. 371 of the Minister of Ecology, Geology and Natural Resources of the Republic of Kazakhstan «On Approval of Methods for Calculating Greenhouse Gas Emissions and Absorption» dated September 13, 2021, «Guidelines for National IPCC Greenhouse Gas Inventories».



The base year for the calculation is defined as 2021. In the process of converting methane, nitrous oxide emissions to equivalent tonnes of carbon dioxide, the actual global warming potential coefficients (for methane – 28, for nitrous oxide – 265), which are determined by paragraph 4 of Conference of the Parties Decision 6/CP.27 of 17 November 2022, were applied. [GRI 305-1](#)

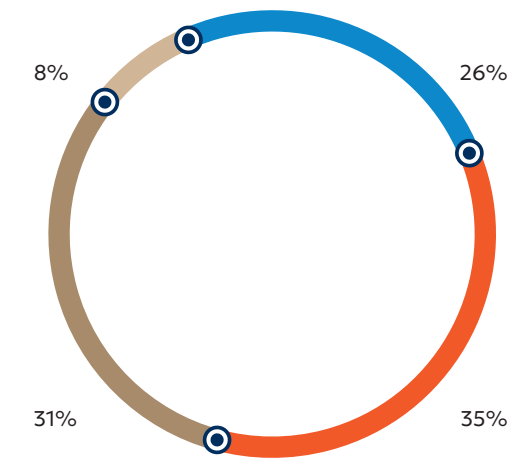
The largest emitters of direct greenhouse gas emissions are the electricity and heat generation sector – 32 million tonnes of CO₂-eq (58%) and the hydrocarbon exploration, production, transportation and processing sector – 14.8 million tonnes of CO₂-eq (28%). In these sectors, fossil fuels are extracted, burnt, and processed, and the emission volumes are the most significant. [GRI 305-1](#)

Total direct greenhouse gas emissions (Scope 1) greenhouse gas emissions by business segment, %



- Heat and power generation sector
- Oil and gas sector
- Transportation and logistics sector
- Others

Total indirect greenhouse gas emissions (Scope 2) by business segment, %



- Heat and power generation sector
- Oil and gas sector
- Transportation and logistics sector
- Others



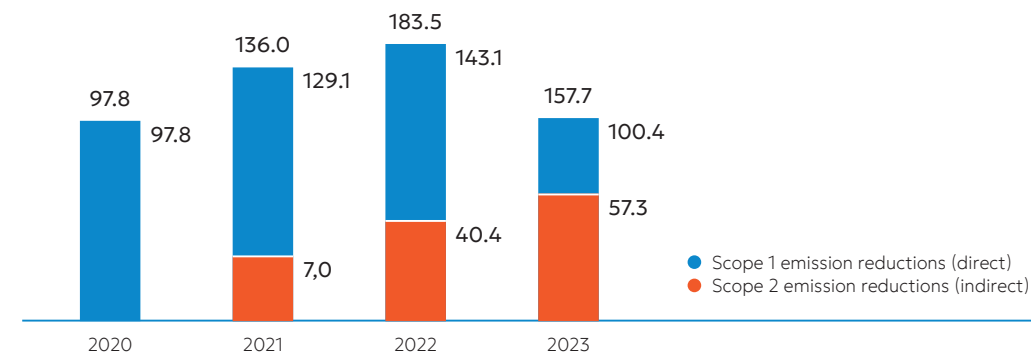
The largest share of indirect emissions is from purchased electricity (94%). The main emitters of indirect emissions are the oil production, transportation and refining sector (34%), the railway transport sector (31%) and the electricity transmission sector (25%).

Scope 3 emissions – all other greenhouse gas emissions arising in the company's value chain, namely emissions from selling products (Category 11 – "Use of Sold Products"). The Fund's Portfolio companies, such as JSC NAC Kazatomprom⁴⁹ and JSC NC KazMunayGas⁵⁰ are already calculating greenhouse gas emissions under Scope 3. JSC NC KazMunayGas discloses information on emissions under category 11 "Use of sold products".

Other Fund portfolio companies also plan to gradually develop reporting on Scope 3. [GRI 305-3](#)

Air Astana Group discloses its CO₂ emissions by the EU ETS – European Union Emissions Trading System (applies to all flights within the European Union) and CORSIA – Carbon Offsetting and Reduction Scheme for International Aviation (applies to international flights).

Reduction of greenhouse gas emissions as a result of measures aimed at reducing GHG emissions, thousand tonnes of CO₂-eq [GRI 305-5](#)



⁴⁹ CDP Questionnaire JSC NAC Kazatomprom

⁵⁰ CDP Questionnaire JSC NC KazMunayGas



Atmospheric air quality

We take air pollution very seriously, as it can have a negative impact on people's health. We support companies in our portfolio in reducing harmful emissions, utilizing the best technologies, and promptly updating and repairing production systems. [GRI 3-3](#)

All air emissions are strictly regulated by environmental legislation. Harmful substance emissions are carried out only within the established norms, which are agreed upon with state authorities and specified in authorization documents.

We also regularly monitor air conditions in the areas of our operations by conducting industrial environmental monitoring four times a year at the boundary of the sanitary protection zone and emission sources by accredited laboratories using state-of-the-art analysis methods. In addition, we are continuing our program to equip 16 facilities in Hazard Category I (in the oil and gas production, oil and gas processing, gas chemical, power generation and mining and metallurgical sectors) with automated emission monitoring systems (AEMS) to enable real-time monitoring of emissions into the environment. [GRI 3-3](#)

The methods approved by state authorities calculate emissions of pollutants into the atmosphere: [GRI 3-3](#) [GRI 305-7](#)



- Methodology for calculation of gross emissions of harmful substances into the atmosphere for oil refining and petrochemical enterprises;
- Methodology for determining air pollutant emissions for thermal power plants and boiler houses;
- Methodology for calculating air pollutant emissions at gas transport and storage facilities;
- Methodology for calculation of pollutant emissions into the atmosphere from facilities of the 4th category;
- Methodology for calculating emission standards from non-organized sources;
- Methodology for calculating concentrations of harmful substances in the atmospheric air from emissions of enterprises;
- Methodology for determining emission norms for the environment, etc.

OF THE 16, 8 SITES HAVE BEEN INSTALLED IN AEMS, OF WHICH THREE SITES TRANSMIT DATA TO THE MINISTRY OF ECOLOGY, GEOLOGY AND NATURAL RESOURCES, AND FIVE ARE IN THE PROCESS OF CONNECTION.

It is planned that by the end of 2024 AEMS will be installed at 4 sites, and in 2025-2026 at 4 more sites due to the completion of their modernization terms. [GRI 3-3](#)

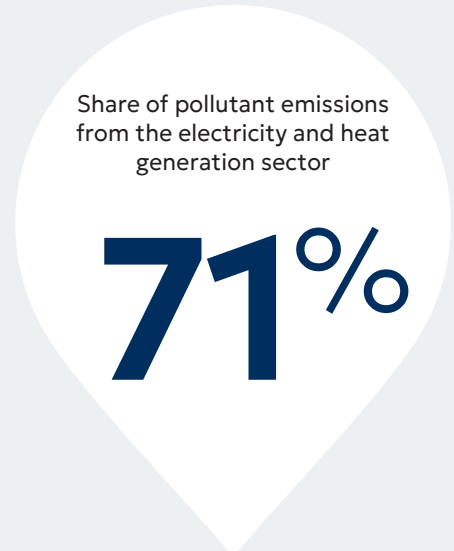
Emissions of pollutants

The volume of pollutant emissions for 2023 for the Fund Group was – 499.9 thousand tonnes, which is 0.8% less than last year's value. [GRI 305-7](#) [SASB](#)

The most significant emissions (71%) come from the electricity and heat generation sector, amounting to 354.9 thousand tonnes. The main sources of emissions are thermal power plants, such as Ekibastuz GRES-1, Ekibastuz GRES-2 Power Station and Bogatyr-Komir Company, which use fossil fuels. Compared to 2022, emissions from the electricity and heat generation sector decreased by 1.2 percent. Samruk-Energy JSC tracks its progress on the "Green Power Generation Indicator. Amount of CO/Sox/Nox/solids emissions per 1 kWh". In 2023, the specific emission of pollutants was 9.5 g/kWh. To reduce pollutant emissions at its production facilities, the work on the repair and modernization of dust and gas purification systems was carried out for the amount of KZT 1.6 billion. Samruk-Energy JSC was the first to implement AEMS at Ekibastuz GRES-2 Power Station.

The oil and gas production and refining sector accounts for 24% of emissions (119.5 thousand tonnes), which is 1% lower than last year. The sector continues to implement measures to reduce gas flaring. To minimize the negative impact on the atmospheric air, the replacement of technically obsolete burners on oil heating furnaces; construction of complex gas treatment and processing units is underway; systematic control over the condition of burner devices of furnaces is carried out, according to the schedule of regime and adjustment works, etc. [GRI 3-3](#)

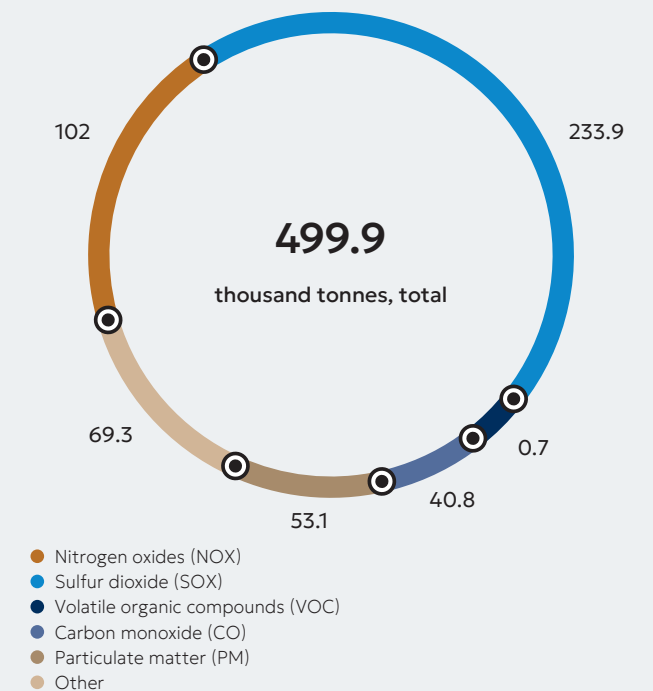
The gas transmission sector accounts for 4% of emissions (18.2 thousand tonnes). Compared to 2022, emissions increased by 11% due to increased gas consumption for combustion at Beineu-Shymkent Gas Pipeline LLP. To manage the impact on atmospheric air, the Company has an Emissions Management Policy. Measures to comply with the standards of permissible emissions of pollutants have been identified in the medium term. [GRI 3-3](#)



Emissions in the railway transportation sector amounted to 4.3 thousand tonnes, which was 0.9% of the total. Compared to the previous year, the volume of emissions decreased by 5%.

The contribution to pollutant emissions of the other portfolio companies of the Fund is less than 1%. [GRI 305-7](#)

Volume of pollutant emissions into the atmosphere, thousand tonnes



Optimization of energy consumption

In today's rapidly changing world, the requirement for sustainable development in energy consumption is more relevant than ever.

At the heart of our approach is a commitment to innovation and continuous improvement. The transition to sustainable energy requires a concerted effort and a willingness to change. By utilizing advanced technologies, adopting best practices, and fostering a culture of energy conservation among our employees, we aim to make significant progress toward achieving our sustainability goals while improving our operational resilience and competitiveness.

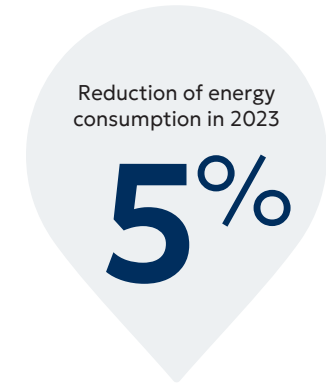
"Energy and Resource Saving Programme until 2027" defines our goals and objectives in energy and resource saving and energy efficiency improvement and sets priority areas and principles for implementing energy-saving and efficiency improvement measures. One of the priority organizational measures of the Programme was the creation of a system of the regular collection, analysis, and current control of information on the results of economic activity and volumes of fuel and energy consumption in the Fund's companies.

Quarterly (annual for some reporting forms) reporting under the Programme is envisaged.

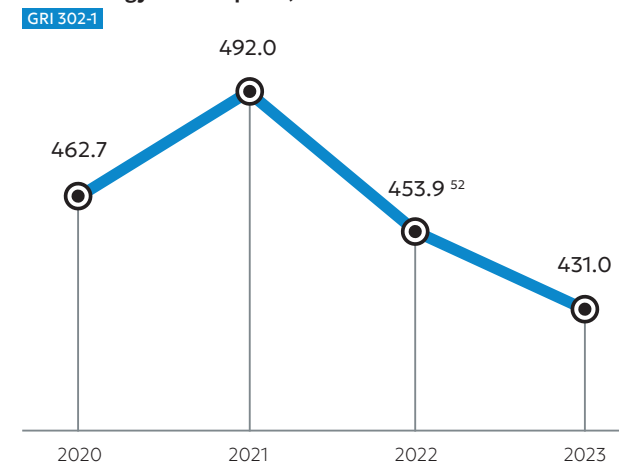
Large portfolio companies have approved energy efficiency management programs, energy saving programs, energy policies, etc. Portfolio companies' low-carbon development concepts/programs also specify energy efficiency targets. Most companies have an energy management system in place by the international standard ISO 50001:2011 requirements. **GRI 3-3** Several portfolio companies regularly conduct energy audits by the standard. Energy efficiency measures are planned and implemented based on the results of energy audits.

Indicators of consumption of fuel and energy resources

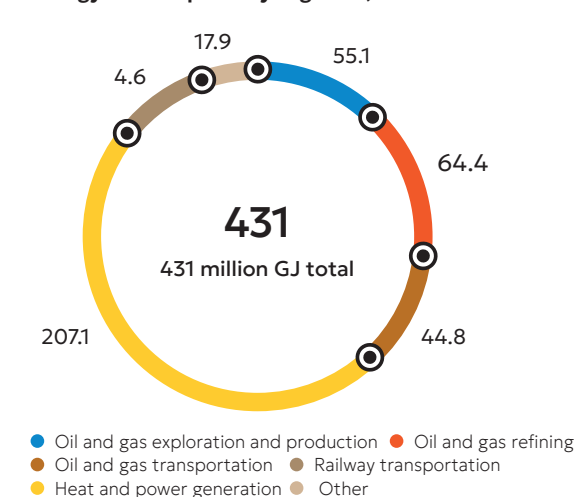
Total energy consumption within the Fund in 2023 was 431⁵¹million GJ, which is 5% below that the previous year.



Total energy consumption, million GJ



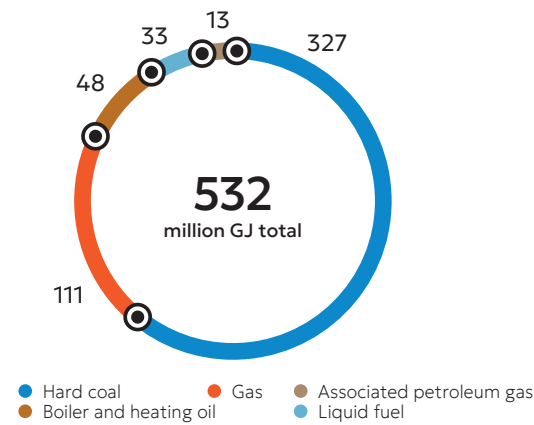
Energy consumption by segment, million GJ



⁵¹ Excluding sold electricity.

⁵² The total energy consumption in the 2022 Sustainability Report is different due to the exclusion of electricity sold in this year to avoid double counting.

Fuel consumption from non-renewable sources, by fuel type, million GJ



Fuel consumption from renewable sources, thousand GJ

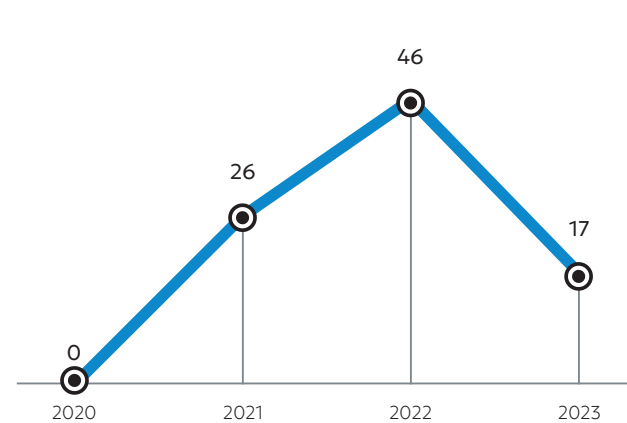


Table 18. Consumption of FER from non-renewable sources*, thousand GJ

GRI 302-1, SASB

Type of fuel	2020	2021	2022	2023
Liquid fuel, including:	28,970	30,634	31,685	32,972
Petrol	1,007	928	880	1,090
Diesel fuel	27,962	29,706	30,806	31,882
Boiler and heating oil, including:	49,877	45,385	50,255	47,523
Heating oil	42,206	39,700	46,372	42,380
Petroleum	781	652	958	1,169
Fuel oil	6,836	5,006	2,924	3,975
Marine fuel oil (IFO fuel oil)	54	28	1	0
Associated petroleum gas	13,932	14,461	15,702	12,933
Hard coal	293,556	334,710	328,633	327,121
Gas, including:	114,536	145,496	129,662	111,346
Natural gas	97,069	12,248	112,458	94,789
Stripped gas	17,257	18,036	17,103	16,484
LPG	214	217	102	73
Total	500,870	570,686	555,938	531,895

*Fuel consumption conversion coefficients from natural values to GJ were determined by the «Methodology for Formation of Fuel and Energy Balance and Calculation of Certain Statistical Indicators Characterising the Energy Sector» dated 11 August 2016 No. 160 [GRI 302-1, GRI 302-4](#)

In the structure of fuel and energy resources consumption from non-renewable sources for the Fund in 2023, hard coal accounts for 62%, gas – 21% (including natural gas – 18%), diesel fuel – 6%, and boiler and furnace fuel – 4%. The sector that consumes the most FER (coal) is the electricity and heat production sector, for electricity and heat production at CHPPs.

Total energy savings for 2023

11.5
million GJ

Energy consumption from renewable sources totaled 16.9 thousand GJ. [GRI 302-1](#)

The most significant energy consumption is in the heat and electricity generation sector – 207.1 million GJ, 48% of the total consumption. In the exploration, production, oil and gas processing and oil transportation sector, energy consumption totaled 124.1 million GJ (29% of total consumption). In this sector, fuel consumption decreased by 7% year-on-year due to decreased natural gas and APG consumption. The gas transportation sector consumed 40.2 million GJ, which accounted for 10% of the total energy consumption. Energy consumption of the railway freight transport sector totaled 41.6 million GJ – 10% of the total energy consumption.

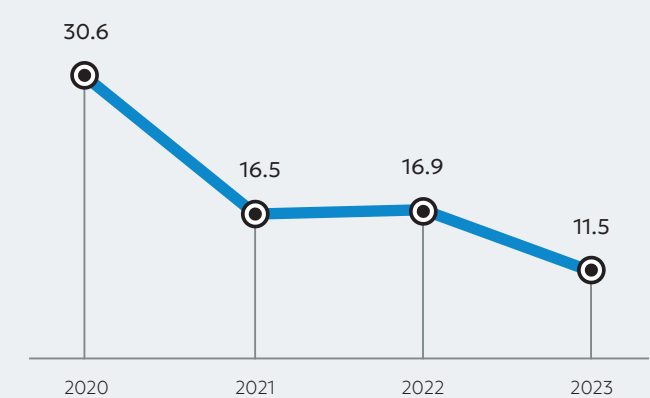
Electricity purchased totaled 60.6 million GJ, and thermal energy 5.2 million GJ. Electricity sold totaled 143.1 million GJ, and thermal energy totaled 23.8 million GJ. [GRI 302-1](#)

The energy intensity per unit of output in each sector of the Fund is shown in [Annex 11. ESG Data](#). [GRI 302-3](#)

As part of the ongoing work on energy and resource saving and energy efficiency improvement for 2023, the total energy savings totaled – 11.5 million GJ. [GRI 302-4](#)

The electricity and heat generation sector accounted for the largest share in the reduction of energy consumption – 87%. According to the requirements of the environmental legislation of the Republic of Kazakhstan, work is being carried out to reduce the negative impact on the environment

Reduction of energy consumption as a result of reduction initiatives, million GJ



(reduction of emissions of pollutants and reduction of greenhouse gas emissions) in the regions where the Company operates. The sector implements energy efficiency measures, such as the construction of new substations, reconstruction and improvement of power grids, and optimization and modernization of energy infrastructures. [GRI 302-4](#)

In the oil and gas production and refining sector, energy savings totaled 717 thousand GJ, and in the gas transmission sector, 352 thousand GJ. The following measures were implemented: modernization of process equipment, the introduction of energy-saving technologies, development of own energy generation sources, replacement of lighting, reduction of room temperature during non-working hours, optimization of compressor station loads, etc.

In the uranium exploration and production sector, energy savings totaled 218 thousand GJ. In the area of energy consumption and energy efficiency improvement, efficiency is set not to exceed the annual planned specific energy consumption rates.

In the rail transport sector, fuel and energy savings increased more than 10-fold year-on-year to 150 thousand GJ. In 2023, a Low Carbon Development Action Plan for 2023-2027 was approved, detailing the measures to be taken. JSC NC Kazakhstan Temir Zholy purchased passenger coaches with combined heating, locomotives with higher environmental performance, heating in branches was switched from solid fuel to electric heating, and energy efficiency measures were implemented in branches of JSC NC Kazakhstan Temir Zholy and its subsidiaries, which reduced fuel consumption and, consequently, pollutant emissions.



Biodiversity conservation

Humankind is on the brink of a major ecological crisis — the Sixth Extinction of Species — caused by human activity. Conserving and maintaining biodiversity is an essential component of the health and resilience of our planet's ecosystems.

The loss of biodiversity poses significant risks to human well-being, such as loss of genetic diversity and increased vulnerability to environmental disasters. The Kunming-Montreal Biodiversity Framework Programme, signed at the Conference of the Parties to the UN Convention on Biological Diversity (COP 15), has become the main program for biodiversity conservation.

With diverse operating assets and widespread across all regions of Kazakhstan, we recognize the significance of our impact on biodiversity.

Some companies of the Fund Group, such as JSC Kazakhtelecom and JSC NAC Kazatomprom, have approved guiding documents on biodiversity impact management. JSC NC Ka-

zmunaygas has developed a "Comprehensive Programme for Seal Habitat Conservation and Biodiversity Conservation" in 2023. [GRI 3-3](#)



Hamster
(*cricetus cricetus*)

on the verge of total extinction

Potential impact on areas of operation by type of activity [GRI 304-1, GRI 304-2](#)

Our portfolio companies are present in all regions of the Republic of Kazakhstan, especially companies with extensive linear infrastructure. Such companies include trunk oil and gas pipelines of KazTransOil JSC and NC QazaqGaz JSC, trunk overhead power transmission lines of KEGOC JSC, as well as overhead power transmission lines of electricity distribution companies Samruk-Energy JSC, railway tracks of JSC NC Kazakhstan Temir Zholy, and cable telecommunication networks of Kazakhtelecom JSC. This infrastructure covers diverse regions of Kazakhstan and affects different types of ecosystems, including forest-steppe, wetlands, steppe, semi-desert and desert ecosystems, which are found in various terrains, from shallow hills to hilly and flat terrain.

The main aspects of the negative impacts of portfolio companies with significant linear infrastructure on biodiversity are as follows:

- ⦿ obstruction of railway tracks, artificial fences, embankments, high-speed motorways to the migration routes of ungulate mammals;
- ⦿ deaths of animals on railway tracks and highways. [GRI 3-3](#)

Fund portfolio companies recognize the listed risks and implement measures to minimize them. [GRI 3-3](#)

JSC NAC KAZATOMPROM IN 2023 CONTINUES RESEARCH ON PROTECTING BIRDS FROM THE IMPACT OF POWER LINES.

The list of IUCN Red List species and the national list of protected species whose habitats are located in the area affected by the activities of the portfolio companies is included in Annex 4. [GRI 304-4](#)

Rail transportation

In 2022, the derailment of 18 freight wagons of JSC NC Kazakhstan Temir Zholy on the railway bridge of the Tausamaly—Kumystau crossing and the fall of 6 freight wagons with cargo caused environmental damage to the Irtys River. Measures to compensate for losses to the fishery will continue in 2024.

Temporary adverse impacts of this incident on the Ust-Kamenogorsk reservoir include the following:

- ⦿ death of benthos at the bottom of the reservoir as a result of ore settling and formation of high turbidity zones;
- ⦿ death of zooplankton or disruption of production processes in the zone of increased turbidity caused by the derailment of railway wagons into the reservoir;
- ⦿ disturbance of fish reproduction conditions, destruction of spawning substrates, death of fish eggs and larvae.

[GRI 304-2, GRI 3-3](#)

According to calculations, the total loss of fish products due to the death of food organisms was 2.6 thousand kg.

Electricity production and distribution

The main electricity production facilities are located in Pavlodar and Almaty oblasts, regions with a high level of industrial development and, consequently, subject to a high level of technogenic environmental pollution. The production facilities are located on industrial land where there are no red-listed, endangered or other species of animals and birds. The impact of the production activities of the Fund's enterprises on the environment is minimal and is constantly monitored.



The main aspects of the negative impact of hydroelectric and wind power plants on biodiversity are as follows:

- mortality of ichthyofauna (eggs), aquatic invertebrates, aquatic plants, some waterfowl and waterfowl birds during significant water level changes in rivers and/or other water bodies;
- bird mortality from collision with turbines of wind farms;
- bird mortality from electrocution on medium-power overhead lines and substation equipment under operating voltage. [GRI 3-3](#), [GRI 304-2](#)

According to the zoological survey in the 45 MW wind power plant construction area near Ereimentau, 2 bird species listed in the Red Book of Kazakhstan (Imperial Eagle, Steppe Eagle) were found in the mountains of Ereimentau. Bird aggregations were found in lowlands and forest plantations along motorways and railway tracks, which are located away from the installed wind turbines. The likelihood of collisions between these species and other birds was determined to be “minimal”. No collisions of migratory birds with turbines have been recorded during the period of operation of the wind farm (a logbook is maintained).

Oil and gas production

Some oil and gas fields are located in the Caspian Sea and represent a particular group of risks for biodiversity.

The Northern Caspian is the most productive part of the Caspian Sea. The biological resources of this region have a significant scale. Among the most significant commercial objects of the ichthyofauna are 25 species, including sturgeons, which account for more than 70-80% of their world stock in this basin.

The eastern part of the water area of the Northern Caspian Sea, including the deltas of the Volga (within the Republic of Kazakhstan) and Ural rivers, is located in the state-protected area in the northern part of the Caspian Sea. The wetlands of the northern part of the Caspian Sea, especially the deltas of the Volga, Ural, and Emba rivers, as well as the coastal zones and the seawater area, are key areas on the continent, providing refuge for millions of waterfowl and waterbirds during nesting, molting, migration and wintering periods. One of the largest flyways in Eurasia, the Siberian-Black Sea-Mediterranean Flyway, passes through the Northern Caspian.

The main aspects of the negative impact of oil and gas production companies on biodiversity are as follows:

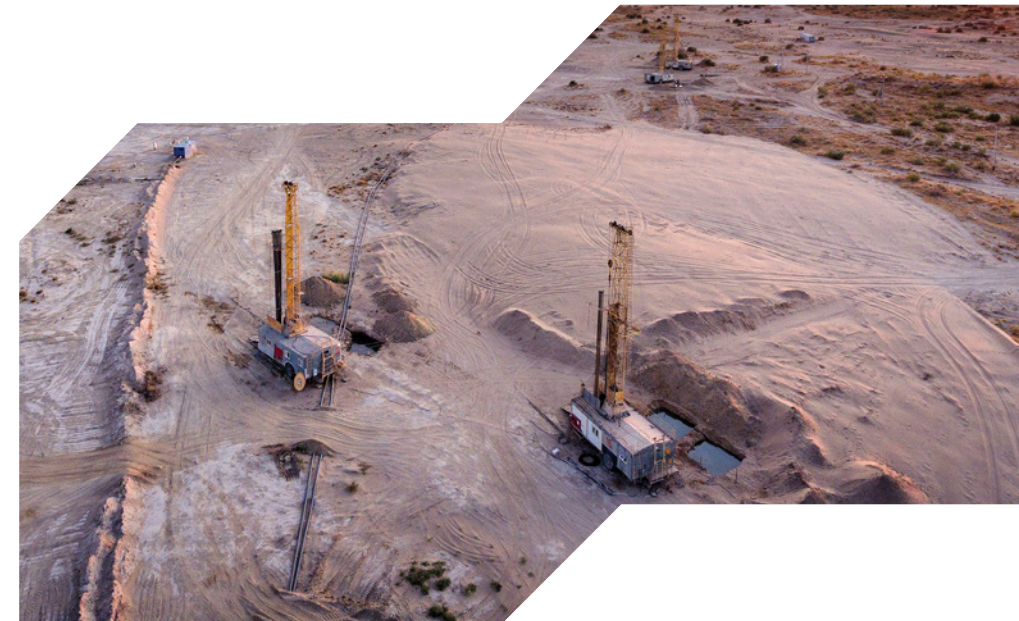
- a factor of concern for Caspian seals;
- pollution of bird and seal habitats with oil and oil products;
- harm to ichthyofauna and seals as a result of accidental/unauthorized releases of toxic substances into the Caspian Sea;
- toxic effect of oil hydrocarbons in open evaporation fields;
- deaths of waterfowl landing on vapour fields;
- deaths of birds from electric shock on overhead lines and substation equipment under operating voltage;
- disturbance from the development of new wells and associated infrastructure;
- degradation of vegetation communities as a result of the expansion of the road network. [GRI 3-3](#) [GRI 304-2](#)

JSC NC KazMunayGas performed works on compensation of damage to fish resources during construction and abandonment of well V-1 at the Zhenis site by releasing fish planting material (sterlet) into the Ural River (Atyrau region) in July 2023. [GRI 3-3](#)

Mining and Metallurgical Sector

The Fund's Group includes enterprises in the mining sector, including uranium exploration and mining and metallurgy enterprises.

Sources of direct mechanical impact on the vegetation cover are construction and installation, drilling and excavation works that disturb the integrity of soil horizons and natural dominant vegetation cover. In turn, construction and drilling work lead to an increase in the number of field roads concentrated around production sites, which will put additional pressure on soil and vegetation cover. Considerin' the area's sharp continental climatic conditions, aridity of the climate, salinity of soils, as well as the impact of the Aral Sea problem, it will take several years for the soil and vegetation cover to regenerate itself. Impacts may manifest themselves in the overgrowth of territories with weed vegetation species and displacement of dominant species. Indirect impacts may include dusting and releasing fuel combustion products from vehicles onto soil and vegetation. [GRI 3-3](#) However, due to the increased wind regime and high dispersion rate of nitrogen and sulfur compounds, 'he latter's impact will not affect the vital state of vegetation cover. [GRI 304-2](#)



The main type of impact is mechanical disturbance of the soil and vegetation cover within the mining allotment area, resulting in disturbance of animals, whereby reptiles, birds and mammals may be displaced for some distance during construction works, and fragmentary changes 'o animals' natural habitats occur. Once construction is complete, the impact on wildlife will be significantly reduced. Some species of large mammals and some bird species that were displaced from the area or changed their migration routes due to disturbance during the construction period may re-establish themselves in the area. Impacts may manifest themselves through the introduction of invasive animal species. [GRI 3-3](#) [GRI 304-2](#) These processes are not irreversible and will not affect the gene pool of animals in the area. The significance of this impact is low.

PORTFOLIO COMPANIES REGULARLY RESTORE DISTURBED LAND AS A RESULT OF THEIR ACTIVITIES.

JSC NAC Kazatomprom in 2023 carried out monitoring studies the state of biodiversity in the area where uranium mines are located, determining the composition of flora and fauna, taking into account rare and red-listed species. [GRI 3-3](#)

As work is completed at fields, construction sites and other works, phased reclamation works are carried out to restore the landscape and vegetation cover and return the land to economic turnover. [GRI 304-3](#)



List of affected areas significant for biodiversity conservation GRI 304-1

Important Bird Areas (IBA) affected or located near the territories of Portfolio Companies of the Fund⁵³

N°	IBA	Name of the legal entity
1	KZ006	Intergas Central Asia JSC (JSC NC QazaqGaz)
2	KZ008	KazTransOil JSC (JSC NC KazMunayGas)
3	KZ009	KazTransOil JSC (JSC NC KazMunayGas)
4	KZ010	Intergas Central Asia JSC (JSC NC QazaqGaz)
5	KZ011	1. KazTransOil JSC (JSC NC KazMunayGas) 2. Isatai Operating Company LLP (JSC NC KazMunayGas)
6	KZ012	Aktau Sea Northern Terminal LLP (JSC NC Kazakhstan Temir Zholy)
7	KZ013	KazTransOil JSC (JSC NC KazMunayGas)
8	KZ016	KazTransOil JSC (JSC NC KazMunayGas)
9	KZ017	KazTransOil JSC (JSC NC KazMunayGas)
10	KZ018	Intergas Central Asia JSC (JSC NC QazaqGaz)
11	KZ049	First Wind Power Station (Samruk-Energy JSC)
12	KZ056	Ereymentay Wind Power LLP (Samruk-Energy JSC)
13	KZ063	Intergas Central Asia JSC (JSC NC QazaqGaz)
14	KZ065	Intergas Central Asia JSC (JSC NC QazaqGaz)
15	KZ066	Intergas Central Asia JSC (JSC NC QazaqGaz)
16	KZ068	1. Karatau LLP (JSC NAC Kazatomprom) 2. Uranenergo LLP (JSC NAC Kazatomprom)
17	KZ069	1. Kazatomprom-SaUran LLP (JSC NAC Kazatomprom) 2. LLP JV Akbastau (JSC NAC Kazatomprom) 3. Uranenergo LLP (JSC NAC Kazatomprom) 4. ShalkiyaZinc LTD JSC (JSC NMC Tau-Ken Samruk) 5. Intergas Central Asia JSC (JSC NC QazaqGaz)
18	KZ070	1. Kazatomprom-SaUran LLP (JSC NAC Kazatomprom) 2. LLP JV Akbastau (JSC NAC Kazatomprom) 3. Uranenergo LLP (JSC NAC Kazatomprom) 4. ShalkiyaZinc LTD JSC (JSC NMC Tau-Ken Samruk) 5. Intergas Central Asia JSC (JSC NC QazaqGaz)
19	KZ071	ShalkiyaZinc LTD JSC (JSC NMC Tau-Ken Samruk)
20	KZ072	1. LLP JV KATKO LLP (JSC NAC Kazatomprom) 2. ShalkiyaZinc LTD JSC (JSC NMC Tau-Ken Samruk)
21	KZ073	Intergas Central Asia JSC (JSC NC QazaqGaz)
22	KZ076	1. Shardara HPP JSC (Samruk-Energy JSC) 2. Intergas Central Asia JSC (JSC NC QazaqGaz)
23	KZ084	EWP LLP, FWPS LLP (Samruk-Energy JSC)
24	KZ103	U.D. Kantayev Moinak Hydroelectric Power Plant (Samruk-Energy JSC)
25	KZ105	Bogatyr Komir LLP (Samruk-Energy JSC)
26	KZ108	1. Shulba HPP JSC (Samruk-Energy JSC) 2. Kazzinc LLP (JSC NMC Tau-Ken Samruk)

⁵³<http://datazone.birdlife.org/site/mapsearch>

Key Biodiversity Areas (KBA) affected or located near the territories of Portfolio Companies of the Fund⁵⁴

N°	KBA	Name of the legal entity
1	19 944	Shardara HPP JSC (Samruk-Energy JSC)
2	19 955	1. LLP JV KATKO LLP (JSC NAC Kazatomprom) 2. ShalkiyaZinc LTD JSC (JSC NMC Tau-Ken Samruk)
3	20 601	U.D. Kantayev Moinak Hydroelectric Power Plant (Samruk-Energy JSC)
4	20 927	1. Ozenmunaigas JSC (JSC NC KazMunayGas) 2. Aktau Sea Northern Terminal LLP (JSC NC Kazakhstan Temir Zholy)
5	21 811	Ozenmunaigas JSC (JSC NC KazMunayGas)
6	21 947	ShalkiyaZinc LTD JSC (JSC NMC heat and electricity generation)
7	21 969	Samruk-Green Energy LLP (Samruk-Energy JSC)
8	21 980	Embamunaigas JSC (JSC NC KazMunayGas)
9	21 986	EWP LLP, FWPS LLP (Samruk-Energy JSC)
10	22 007	KMG-Karachaganak LLP (JSC NC KazMunayGas)
11	22 284	1. Kazatomprom-SaUran LLP (JSC NAC Kazatomprom) 2. ShalkiyaZinc LTD JSC (JSC NMC Tau-Ken Samruk)
12	46 725	U.D. Kantayev Moinak Hydroelectric Power Plant (Samruk-Energy JSC)

[The list of Specially Protected Species is listed in Annex 4.](#)

⁵⁴<https://www.keybiodiversityareas.org/sites/search>

Water resources management

We recognize the importance of responsible management and conservation of water resources and strive to minimize water risks and impacts.

According to the World Resources Institute's forecast, Kazakhstan is among the countries with medium to high levels of water scarcity (20-40%), and by 2040 will be among the countries with extremely high or high levels of water scarcity. We are implementing measures to improve water use efficiency and reduce water consumption. We partner and collaborate with stakeholders to collectively address water-related challenges, including portfolio companies, local communities, and government agencies.

Water resources are managed by the Republic of Kazakhstan's Water Code and Environmental Code, sanitary regulations, water protection permits, and our portfolio companies' internal water management policies and programs. Portfolio companies themselves set targets for reducing water consumption. [GRI 3-3](#) [GRI 303-1](#) [SASB](#)

All wastewater, except that used for the transportation of ash and slag, undergoes thorough treatment to achieve the norms established by sanitary and hygienic standards by the procedures defined in the Methodology for Determining Environmental Emission Standards. Maximum concentrations of pollutants and limits of permissible discharges are established based on design data on maximum permitted discharges and the results of sanitary-epidemiological and environmental assessments. [GRI 3-3](#) [GRI 303-2](#) [GRI 303-4](#)

To assess the impact on water resources, we regularly monitor groundwater and surface water bodies quarterly. This monitoring allows you to regularly monitor the quality and availability of water resources. Special observation monitoring wells are used for groundwater. We also systematically carry out measures to reduce water consumption and increase water recycling. The results of monitoring the impact on sensitive water bodies are submitted to the authorized bodies every quarter. Environmental departments coordinate water regulation issues in portfolio companies. When conducting environmental impact assessments, public hearings are held to consider the impact on water bodies, among other things, and the opinions of all stakeholders are considered. [GRI 303-1](#) [GRI 413-1](#)



Share of water withdrawal of the heat and power generation sector

69.7%

Water withdrawal volume in areas with water stress

29.6
thousand MI

Water withdrawal

The most significant impact of our activities is on water bodies in the western region of Kazakhstan, such as the Ural River, Kigach River, Kokzhide Sands, Pyatimar Reservoir, as well as the Sharyn River and Bestyubinsk Reservoir (Moynak Hydropower Plant), Syrdarya River and Shardara Reservoir, K. Satpayev Canal, Shiderta Canal (Big Almaty Lake and the basin of the Big Almatinka River – Cascade of Hydroelectric Power Plants), Kapshagai reservoir (Kapshagai hydroelectric power plant), as well as Shu-Sarysus basin. These objects are of special ecological, economic, historical, cultural and recreational value. [GRI 303-1](#)

In 2023' the Fund's water withdrawal amounted to 63,924 thousand MI (excluding HPP water intake and associated format-on water - 331 thousand MI). Water withdrawal increased by 0.3% compared to the previous year, mainly due to increased water withdrawal from surface water for electricity generation. The largest water withdrawal among the companies o' the Fund's group is in the sector of electricity and heat generation (63,686 thousand MI). Hydroelectric power plants withdraw water for power generation, as well as during coal mining Bogatyr-Komir LLP needs large volumes of water, water withdrawal is carried 'ut strictly in the volumes authorized by state authorities. Water withdrawal from HPPs (AES Shulbinskaya HPP, AES Ust-Kamenogorsk HPP, Moinakskaya HPP, Bukhtarma HPP, etc.) in the electricity and heat generation sector amounts to 63.5 million MI. This volume is fully returned to surface water. [GRI 303-3](#) [SASB](#)

The oil and gas production, refining and processing sector withdrew 217.4 thousand MI (excluding associated formation water – 80.5 thousand MI), which is lower by 1% compared to the previous year. In JSC NC KazMunayGas in 2023, the Water Resources Management Program was developed

for 10 years. The program aims to address the issue of preventing water resources deficit for the preservation of ecosystems, ensuring the planned growth of the economy, and improving the water resources management system. Approval of the Program is expected in 2024. Starting in 2020, the Company will calculate its water footprint and post water resource management information on the Carbon Disclosure Project site as part of the Water Security Questionnaire.

Water withdrawal from the uranium processing mining sector amounted to 9.1 thousand MI. In 2023, the Board of Directors of JSC NAC Kazatomprom approved the Water Resources Management Strategy for 2023-2030. The document emphasizes the Company's commitment to rational and careful use of water in the process of production activities.

In total, more than 63,735 thousand MI of fresh water was withdrawn, which amounted to more than 99% of the total water withdrawal. [GRI 303-3](#) [SASB](#)

We consider water withdrawal in regions with increased water deficit, according to the water stress indicator WRI Aqueduct⁵⁵ these include the basins of the Caspian Sea, Aral Sea, Lake Balkhash, Syr Darya and Ural rivers. The volume of water withdrawal in deficit regions is 29.7 thousand MI, which is less than 1% of the total volume. In the areas with water deficits, the volume of freshwater withdrawal is 44% of the total water withdrawals. [GRI 303-3](#)

⁵⁵According to WRI Aqueduct: High category - total water load 40-80%, extremely high category >80%.

Total irrevocable water consumption
240.8
thousand MI

The volume of water reused
22.3
thousand MI

Water consumption

The most significant consumer of water resources among the sectors in the Fund's technological processes is the power and heat generation sector – 64% of the total water consumption of the Fund. The oil and gas production and processing sector accounts for 31%. Uranium mining and processing consumes 2%.

Total irrevocable water consumption in 2023 is 240.8 thousand MI, with 26.4 thousand MI (11%) in water-stressed regions. **GRI 303-5 SASB** The volume of water reused is 22.3 thousand MI, a 22% increase over last year. The volume of recycled water was 3.9 MI, of which the heat and power generation sector reused 0.44 MI. The volume of water reused is 22.3 thousand MI, a 22% increase over last year. The volume of recycled water was 3.9 MI, of which the heat and power generation sector reused 3.5 MI and the oil and gas production and refining sector reused 0.44 MI.

The data collection process for monitoring water consumption and withdrawal, depending on the types of production facilities, is carried out:

- annually, according to the environmental reporting form;
- daily, from automated water meters;
- daily by operational personnel of production facilities, etc. **GRI 303-3**

Water discharge

The total volume of discharges amounted to 63,682 thousand MI. Over than 99% of HPP water discharges into surface water bodies during power generation. For pressure maintenance 133 thousand MI is discharged into formations, 73 thousand MI is used for ash and slag waste disposal to ash dumps by the heat and power generation sector. **GRI 303-4**

Portfolio companies regularly carry out laboratory measurements of wastewater quality. Environmental legislation is established, and environmental standards for water quality are set during impact assessments. **GRI 303-4**

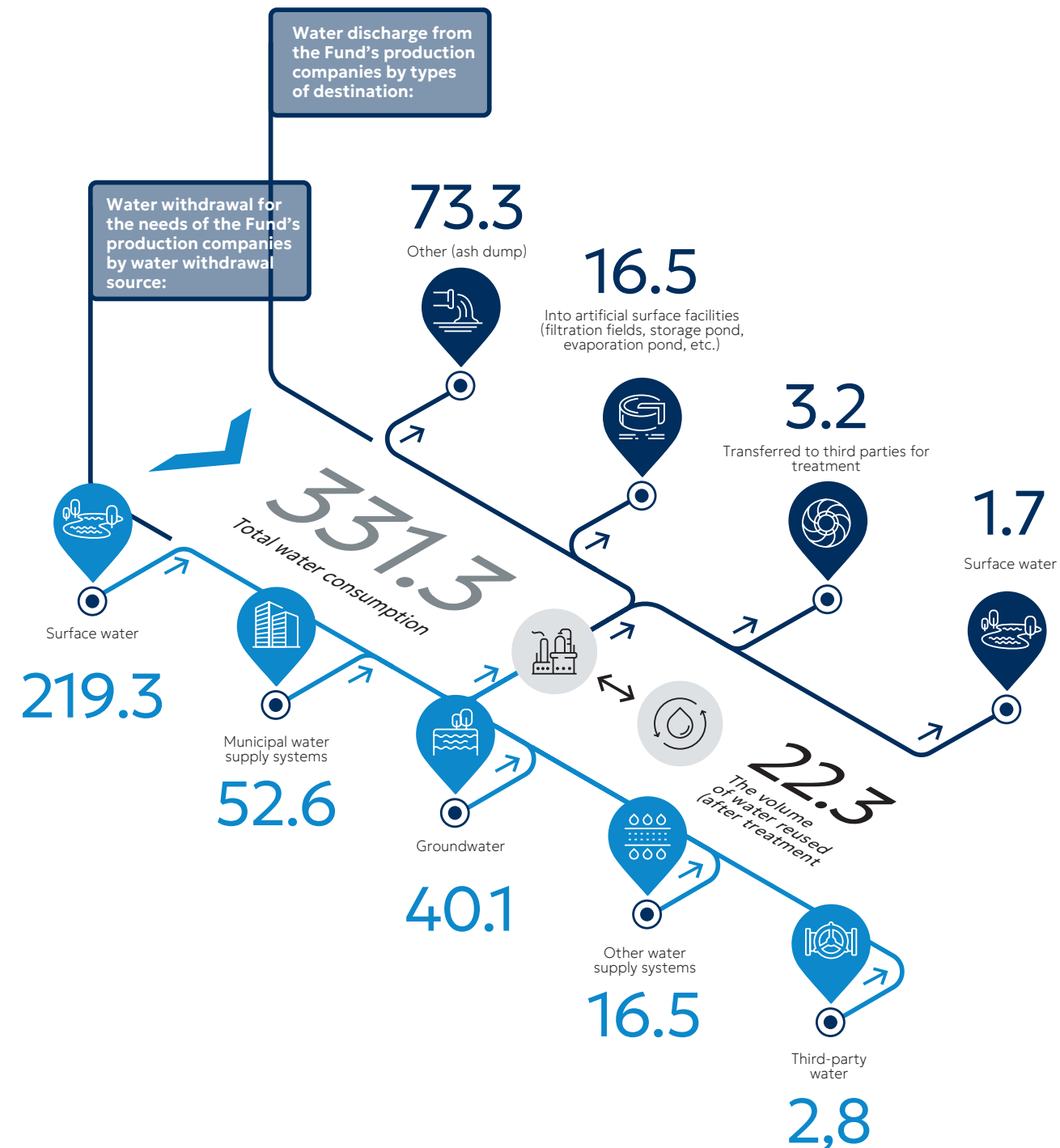
By the Methodology for determining environmental emission standards, the main pollutants, the concentrations of which are measured in wastewater, are: petroleum products, phosphates, suspended substances, nitrates, nitrites, etc. **GRI 303-4**

Water discharge to surface water bodies includes storm water from industrial areas and water not involved in the technological process. Treated water is discharged through storm water drainage systems. Wastewater must be treated by statutory regulations before discharge into water bodies or onto the surface of the ground.

The oil and gas production and refining sector discharged 144.1 thousand MI of water, 10.4 thousand MI of which was discharged to artificial surface facilities (evaporation ponds, storage ponds and filtration fields).

In the uranium mining and processing sector, the volume of water discharged amounted to 3.9 thousand MI. The volume of reused water (after treatment) amounted to 6.1 thousand MI, which is 13% more than last year and exceeds the volume of water discharged by the sector. **GRI 303-4**

Water balance of the Fund, thousand MI (million m³)



Water balance of the Fund, thousand MI (million m³)

Name of indicator	2020	2021	2022	2023
Total water withdrawal volume, including:	68,870.7	64,077.6	63,762.2	63,923.7
Needs of the Fund's manufacturing companies: ⁵⁶	297.8	315.9	316.1	331.3
Surface water	185.1	202.5	200.9	219.3
Groundwater	49.0	45.9	40.9	40.1
Municipal water supply systems	41.1	45.8	50.6	52.6
Third-party water	0.9	1.0	2.6	2.8
Other water supply systems	21.7	20.7	21.1	16.5
Water intake for powering hydroelectric generators of HPPs:	68,447.9	63,630.6	63,309.6	63,455.5
Surface water	68,447.9	63,630.6	63,309.6	63,455.5
Extracted produced water	125.0	131.1	136.5	137.0
Total volume of discharged water, including:	68,661.4	63,859.4	63,541.2	63,682.9
From the Fund's production companies by types of destination:⁵⁷	89.8	99.2	96.6	94.7
Surface water	1.1	1.1	1.3	1.7
Into artificial surface facilities (filtration fields, storage pond, evaporation pond, etc.)	17.7	19.7	18.1	16.5
Transferred to third parties for treatment	3.5	3.6	2.3	3.2
Other (ash dump)	67.5	74.9	74.7	73.3
Discharge from the HPP	68,447.8	63,630.5	63,309.5	63,455.4
Surface water	68,447.8	63,630.5	63,309.5	63,455.4
Discharge (injection) of produced water	123.8	129.7	135.2	132.9
Total water use, including GRI 303-5	68,870.7	64,077.6	63,762.2	63,923.7
For production needs ⁵⁸	149.0	156.1	146.8	167.0
For household and drinking water needs	11.4	11.2	11.5	10.7
Transferred without use to third parties	131.3	143.8	148.0	145.7
To power hydroelectric generators of HPPs	68,447.9	63,630.6	63,309.6	63,455.5
Reservoir pressure maintenance	125.0	131.1	136.5	137.0
other	6.1	4.8	9.9	7.9

⁵⁶ Excluding water withdrawal from hydroelectric power stations
⁵⁷ Excluding water discharge from HPPs
⁵⁸ Excluding HPPs



The portfolio companies have installed meters and automated water metering systems to record water intake and discharge. Before discharging into artificial water bodies, wastewater undergoes mandatory treatment and laboratory control according to quality standard⁵⁹. Wastewater treatment is performed by physical-chemical, mechanical and biological methods. Every quarter we control the quality of wastewater treatment and only by accredited laboratories, i.e. the indicators of which can be trusted.

Although many of the Company's subsidiaries do not have a significant negative impact on water resources, they strive for rational water use. Water consumption is insignificant in the electricity transmission sector, but transformer oil can be a likely source of water pollution. Therefore, equipment selection fa-

vors more environmentally friendly technologies without oil, eliminating contamination of groundwater and soil. In the uranium mining and processing sector, mining is carried out using in-situ borehole leaching, which significantly reduces the impact of operations on biodiversity and water resources in the regions of operation.

As part of the Tazalyq project in the oil and gas production and refining sector at Atyrau Refinery LLP under the subproject "Reconstruction of the normatively treated effluent channel and recultivation of evaporation fields of Atyrau refinery LLP", the connection of the plant's normatively treated effluent pipeline to the Atyrau City HSPS was completed. An automated wastewater monitoring system is being installed under the project.

⁵⁹ The norms of pollutant discharge are calculated according to the «Methodology for determining the norms of emissions into the environment» approved by the Order of the Minister of Ecology, Geology and Natural Resources of the Republic of Kazakhstan dated March 10, 2021, No. 63.
[GRI 303-4](#)

Waste management

By addressing the issue of waste reduction, we not only minimize our environmental impact but also unlock opportunities to reduce resource consumption, save costs, and foster innovation.

Waste management is a multifaceted challenge that goes beyond recycling and landfill practices. It encompasses the entire life cycle of materials used in companies' operations – from procurement and production to consumption and disposal. By addressing waste reduction, we not only reduce our environmental impact, but also gain opportunities to reduce resource consumption, save money and innovate.

Industrial and municipal waste management, temporary storage, transportation, recycling and disposal are carried out by the legislative norms of the Republic of Kazakhstan and do not pose a threat to the environment, health of employees and local residents. State authorities conduct regular inspections of safe waste management. Portfolio companies have developed Waste Management Programs for each industrial facility by the Environmental Code. [GRI 3-3](#)

ALL PORTFOLIO COMPANY FACILITIES THAT GENERATE WASTE KEEP RECORDS OF PRODUCTION AND CONSUMPTION WASTE BY TYPE, QUANTITY AND PROPERTIES, AND HAZARDOUS WASTE PASSPORTS ARE DEVELOPED.

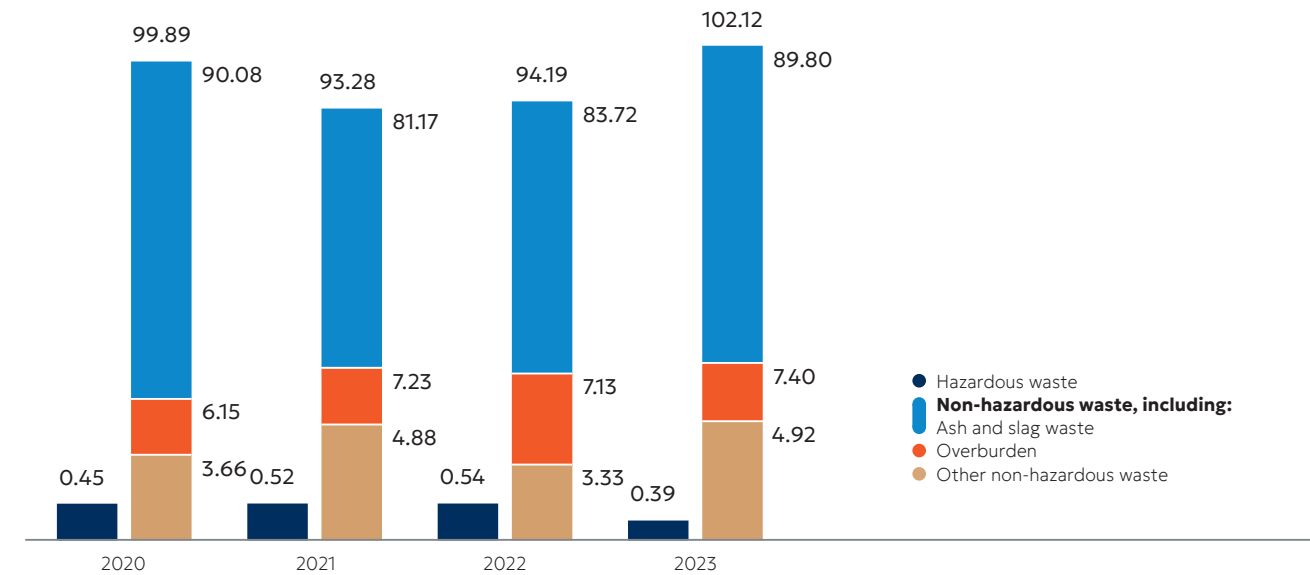
They are filled in a special waste record book as wastes are generated and transferred for utilization or disposal. The results of waste accounting are submitted to the environmental authority in the form of the following documentation: reports on the results of industrial environmental control (quarterly), waste inventory reports (annually), hazardous waste passports. [GRI 306-2](#)

Most of the Fund Group companies' waste is removed by specialized organizations for further recycling/use/disposal, which reduces or completely eliminates pollution of environmental components. Before their removal to final disposal facilities and recycling, waste is temporarily accumulated on the companies' territory for no more than 6 months. [GRI 3-3](#)

Many portfolio companies separately collect waste paper, plastic, glass, waste batteries, waste office equipment, waste car tires for further transfer to specialized organizations for recycling. JSC NC «Kazakhstan Temir Zholy» has installed fondamats (specialized machines for accepting bottles) for accepting tin cans and plastic bottles. [GRI 306-2](#) [GRI 3-3](#)

99%
Most of the Fund's waste comes from the heat and power generation sector.

Waste generation, million tons [GRI 305-5](#)



The main part of the Fund's waste is in the heat and power generation sector – 99% of the total volume or 98,496.1 thousand tons. Taking into account the specifics of the activity, the main share in the total volume of wastes falls on overburden rocks of coal mines of Bogatyr Komir LLP and ash and slag wastes generated as a result of coal combustion, which belong to non-hazardous wastes. [GRI 3-3](#)

The oil and gas production and processing sector generates 435.9 thousand tons of waste (0.4% of the total volume). The following types of waste are generated in this sector: drilling waste (drilling mud and cuttings), oil waste (bottom sediments, oil-contaminated soil, oil sludge, well backwashing waste), spent catalysts and chemical reagents, etc., as well as waste oil and gas wastes. [GRI 306-1](#) This sector accounts for the largest volume of hazardous waste – 383 thousand tons (97% of the total volume of hazardous waste). Oil-containing waste is classified as hazardous waste.

In JSC NC KazMunayGas by the obligations on utilization of historical oil-containing waste and cleaning of oil-contaminated lands, measures on cleaning of historically oiled territories of Mangistaumunaigas JSC, Ozenmunaigas JSC, Karzhanbasmunai JSC are carried out. In 2023, 1.1 thousand tons were utilized, and areas of their disposal sites were reclaimed.

In the uranium mining and processing sector, 381 thousand tons of waste were generated in the reporting period, of which 1.6 thousand were hazardous. The total volume of waste gen-

eration decreased by 33%. Corporate standards were developed to establish uniform requirements for production and consumption waste management at JSC NAC Kazatomprom enterprises, and the Zero Waste program aimed to reduce waste gradually [GRI 306-2](#) In 2023, the Radioactive Waste Management Program for 2023-2030 was developed.

The mining and processing sector of minerals accounts for 178.8 thousand tons, which is 81% lower compared to last year. A sharp decrease in the volume of waste generation in 2023 is due to the absence of mining and preparation works at the deposit of LLP JV Alaigyr. In JSC Tau-Ken Samruk, the main volume of waste is waste rock generated during stripping and mining preparation works at JSC ShalkiyaZinc Ltd. Waste rock is mainly reused for the construction of in-pit roads, while the remainder is disposed of at the Company's own rock dumps.

The rail transportation sector generated 58.6 thousand tons of waste, down 1% year-on-year.

The waste generation volumes are insignificant for the rest of the Fund's portfolio companies.



Compliance with requirements

In 2023, the payments submitted for violating environmental legislation decreased significantly to 7.9 billion KZT.

In 2023, the payments submitted for violating environmental legislation decreased significantly to 7.9 billion KZT.

Fines were issued as a result of unscheduled inspections of facilities in the uranium mining and processing sector (RU-6 LLP, Katko JV LLP, Kyzylkum LLP, Baiken-U LLP, Semizbay-U LLP). The total amount of payments for 2023 amounted to KZT 21.7 million (related to soil contamination at the above facilities and untimely reporting/non-reporting to the authorized body in the field of environmental protection).

In 2023, Karabatan Utility Solutions LLP (KUS) was fined KZT 7.2 billion for exceeding greenhouse gas emission quotas. The Supreme Court's decision is awaited. In addition, to cover the carbon quotas deficit, KUS purchased the amount of KZT 1.026 billion. As a result of the release of water onto the terrain in 2022 due to the failure of the KUS zero liquid discharge installation pumping systems, KZT 9.7 million was paid in the reporting year. [GRI 2-27](#)

Payments for violation of environmental legislation

	unit	2020	2021	2022	2023
Amount of fines imposed	KZT million	269	752	1,832	7,859
Amount of fines paid	KZT million	335	627	1,937	7,883
Cases of non-financial sanctions	quantity	0	0	2	1



6

BOGATYR COAL MINE

COAL PRODUCTION INCREASED

70% OF THE COAL MINED IN THE COAL BASIN
To 40 MILLION TONS OF COAL PER YEAR

Annexes

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Report preparation methodology

GRI 3-1

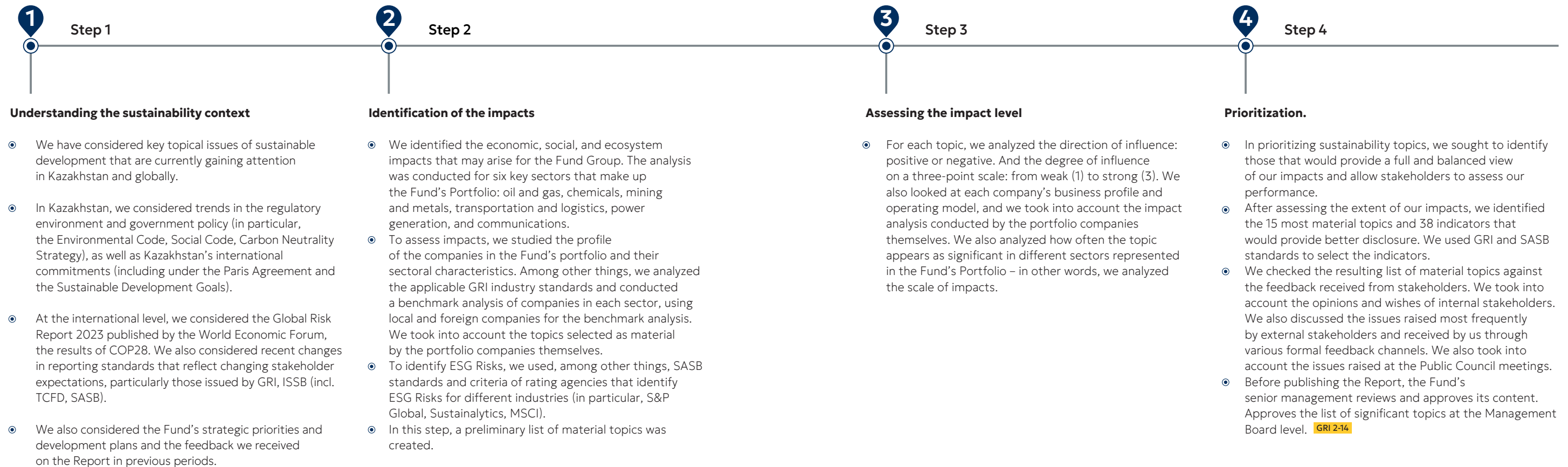
When developing the content of the Report, we analyze what information will be most material for stakeholders: which topics and indicators we need to cover, and which are less relevant. The materiality of information is assessed in terms of whether its absence, misrepresentation or concealment could influence the decisions of the main users of the reports.

In selecting the list of material topics, we use the principle of dual materiality: we look at the economic, social and environmental aspects where our impacts are greatest, and the sustainability aspects that may impact us and pose risks to the successful long-term development of the organization.

The approach to selecting material topics was based on the GRI Standards, which recommend a four-step process for selecting material sustainability issues for disclosure in reporting. We also considered the recommendations of IFRS S1 on sustainability disclosures, in particular, we used the principles for selecting material topics and the recommended sources for analyzing material topics. To maintain continuity in reporting, we used the list of material topics identified last year as a basis and checked it for relevance and the need for changes.



Approach to defining material topics





Fund Material topics in 2023 **GRI 3-2**

Material topics	Impact Type	Impact level	UN SGDs
Environment protection			
Energy	-/+	●●●	7
Water resources	-	●	6, 14
Biodiversity	-	●	15
Climate change (GHG emissions)	-	●●●	13
Air Quality (emissions)	-	●●●	13, 15
Waste	-	●	15
Society			
Occupational Health and Safety	-	●●●	3
Training and education	+	●●●	4
Non-discrimination and equal opportunities	-/+	●	5, 10
Local communities	-/+	●●	11, 17
Personal data protection	-	●	9
Economy			
Economic Performance	+	●●●	8, 10
Indirect economic impacts	-/+	●●●	9, 10, 11
Procurement Practices	+	●●●	10, 12, 16
Business ethics and anti-corruption	-	●●	16

Impact type:

- + Positive
- Negative

Impact level:

- Weak
- Medium
- Strong

Changes in the list of material topics

Material topics 2022	Material topics 2023
Environment protection	
Energy	Energy
Water and Effluence	Water and wastewater
Biodiversity	Biodiversity
Emissions	Climate change (GHG emissions)
	Air Quality (emissions)
	Waste
Society	
Occupational Health and Safety	Occupational Health and Safety
Training and education	Training and education
Employee Engagement	Non-discrimination and equal opportunities
Human rights and non-discrimination	Local communities
Local communities	Personal data protection
Economy	
Economic impact	Economic Performance
Indirect economic impacts	Indirect economic impacts
Procurement practices	Procurement Practices
Anti-corruption	Business ethics and anti-corruption

Management of material topics

GRI 3-3

This report contains detailed information about our work on each of the material sustainability topics presented in managing economic, environmental and social impacts. A number of priority material topics have targets against which progress is tracked ([see Assessment of material topics](#)), others are subject to targeted monitoring of the extent and scope of impacts and efforts are being made to reduce actual and potential negative impacts on the environment and society and expand positive influences.

To track the effectiveness of the work being carried out, official channels for submitting requests from stakeholders are used, interaction activities are carried out, and various impact monitoring tools are used. We are also working to expand the Fund Group's practice of obtaining ESG Ratings, which help monitor the quality of management of sustainability issues. At the Fund level, monitoring is carried out over the performance of portfolio companies, especially on priority projects.



Assessment of material topics

GRI 3-3

We assess the impacts of our activities on the economy, environment and society, and strive to manage these impacts effectively. As part of our management of material sustainability topics, we take into account feedback from stakeholders received through formal channels. This feedback influences the next steps and actions taken.

	Impact on the Fund	Impact on business	Potential and actual positive and negative impacts	Business-strategy	Long-term goal/metric	Target year	Executive Compensation
Energy	<p>The Fund's Group of Companies has many energy-intensive production facilities that consume significant amounts of fuel, electricity and heat. This involves significant financial costs, as well as impacts on ecosystems.</p> <p>At the same time, the implementation of renewable energy projects may create new sources of income for the Fund Group.</p>	<ul style="list-style-type: none"> Expenses Profits 	<p>The Fund consumes significant amounts of fossil fuels, which leads to greenhouse gas emissions and air pollution.</p> <p>We implement energy transition projects: gasification of CHPPs, construction of new gas pipelines, commissioning of new HPPs, construction of new RES.</p>	<p>The "Energy and Resource Saving Program until 2027" developed a plan of measures until 2027 to reduce energy consumption for Samruk-Energy JSC, NC KazMunayGas JSC, NC QazaqGaz JSC, and NAC Kazatomprom JSC.</p> <p>The Fund implements projects to reduce coal consumption and switch to gas, as well as to introduce RES.</p>	-10% — reduction of energy intensity of production activities	2027	Portfolio companies have corporate and functional KPIs aimed at ensuring reliable functioning of UES of Kazakhstan under the conditions of energy transition
Water resources	<p>The Fund Group consumes significant amounts of water, particularly for energy production, and is dependent on the stable availability of water resources. At the same time, part of the territory of Kazakhstan belongs to water deficit regions. There is a risk of reduced availability of water resources for companies.</p>	<ul style="list-style-type: none"> Risk 	<p>Significant volumes of the Fund's water consumption create pressure on ecosystems and may increase water scarcity.</p> <p>The Fund implements water supply projects in remote arid regions.</p>	<p>Water resources are managed in accordance with the Water Code and the Environmental Code of the Republic of Kazakhstan, sanitary regulations of the Republic of Kazakhstan, permitting documentation in the field of water resources protection, as well as internal policies and programs on water resources management in the portfolio companies.</p> <p>The following activities are implemented in partnership with portfolio companies:</p> <ul style="list-style-type: none"> Construction and reconstruction of treatment facilities under the TAZALYQ project at oil refineries; Modernization of domestic wastewater treatment plants; Conducting regular laboratory measurements of wastewater quality; Application of recycling cooling systems and reuse of water from ash dumps at CHPPs. 	-	-	-
Biodiversity	<p>The Fund's group of companies is represented practically throughout the territory of Kazakhstan and affects a large number of natural areas and habitats.</p> <p>Negative impact on ecosystems may result in financial and non-financial sanctions from regulatory authorities and threaten the continuity of operations.</p>	<ul style="list-style-type: none"> Risk 	<p>In the course of production activities, our potential impacts manifest themselves through disturbance of land cover, displacement of animals outside their usual range, obstruction of migration routes, etc.</p>	<p>Wildlife conservation projects are implemented, and cooperation is established with scientific and research institutes, as well as with government agencies:</p> <ul style="list-style-type: none"> The EIA takes into account the impact on biodiversity; Bird protection devices are installed along power lines and trunk pipelines; Conducting research and development (R&D) on hydrology, hydrochemistry, hydrobiology and ichthyology in the Northern Caspian; Biodiversity assessment work is being carried out at uranium deposits. 	-	-	-



	Impact on the Fund	Impact on business	Potential and actual positive and negative impacts	Business-strategy	Long-term goal/metric	Target year	Executive Compensation
Climate change	The Fund's group of companies has a significant carbon footprint at the country level. Kazakhstan's obligations under international agreements and energy transition may create risks of restrictions on activities and increased requirements for industrial enterprises.	<ul style="list-style-type: none"> Risk 	The consumption of electricity and heat by the Fund's group of companies and the energy producing companies in the portfolio have a direct impact on greenhouse gas emissions and climate change.	<p>In the Low Carbon Development Concept of Samruk-Kazyna JSC, we have identified 4 key areas of low carbon development:</p> <ol style="list-style-type: none"> Alternative energy and low-carbon technologies: <ul style="list-style-type: none"> Contracting with international partners for RES construction; Gasification of CHP plants. Resource efficiency and emission control technologies: <ul style="list-style-type: none"> Implementation of a methane management system in the upstream sector; Acquisition of I-REC certificates. Infrastructure and Regulation: <ul style="list-style-type: none"> Implementation of Smart Grid technology elements; Construction of counter-regulating hydropower plants. Effective carbon footprint management: <ul style="list-style-type: none"> Disclosure of climate information in accordance with TCFD and CDP. 	<p>Reduction of emissions by ≥ [-10%]</p> <p>Increase the share of low-carbon generation in electricity purchases by 45%</p> <p>Share of RES and HPP in electricity generation — 26%</p>	2032	Individual portfolio companies of the Fund have functional KPIs for carbon footprint reduction.
Air quality	The high proportion of coal use for electricity and heat generation, as well as the presence in our portfolio of companies that use hydrocarbon fuels to power their production and operations, make a key contribution to air pollution. Tightening environmental legislation and increasing pressure on industry may create risks and costs as a result of restrictions on individual companies' operations.	<ul style="list-style-type: none"> Risk 	Air emissions degrade air quality and can adversely affect public health.	<p>Portfolio companies implement measures to reduce harmful emissions, implement BAT, and upgrade production systems in a timely manner.</p> <p>In particular, the following activities are underway:</p> <ul style="list-style-type: none"> Implementation of AFM in a number of enterprises, transmitting data in real time; Analyzing the impact of emissions on settlements during the EIA and holding public hearings. 	-	-	-
Waste	Inefficient management of waste generated at industrial enterprises of the Fund Group may lead to violation of legislative norms, imposition of financial and non-financial sanctions.	<ul style="list-style-type: none"> Risk 	<p>Industrial waste can cause significant harm to the environment: pollute ground and surface waters, soils, and cause the death of biodiversity.</p> <p>The Fund's mining sector generates large volumes of non-hazardous waste. The uranium exploration and mining sector generates hazardous waste that requires close attention.</p> <p>Most of the Fund's waste is transferred for utilization.</p>	<p>All portfolio company facilities that generate waste keep records of production and consumption waste by type, quantity and properties, and hazardous waste passports are developed.</p> <p>Waste is transferred to specialized organizations for disposal.</p> <p>The Fund incentivizes portfolio companies to recycle waste.</p> <p>The "green office" concept is being implemented.</p>	-	-	-
Occupational Health and Safety	Compliance with safety regulations is one of the main factors for the success of production facilities. Failure to comply with health and safety regulations can result in high risks of accidents and injuries, which can lead to additional costs and jeopardize the continuity of production.	<ul style="list-style-type: none"> Risk Expenses 	Work activities generally carry a risk of injury and ill health.	<p>Our operations comply with the international standards ISO 45001-2018 "Occupational Health and Safety Management System", which applies to all employees of the Fund Group.</p> <p>We conduct audits of workplace conditions at various management levels on a regular basis throughout the year.</p> <p>We carry out technical refurbishment of worn-out equipment and facilities.</p> <p>We conduct emergency drills at various facilities.</p> <p>We conduct training sessions and seminars to ensure that employees and managers take a responsible approach to safety issues and demonstrate leadership and involvement by example.</p>	LTIF 0,12	2027	Several of the Fund's portfolio companies have corporate KPIs for reducing the rate of work-related accidents resulting in incapacity or death (LTIF).
Training and education	The qualification and professional skills of employees directly affect the success of the organization, the level of productivity and operational efficiency. At the same time, the area of training requires investment on the part of the organization.	<ul style="list-style-type: none"> Expenses Profits 	By investing in the training and professional development of employees, the Fund creates new opportunities for them to successfully develop their careers and improve their quality of life.	<p>Employee skill development is based on the 70/20/10 principle and provides for development in accordance with an individual development plan.</p> <p>Programs include: self-development, training, coaching, mentoring, functional academies, HR projects and professional communities within the Fund Group.</p> <p>Development forums and educational programs for employees are held jointly with Samruk Business Academy.</p>	-	-	-





	Impact on the Fund	Impact on business	Potential and actual positive and negative impacts	Business-strategy	Long-term goal/metric	Target year	Executive Compensation
Non-discrimination and equal opportunities	<p>A diverse workforce, with different viewpoints and perspectives, enhances the quality of decision-making and organizational development, and contributes to operational effectiveness.</p> <p>Ethics violations and incidents of discrimination can lead to financial and non-financial penalties, as well as a deterioration of the overall team climate and subsequent loss of productivity.</p>	<ul style="list-style-type: none"> Risk Profits 	<p>Insufficient attention to creating an inclusive working environment can lead to human rights disadvantages for certain social groups.</p> <p>However, successful work in this area enables employees to reach their full potential.</p>	<p>To ensure an effective management system, we constantly update the Personnel Policy and implement the best HR practices throughout the Group of companies of the Fund, update regulatory documents on non-discrimination and human rights.</p>	<p>30% — share of women in the management bodies of the Fund's companies</p> <p>Share of independent directors in the Board of Directors of the Fund and the portfolio companies — 50%</p>	<p>2030</p> <p>2032</p>	<p>Functional KPIs of individual portfolio companies are associated with increased gender diversity composition of governance and executive bodies.</p>
Local communities	<p>In the regions where the company operates, it is necessary to take into account the interests of local communities, as there is a direct and indirect impact on the environment and social sphere.</p> <p>Disadvantaging the interests of the community can lead to risks of social discontent, as well as financial and non-financial sanctions.</p>	<ul style="list-style-type: none"> Risk Expenses 	<p>The Fund Group makes a significant contribution to the socio-economic development of the regions where it operates through investment and charitable projects.</p> <p>At the same time, ineffective interaction with local communities may lead to infringement of their interests in the course of operations.</p>	<p>We implement a large number of social and charitable projects. Through Samruk-Kazyna Trust, together with portfolio companies, we implement programs in the field of health care, education, sports and culture, support of socially vulnerable groups of population, development of regions.</p> <p>Mandatory public hearings in the EIA process.</p>	-	-	-
Personal data protection	<p>Rapidly evolving digital solutions in today's economy can create a risk of personal data loss, and lead to negative financial and reputational consequences.</p>	<ul style="list-style-type: none"> Risk Expenses 	<p>The loss of personal data can have a negative impact on its owners and lead to financial and non-financial losses.</p> <p>At the same time, successful work in the field of data protection increases users' confidence in security and helps develop digital solutions in various industries.</p>	<p>The information security service was established in Samruk-Kazyna Contract LLP, which now represents a unified structure that ensures the security of information systems.</p>	-	-	Corporate KPIs of individual portfolio companies of the Fund include auditing of information security systems.
Economic Performance	<p>Sustainable financial and operating activities provide income, and are essential for the payment of dividends, taxes, and the implementation of investment and social projects.</p>	<ul style="list-style-type: none"> Income 	<p>The economic performance of the Fund allows creating value for key stakeholders, in particular the state, employees, and society. It also improves the investment climate.</p>	<p>At the beginning of 2023, the Fund adopted a long-term development plan for the period 2023-2032 aimed at developing Kazakhstan's economy and implementing strategically important projects.</p> <p>In 2023, the Fund actively worked on liquidity management, providing additional financial stability in a volatile commodity market. As part of improving efficiency, the Fund revised the unified policy on money management, and also managed to achieve favorable conditions for placement of funds from second-tier banks, including liquidation funds, on which previously did not accrue interest.</p>	<p>2x to 2021 value — value of net assets</p>	<p>2032</p>	<p>The corporate and functional KPIs of a number of the Fund's portfolio companies are linked to increased corporate earnings and financial strength.</p>
Indirect economic impacts	<p>Working with socially important services and projects, the Fund Group companies make social investments that affect expenses and limit potential income in certain types of activities.</p>	<ul style="list-style-type: none"> Expenses 	<p>The Fund's investments contribute to the development of infrastructure and services important for society, as well as to the development of regions and improvement of the quality of life of the population.</p>	<p>The Fund continues to indirectly subsidize the economy of Kazakhstan and neighboring countries in the areas of railway transportation, gas supply, oil products, heat supply and postal services through the maintenance of low tariffs and implementation of low-profit projects. Work is underway to phase out cross-subsidization of the economy.</p> <p>The Fund's investment portfolio includes 42 large investment projects totaling ~ KZT 24 trillion — projects of significant economic and social importance. They are monitored and controlled by the top management of the Fund on a priority basis.</p>	-	-	-



	Impact on the Fund	Impact on business	Potential and actual positive and negative impacts	Business-strategy	Long-term goal/metric	Target year	Executive Compensation
Procurement Practices	<p>The efficiency of work with suppliers directly affects the Funds Group's expenses. In addition, violations of procurement procedures may result in the imposition of financial and non-financial sanctions.</p>	<ul style="list-style-type: none"> Expenses Risk 	<p>The Fund Group is one of the largest customers in the country. The Fund's procurement practices directly affect the development of local manufacturers.</p> <p>Through the procurement system and other tools, we support the development of small and medium-sized businesses in Kazakhstan and promote the development of domestic manufacturers.</p> <p>We ensure ethical and transparent procurement procedures.</p>	<p>Samruk-Kazyna Contract LLP performs the functions of a procurement operator for the Fund's Group. The company is responsible for the support and development of the electronic procurement information system (the Fund's procurement web-portal), monitors local content and prices for products.</p> <p>The Register of the Fund's commodity producers is maintained, Pre-qualification of potential suppliers is implemented, and Category-based procurement management is applied.</p> <p>The key Instrument of support and development of domestic commodity producers is the import substitution program.</p> <p>For the purposes of supporting small businesses in the procurement system of the Fund in 2023, an electronic store (skstore.kz) was created.</p> <p>ESG criteria are introduced in procurement activities.</p>	2.1 trillion KZT – volume of purchases of goods from DCP	2029	Corporate and functional KPIs of several of the Fund's portfolio companies include targets to increase the share of in-country value in goods, works and services.
Business ethics and anti-corruption	<p>In the course of its activities, the Fund faces corruption risks. Facts of corruption and fraud may lead to significant financial and reputational consequences for the companies of the Fund's Group, as well as worsen the business climate.</p>	<ul style="list-style-type: none"> Risk Expenses 	<p>Facts of corruption and unethical behavior in the Fund and portfolio companies may lead to economic losses of the stakeholders and infringement of their rights and interests.</p> <p>Successful work in the field of anti-corruption helps the development and growth of the organization, work with investors and partners.</p>	<p>The Compliance Service of the Fund ensures compliance with the anti-corruption legislation of the Republic of Kazakhstan and develops the compliance program.</p> <p>There is a Hotline to report any violations of the Code of Conduct, including corruption, discrimination, unethical behavior and other violations.</p> <p>In 2023, the Corporate Standard on Compliance Function of the Fund's Group of Companies, which regulates compliance activities in the portfolio companies of the Fund, was revised.</p>	-	-	Functional KPIs of a number of the Fund's portfolio companies are related to the implementation of international anti-corruption management system certification.






Annex 1. Commitment to the UN SDGs

UN SDGs	UN SDG tasks	Events for 2023	2023 Sustainability Report sections
 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>Good health and well-being</p>	<p>Reduce injury rates and improve workplace safety.</p> <p>Increase funding for health care and vocational training</p> <p>Ensure health care coverage.</p>	<ul style="list-style-type: none"> 78 of our companies comply with the international standards ISO 45001-2018 "Occupational Health and Safety Management System". First aid training is provided through international courses organized by Samruk Business Academy. A training project "Occupational Safety Culture" approved by the Institute of Occupational Safety and Health of Great Britain (IOSH) is being implemented. Plans for technical re-equipment of obsolete and worn-out equipment and facilities for 2023 and 2024-2027 have been developed at the level of portfolio companies. Health Protection KPIs (NWRP) were set for CEOs of CEO-1 level. In the group of companies of Samruk-Kazyna JSC, a permanent Headquarters was established to regulate actions in case of emergencies and accidents at hazardous production facilities. Inclusion of requirements for the availability of occupational health and safety (OHS), fire and industrial safety specialists in the templates of contracts with contractors. 	<p>Workplace safety</p> <p>Employee health and well-being</p>
 <p>4 QUALITY EDUCATION</p> <p>Quality education</p>	<p>Equal access to quality preschool education</p> <p>Free primary and secondary education. Eliminate all inequalities in education</p> <p>Full employment, training and education for young people</p> <p>Creation and improvement of child-friendly educational institutions,</p> <p>The special needs of people with disabilities.</p>	<ul style="list-style-type: none"> 850 grants have been allocated to students from socially vulnerable groups, 17 rural reference schools have been established in 17 regions with complete renovation of the material and technical base. Work continues on another 63 schools in 17 regions. "The Comfortable School" project is being implemented to introduce 740 thousand pupils' places with comfortable learning conditions to solve the problems of overloaded classes, emergency schools and three-shift education. Within the framework of the republican charitable project "Road to School", social assistance was provided to 15 thousand first-graders mainly from rural areas. Organized corporate training in the field of sustainable development for employees at all levels: "Global Climate Agreements", "National Greenhouse Gas Regulation", "ESG Principles/Practices", "Carbon Cycle, Climate Change, Monitoring Methods", "RES: Global Trends and Development in Kazakhstan", "Corporate Strategies". Samruk Business Academy was accredited by the international agency IAAR. Launch of a new project "HR school", where the Group's employees will be trained in the best industry practices in the field of human resource management. The School of Corporate Volunteering was launched in NC Kazakhstan Temir Zholy JSC, where 120 people have already completed the training course. Completion of the modular program for the development of young leaders "Zheti kadam". Opened 3 rehabilitation centers in Zhambyl region for children with special needs, which promote free rehabilitation through an individual program for each child. 	<p>Professional development</p> <p>Charity and social projects</p> <p>Development of essential services and infrastructure</p> <p>Programs for youth</p>

UN SDGs	UN SDG tasks	Events for 2023	2023 Sustainability Report sections
 <p>5 GENDER EQUALITY</p> <p>Gender equality</p>	<p>Eliminate all forms of discrimination against all women everywhere and ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.</p>	<ul style="list-style-type: none"> Completion of training under the program "Gender Equality" (71 female employees), implemented by the Fund jointly with the National Commission on Women's Affairs and Family and Demographic Policy under the President of the Republic of Kazakhstan. 15 graduates of the "Gender Equality" program are included in expert groups at central government agencies and regional commission on women's affairs and family and demographic policy. 10 participants of the program "Gender Equality" were admitted to the governing bodies of state companies. The Chairman of the National Commission on Women's Affairs and Family and Demographic Policy under the President of the Republic of Kazakhstan met with the participants of the Gender Equality Program of Samruk-Kazyna JSC in Astana. 	<p>Sustainability ratings</p> <p>Creating equal opportunities</p> <p>Board of Directors selection</p>
 <p>7 AFFORDABLE AND CLEAN ENERGY</p> <p>Affordable and clean energy</p>	<p>Develop reliable, sustainable and resilient infrastructure.</p> <p>Promote inclusive and sustainable industrialization.</p> <p>Universal access to modern energy supply</p> <p>Increase the share of energy from renewable sources.</p> <p>Develop clean energy research, technology and investment.</p> <p>Improve resource efficiency in consumption and production.</p>	<ul style="list-style-type: none"> 15 infrastructure projects worth KZT 1.1 trillion were commissioned. Among them: construction and expansion of gas pipelines, expansion of the main water pipeline, construction of gas infrastructure, etc. Modernization of Tazartu grid infrastructure. Realization of elements of Smart Grid technology. Development of power grid infrastructure jointly with KEGOC for implementation of RES systems. KEGOC is implementing a monitoring and control system based on synchrophasor WAMS/WACS technologies to maximize the use of network capacity through real-time management. Projects are being implemented to cover peak loads (construction of counter-regulating Kerbulakskaya HPP, Semey HPP with capacity up to 300 MW (counter-regulator of AES Shulbinskaya HPP). Construction of a maneuverable combined cycle gas turbine plant (CCGT) in Turkestan city was started. Samruk-Kazyna JSC signed a Memorandum on the development of low-carbon energy with a total capacity of 10 GW in Kazakhstan together with the Ministry of Energy of the Republic of Kazakhstan and the Ministry of Investment of the UAE. A joint development agreement was signed between Samruk-Kazyna and China Power International Holding on realization of the project on construction of a wind power plant with a capacity of 1 GW. A cooperation agreement on RES was signed between the Fund, CNPC and the Ministry of Energy of the Republic of Kazakhstan. 	<p>Optimization of energy consumption</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>Decent work and Economic growth</p>	<p>Full employment and decent work with equal pay.</p> <p>Protect labor rights and ensure safe working conditions.</p> <p>Jobs, training and education for young people</p> <p>Sustained economic growth.</p> <p>Diversification, modernization and innovation.</p>	<ul style="list-style-type: none"> Portfolio companies have posted 21,910 job openings. A new fifth communication channel was launched — QR codes placed at the enterprises of the Fund Group for quick resolution of conflict situations. HR-forum "Bolashagymyz — birlikte!" was held and a professional community of HR connect in the Group of companies of the Fund was established. 63 mediators were trained on the mediation course "Pool of Mediators". The Program of preferential lending by KEGOC for highly qualified personnel in demand was implemented. Creation of favorable conditions for work within the framework of implementation of industrial relations standards in NC Kazakhstan Temir Zholy JSC. 	<p>Corporate culture and values</p> <p>Ensuring decent working conditions</p>



UN SDGs	UN SDG tasks	Events for 2023	2023 Sustainability Report sections
 Industrialization, innovation and infrastructure	Development of R&D and innovation, high-tech industries	<ul style="list-style-type: none"> Implementation of R&D "Development of carbon capture and storage (CCS) technologies at existing and prospective coal-fired power plants of Samruk-Energy JSC". The new mechanism of project selection and financing based on the "single window" principle became a key tool for optimal and transparent distribution of resources within the Fund. More than 84 R&D applications were considered, of which 5 projects totaling KZT 2.7 billion were approved for implementation at the meetings of the Scientific and Technical Council of the Fund. Projects on creation of a supercomputer and introduction of cellular communication of the fifth generation 5G (over 1,157 base stations) are being implemented. Kazakhstan Petrochemical Industries Inc." plant, launched at the end of 2022, not only met the demand for polypropylene in the domestic market in 2023, but also mastered six grades of polypropylene in demand in the country and around the world. It is planned to implement projects to develop new processing facilities in various industries, such as chemical, food (creation of gelatin production, full-cycle fruit growing production, creation of Agrofond), manufacturing industry (production of sandwich panels from mineral wool boards, production of thermal insulation materials), construction industry. 	The Fund's contribution to the welfare of the country
 Reduced inequalities	Creation of equal working conditions for all employees Elimination of any form of harassment or discrimination in the workplace	<ul style="list-style-type: none"> A proactive reporting policy is in place, and corrective actions are taken when cases of discrimination arise. A transparent recruitment system — Samruk Qyzmet (Qsamruk.kz) is in place. There are 23 open vacancies published on the Qsamruk.kz website for candidates with special needs. Salary equality is ensured for comparable positions. Polygraph verification of candidates for management positions was conducted (64 out of 150 candidates achieved the required indicators and were hired) to ensure transparency. 	Creating equal opportunities
 Sustainable cities and communities	Making cities and human settlements open, safe, resilient and environmentally sustainable	<ul style="list-style-type: none"> Within the framework of the project on modernization of Tazartu network infrastructure, Kazakhtelecom JSC switched almost 55 thousand subscribers across the country to fiber-optic communication lines. The Company completed large-scale migration of Stepnogorsk residents from ADSL to GPON and this city became the second "optical" city in the country after Kurchatov. The Makat-North Caucasus gas pipeline expansion project was implemented and the capacity of the second string of the Beineu-Zhanaozen gas pipeline was increased to ensure reliable gas supply to consumers in western Kazakhstan. The Sarsha gasification project and the Warm Beach resort area were completed. Portfolio companies are implementing a number of measures within the framework of the "Green Office". Projects on gasification of CHPP in Almaty city aimed at reduction of atmospheric air pollution are being implemented. A comprehensive reconstruction of the Astrakhan-Mangyshlak water pipeline was completed to supply water to the population of western regions' 	The Fund's contribution to the welfare of the country Support and contribution to the social development of society

UN SDGs	UN SDG tasks	Events for 2023	2023 Sustainability Report sections
 Climate action	Mainstreaming climate change responses into policy and planning Building resilience and adaptive capacity to climate hazards	<ul style="list-style-type: none"> Participation in the UN Climate Change Conference (COP 28). The Fund and portfolio companies have identified climate risks in accordance with TCFD recommendations and measures to reduce their impact. A pilot project on carbon dioxide capture, storage and use (CCUS) is being implemented. A methane management system is being introduced and activities under the Global Methane Pledge are being implemented. The World Bank initiative "Full utilization of associated petroleum gas by 2030" is supported. ECOJER issued 19.5 thousand green I-REC certificates for Samruk-Green Energy LLP. A number of Group companies disclose climate information under the Carbon Disclosure Project (CDP). NC KazMunayGas JSC and NAC Kaztomprom JSC, Samruk-Energy JSC implement the recommendations of the Task Force on Climate-related Financial Disclosures TCFD (Task Force on Climate-related Financial Disclosures). The Fund concluded a Memorandum on the development of low-carbon energy with a total capacity of 10 GW in Kazakhstan. 	Initiatives to reduce climate impacts Optimization of energy consumption
 Peace, justice and strong institutions	Promoting peaceful and open societies for sustainable development	<ul style="list-style-type: none"> With the assistance of OECD experts' the Fund's Corporate Governance Code was updated and brought in line with the strictest requirements of the listing rules in the Premium segment of the leading stock exchanges' The Fund's Code of Conduct was updated and the Strategy of Compliance Function Development i' the Fund's Group of Companies for 2023-2027 was approved. The "Ombudsman Council" was launched, where the Ombudsmen of the Fund's portfolio companies exchange experience and consider key cases from practice. Regular reporting of the Fund's self-assessment of compliance with the Santiago Principles is ensured and sent to the International Forum of Sovereign Wealth Funds (IFSWF). 	Openness, transparency, and accountability
 Partnerships for the goals	Stimulate and promote effective partnerships	<ul style="list-style-type: none"> Samruk-Kazyna JSC concluded a Memorandum on the development of low-carbon energy together with the Ministry of Energy of the Republic of Kazakhstan and the Ministry of Investment of the UAE. Portfolio companies of the Fund concluded a number of agreements on the construction of RES with companies in other countries' The Fund's experts in the field of labor protection shared their experience at the XXIII World Congress ORP (Occupational Risk Prevention), which was held in Spain under the motto "At Work: One Life, One Planet". 	Annex 2. Approach to stakeholder engagement

Priority SDGs
 SDGs being worked on



Annex 2. Our approach to stakeholder engagement

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Key stakeholder groups	Expectations of stakeholders	Channels of interaction	Frequency	Main interaction activities in the reporting year/Key events of 2023
Sole Shareholder	<ul style="list-style-type: none"> Implementation of strategic goals; Improving efficiency and achieving KPIs; Impact on community employment; Support for the regions of presence. 	<ul style="list-style-type: none"> Publication of reports on current activities; holding of the annual general meeting of shareholders. 	Regularly	<ul style="list-style-type: none"> The Sole Shareholder approved the updated Development Plan of Samruk-Kazyna JSC for 2023-2032. The Sole Shareholder approved the consolidated financial statements for 2022. Samruk-Kazyna Trust CF distributed a record dividend amount of KZT 1,268.9 billion to the Sole Shareholder. The Sole Shareholder received KZT 133 billion in other distributions (these funds, among others, were allocated for the construction of healthcare facilities).
Public authorities	<ul style="list-style-type: none"> Compliance with regulatory requirements and improvement of the regulatory framework; contribution to the development of regions of the Fund presence; assistance in ensuring employment of the population and support for entrepreneurship. 	<ul style="list-style-type: none"> Participation in working groups, conferences; creation of partnerships, participation in joint projects; holding meetings, conferences, forums, seminars, presentations; business correspondence and e-mailing; posting information on the company's corporate website; publication in the media and the Internet; Publication of reports on current activities; reporting to public authorities. 	As required	<ul style="list-style-type: none"> KEGOC JSC hosted a field meeting of members of the Committee on Ecology and Nature Management of the Majilis of the Parliament of the Republic of Kazakhstan. Samruk-Kazyna Trust CF, the Ministry of Energy of the Republic of Kazakhstan and the Ministry of Investment of the UAE signed a Memorandum on the development of low-carbon energy in Kazakhstan with a total capacity of 10 GW. The Chairman of the National Commission on Women's Affairs and Family and Demographic Policy under the President of the Republic of Kazakhstan met with participants of the Samruk-Kazyna Trust CF Gender Equality Program in Astana. Graduates of Samruk-Kazyna Trust CF "Gender Equity" program are included in the composition of the National Commission on Women's Affairs. Samruk-Kazyna JSC held an open meeting of the Public Council on the topic "Industrial safety in the group of companies of Samruk-Kazyna JSC".
Employees	<ul style="list-style-type: none"> Safe working conditions; competitive salary; professional growth; high-quality social package. 	<ul style="list-style-type: none"> Conclusion of collective agreements; publishing a corporate magazine and maintaining internal corporate social networks; holding meetings with management; consideration of appeals received via hotlines. 	Regularly	<ul style="list-style-type: none"> A youth and educational forum was held in Almaty with the employees of the Group of companies of the Fund within the framework of the Program of youth policy development. 2 Forums of trade union activists, mediators and Ombudsmen of the Fund's Group of Companies were held. HR-connect dialog-platform — professional community of HR specialists of Samruk-Kazyna Trust CF Group of Companies was launched. "HR-forum «Bolashaqymyz — birlikte! (For the future — together!)» with the main theme of human capital development of the Fund's Group of Companies was held. A new fifth channel of communication between employees and management of the Fund's companies has been launched — a QR code that directs the applicant to https://nysana.csc.kz/website.
Portfolio companies	<ul style="list-style-type: none"> Defining strategic goals; Defining ESG goals; Improving the corporate governance system. 	<ul style="list-style-type: none"> Holding meetings, conferences, presentations; Business correspondence and e-mailing; Interviews, consultations, focus groups, forums, presentations; Posting information on the corporate website of the Fund. 	Regularly	<ul style="list-style-type: none"> The Head of Samruk-Kazyna Trust CF visited and evaluated the work of the National Dispatch Center of KEGOC JSC. Young engineers of Samruk-Kazyna Trust CF exchanged experience with colleagues from the Ekibastuz GRES-1 power plant and Pavlodar Oil Chemistry Refinery LLP. With the assistance of JSC NMC Tau-Ken Samruk, a meeting was held between representatives of the Fund's portfolio companies and the Ust-Kamenogorsk metallurgical complex of Kazzinc LLP to exchange experience in the field of industrial safety. Meetings were held with Karachaganak Petroleum Operating B.V. and Eurasian Group LLP to exchange experience in the field of industrial safety. The Fund and portfolio companies conduct tactical training to prepare personnel to respond to emergencies and accidents at hazardous production facilities. Plans for technical re-equipment of morally and physically worn-out equipment and facilities for 2023 and 2024-2027 have been developed at the level of portfolio companies.
Public (non-governmental) organizations, associations	<ul style="list-style-type: none"> Support of social sphere; Accountability to the public; Tariffs for socially significant goods and services; Regional development. 	<ul style="list-style-type: none"> Posting information on the corporate website of the Fund; publication in the media and the Internet; Using online feedback mechanisms; Publishing the reports on current activities. 	As required	<ul style="list-style-type: none"> Within the framework of fulfillment of the Head of State's instruction Samruk-Kazyna Trust CF allocated KZT 67 billion to the Public Fund «Kazakhstan Khalkyna». Membership in the UN Global Compact. Membership in the KAZENERGY Association. Membership in the International Association of Oil Transporters. Participation in industry forums, conferences. JSC NC KazMunayGas joined the UNEP OGMP 2.0 methane initiative. Participation of Samruk-Kazyna Trust CF delegation in the 28th UN Conference on Climate Change (COP28) in Dubai. Chairman of the Management Board of JSC NC KazMunayGas participated in the panel session «Energy Security in Europe» of the Black Sea Energy and Security Conference in Washington, DC (USA). Participation of JSC NAC Kazatomprom Program «SDG Ambition» of the UN Global Compact. Membership in working groups on social and environmental issues.




Key stakeholder groups	Expectations of stakeholders	Channels of interaction	Frequency	Main interaction activities in the reporting year/Key events of 2023
Investment community and credit rating agencies	<ul style="list-style-type: none"> Disclosure of financial and non-financial information; Investment projects; Privatization and IPO; Climate and green finance; Financing of priority investment projects of the Fund in Kazakhstan. 	<ul style="list-style-type: none"> Publication of reports on current activities; Investment meetings. 	Regularly	<ul style="list-style-type: none"> A loan agreement was signed with the Bank of China to finance the construction of a gas processing plant at the Kashagan field. A Memorandum of Understanding was signed between Samruk-Kazyna Trust CF and Societe Generale, a leading European bank. A joint venture was established between JSC NC Kazakhstan Temir Zholy and Singapore PSA to develop the Trans-Caspian route. An agreement was reached with the EBRD to jointly implement and finance a study on the prospects of sustainable aviation fuel (SAF) production in Kazakhstan.
Stock company	<ul style="list-style-type: none"> Support of social sphere; Accountability to the public; Tariffs for socially significant goods and services; Regional development. 	<ul style="list-style-type: none"> Meetings with stakeholders; Public meetings and seminars. 	Regularly	<ul style="list-style-type: none"> The Sustainable Development Report of Samruk-Kazyna JSC for 2022 was published in public access on the Fund's website. An agreement was concluded between JSC NMC Tau-Ken Samruk and the Center for International Programs JSC on mutual support of graduates of the international scholarship «Bolashak». 6 companies of the group of companies of the Fund attracted 167 thousand retail investors in shares on the stock market.
Media	<ul style="list-style-type: none"> Publishing news; Providing answers to journalists' requests; Briefings/press conferences. 	<ul style="list-style-type: none"> Publishing press releases; Publication of reports on current activities; Maintaining social networks; Posting information on the corporate website of the Fund; Issuing a printed corporate publication. 	Regularly	<ul style="list-style-type: none"> 135 press releases for this reporting period were posted on the website and a mailing was sent to the media with coverage of meetings, speeches and other events in the Fund's Telegram channel. 12 meetings of the Public Council, at which the results of the work of the Fund and portfolio companies with the participation of the media were openly heard. A press briefing was held on «Results of the secondary placement of KEGOC JSC shares (SPO).
Contractors and suppliers	<ul style="list-style-type: none"> Procurement transparency; Minimizing barriers. 	<ul style="list-style-type: none"> Publication of reports on current activities; Maintaining social networks; Posting information on the corporate website of the Fund; Issuing a printed corporate publication. 	As required	<ul style="list-style-type: none"> EPC contracts signed between Samruk-Kazyna Construction JSC and contractors for comfortable schools within the first stage of the National Project implementation A contract was signed with the contractor for construction of a new gas-fueled Almaty CHP-2. Accepted bids from contractors within the framework of the national project «Comfortable school» in electronic form on the online platform skcn.qaz.network.
Business community	<ul style="list-style-type: none"> Improving the procurement system in terms of supporting long-term contracts; Fair pricing; Price compliance with quality and priority of quality over cost. 	<ul style="list-style-type: none"> Meetings with business representatives; Posting information on the corporate website of the Fund; Business correspondence and e-mailing. 	As required	<ul style="list-style-type: none"> Creation of skstore.kz electronic store to support small and medium-sized businesses and entrepreneurship. Holding meetings between the Chairman of the Board of Samruk-Kazyna Trust CF and the Minister of State of the Ministry of Business and Trade of Great Britain and the Co-Chairman of the Kazakhstan-British Business Council to attract the British business community to the investment partnership. Participation of the Head of Samruk-Kazyna Trust CF in the Kazakh-French business forum.
Partners	<ul style="list-style-type: none"> Transparent procurement activities; Long-term sustainability. 	<ul style="list-style-type: none"> Holding meetings, conferences, presentations; Business correspondence and e-mailing. 	As required	<ul style="list-style-type: none"> Electricity purchase and sale, joint venture and investment agreements were signed with Total Eren for the construction of wind power plants in Kazakhstan with a total capacity of 1 GW. A Memorandum of Understanding, a Roadmap and a Joint Development Agreement were signed between Samruk-Kazyna JSC and China Power International Holding for the implementation of a project to construct a wind power plant with a capacity of 1 GW. A Roadmap, Agreements on principles and joint development for the construction and operation of a wind power plant with a total capacity of 1 GW in the Zhetisu region (Dzhungar Gate) were signed with ACWA Power. A Roadmap, a Joint Development Agreement, a Cooperation Agreement, as well as an Intergovernmental Agreement between the Governments of the Republic of Kazakhstan and the United Arab Emirates were signed with Masdar for the construction of a wind farm with an installed capacity of up to 1 GW with an energy storage system in the Zhambyl region. As part of the development of a project for the construction of a plant for the production of components (blades, nacelles and towers) together with Sany Renewable Energy Co. Ltd (PRC) a preliminary investment agreement was signed between Samruk-Kazyna JSC and Sany Renewable Energy Co. Ltd, as well as a Cooperation Agreement between Samruk-Kazyna JSC, China Power International Holding and Sany Renewable Energy Co. Ltd As part of the development of a project to digitalize production processes of portfolio companies of Samruk-Kazyna JSC together with Presight AI Ltd. (UAE) an Agreement on basic terms of cooperation (Term Sheet) was signed, as well as a Joint Venture Agreement between Samruk-Kazyna JSC and Presight AI Ltd. A Memorandum of Understanding was signed with Power Construction Corporation of China to expand the renewable energy project to 810 MW in the Shelek corridor of the Almaty region. A Memorandum of Understanding on the development of renewable energy sources was signed with China National Petroleum Corporation. A Memorandum was signed between Kazpost JSC and Zhasyl Damu JSC within the framework of a strategic partnership for the development of the green economy and ESG. JSC NC Kazakhstan Temir Zholy signed an Agreement on mutual understanding and exchange of information in the transport and logistics sphere with the Vietnamese corporation Sovico Group, a Memorandum of understanding with JSC NC KazMunayGas, and an Agreement on mutual cooperation with JSC Kazpost. A Framework Agreement on cooperation between JSC NC Kazakhstan Temir Zholy and WABTEC and a Mandate Agreement with Citibank were signed. A trilateral memorandum of cooperation was signed between Air Astana JSC, Kazakh Tourism and the National Tourism Organization of Korea. Oil and gas companies interact with foreign business partners. Samruk-Kazyna Trust CF experts shared their experience at one of the most significant global events in the field of labor safety — XXIII World Congress ORP (Occupational Risk Prevention), which was held in Bilbao (Spain) under the motto «At Work: One Life, One Planet». In particular, the topic of digitalization of processes in the field of occupational safety was discussed.



Annex 3. Partnership and membership of the Fund's portfolio companies

GRI 2-28

Portfolio companies	Initiatives and associations
	<p>Membership in associations</p> <ul style="list-style-type: none"> National Chamber of Entrepreneurs of the Republic of Kazakhstan "Atameken" Kazakhstan Association of Organizations of the Oil and Gas and Energy Complex "KAZENERGY" The UN Global Compact International Association of Oil and Gas Producers VI Association "Qazaq Green" Association of Taxpayers of New Kazakhstan Union of Machine Builders of Kazakhstan Kazakhstan Welding Association "azWeld" «Association of producers and consumers of petrochemicals» products» National ESG Club Kazakhstan Association of Regional Environmental Initiatives "Ecojer" International Oil Spill Response Limited (OSRL) <p>Partnership</p> <ul style="list-style-type: none"> The World Bank Initiative "Complete cessation of regular flaring of APG by 2030" Global Methane Initiative CDP Climate Program The Oil & Gas Methane Partnership OGMP 2.0 COP28 Oil & Gas Decarbonization Charter The Caspian Environmental Protection Initiative (CEPI) Vision Zero Global Initiative Oil Spill Preparedness Initiative/Oil Spill Preparedness Regional Initiative (OSPRI) Initiative of interaction with the Republican Public Association «Veterans of the oil and gas complex» (VOGC NGO)
	<p>Membership in associations</p> <ul style="list-style-type: none"> World Nuclear Association Tantalum-Niobium International Study Center Nuclear Society of Kazakhstan Association The World Nuclear Fuel Market Nuclear Energy Institute World Nuclear Transport Institute National Chamber of Entrepreneurs of the Republic of Kazakhstan "Atameken" Republican Association of Mining and Metallurgical Enterprises (AMME) Kazakhstan Association of Organizations of the Oil and Gas and Energy Complex "KAZENERGY" ALE Union of Machine Builders of Kazakhstan Vision ZERO — Global program for promoting the concept of "zero injuries" United Nations Global Compact The group of Vienna IAEA

Portfolio companies	Initiatives and associations
	<p>Membership in associations</p> <ul style="list-style-type: none"> Commonwealth Railway Transport Council (CRTC) Organization for Cooperation of Railways (OSR) (participation of the Republic of Kazakhstan) International Coordinating Council for Trans-Eurasian Transportation (CCTT) United Nations Economic Commission for Europe (UNECE) (participation of the Republic of Kazakhstan) International Coordinating Council for Trans-Eurasian Transportation (ICTC) Shanghai Cooperation Organization (participation of the Republic of Kazakhstan) Kazakhstan Association of Freight Forwarders (KAFF) International Union of Railways (UIC) The United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) (participation of the Republic of Kazakhstan) The Economic Cooperation Organization (ECO) (participation of the Republic of Kazakhstan) The Organization of Turkic States (OTS) (participation of the Republic of Kazakhstan) Association of Taxpayers of Kazakhstan Union of Machine Builders of Kazakhstan 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" National Chamber of Entrepreneurs of the Republic of Kazakhstan "Atameken" Eurasian Economic Union (participation of the Republic of Kazakhstan) International Association «Trans-Caspian International Transport Route» ISO Vision ZERO — Global program for promoting the concept of "zero injuries" National ESG Club
	<p>Membership in associations</p> <ul style="list-style-type: none"> World Energy Council (WEC) Kazakhstan Electric Power Association CIS Electric Power Council Kazakhstan Association of Organizations of the Oil and Gas and Energy Complex "KAZENERGY" National Chamber of Entrepreneurs of the Republic of Kazakhstan "Atameken" Union of Machine Builders of Kazakhstan Kazakhstan Association of Regional Environmental Initiatives "Ecojer" Kazakhstan Association of Digital Energy The UN Global Compact National ESG Club



Portfolio companies

Initiatives and associations

**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)
National Chamber of Entrepreneurs of the Republic of Kazakhstan "Atameken"
World Energy Council
EURELECTRIC Association
Coordinating Electricity Council of Central Asia (CES CA)

**Membership in associations**

International Air Transport Association (IATA)
Association of Asia Pacific Airlines (AAPA)
IATA Clearing House
World Aviation Safety Fund
Airline Passenger Experience Association
FSF — Flight Safety Foundation
ISASI — International Society of Air Safety Investigators

**Membership in associations**

Union of Machine Builders of Kazakhstan
International Telecommunication Union (ITU)
Regional Communications Commonwealth (RCC)
National Chamber of Entrepreneurs of the Republic of Kazakhstan "Atameken"
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
National Chamber of Entrepreneurs of the Republic of Kazakhstan "Atameken"
European Raw Materials Alliance
Kazakhstan Chamber of Mines

**Membership in associations**

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

Annex 4. Species identified in the areas affected by operations and their conservation status

GRI 304-4

N°	Title in English	Name in Latin	IUCN Status	Status in the Red Book of the Republic of Kazakhstan (if applicable)	Source (company)*
Birds					
1	Baloban	Falco cherrug	Endangered	Category 1: threatened species	JSC NC KazMunayGas
2	White-bellied Grouse	Pterocles alchata	Least concerned	Category 3: rare, occurring in small numbers	JSC NC QazaqGaz NAC Kazatomprom JSC
3	White-eyed duck (white-eyed diver)	Aythya nyroca	Near threatened	Category 3: rare, occurring in small numbers	JSC NC KazMunayGas NAC Kazatomprom JSC
4	Golden eagle	Aquila chrysaetos	Least concerned	Category 3: rare, occurring in small numbers	JSC NC KazMunayGas NAC Kazatomprom JSC
5	Brown pigeon	Columba eversmanni	Vulnerable	Category 3. Narrow-areal endemic species, decreasing in number	NAC Kazatomprom JSC
6	Great Bustard (Jack)	Chlamydotis undulata	Least concerned	2 category. The species is endangered in a number of places in its range, but still survives in Kazakhstan in significant numbers.	JSC NC KazMunayGas NAC Kazatomprom JSC
7	Whooping Crane	Anthropoides virgo	Least concerned	Category 5. Species recovering their numbers	NAC Kazatomprom JSC
8	Caraway	Plegadis falcinellus	Least concerned	Category 2. Species with sharply declining numbers and island range	NAC Kazatomprom JSC
9	Spoonbill	Platalea leucorodia	Least concerned	Category 2: species that are rapidly declining	JSC NC KazMunayGas NAC Kazatomprom JSC
10	Gyr Falcon	Vanellus gregarius	Critically endangered	Category 1: threatened species	JSC NC KazMunayGas
11	Curllew Pelican	Pelecanus crispus	Near threatened	Category 2: species that are rapidly declining	JSC NC QazaqGaz
12	Magpie sandpiper	Haematopus ostralegus	Near threatened	-	JSC NC KazMunayGas



N°	Title in English	Name in Latin	IUCN Status	Status in the Red Book of the Republic of Kazakhstan (if applicable)	Source (company)*
13	Whooper Swan	Cygnus cygnus	Least concerned	Category 2: species that are rapidly declining	JSC NC KazMunayGas JSC NC QazaqGaz NAC Kazatomprom JSC
14	Bewick's swan	Cygnus olor	Least concerned	–	NAC Kazatomprom JSC
15	Lesser White Heron	Egretta garzetta	Least concerned	Category 3: rare, occurring in small numbers	JSC NC KazMunayGas NAC Kazatomprom JSC
16	Common turtledove	Streptopelia turtur	Vulnerable	–	NAC Kazatomprom JSC
17	Common kite	Circaetus gallicus	Least concerned	Category 1. A rare species whose numbers are declining.	NAC Kazatomprom JSC
18	Dwarf Eagle	Hieraaetus pennatus	Least concerned	Category 3. A rare, poorly studied bird.	NAC Kazatomprom JSC
19	Imperial Eagle	Aquila heliaca	Vulnerable	Category 3: rare, occurring in small numbers	Samruk-Energy JSC NAC Kazatomprom JSC
20	White-tailed Eagle	Haliaeetus albicilla	Least concerned	Category 2: species that are rapidly declining	JSC NC KazMunayGas
21	Pelican (no specific species)	Pelecanus crispus	Near threatened	Category 2: species that are rapidly declining	JSC NC KazMunayGas
22	Savka	Oxyura leucocephala	Endangered	Category 1: threatened species	JSC NC QazaqGaz
23	Sajja	Syrrhaptus paradoxus	Least concerned	Category 4. A species in decline.	NAC Kazatomprom JSC
24	Osprey	Pandion haliaetus	Least concerned	Category 1: threatened species	JSC NC KazMunayGas NAC Kazatomprom JSC
25	Steppe eagle	Aquila nipalensis	Endangered	Category 5: rehabilitated, in need of constant monitoring	JSC NC KazMunayGas Samruk-Energy JSC JSC NC QazaqGaz NAC Kazatomprom JSC
26	Vulture	Neophron percnopterus	Endangered	Category 3: rare, occurring in small numbers	JSC NC KazMunayGas
27	Streptot	Tetrax tetrax	Near threatened	Another species of Streptetes (Otis tetrax) is in the second category	JSC NC QazaqGaz

N°	Title in English	Name in Latin	IUCN Status	Status in the Red Book of the Republic of Kazakhstan (if applicable)	Source (company)*
28	Sultana	Porphyrio porphyrio	Least concerned	Category 2: species that are rapidly declining	JSC NC KazMunayGas
29	Owl	Bubo bubo	Least concerned	Category 2: species that are rapidly declining	JSC NC KazMunayGas
30	Flamingo	Phoenicopterus roseus	Least concerned	Category 2: species that are rapidly declining	JSC NC KazMunayGas
31	Black-bellied Grouse	Pterocles orientalis	Least concerned	Category 3. Reducing species.	NAC Kazatomprom JSC
32	Black-headed grouse	Larus ichthyaetus	Least concerned	Category 2: species that are rapidly declining	JSC NC KazMunayGas NAC Kazatomprom JSC
33	Black stork	Ciconia nigra	Least concerned	Category 3. Rare species.	NAC Kazatomprom JSC
34	Pintail	Recurvirostra avosetta	Least concerned	–	JSC NC KazMunayGas
Reptile					
35	European pond turtle	Emys orbicularis	Near threatened	The category is not indicated in the Red Book	JSC NC QazaqGaz
36	Pallas's polo	Elaphe sauromates	Least concerned	–	JSC NC KazMunayGas
37	Gray varan	Varanus griseus	Least concerned	Category 2. A declining species.	NAC Kazatomprom JSC
38	Central Asian (steppe) tortoise	Testudo horsfieldii	Vulnerable	Not categorized in the Red Data Book	JSC NC KazMunayGas JSC NC QazaqGaz
Mammals					
39	Arghar	Ovis ammon	Near threatened	–	NAC Kazatomprom JSC
40	White-bellied Arrowhead	Otonycteris hemprichi	Least concerned	Category 3: rare, occurring in small numbers	JSC NC KazMunayGas
41	Jairan	Gazella subgutturosa	Vulnerable	Category 3: rare, occurring in small numbers	JSC NC KazMunayGas JSC NC QazaqGaz NAC Kazatomprom JSC
42	Raccoon dog	Nyctereutes procyonoides	Least concerned	–	JSC NC KazMunayGas



N°	Title in English	Name in Latin	IUCN Status	Status in the Red Book of the Republic of Kazakhstan (if applicable)	Source (company)*
43	Indian porcupine	Hystrix indica	Least concerned	Category 4: undetermined (understudied) but low abundance	JSC NC KazMunayGas
44	Caracal	Caracal caracal	Least concerned	Category 1: threatened species	JSC NC KazMunayGas
45	Caspian seal	Phoca caspica	-	-	JSC NC KazMunayGas
46	Honey badger	Mellivora capensis	Least concerned	Category 1: threatened species	JSC NC KazMunayGas
47	Hamster	Cricetus cricetus	Critically endangered	-	NAC Kazatomprom JSC
48	Sharp-eared nightjar	Myotis blythii	Least concerned	-	JSC NC KazMunayGas
49	Pied leopard	Panthera pardus saxicolor	Vulnerable	Not categorized in the Red Data Book	JSC NC KazMunayGas
50	Striped hyena	Hyaena hyaena	Near threatened	-	JSC NC KazMunayGas
51	Red-necked vesper	Nyctalus noctula	Least concerned	-	JSC NC KazMunayGas
52	Saiga	Saiga tatarica	Near threatened	-	NAC Kazatomprom JSC
53	Ustyurt mountain-sheep ural	Ovis vignei	Vulnerable	Not categorized in the Red Data Book	JSC NC KazMunayGas
54	Jackal	Canis aureus	Least concerned	-	JSC NC KazMunayGas
Insects					
55	Bolivaria short-winged mantis	Bolivaria brachyptera	Data deficient	Not categorized in the Red Data Book (declining in numbers)	JSC NC QazaqGaz NAC Kazatomprom JSC
56	Ladybug Stethorus spotted	Stethorus punctillum	-	-	JSC NC QazaqGaz
57	Wood mantis	Hierodula tenuidentata	Least concerned	Not categorized in the Red Data Book (declining in numbers)	JSC NC QazaqGaz NAC Kazatomprom JSC

N°	Title in English	Name in Latin	IUCN Status	Status in the Red Book of the Republic of Kazakhstan (if applicable)	Source (company)*
58	Alder Armah bug	Arma custos	-	-	JSC NC QazaqGaz
59	Short-winged Coranus	Coranus subapterus	-	-	JSC NC QazaqGaz
60	Beautiful demoiselle	Calopteryx virgo	Least concerned	Not categorized in the Red Data Book (declining in numbers)	JSC NC QazaqGaz
Plants					
61	Adonis volga	Adonis volgensis	-	-	NAC Kazatomprom JSC
62	Altai wolfberry	Daphne altaica	-	-	
63	Pinnate wattle	Stipa pennata	-	-	
64	Polyporus rhizophilus	Polyporus rhizophilus Pat	-	-	
65	Eastern pasqueflower	Pulsatilla patens	-	-	NAC Kazatomprom JSC
66	Spiraeánthus	Spiraeanthus schrenkianus	Endangered	Included in the Resolution of the Government of the RoK on rare species	
67	Turanga sinensis	Populus pruinosa	-	-	NAC Kazatomprom JSC
68	Biberstein's tulip	Tulipa biebersteiniana	-	Included in the Resolution of the Government of the RoK on rare species	
69	Tulipa biflora	Tulipa biflora	-	-	NAC Kazatomprom JSC
70	Tulipa patens	Tulipa patens	-	-	NAC Kazatomprom JSC
71	Tulipa suaveolens	Tulipa suaveolens	-	Included in the Resolution of the Government of the RoK on rare species	



Annex 5. Contact information



Joint Stock Company “Sovereign Wealth Fund “Samruk-Kazyna”

Legal and actual address:

17/10 Syganak street,
Republic of Kazakhstan, Astana, 010000 GRI 2-1

Executive office:

+7 (7172) 55-40-01

IIN:

081140000436

Reporting year:

2023

Website:

www.sk.kz

 [instagram.com/samrukkazyna_official](https://www.instagram.com/samrukkazyna_official)

 [facebook.com/SamrukKazyna](https://www.facebook.com/SamrukKazyna)

 t.me/samrukkazynaofficial

 [youtube.com/user/Skazyna](https://www.youtube.com/user/Skazyna)

For all questions, comments and suggestions regarding the report, please contact the employees of the Fund:

GRI 2-3

On ESG issues

Email: sustainability@sk.kz

On requests of media and internal communications

Email: press@sk.kz

On investor relation issues

Email: ir@sk.kz

Hotline

Phone: 8 800 080 4747 (Toll-free on the territory of the Republic of Kazakhstan)

Email: mail@sk-hotline.kz





Annex 6. Feedback form

Please take a few minutes to fill out this questionnaire for the 2023 Sustainability Report. We appreciate your feedback, as it helps us to manage our activities more effectively and improve results.

Which of the following interests you the most? (multiple choice)

- | | |
|--|---|
| <input type="radio"/> Corporate governance and transparency | <input type="radio"/> Health and safety |
| <input type="radio"/> Actions in the field of corporate responsibility | <input type="radio"/> Human resources |
| <input type="radio"/> Environment | <input type="radio"/> Information about stakeholders (shareholder, employees, customers, suppliers, NGOs, etc.) |

Please choose how much you agree with the following:

- | | |
|--|---|
| (1) Strongly disagree | <input type="radio"/> Principles and problems are sufficiently disclosed in line with the Development Strategy of the Fund. |
| (2) Not agree | <input type="radio"/> The content is complete and clear. |
| (3) I find it difficult to answer | <input type="radio"/> The structure of the report is functional and complete. |
| (4) Agree | <input type="radio"/> The information provided is reliable and accurate. |
| (5) Strongly agree | <input type="radio"/> Tables and graphs are clear to understand and are depicted qualitatively. |
| | <input type="radio"/> Images and drawings enhance the report, making it readable and more interesting. |
| | <input type="radio"/> The print version corresponds to the publication on sustainable development. |
| | <input type="radio"/> I prefer the electronic version of the report. |
| | <input type="radio"/> I will recommend the report to others. |

Evaluate, in order of priority from 1 to 5, the following areas in which the company has developed significant initiatives and activities, in your opinion: (please select five)

- | | |
|---|---|
| <input type="radio"/> Safety on the workplace | <input type="radio"/> Transparency |
| <input type="radio"/> Environmental protection | <input type="radio"/> Socially significant activities |
| <input type="radio"/> Contribution to regional sustainable development | <input type="radio"/> Economic prosperity |
| <input type="radio"/> Contributing to the country's infrastructural development | <input type="radio"/> Decarbonization |

Which of these stakeholder groups do you belong to? (one option)

- | | |
|--|--|
| <input type="radio"/> Employees | <input type="radio"/> Customers |
| <input type="radio"/> Population in regions of operation | <input type="radio"/> Business partners |
| <input type="radio"/> NGO | <input type="radio"/> Government representatives |
| <input type="radio"/> Media | <input type="radio"/> Other |
| <input type="radio"/> Suppliers | |

How did reading the 2023 Sustainability Report affect your opinion about the Fund? (one option)

- Positive
- Not affect
- Negative

Contact information

Surname

Name

Type of activity

Place of work

Position

Mobile phone

e-mail

Website

Place of residence



Annex 7. Reporting boundaries

GRI 2-2

The scope of our Report covers the Fund's portfolio companies as reported in the Consolidated Financial Statements for the year ended December 31, 2023 (Note 35).

For a number of indicators, the reporting boundaries differ from the list of the Fund's portfolio companies indicated in the financial statements; detailed information on the discrepancies is in the table below⁶⁰.

Different topics and indicators are recognized as material for different groups of companies. First of all, indicators related to environmental protection are considered material only for large production organizations. Economic and social indicators are considered material for all companies included in the Consolidated Financial Statements.

Disclosure in sections of the Report

N°	Portfolio companies	Sustainable development governance	Investments in economic and social development	Compliance and handling of inquiries	Promoting the development of small and medium-sized businesses	Information security and data protection	Our people	Workplace Safety	Initiatives to reduce climate impacts	Atmospheric air quality	Optimization of energy consumption	Biodiversity conservation	Water resources management	Waste management	Compliance with requirements
	Kazpost JSC⁶¹	●	●	●	●	●	●	●							
	Samruk-Kazyna Construction JSC and subsidiaries	●	●	●	●	●	●	●							
	Samruk-Kazyna Invest LLP and subsidiaries	●	●	●	●	●	●	●							
	Samruk-Kazyna Contract LLP	●	●	●	●	●	●	●							
	SK Business Service LLP and subsidiaries	●	●		●		●								
	Qazaq Air JSC	●	●		●		●	●							
	Kazakhstan Nuclear Power Plants LLP	●	●	●	●	●	●	●							
	LLP "PGU Turkestan"	●	●	●	●	●	●	●							
	Private Foundation "Center for Scientific and Technological Initiatives "Samgau"	●	●	●	●	●	●	●							
	KEGOC JSC and subsidiaries	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	JSC Kazakhtelecom⁶¹	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Air Astana JSC and subsidiaries	●	●	● ⁶²	●		●	●	●	●	●	●	●	●	
	JSC NMC Tau-Ken Samruk and subsidiaries	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	Samruk-Kazyna Odeu LLP and subsidiaries	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	NPP Shulbinskaya HPP LLP and its subsidiary	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	NPP Ust-Kamenogorsk HPP LLP	●	●	●	●	●	●	●	●	●	●	●	●	●	●

⁶⁰ The approach to consolidation of indicators is focused on the financial statements. It does not involve additional adjustments, including minority adjustments. Mergers, acquisitions and disposals of businesses or parts of businesses are also accounted for as recognized in the financial statements.

⁶¹ Subsidiaries of Kazakhtelecom JSC and Kazpost JSC are not included in the consolidation in this Report.

⁶² Air Astana JSC and its subsidiaries were excluded from the consolidation of GRI 205-1, GRI 205-2 indicators.

GRI 205-1 GRI 205-2



Disclosure in sections of the Report

N°	Portfolio companies	Sustainable development governance	Investments in economic and social development	Compliance and handling of inquiries	Promoting the development of small and medium-sized businesses	Information security and data protection	OUR PEOPLE		Initiatives to reduce climate impacts	Atmospheric air quality	Optimization of energy consumption	Biodiversity conservation	Water resources management	Waste management	Compliance with requirements
							Our people	Workplace Safety							
	NC QazaqGaz JSC (subsidiaries and affiliates are presented separately below)	●	●	●	●	●	●	●							
1	JSC Intergas Central Asia	●	●	●	●	●	●	●	●	●	●	●	●	●	●
2	JSC KazTransGas Aimak	●	●	●	●	●	●	●	●	●	●	●	●	●	●
3	Exploration and Production QazaqGaz LLP	●	●	●	●	●	●	●	●	●	●	●	●	●	●
4	Beineu-Shymkent Gas Pipeline LLP	●	●	●	●	●	●	●	●	●	●	●	●	●	●
5	QazaqGaz Scientific and Technical Center LLP	●	●	●	●	●	●	●	●	●	●	●	●	●	●
6	LLP Asian Gas Pipeline	●	●	●	●	●	●	●	●	●	●	●	●	●	●
7	LLP QazaqGaz Onimderi	●	●	●	●	●	●	●	●	●	●	●	●	●	●
8	JSC KazMunayGas-Service NS	●	●	●	●	●	●	●	●	●	●	●	●	●	●
9	Tegis Munai LLP	●	●	●	●	●	●	●	●	●	●	●	●	●	●
10	Mangyshlak-Munai LLP	●	●	●	●	●	●	●	●	●	●	●	●	●	●
11	JSC KazRosGas	●	●	●	●	●	●	●	●	●	●	●	●	●	●
12	GPCI	●	●	●	●	●	●	●	●	●	●	●	●	●	●
	JSC NC Kazakhstan Temir Zholy (subsidiaries and affiliates are presented separately below)	●	●	●	●	●	●	●							
1	JSC KTZ-Express	●	●	●	●	●	●	●	●	●	●	●	●	●	●
2	LLP Militarized railway security	●	●	●	●	●	●	●	●	●	●	●	●	●	●
3	JSC Kaztemirtrans	●	●	●	●	●	●	●	●	●	●	●	●	●	●
4	Tulpar Car Building Plant LLP	●	●	●	●	●	●	●	●	●	●	●	●	●	●
5	LLP Kazakhstan Carriage Manufacturing Company	●	●	●	●	●	●	●	●	●	●	●	●	●	●
6	LLP KTZ-Freight transportation	●	●	●	●	●	●	●	●	●	●	●	●	●	●
7	JSC Passenger transportation	●	●	●	●	●	●	●	●	●	●	●	●	●	●
8	JSC Vagonservis	●	●	●	●	●	●	●	●	●	●	●	●	●	●
9	JSC Temirzholsu	●	●	●	●	●	●	●	●	●	●	●	●	●	●
10	JSC Kedentransservice	●	●	●	●	●	●	●	●	●	●	●	●	●	●
11	TRANSPORT HOLDING OF KAZAKHSTAN LLP	●	●	●	●	●	●	●	●	●	●	●	●	●	●
12	Port Kuryk LLP	●	●	●	●	●	●	●	●	●	●	●	●	●	●
13	KTZ-Passenger Locomotives LLP	●	●	●	●	●	●	●	●	●	●	●	●	●	●
14	JSC NC Aktau Sea Trade Port	●	●	●	●	●	●	●	●	●	●	●	●	●	●



Disclosure in sections of the Report

N°	Portfolio companies	Sustainable development governance	Investments in economic and social development	Compliance and handling of inquiries	Promoting the development of small and medium-sized businesses	Information security and data protection	ENVIRONMENT								
							Our people	Workplace Safety	Initiatives to reduce climate impacts	Atmospheric air quality	Optimization of energy consumption	Biodiversity conservation	Water resources management	Waste management	Compliance with requirements
	Samruk-Energy JSC (subsidiaries and affiliates are presented separately below)	●	●	●		●									
1	JSC Almaty Electric Stations	●	●	●	●	●	●	●	●	●	●	●	●	●	●
2	JSC Balkhash TPP	●	●	●	●	●	●	●	●	●	●	●	●	●	●
3	JSC Bukhtarminskaya HPP	●	●	●	●		●	●	●	●	●	●	●	●	●
4	JSC Station Ekibastuzskaya GRES 2	●	●	●	●	●	●	●	●	●	●	●	●	●	●
5	JSC Ust-Kamenogorsk HPP	●	●	●			●	●	●	●	●	●	●	●	●
6	JSC Shardarinskaya HPP	●	●	●	●	●	●	●	●	●	●	●	●	●	●
7	JSC Shulbinskaya HPP	●	●	●			●	●	●	●	●	●	●	●	●
8	Energy Solution Center LLP	●	●	●	●	●	●	●	●	●	●	●	●	●	●
9	Almatyenergosbyt LLP	●	●	●	●	●	●								
10	LLP Ekibastuz GRES-1 named after Bulat Nurzhanov	●	●	●	●	●	●	●	●	●	●	●	●	●	●
11	Ereymenay Wind Power LLP	●	●	●	●		●	●	●	●	●	●	●	●	●
12	Forum Muider B.V.	●	●	●			●								
13	LLC Resursenergougol	●	●	●			●								
14	LLP Bogatyr Komir	●	●	●	●		●	●	●	●	●	●	●	●	●
15	JSC Alatau Zharyk Kompaniyasy	●	●	●	●	●	●	●	●	●	●	●	●	●	●
16	Qazaq Green Power PLC	●	●	●	●		●	●	●	●	●	●	●	●	●
17	Kazhydrotekhenenergo LLP	●	●	●			●	●	●	●	●	●	●	●	●
18	Samruk-Green Energy LLP	●	●	●	●		●	●	●	●	●	●	●	●	●
19	LLP First Wind Power Station	●	●	●	●		●	●	●	●	●	●	●	●	●
20	JSC Moynakskaya HPP	●	●	●	●	●	●	●	●	●	●	●	●	●	●
21	Teploenergomash LLP	●	●	●			●	●	●	●	●	●	●	●	●
22	Private company Altyn Dala Energy	●	●				●								
23	LLP Energy of Semirechya	●	●				●								



Disclosure in sections of the Report

N°	Portfolio companies	Sustainable development governance	Investments in economic and social development	Compliance and handling of inquiries	Promoting the development of small and medium-sized businesses	Information security and data protection	OUR PEOPLE		Initiatives to reduce climate impacts	Atmospheric air quality	Optimization of energy consumption	Biodiversity conservation	Water resources management	Waste management	Compliance with requirements
							Our people	Workplace Safety							
	NAC Kazatomprom JSC (subsidiaries and affiliates are presented separately below)	●	●	●	●	●	●	●							
1	Kazatomprom-SaUran LLP	●	●	●	●	●	●	●	●	●	●	●	●	●	●
2	LLP RU-6	●	●	●	●	●	●	●	●	●	●	●	●	●	●
3	APPAK LLP	●	●	●	●	●	●	●	●	●	●	●	●	●	●
4	JV Inkai LLP	●	●	●	●	●	●	●	●	●	●	●	●	●	●
5	Baiken-U LLP	●	●	●	●	●	●	●	●	●	●	●	●	●	●
6	LLP DP ORTALYK	●	●	●	●	●	●	●	●	●	●	●	●	●	●
7	Khorasan-U LLP	●	●	●	●	●	●	●	●	●	●	●	●	●	●
8	JV Budenovskoye LLP	●	●	●	●	●	●	●	●	●	●	●	●	●	●
9	Semizbay-U LLP	●	●	●	●	●	●	●	●	●	●	●	●	●	●
10	JSC SP Akbastau	●	●	●	●	●	●	●	●	●	●	●	●	●	●
11	Karatau LLP	●	●	●	●	●	●	●	●	●	●	●	●	●	●
12	Energy Asia (BVI) Limited	●	●	●		●	●								
13	LLP JV KATKO	●	●	●		●	●	●	●	●	●	●	●	●	●
14	JV Southern Mining and Chemical Company LLP	●	●	●		●	●	●	●	●	●	●	●	●	●
15	JSC SP ZARECHNOE	●	●	●		●	●	●	●	●	●	●	●	●	●
16	Kyzylkum LLP	●	●	●		●	●	●	●	●	●	●	●	●	●
17	LLP Zhanakorgan-Transit	●	●	●		●	●								
18	JSC Ulba Metallurgical Plant	●	●	●	●	●	●	●	●	●	●	●	●	●	●
19	ULBA-CHINA Co Ltd	●	●	●		●	●								
20	Mashzavod LLP	●	●	●	●	●	●								
21	Ulba TVS LLP	●	●	●	●	●	●								
22	Institute of High Technologies LLP	●	●	●	●	●	●	●							
23	Kazakatom TH AG	●	●	●		●	●								
24	KAP-Technology LLP	●	●	●	●	●	●	●							
25	KAP Logistics LLP	●	●	●	●	●	●	●	●	●	●	●	●	●	●
26	JSC Volkovgeology	●	●	●	●	●	●	●	●	●	●	●	●	●	●
27	JV Rusburmash Kazakhstan LLP	●	●	●		●	●								
28	Qorǵan-Security LLP	●	●	●	●	●	●	●							
29	SKZ-U LLP	●	●	●		●	●	●	●	●	●	●	●	●	●
30	Uranenergo LLP	●	●	●		●	●	●	●	●	●	●	●	●	●



Disclosure in sections of the Report

N°	Portfolio companies	Sustainable development governance	Investments in economic and social development	Compliance and handling of inquiries	Promoting the development of small and medium-sized businesses	Information security and data protection	OUR PEOPLE		Initiatives to reduce climate impacts	Atmospheric air quality	Optimization of energy consumption	Biodiversity conservation	Water resources management	Waste management	Compliance with requirements
							Our people	Workplace Safety							
	JSC NC KazMunayGas (subsidiaries and affiliates are presented separately below) ⁶⁵	●			●		●	●							
1	Kazakhturkmunai LLP	●	●	●	●	●	●	●	●	●	●	●	●	●	●
2	JSC KazTransOil	●		●	●	●	●	●	●	●	●	●	●	●	●
3	Ayrau Oil Refinery LLP	●		●	●	●	●	●	●	●	●	●	●	●	●
4	Pavlodar Petrochemical Plant LLP	●		●	●	●	●	●	●	●	●	●	●	●	●
5	JSC Ozenmunaigas	●	●	●	●	●	●	●	●	●	●	●	●	●	●
6	JSC Embamunaygas	●	●	●	●	●	●	●	●	●	●	●	●	●	●
7	Kazakh Gas Processing Plant LLP	●		●	●	●	●	●	●	●	●	●	●	●	●
8	NMSK KazMorTransFlot LLP	●		●	●	●	●	●	●	●	●	●	●	●	●
9	JSC Mangistaumunaigas	●	●	●		●		●	●	●	●	●	●	●	●
10	Kazakhoil Aktobe LLP	●	●	●		●		●	●	●	●	●	●	●	●
11	JSC Karazhanbasmunai	●	●	●		●		●	●	●	●	●	●	●	●
12	JV CASPI BITUM LLP	●		●		●		●	●	●	●	●	●	●	●
13	JV Kazgermunai LLP	●	●	●		●		●	●	●	●	●	●	●	●
14	Urikhtau Operating LLP	●		●	●	●	●	●	●	●	●	●	●	●	●
15	PetroKazakhstan Oil Products LLP	●		●		●		●	●	●	●	●	●	●	●
16	Kazakhstan Petrochemical Industries Inc LLP	●		●		●		●	●	●	●	●	●	●	●
17	Oil Construction Company LLP	●		●	●	●	●	●	●	●	●	●	●	●	●
18	Ozenmunaiservice LLP	●		●	●	●	●	●	●	●	●	●	●	●	●
19	Oil Services Company LLP	●		●	●	●	●	●	●	●	●	●	●	●	●
20	LLP Water Production and Transportation Administration	●		●	●	●	●	●	●	●	●	●	●	●	●
21	LLP Ken-Kurylys-Service	●		●	●	●	●	●	●	●	●	●	●	●	●
22	Mangystauenergomunai LLP	●		●	●	●	●	●	●	●	●	●	●	●	●
23	LLP KMG EP-Catering	●		●	●	●	●	●	●	●	●	●	●	●	●
24	KMG Systems & Services LLP	●		●	●	●	●	●	●	●	●	●	●	●	●
25	Oil Transport Corporation LLP	●		●	●	●	●	●	●	●	●	●	●	●	●
26	Munaitelcom LLP	●		●	●	●	●	●	●	●	●	●	●	●	●
27	LLP Ural Oil and Gas	●		●	●	●	●	●	●	●	●	●	●	●	●
28	KMG Karachaganak LLP	●		●	●	●	●	●	●	●	●	●	●	●	●

⁶⁵ The following significant assets of JSC NC KazMunayGas are not included in the consolidation in this Report: North Caspian Operating Company N.V. (NCOC), NWPC MunaiTas LLP, Kazakhstan-China Pipeline LLP, PetroKazakhstan Inc., KMG Nabors Drilling Company LLP, KMG Parker Drilling Company LLP, Karachaganak Petroleum Operating B.V. (Kazakhstan Branch), LLP Tengizchevroil, TenizService LLP, Caspian Pipeline Consortium - K JSC, Caspian Pipeline Consortium - R JSC, KMG Automation LLP.



Disclosure in sections of the Report

N°	Portfolio companies	Sustainable development governance	Investments in economic and social development	Compliance and handling of inquiries	Promoting the development of small and medium-sized businesses	Information security and data protection	ENVIRONMENT		Initiatives to reduce climate impacts	Atmospheric air quality	Optimization of energy consumption	Biodiversity conservation	Water resources management	Waste management	Compliance with requirements
							Our people	Workplace Safety							
29	KMG-Aero LLP	●		●	●	●	●	●							
30	KMG Kashagan V.V.	●		●	●	●	●	●							
31	KMG Drilling&Services LLP	●		●	●	●	●	●							
32	Magistralny Vodovod LLP	●			●		●				●	●	●		
33	LLP KMG Barlau	●		●	●	●	●	●							
34	LLP KMG PetroChem	●		●	●	●	●	●							
35	LLP KMG-Security	●		●	●	●	●	●							
36	KMG-Kumkol LLP	●		●	●	●	●	●							
37	KMG Engineering LLP	●		●	●	●	●	●							
38	Batumi Oil Terminal LLC	●			●		●		●						
39	Zhambyl Petroleum LLP	●			●		●	●							
40	Al-Farabi Operating LLP	●						●							●
41	TOO Zhenis Operating	●		●		●									
42	Ak Su KMG LLP	●		●		●			●						
43	Isatay Operating Company LLP	●		●		●			●						
44	LLP Professional GeoSolutions Kazakhstan	●		●		●			●						
45	MNC KazMunayTeniz LLP	●													
46	KMG International N.V.	●			●		●								
47	"Petrotrans Limited"	●			●		●								
48	Cooperative KazMunaiGaz U.A.	●			●		●								
49	KMG Finance Sub B.V.	●			●		●								
50	Batumi Sea Port LLC	●			●		●								
51	Green Energy LLP	●			●		●								
52	Polymer Production LLP	●			●		●								
53	KazMunayGasService LLP	●			●		●								
54	CHK Karaton Operating Ltd.	●			●		●								
55	Becturly Energy Operating LLP	●						●							
56	Kurmangazy Petroleum LLP	●						●							
57	Romp petrol Rafinare SA	●							●						



Annex 8. GRI Content Index

Statement of use	Samruk-Kazyna JSC has reported in accordance with the GRI Standards for the period from January 1, 2023 to December 31, 2023
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable



For the Content Index — Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.

The service was performed on the Russian version of the report.

GRI standard	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
General Disclosures					
GRI 2. General Disclosures 2021	1. The organization and its reporting practices				
	2-1 Organizational details	Section "About the report"			
	2-2 Entities included in the organization's sustainability reporting	Annex 7. Reporting boundaries			
	2-3 Reporting period, frequency and contact point	Section "About the report"			
	2-4 Restatements of information	Annex 11. ESG Data			
	2-5 External assurance	Annex 13. Independent assurance			
	2. Activities and workers				
	2-6 Activities, value chain and other business relationships	Section "About the report", Section "Our key areas of activity", Section "Strategic partnerships and cooperation", Section "International investment and cooperation"			
	2-7 Employees	Section "Creating equal opportunities", Annex 11. ESG Data	Disclosed with the exception of data on employees with non-guaranteed working hours	Not applicable.	The Fund does not employ employees with non-guaranteed working hours
	2-8 Workers who are not employees	Annex 11. ESG Data			
	3. Governance				
	2-9 Governance structure and composition	Section "Sustainable development governance"			
	2-10 Nomination and selection of the highest governance body	Section "Selection of the Board of Directors"			
	2-11 Chair of the highest governance body	Section "Sustainable development governance"			
	2-12 Role of the highest governance body in overseeing the management of impacts	Section "Sustainable development governance" Section "Risk management and internal control"			
	2-13 Delegation of responsibility for managing impacts	Section "Sustainable development governance"			
	2-14 Role of the highest governance body in sustainability reporting	Section "About the report", Section "Sustainable development governance"			
	2-15 Conflicts of interest	Section "Conflict of Interest Prevention"			
		For information on related parties, see the Fund's 2023 Financial Statements.			
	2-16 Communication of critical concerns	Section "Risk management and internal control"			
		There were no critical issues that needed to be brought to the attention of the highest governance body during the reporting period			
	2-17 Collective knowledge of the highest governance body	Section "Sustainable development governance"			



GRI standard	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 2. General Disclosures 2021					
	2-18 Evaluation of the performance of the highest governance body	Section "Remuneration Policy for Members of the Board of Directors and Management Board"			
	2-19 Remuneration policies	Section "Remuneration Policy for Members of the Board of Directors and Management Board"			
	2-20 Process to determine remuneration	Section "Remuneration Policy for Members of the Board of Directors and Management Board"			
	2-21 Annual total compensation ratio	Additionally, see the Fund's Annual Report 2023 regarding the work of the Nomination and Remuneration Committee			
	2-21 Annual total compensation ratio	-	Remuneration ratios are not disclosed	Information is confidential	Legal restrictions Decree Government of the Republic of Kazakhstan dated October 17 2008 No. 962 "On measures to implement the Decree President of the Republic of Kazakhstan dated October 13 2008 No. 669" (Appendix No. 3, which marked "For official use")
4. Strategy, policies and practices					
	2-22 Statement on sustainable development strategy	Section "Sustainable development governance"			
	2-23 Policy commitments	Section "Principles of Sustainable Development" On the website: Code of Conduct			
	2-24 Embedding policy commitments	Section "Compliance and handling of inquiries" , Section "Ombudsman Institute" , Section "Creating equal opportunities" , Section "Social and labor relations"			
	2-25 Processes to remediate negative impacts	Section "Compliance and handling of inquiries" , Section "Ombudsman Institute"			
	2-26 Mechanisms for seeking advice and raising concerns	Section "Compliance and handling of inquiries" , Section "Ombudsman Institute"			
	2-27 Compliance with laws and regulations	Annex 11. ESG Data	Partially disclosed. Payments for violation of environmental legislation have been disclosed. Significant other cases of non-compliance with the law are not described, as well as the number and amount of other fines.	Information is not available	Information on fines other than those related to environmental legislation is not available due to lack of mechanism for monitoring of other fines at the Fund Group level.
	2-28 Membership associations	Section "Strategic partnerships and cooperation" , Annex 3. Partnership and membership of the Fund's portfolio companies			
5. Stakeholder engagement					
	2-29 Approach to stakeholder engagement	Annex 2. Our approach to stakeholder engagement			
	2-30 Collective bargaining agreements	Section "Social and labor relations"			



GRI standard	Disclosure	Location	Omission			
			Requirement(s) Omitted	Reason	Explanation	
Process for identifying material topics						
GRI 3 Material topics 2021	3-1 Process to determine material topics	Section "Report preparation methodology"				
	3-2 List of material topics	Section "Report preparation methodology"				
Economic performance						
GRI 3 Material topics 2021	3-3 Management of material topics	Section "The Fund's contribution to the welfare of the country" Section "Sustainable financial performance" Section "Assessment of material topics"				
	GRI 201 Economic performance 2016	201-1 Direct economic value generated and distributed	Section "Financial results and sustainable growth"	Disclosed excluding the value created at the level of individual regions and markets	Not applicable	The Fund does not single out individual regions or markets as more significant
	201-2 Financial implications and other risks and opportunities due to climate change	Section "Initiatives to reduce climate impacts"		Partially disclosed. The financial implications of risks and the cost of actions taken are not included. As well as exposure to risks.	No information is available.	There is currently no assessment of the impacts and financial implications of climate risks and the cost of interventions. Plans for such an assessment are under development.
	201-4 Financial assistance received from government	Section "About the Fund", Section "Financial results and sustainable growth"				
Indirect Economic Impacts						
GRI 3 Material topics 2021	3-3 Management of material topics	Section "Investments in economic and social development" Section "Assessment of material topics"				
	GRI 203 Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	Section "Impact Matrix", Section "Investments in economic and social development"			
	203-2 Significant indirect economic impacts	Section "Impact Matrix", Section "Investments in economic and social development", Section "Development of essential social services and infrastructure", Section "Promoting the development of small and medium-sized businesses", Section "Charity and social projects"				
Procurement practice						
GRI 3 Material topics 2021	3-3 Management of material topics	Section "Promoting the development of small and medium-sized businesses" Section "Assessment of material topics"				
	GRI 204 Procurement practices 2016	204-1 Proportion of spending on local suppliers	Section "Promoting the development of small and medium-sized businesses"			
Business ethics and anti-corruption						
GRI 3 Material topics 2021	3-3 Management of material topics	Section "Compliance and handling of inquiries" Section "Assessment of material topics"				
	GRI 205 Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Section "Compliance and handling of inquiries"	Disclosed excluding major identified risks related to corruption.	Information is unavailable	At the moment, a centralized accounting system has not been implemented
	205-2 Communication and training about anti-corruption policies and procedures	Annex 11. ESG Data		Disclosed excluding information by regions. Information on anti-corruption training for Management Board members is also not included.	No information is available	We continue to work to implement appropriate accounting
	205-3 Confirmed incidents of corruption and actions taken	Annex 11. ESG Data				



GRI standard	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
Energy					
GRI 3 Material topics 2021	3-3 Management of material topics	Section "Optimization of energy consumption" Section "Assessment of material topics"			
GRI 302 Energy 2016	302-1 Energy consumption within the organization	Section "Optimization of energy consumption"	Disclosed excluding information on sold steam and cooling	Information is not available	At the moment, a centralized accounting system has not been implemented
	302-3 Energy intensity	Appendix 11. ESG Data			
	302-4 Reduction of energy consumption	Section "Optimization of energy consumption" Section "Sustainable Development Goals"			
Water resources					
GRI 3 Material topics 2021	3-3 Management of material topics	Section "Water resources management"			
GRI 303 Water and Effluents 2018	303-1 Interactions with water as a shared resource	Section "Water resources management" Section "Assessment of material topics"			
	303-2 Management of water discharge-related impacts	Section "Water resources management"	Disclosed with the exception of information on taking into account the profile of the receiving water body	Information is not available	There is no centralized accounting system. The Fund Group is guided by relevant regulations.
	303-3 Water withdrawal	Section "Water resources management", Annex 11. ESG Data	Disclosed with the exception of the breakdown of water from third-party organizations by water intake sources	Information is not available	This information is not provided by suppliers.
	303-4 Water discharge	Section "Water resources management", Annex 11. ESG Data	Disclosed except in cases of non-compliance with discharge limits.	Information is not available	Accounting information is under development
	303-5 Water consumption	Section "Water resources management", Annex 11. ESG Data			
Biodiversity					
GRI 3 Material topics 2021	3-3 Management of material topics	Section "Biodiversity Conservation" Section "Assessment of material topics"			
GRI 304 Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Section "Biodiversity Conservation"	Disclosed, with the exception of data on above-ground and underground areas and attribute of the protected area.	Information is not available	This information is not collected at the system level for the Fund Group
	304-2 Significant impacts of activities, products and services on biodiversity	Section "Biodiversity Conservation"	Disclosed except for the scale of affected areas	Information is not available	This information is not collected at a systemic level across the Fund Group
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Section "Biodiversity Conservation"			



GRI standard	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
Climate change					
GRI 3 Material topics 2021	3-3 Management of material topics	Section "Initiatives to reduce climate impacts", Section "Assessment of material topics"			
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Section "Initiatives to reduce climate impacts", Annex 11. ESG Data There are no biogenic CO ₂ emissions.			
	305-2 Energy indirect (Scope 2) GHG emissions	Section "Initiatives to reduce climate impacts", Annex 11. ESG Data			
	305-4 GHG emissions intensity	Section "Initiatives to reduce climate impacts", Annex 11. ESG Data All issues under Scope 1 and Scope 2 are included in the calculation			
	305-5 Reduction of GHG emissions	Section "Initiatives to reduce climate impacts", Annex 11. ESG Data All issues under Scope 1 and Scope 2 are included in the calculation			
Air Quality					
GRI 3 Material topics 2021	3-3 Management of material topics	Section "Atmospheric air quality", Section "Assessment of material topics"			
GRI 305 Emissions 2016		Section "Atmospheric air quality", Annex 11. ESG Data			
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Hazardous air pollutants (HAP) are a category of chemicals used in the United States as the basis for regulatory reporting requirements. The Fund Group is guided by national environmental reporting requirements in accordance with the Environmental Code of the Republic of Kazakhstan at the level of individual substances.			
Waste					
GRI 3 Material topics 2021	3-3 Management of material topics	Section "Waste management" Section "Assessment of material topics"			
GRI 306 Waste 2020	306-1 Waste generation and significant waste-related impacts	Section "Waste management"			
	306-2 Management of significant waste-related impacts	Section "Waste management"			
	306-3 Waste generated	Section "Waste management"			
Non-discrimination and equal opportunities					
GRI 3 Material topics 2021	3-3 Management of material topics	Section "Creating equal opportunities", Section "Ensuring decent working conditions", Section "Assessment of material topics"			
GRI 401 Employment 2016	401-1 New employee hires and employee turnover	Section "Creating equal opportunities", Annex 11. ESG Data			
	401-2 Benefits provided to full-time employees that are not provided to temporary or parttime employees	Section "Ensuring decent working conditions" Disclosed for all companies included in the Fund Group. For more details see. Reporting boundaries			
	401-3 Parental leave	Section "Ensuring decent working conditions", Annex 11. ESG Data			



GRI standard	Disclosure	Location	Omission		
			Requirement(s) Omitted	Reason	Explanation
GRI 402 Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	Section "Ensuring decent working conditions"			
GRI 405 Diversity and Equal opportunity 2016	405-1 Diversity of governance bodies and employees	Creating equal opportunities, Annex 11. ESG Data			
GRI 406 Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Creating equal opportunities			
Occupational Health and Safety					
GRI 3 Material topics 2021	3-3 Management of material topics	Section "Workplace Safety", Section "Employee health and well-being", Section "Assessment of material topics"			
GRI 403 Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Section "Workplace Safety"			
	403-2 Hazard identification, risk assessment, and incident investigation	Section "Workplace Safety"			
	403-3 Occupational health services	Section "Workplace Safety", Section "Employee health and well-being"			
	403-4 Worker participation, consultation, and communication on occupational health and safety	Section "Workplace Safety"			
	403-5 Worker training on occupational health and safety	Section "Workplace Safety"			
	403-6 Promotion of worker health	Section "Employee health and well-being"			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Section "Workplace Safety", Section "Employee health and well-being"			
	403-8 Workers covered by an occupational health and safety management system	Section "Workplace Safety"	Disclosed with the exception of data on freelance workers	Information is not available	This information is not collected at the system level for the Fund Group
	403-9 Work-related injuries	Section "Workplace Safety"	Disclosed with the exception of data on freelance workers	Information is not available	This information is not collected at the system level for the Fund Group
Training and education					
GRI 3 Material topics 2021	3-3 Management of material topics	Section "Professional development", Section "Assessment of material topics"			
GRI 404 Training and Education 2016	404-1 Average hours of training per year per employee	Section "Professional development"			
	404-2 Programs for upgrading employee skills and transition assistance programs	Section "Professional development"			
	404-3 Percentage of employees receiving regular performance and career development reviews	Section "Professional development"			
Local communities					
GRI 3 Material topics 2021	3-3 Management of material topics	Annex 2. Our approach to stakeholder engagement Section "Assessment of material topics"			
GRI 413 Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Annex 2. Our approach to stakeholder engagement			
Personal data protection					
GRI 3 Material topics 2021	3-3 Management of material topics	Section "Information security and data protection", Section "Assessment of material topics"			
GRI 418 Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Section "Information security and data protection"			



Annex 9. SASB Content Index

Topic	Indicator	Section
Air quality	Emissions of NOx, SOx and other significant pollutants into the atmosphere	Section "Atmospheric air quality", Annex 11. ESG Data
Business ethics and transparency	Description of the management system to prevent corruption and bribery throughout the value chain	Section "Compliance and handling of inquiries"
Greenhouse gas emissions	Total fuel consumed, percentage of renewable sources	Section "Optimization of energy consumption"
Labor practice	Percentage of active labor force employed under collective bargaining agreements	Section "Social and labor relations"
Operational safety, emergency preparedness and response	Discussion of management systems used to integrate a culture of safety and emergency preparedness throughout the value chain and throughout the project life cycle.	Section "Workplace Safety"
Waste and hazardous materials management	Total weight of hazardous waste generated	Section "Waste management"
Water management	(1) Total volume of water withdrawn, (2) Total volume of water consumed; percentage of each in regions with high or extremely high basic water stress	Section "Water resources management"
	Description of water management risks and discussion of strategies and practices to reduce these risks	Section "Water resources management"
Staff health and safety	Discussion of accident and safety risk management and long-term health and safety risks.	Section "Workplace Safety"

Annex 10. TCFD indicator table

Recommended Disclosures	Report Sections
Corporate governance Uncover your company's governance principles regarding climate-related risks and opportunities	a) Describe how the Board of Directors oversees climate-related risks and opportunities Section "Risk management and internal control"
	b) Describe management's role in assessing and managing climate-related risks and opportunities Section "Risk management and internal control"
Strategy Disclose the actual and potential impact of climate-related risks and opportunities on a company's operations, strategy and financial planning where the information is material	a) Describe climate-related risks and opportunities identified in the short, medium and long term Section "Initiatives to reduce climate impacts"
	b) Describe the impact of climate-related risks and opportunities on the company's operations, strategy and financial planning Section "Initiatives to reduce climate impacts"
	c) Describe the sustainability of the company's strategy given various climate-related scenarios, including a 2°C and below scenario Section "Initiatives to reduce climate impacts"
Climate Risk Management Disclose the actual and potential impact of climate-related risks and opportunities on a company's operations, strategy and financial planning where the information is material	a) Describe the company's processes for identifying and assessing climate-related risks Section "Initiatives to reduce climate impacts"
	b) Describe the company's processes for managing climate-related risks Section "Initiatives to reduce climate impacts"
	c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the company's overall risk management process Section "Initiatives to reduce climate impacts"
Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where this information is relevant	a) Disclose the metrics the company uses to assess climate-related risks and opportunities in line with its risk management strategy and process Section "Sustainable Development Goals"
	b) Disclose Scope 1, Scope 2 and, if applicable, Scope 3 greenhouse gas emissions and associated risks Section "Initiatives to reduce climate impacts"
	c) Describe the targets the company uses to manage climate-related risks and opportunities and actual results compared to targets Section "Sustainable Development Goals"



Annex 11. ESG Data

Social indicators

GRI 2-7 GRI 2-8 GRI 401-1 GRI 405-1 GRI 403-9

Employees	Unit of measure	2020	2021	2022	2023
Number of employees at the end of the year GRI 2-7	person	270,068	259,279	261,840	267,814
by gender					
Men	person	193,825	187,113	189,887	196,036
Share of men	%	72	72	73	73
Women	person	76,243	72,166	71,953	71,778
Share of women	%	28	28	27	27
by age					
Up to 30	person	51,025	42,796	43,107	42,287
Share of employees up to 30	%	19	17	16	16
Men	person	36,743	30,965	31,850	32,039
Women	person	14,282	11,831	11,258	10,248
Governing bodies	person	737	893	795	218
30-50	person	147,010	145,782	146,568	152,255
Share of employees from 30 to 50	%	54	56	56	57
Men	person	104,383	104,303	105,672	110,922
Women	person	42,627	41,479	40,896	41,333
50+	person	72,033	70,701	72,164	73,272
Share of employees over 30	%	27	27	28	27
Men	person	52,699	51,845	52,366	53,075
Women	person	19,334	18,856	19,798	20,197
by region					
Republic of Kazakhstan	person	262,045	251,439	253,962	259,533
Abai region	person	-	-	645	5,918
Akmola region	person	8,092	8,267	10,807	10,816
Aktobe region	person	16,683	15,767	15,608	16,072
Almaty region	person	14,149	12,251	12,382	8,750
Atyrau region	person	19,172	18,620	18,474	19,024
West Kazakhstan region	person	4,424	4,212	4,980	4,971
Zhambyl region	person	11,792	11,287	10,747	10,534
Zhetysu region	person	-	-	1,403	6,525
Karaganda region	person	17,309	16,247	16,377	15,247
Kostanay region	person	11,321	10,554	10,487	10,521

Employees	Unit of measure	2020	2021	2022	2023
Kyzylorda region	person	13,137	12,703	13,112	13,492
Mangystau region	person	27,380	26,950	27,898	28,973
Pavlodar region	person	23,049	22,279	22,194	22,832
North Kazakhstan region	person	3,403	3,293	3,163	3,755
Turkestan region	person	15,371	15,220	17,852	18,956
Ulytau oblast	person	-	-	745	2,167
East Kazakhstan region	person	15,524	14,275	14,476	9,891
South Kazakhstan region	person	2,414	2,272	13	-
Astana	person	24,403	22,468	20,451	20,564
Almaty	person	29,854	30,387	26,929	24,297
Shymkent	person	4,568	4,387	5,219	5,169
Other regions	person	-	-	-	1,059
Outside the Republic of Kazakhstan	person	8,023	7,839	7,878	8,281

By employment contract term

Permanent employees	Unit of measure	2020	2021	2022	2023
Permanent employees GRI 2-7	person	259,359	238,135	240,562	250,333
by gender					
Men	person	189,759	174,220	175,905	185,193
Women	person	69,600	63,915	64,657	65,140
by region					
Republic of Kazakhstan	person	251,809	230,718	232,977	242,373
Abai region	person	-	-	608	5,342
Akmola region	person	7,808	7,392	9,323	9,505
Aktobe region	person	16,174	14,815	14,362	14,350
Almaty region	person	13,426	11,098	10,818	8,069
Atyrau region	person	18,721	17,935	17,662	18,247
West Kazakhstan region	person	4,177	3,931	4,623	4,607
Zhambyl region	person	11,393	10,043	9,685	9,591
Zhetysu region	person	-	-	1,325	6,159
Karaganda region	person	16,597	14,399	14,345	13,990
Kostanay region	person	10,856	8,662	8,934	9,665
Kyzylorda region	person	12,744	11,845	12,322	12,620
Mangystau region	person	27,007	26,460	27,415	28,501
Pavlodar region	person	22,417	20,457	20,651	21,530
North Kazakhstan region	person	3,216	2,581	2,711	3,492
Turkestan region	person	15,007	14,558	17,067	18,074
Ulytau region	person	-	-	707	1,980
East Kazakhstan region	person	14,909	12,696	13,019	9,323

Employees	Unit of measure	2020	2021	2022	2023
South Kazakhstan region	person	2,177	2,029	13	-
Astana	person	22,970	20,043	17,781	18,939
Almaty	person	27,812	27,628	24,796	22,658
Shymkent	person	4,398	4,146	4,810	4,770
Other regions	person	-	-	-	961
Outside the Republic of Kazakhstan	person	7,550	7,417	7,585	7,960
Temporary employees (for the period of maternity and parental leave, study leave, etc. GRI 2-7)	person	10,709	21,143	21,278	17,481
by gender					
Men	person	4,066	12,892	13,982	10,843
Women	person	6,643	8,251	7,296	6,638
by region					
Republic of Kazakhstan	person	10,236	20,721	20,985	17,160
Abai region	person	-	-	37	576
Akmola region	person	284	875	1,484	1,311
Aktobe region	person	509	952	1,246	1,722
Almaty region	person	723	1,153	1,564	681
Atyrau region	person	451	685	812	777
West Kazakhstan region	person	247	281	357	364
Zhambyl region	person	399	1,244	1,062	943
Zhetysu region	person	-	-	78	366
Karaganda region	person	712	1,848	2,032	1,257
Kostanay region	person	465	1,892	1,553	856
Kyzylorda region	person	393	858	790	872
Mangystau region	person	373	490	483	472
Pavlodar region	person	632	1,822	1,543	1,302
North Kazakhstan region	person	187	712	452	263
Turkestan region	person	364	662	785	882
Ulytau region	person	-	-	38	187
East Kazakhstan region	person	615	1,579	1,457	568
South Kazakhstan region	person	237	243	-	-
Astana	person	1,433	2,425	2,670	1,625
Almaty	person	2,042	2,759	2,133	1,639
Shymkent	person	170	241	409	399



Employees	Unit of measure	2020	2021	2022	2023
Other regions	person	-	-	-	98
Outside the Republic of Kazakhstan	person	473	422	293	321
By working hours					
Full-time employees GRI 2-7	person	217,297	202,989	209,611	260,685
by gender					
Men	person	156,335	147,804	151,546	194,204
Women	person	60,962	55,185	58,065	66,481
Part-time employees GRI 2-7	person	7,809	11,510	6,465	7,129
by gender					
Men	person	1,506	3,247	1,286	1,832
Women	person	6,303	8,263	5,179	5,297
Staff with disabilities GRI 405-1	person	2,304	2,489	2,684	2,764
Republic of Kazakhstan	person	2,293	2,481	2,672	2,749
Abai region	person	-	-	2	36
Akmola region	person	84	91	104	137
Aktobe region	person	107	105	108	119
Almaty region	person	104	96	94	66
Atyrau region	person	187	213	219	214
West Kazakhstan region	person	56	59	54	47
Zhambyl region	person	88	81	107	94
Zhetysu region	person	-	-	18	46
Karaganda region	person	167	176	189	276
Kostanay region	person	74	90	95	65
Kyzylorda region	person	121	108	117	136
Mangystau region	person	292	444	474	346
Pavlodar region	person	186	187	192	192
North Kazakhstan region	person	33	29	31	32
Turkestan region	person	198	209	228	271
Ulytau region	person	-	-	2	37
East Kazakhstan region	person	113	113	125	73
Astana	person	141	129	145	189
Almaty	person	263	246	254	293

Employees	Unit of measure	2020	2021	2022	2023
Shymkent	person	79	105	114	80
Outside the Republic of Kazakhstan	person	11	8	12	15
Employee turnover <small>GRI 401-1</small>	%	9	12	11	12
by gender					
Men	%	8	12	11	11
Women	%	10	13	11	13
by age					
Up to 30	%	12	20	18	19
30-50	%	8	12	10	11
50+	%	8	7	9	10
New employees hired in the reporting year broken down as follows <small>GRI 401-1</small>	person	26,992	31,140	38,488	41,075
by gender	person				
Men	person	20,140	22,908	28,781	31,367
Women	person	6,852	8,232	9,707	9,708
by age	person				
Up to 30	person	10,145	11,673	12,288	13,831
30-50	person	10,224	12,171	16,372	21,428
50+	person	2,186	2,850	3,968	5,816
Number of employees who went on maternity and parental leave* <small>GRI 401-3</small>	person	10,554	9,661	9,560	8,555
Men	person	362	420	551	528
Women	person	10,192	9,241	9,009	8,027
Number of employees who returned to work in the reporting period after the end of parental leave	person	2,485	2,409	3,746	3,941
Men	person	122	113	193	249



Employees	Unit of measure	2020	2021	2022	2023
Women	person	2,363	2,296	3,553	3,692
Number of employees who returned to work after the end of maternity leave who were still working 12 months after returning to work	person	2,132	2,055	4,527	3,263
Men	person	88	90	149	187
Women	person	2,044	1,965	4,378	3,076
Return rate	%	131	133	101	61
Retention rate	%	106	83	188	87

Staff employees by region (2023)	Full time, number of people <small>GRI 2-7</small>	Part-time, number of people <small>GRI 2-7</small>	Staff turnover, % <small>GRI 401-1</small>	New employees hired in the reporting year, number of people <small>GRI 401-1</small>
Republic of Kazakhstan	252,505	7,028	12	39,766
Abai region	5,672	246	10	743
Akmola oblast	10,453	363	13	1,769
Aktobe region	15,757	315	9	1,762
Almaty oblast	7,640	1,110	18	1,696
Atyrau region	18,868	156	6	2,700
West Kazakhstan oblast	4,647	324	9	645
Zhambyl region	10,080	454	11	1,427
Zhetysu region	6,523	2	12	1,227
Karaganda region	14,973	274	13	2,170
Kostanay oblast	10,031	490	14	1,723
Kyzylorda oblast	13,118	374	8	1,651
Mangystau oblast	28,907	66	3	1,522
Pavlodar region	21,840	992	13	4,724
North Kazakhstan oblast	3,182	573	11	468
Turkestan region	18,319	637	15	3,633
Ulytau oblast	2,116	51	8	253
East Kazakhstan oblast	9,576	315	15	1,387
Astana	20,443	121	21	5,454
Almaty	24,153	144	16	4,147
Shymkent	5,148	21	10	665
Other	1,059	-	-	-
Outside the Republic of Kazakhstan	8,180	101	11	1,309



Staff training	Unit of measure	2020	2021	2022	2023
Total number of hours of study per year GRI 404-1	hours	7,201,790	6,115,097	11,809,889	6,157,802
Men	hours	6,051,484	1,677,832	9,208,124	4,853,443
Women	hours	1,150,305	4,437,266	2,601,765	1,304,359
Average number of hours of training per employee per year GRI 404-1	hours	16	13	19	23
by gender					
Men	hours	17	7	22	25
Women	hours	12	20	13	18
by personnel category					
Management and administrative staff	hours	45	23	38	27
Production staff	hours	19	23	32	22
Performance evaluation	Unit of measure	2020	2021	2022	2023
Percentage of employees receiving regular performance and career development assessment GRI 404-3	%	20	15	18	16
by gender					
Men	%	20	14	17	17
Women	%	20	18	18	15
by personnel category					
Management and administrative staff	%	46	47	52	43
Production staff	%	18	13	15	14
Occupational health and industrial safety	Unit of measure	2020	2021	2022	2023
Occupational Health and Industrial Safety management system GRI 403-8					
Number of people covered by the occupational health and safety management system	person	269,616	258,823	261,361	267,276
Number of people covered by the occupational health and safety management system that has passed the internal audit procedure (production control system)	person	120,696	123,827	135,423	150,623
Number of subsidiaries and affiliates (including the parent company) with ISO 45001-2018 certificate of compliance	unit	33	40	69	78
Number of people in subsidiaries and affiliates with ISO 45001-2018 certificate of compliance	person	61,686	71,290	109,233	152,324
Indicators of occupational injuries by Group (full-time employees) GRI 403-9					
Number of injured persons in work-related accidents	person	122	133	111	120
Number of fatalities in work-related accidents	person	11	14	12	11
Number of severe injuries related to industrial activity	person	-	-	54	48
Lost Time Industrial Injury Frequency Rate (LTIFR)	ratio	0.24	0.24	0.24	0.26
Fatality rate	ratio	0.02	0.03	0.03	0.02
Ratio of serious injuries related to industrial activity	ratio	-	-	0.12	0.10
Number of person-hours worked	person-hours	489,865,339	462,456,159	454,228,907	459,667,425
Lost Time Injury Frequency (LTIF)	ratio	0.24	0.22	0.16	0.14
Local communities	Unit of measure	2020	2021	2022	2023
Subsidiaries and affiliates with community engagement, impact assessment and development programs GRI 413-1					
Percentage of subsidiaries and affiliates that have implemented community engagement, impact assessment and/or community development programs	%	20	22	22	24

⁶⁴ LTIFR (Lost Time Injury Frequency Rate) - the number of the company's employees injured in lost time accidents attributed to a light and severe work injury according to the work injury severity report (including fatalities) multiplied by 1 million man-hours and divided by the total number of man-hours worked during the 12 reporting months. GRI 403-9



Corporate governance

GRI 2-9 | GRI 405-1

Board of directors of the fund	Unit of measure	2020	2021	2022	2023
Chairman of the Board of Directors		John Dudas	John Dudas	John Dudas	Smailov Alikhan Askhanovich
Independent Directors on the Board of Directors	person	4	4	3	3
Share of independent members on the Board of Directors	%	57	50	43	43
Chief Executive Officer on the Board of Directors	person	Yessimov Akhmetzhan Smagulovich	Satkaliyev Almasadam Maidanovich	Satkaliyev Almasadam Maidanovich	Zhakupov Nurlan Karshagovich
Number of meetings held	amount	15	10	18	20

Fund's board structure (as of the end of 2023)	Unit of measure	By gender groups		By age group		
		male	female	under 30 years old	30-50 years	over 50
Quantity	person	5	1	0	6	0

Management board of the fund group	Unit of measure	2020	2021	2022	2023
Number of members	pcs	267	271	258	213
Men	pcs	258	262	248	177
Women	pcs	28	26	36	36
Share of women on the Management Board	%	10	10	14	17

Compliance	Unit of measure	2022	2023
Confirmed cases of corruption and measures taken GRI 205-3			
Total number of confirmed cases of corruption	unit	3	10
Total number of cases in which employees were dismissed or penalized for corrupt practices	unit	5	12
Total number of confirmed cases of non-renewal or termination of contracts with business partners due to corruption-related violations	unit	0	0
Public corruption cases brought against the organization or its employees during the reporting period and the outcome of such cases	unit	1	2
Justified complaints about breaches of customer privacy and loss of customer data GRI 418-1			
Total number of substantiated complaints received regarding breaches of customer privacy, by category, of which:	unit	3	0
Number of complaints received from third parties and substantiated by the organization	unit	2	0
Number of complaints received from regulatory authorities	unit	1	0
Total number of identified leaks, thefts or losses of customer data	unit	1	0

Informing and training on anti-corruption policies and procedures	Unit of measure	2023		
		Administrative and management staff	Operational staff	Business partners ⁶⁵
Number and percentage of employees familiarized with anti-corruption policies and procedures ⁶⁶	person	17,613	238,752	23,901
	%	98	98	100
Number and percentage of employees who have received anti-corruption training	person	7,465	85,010	
	%	41	35	

⁶⁵ Business partners mean counterparties.

⁶⁶ All members of the Board are familiar with anti-corruption policies and procedures.



Environmental indicators

GRI 302-1 GRI 302-3 GRI 302-4

Climate and ecology	Unit of measure	2020	2021	2022	2023
Carbon footprint⁶⁷	million tons of CO₂-eq.	66.85	72.24	60.70	62.29
Direct greenhouse gas emissions (Scope 1) GRI 305-1	million tons of CO₂-eq.	56.28	61.59	50.57	52.29
By type of greenhouse gases					
Carbon dioxide (CO ₂)	million tons of CO ₂	42.80	45.53	45.91	45.83
Methane (CH ₄)	million tons of CO ₂ -eq.	12.93	15.28	4.24	6.15
Nitrogen oxide (N ₂ O)	million tons of CO ₂ -eq.	0.56	0.79	0.43	0.31
By segments:					
Oil and gas exploration and production	million tons of CO ₂ -eq.	4.08	4.31	2.80	3.44
Oil and gas refining	million tons of CO ₂ -eq.	6.16	6.13	5.18	5.09
Oil transportation	million tons of CO ₂ -eq.	0.17	0.17	0.10	0.10
Gas transportation	million tons of CO ₂ -eq.	4.51	7.37	5.13	6.17
Uranium exploration and production	million tons of CO ₂ -eq.	0.09	0.11	0.09	0.12
Electricity production	million tons of CO ₂ -eq.	26.25	30.73	30.67	30.40
Heat production	million tons of CO ₂ -eq.	2.57	1.87	1.90	2.03
Railway transportation	million tons of CO ₂ -eq.	-	2.28	2.23	2.25
Passenger air transportation	million tons of CO ₂ -eq.	0.54	0.84	1.02	1.12
Telecommunication services	million tons of CO ₂ -eq.	0.03	0.03	0.03	0.03
Electric power transmission sector	million tons of CO ₂ -eq.	0.01	0.01	0.01	0.01
Production of chemical products	million tons of CO ₂ -eq.	0.00	0.00	0.00	0.00
Coal mining	million tons of CO ₂ -eq.	11.87	7.75	1.42	1.53
Metallurgical projects (For Tau-Ken Altyn only, Tau-Ken Temir is at downtime)	million tons of CO ₂ -eq.	0.00	0.00	0.00	0.00
Total indirect emissions (Scope 2) of greenhouse gases⁶⁸ (from purchased electricity and heat) GRI 305-2	million tons of CO₂	10.57	10.65	10.13	10.00
By energy type:					
Purchased electricity	million tons of CO ₂	9.87	9.96	9.49	9.28
Purchased heat energy	million tons of CO ₂	0.70	0.69	0.64	0.73
By segments:					
Oil and gas exploration and production	million tons of CO ₂	1.44	1.38	1.26	1.38
Oil and gas refining	million tons of CO ₂	1.78	1.73	1.81	1.81
Oil transportation	million tons of CO ₂	0.23	0.23	0.21	0.24
Gas transportation	million tons of CO ₂	0.10	0.10	0.06	0.06
Uranium exploration and production	million tons of CO ₂	0.82	0.84	0.63	0.60
Railway transportation	million tons of CO ₂	3.35	3.25	3.28	3.12
Telecommunication services	million tons of CO ₂	0.22	0.23	0.20	0.23

⁶⁷ Greenhouse gas emissions for Scopes 1 and 2 include consolidated information of the Fund and its controlled portfolio companies and/or entities under operational management (control) of the Fund's Group companies.

⁶⁸ The calculation of Scope 2 emissions includes only CO₂ emissions and was performed in accordance with the List of Benchmarks "On Approval of the List of Benchmarks in Regulated Sectors of the Economy" - IPS "Әділет" (zan.kz).

Climate and ecology	Unit of measure	2020	2021	2022	2023
Electric power transmission sector	million tons of CO ₂	2.61	2.85	2.63	2.54
Production of chemical products	million tons of CO ₂	0.00	0.00	0.00	0.00
Coal mining	million tons of CO ₂	0.01	0.01	0.01	0.01
Metallurgical projects (For Tau-Ken Altyn only, Tau-Ken Temir is at downtime)	million tons of CO ₂	0.02	0.03	0.02	0.02
Specific greenhouse gas emissions per production performance (Scope 1) GRI 305-4					
Oil and gas exploration and production	million tons of CO ₂ -eq./1000 tons of CH ₄	0.000188	0.000199	0.000127	0.000146
Oil and gas refining	million tons of CO ₂ -eq./1000 tons of CH ₄	0.000341	0.000325	0.000260	0.000260
Oil transportation	million tons of CO ₂ -eq./1000 tons of CH ₄	0.000002	0.000002	0.000001	0.000001
Gas transportation	million tons of CO ₂ -eq./1000 tons of CH ₄	0.046453	0.069026	0.053710	0.066995
Uranium exploration and production	million tons of CO ₂ -eq./t U	0.000005	0.000005	0.000004	0.000006
Electricity generation	million tons CO ₂ /billion kWh	0.734175	0.751347	0.743460	0.750550
Heat/energy generation	million tons CO ₂ -eq./Gcal	0.441193	0.323952	0.344287	0.316307
Railway transportation	million tons CO ₂ -eq / tkm	-	5.389558	5.036061	4.744778
Coal mining	million tons CO ₂ -eq/ million tons	0.274180	0.173676	0.033522	0.035546
Metallurgical projects (only for Tau-Ken Altyn, Tau-Ken Temir on idle)	million tons CO ₂ -eq /t of refined gold	0.000006	0.000004	0.000004	0.000055
Specific greenhouse gas emissions per production performance (Scope 2) GRI 305-4					
Oil and gas exploration and production	million tons of CO ₂ /1000 tons of CH ₄	0.000066	0.000064	0.000057	0.000059
Oil and gas refining	million tons of CO ₂ /1000 tons of CH ₄	0.000098	0.000092	0.000091	0.000092
Oil transportation	million tons of CO ₂ /1000 tons of CH ₄	0.000003	0.000003	0.000003	0.000003
Gas transportation	million tons CO ₂ / billion m ³	0.000993	0.000901	0.000627	0.000607
Uranium exploration and production	million tons of CO ₂ /t U	0.000042	0.000039	0.000030	0.000028
Railway transportation	million tons of CO ₂ / tkm	7.809186	7.681774	7.393815	6.588602
Coal mining	million tons CO ₂ / million tons	0.000305	0.000336	0.000314	0.000264
Metallurgical projects (only for Tau-Ken Altyn, Tau-Ken Temir on idle)	million tons of CO ₂ /t of refined gold	0.000461	0.000507	0.000372	0.000405

Climate and ecology	Unit of measure	2020	2021	2022	2023
Specific greenhouse gas emissions per revenue <small>GRI 305-4</small>					
Total direct emissions (Scope 1) of greenhouse gases	million tons of CO ₂ -eq.	56.28	61.59	50.57	52.29
Total indirect emissions (Scope 2) of greenhouse gases	million tons of CO ₂ -eq.	10.57	10.65	10.12	10.00
Amount of revenue	KZT million	8,556,009	11,709,658	14,815,147	15,434,005
Specific consumption by Scope 1	million tons of CO ₂ -eq. / KZT million	0.00000658	0.00000526	0.00000341	0.00000339
Specific consumption by Scope 2	million tons of CO ₂ -eq. / KZT million	0.00000123	0.00000091	0.00000068	0.00000065
GHG emissions reduced as a direct result of reduction initiatives <small>GRI 305-5</small>	million tons of CO₂-eq.	97.8	136	183.5	157.7
Scope 1 emission reductions (direct)	million tons of CO ₂ -eq.	97.8	129.1	143.1	100.4
Scope 2 emission reductions (indirect)	million tons of CO ₂ -eq.	0	7	40.4	57.3

Resource consumption and energy efficiency	Unit of measure	2020	2021	2022	2023
Consumption of fuel from non-renewable sources <small>GRI 302-1 SASB</small>	thous. GJ	500,870	570,686	555,938	531,895
Liquid fuels, including:	thous. GJ	28,970	30,634	31,685	32,972
- Gasoline	thous. GJ	1,007	928	880	1,090
- Diesel fuel	thous. GJ	27,962	29,706	30,806	31,882
Boiler and heating oil, including:	thous. GJ	49,877	45,385	50,255	47,523
- Heating oil	thous. GJ	42,206	39,700	46,372	42,380
- Oil	thous. GJ	781	652	958	1,169
- Mazut	thous. GJ	6,836	5,006	2,924	3,975
- Marine fuel (IFO fuel oil)	thous. GJ	54	28	1	0
- Associated petroleum gas	thous. GJ	13,932	14,461	15,702	12,933
- Coal	thous. GJ	293,556	334,710	328,633	327,121
Gas, including:	thous. GJ	114,536	145,496	129,662	111,346
- Natural gas	thous. GJ	97,069	127,248	112,458	94,789
- tail gas	thous. GJ	17,257	18,036	17,103	16,484
- CPBM (LPG)	thous. GJ	214	217	102	73
Fuel consumption from renewable sources <small>GRI 302-1</small>	thous. GJ	0	26	46	17
Electricity from RES	thous. GJ	0	26	46	17
Consumption by the following indicators <small>GRI 302-1</small>	thous. GJ	247,439	269,337	250,808	247,798
Electricity, including:	thous. GJ	177,418	199,321	201,676	198,360
- Purchased electricity	thous. GJ	59,850	62,564	61,794	60,593
- Own production of Company	thous. GJ	117,568	136,757	139,882	137,768



Resource consumption and energy efficiency	Unit of measure	2020	2021	2022	2023
- Electricity sold	thous. GJ	123,653	143,342	146,371	143,057
Heat energy, including:	thous. GJ	70,022	70,016	48,924	49,359
- Purchased heat	thous. GJ	25,653	25,828	4,912	5,249
- Own production by the Company	thous. GJ	44,368	44,188	44,011	44,110
- Heat energy sold	thous. GJ	0	23,805	22,632	23,798
- Steam	thous. GJ	0	0	208	79
- Cooling	thous. GJ	0	0	0	0
Total energy consumption <small>GRI 302-1</small>	thous. GJ	462,724	491,962	453,896	430,977
Energy consumption by segment <small>GRI 302-1</small>					
Oil and gas exploration and production	thous. GJ	50,937	53,853	58,200	55,083
Oil and gas refining	thous. GJ	71,294	67,323	68,654	64,423
Oil transportation	thous. GJ	5,344	5,423	5,298	4,619
Gas transportation	thous. GJ	69,586	92,220	54,170	40,212
Uranium exploration and production	thous. GJ	5,071	5,469	5,388	5,514
Electricity production	thous. GJ	173,540	182,187	178,718	172,254
Heat production	thous. GJ	36,408	32,865	30,393	34,848
Railway transportation	thous. GJ	38,659	39,760	41,186	41,599
Production of chemical products	thous. GJ	89	89	70	32
Metallurgical projects	thous. GJ	88	94	90	104
Electric power transmission sector	thous. GJ	10,150	11,039	10,375	10,770
Telecommunication services	thous. GJ	1,434	1,494	1,336	1,491
Passenger air transportation	thous. GJ	8	21	18	29
Energy intensity <small>GRI 302-3</small>					
Oil and gas exploration and production	thous. GJ/ton of extracted CHC	2.34	2.49	2.64	2.34
Oil refining	thous. GJ/ton of refined CHC	3.94	3.57	3.45	3.29
Oil transportation	thous. GJ/ ton of oil	0.07	0.07	0.07	0.06
Gas transportation	thous. GJ/ ton of gas	717.14	863.19	566.93	436.33
Uranium exploration and production	thous. GJ/t of extracted U	0.26	0.25	0.25	0.26
Electricity production	thous. GJ/ million kWh	4.85	4.45	4.96	4.86
Heat energy production	GJ/Gcal	6.25	5.69	5.51	5.44
Railway transportation (passenger turnover)	thous. GJ/ million km gross	90.09	93.98	92.84	87.90
Production of chemical products	thous. GJ/t of manufactured chemical products	0.53	0.46	0.40	0.16
Metallurgical projects	thous. GJ/t of refined gold	2.64	1.85	1.61	2.00

Resource consumption and energy efficiency ^{GRI 302-1}	Unit of measure	2020	2021	2022	2023
Reduced energy consumption as a result of reduction initiatives ^{GRI 302-4}	thous. GJ	30,558	16,547	16,917	11,497
Liquid fuels, including:	thous. GJ	17,345	553	20	115
- Gasoline	thous. GJ	0	0	0	0
- Diesel fuel	thous. GJ	17,345	553	20	114
Fuel oil	thous. GJ	19	20	7	82
Refinery gas	thous. GJ	0	0	0	63
Coal	thous. GJ	11,770	13,609	14,155	9,930
Natural gas	thous. GJ	17	21	352	863
Electricity	thous. GJ	494	1,932	273	353
Heat energy	thous. GJ	60	75	54	90
Other	thous. GJ	853	336	2,057	0
Emissions	Unit of measure	2020	2021	2022	2023
Volume of pollutant emissions into the atmosphere ⁶⁹ ^{GRI 305-7}	ton	466,243	497,618	503,766	499,859
Nitrogen oxides (in terms of NOx)	ton	94,793	104,193	105,079	102,014
Sulfur Dioxide (SOx)	ton	220,940	236,407	235,600	233,952
Particulate matter (PM)	ton	1,271	392	904	659
Carbon oxide (CO)	ton	26,566	29,237	30,338	40,844
Volatile organic compounds (VOCs)	ton	49,615	54,880	51,235	53,050
Other	ton	73,058	72,510	80,610	69,341
Water use and sanitation	Unit of measure	2020	2021	2022	2023
Water withdrawal ^{GRI 303-3}	thousand m³	68,870,725	64,077,562	63,762,226	63,923,742
by source type:					
Surface water	thousand m ³	68,633,035	63,833,110	63,510,465	63,674,793
Groundwater	thousand m ³	48,952	45,891	40,941	40,131
Municipal water supply systems	thousand m ³	41,139	45,765	50,593	52,556
Produced water	thousand m ³	125,000	131,050	136,520	136,960
Third-party water	thousand m ³	946	1,005	2,575	2,833
Other water supply systems	thousand m ³	21,653	20,741	21,132	16,470

⁶⁹ Hazardous air pollutants (HAP) is a category of chemicals used in the United States as the basis for reporting requirements to regulatory agencies. The Fund Group is guided by national environmental reporting requirements under the Environmental Code of the Republic of Kazakhstan at the level of individual substances.



Water use and sanitation	Unit of measure	2020	2021	2022	2023
by type of activity:					
Needs of the Fund's manufacturing companies ⁷⁰	thousand m ³	297,807	315,928	316,129	331,317
Powering hydroelectric generators of HPPs	thousand m ³	68,447,918	63,630,584	63,309,577	63,455,465
Reservoir pressure maintenance	thousand m ³	125,000	131,050	136,520	136,960
by type of mineralization:					
Fresh water	thousand m ³	68,686,906	63,881,232	63,566,397	63,734,691
Other water	thousand m ³	183,819	196,331	195,829	189,051
Water withdrawal in regions with water scarcity ^{GRI 303-3}	thousand m³	34,783	32,847	32,457	29,651
by type of source:					
surface sources	thousand m ³	6,927	7,557	6,831	4,527
underground sources	thousand m ³	25,638	22,680	18,617	18,154
municipal water supply systems	thousand m ³	1,955	1,967	5,946	6,011
third-party water	thousand m ³	37	39	44	45
other water systems	thousand m ³	226	605	1,019	914
by type of mineralization:					
Fresh water	thousand m ³	14,864	8,462	14,347	13,207
Other water	thousand m ³	19,919	24,386	18,109	16,444
Total volume of wastewater disposal ^{GRI 303-4}		68,661,355	63,859,443	63,541,232	63,682,939
by type of receiving facility:					
surface water	thousand m ³	68,448,927	63,631,571	63,310,983	63,457,315
reservoir (to maintain formation pressure)	thousand m ³	123,750	129,740	135,155	132,851
artificial water bodies (evaporation ponds, storage ponds and filtration fields)	thousand m ³	17,702	19,682	18,134	16,472
transferred to other parties for treatment	thousand m ³	3,498	3,567	2,272	3,002
ash dump	thousand m ³	67,478	74,883	74,688	73,299
By type of activity:					
needs of the Fund's manufacturing companies	thousand m ³	89,758	99,203	96,571	94,694
powering hydroelectric generators of HPPs	thousand m ³	68,447,847	63,630,500	63,309,506	63,455,394
reservoir pressure maintenance	thousand m ³	123,750	129,740	135,155	132,851
by type of mineralization:					

⁷⁰ Excluding water required to power HPP hydroelectric generators.



Water use and sanitation	Unit of measure	2020	2021	2022	2023
Fresh water	thousand m ³	68,517,721	63,707,852	63,387,224	63,532,875
Other water	thousand m ³	143,634	151,592	154,008	150,064
Water drainage in regions with water scarcity <small>GRI 303-4</small>	thousand m³	3,420	2,973	3,011	3,248
by type of mineralization:					
Fresh water	thousand m ³	46	45	38	73
Other water	thousand m ³	3,375	2,928	2,973	3,175
Water use by type of operations, thousand m³		68,870,725	64,077,562	63,762,226	63,923,742
Production needs	thousand m ³	68,596,920	63,786,684	63,456,373	63,622,491
Domestic	thousand m ³	11,395	11,164	11,455	10,755
Transferred without use to third parties	thousand m ³	131,346	143,824	147,990	145,678
Reservoir pressure maintenance	thousand m ³	125,000	131,050	136,520	136,960
Other	thousand m ³	6,064	4,841	9,888	7,859

Water use and sanitation	Unit of measure	2020	2021	2022	2023
Non-revenue consumption <small>GRI 303-5</small>					
Total irrecoverable water consumption	thousand m ³	209,371	218,119	220,994	240,803
Total water consumption in water scarce regions	thousand m ³	31,363	29,875	29,446	26,403
Waste generation					
Waste generated by type	Unit of measure	2020	2021	2022	2023
Waste generated by type <small>GRI 306-3</small>	ton	100,341,383	93,807,384	94,723,935	102,514,185
Hazardous waste	ton	453,280	524,543	536,986	394,071
Non-hazardous waste	ton	99,888,102	93,282,841	94,186,949	102,120,114
- Ash and slag waste	ton	6,151,179	7,226,582	7,129,158	7,401,762
- Overburden	ton	90,078,843	81,170,939	83,723,822	89,799,349
- Other	ton	3,658,081	4,885,320	3,333,969	4,919,003



Biodiversity

GRI 304-1

Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas. [GRI 304-1](#)

Site	Geographic location	Portfolio company	Type of operation	Size of operational site in km ²	Biodiversity value (terrestrial, freshwater, or maritime ecosystem)	Name of protected area	Protected status	
Isatai	north-western part of the Caspian Sea	JSC NC KazMunayGas	hydrocarbon exploration	1,060	maritime ecosystem	State protected area in the northern part of the Caspian Sea	Located inside the boundaries	
Abay	north-western part of the Caspian Sea		hydrocarbon exploration	1,233.8	maritime ecosystem	State protected area in the northern part of the Caspian Sea	Located inside the boundaries	
Alibekmola and Kozhasai	Mugalzhar district of Aktobe region		hydrocarbon extraction	156.5	freshwater	Kokzhide-Kumzhargan Reserve	Located in the vicinity (1-10 km)	
Urihtau	Mugalzhar district of Aktobe region		hydrocarbon extraction	239.9	freshwater	Kokzhide-Kumzhargan Reserve	Has adjacent boundaries	
Al-Farabi	southern part of the Caspian Sea		hydrocarbon exploration	6,046.6	maritime ecosystem	Karakia-Karakol State Nature Reserve Kenderli-Kayasan state nature reserve zone Adamtas State Natural Zoological Reserve	Located in the vicinity (1-10 km)	
Kalamkas-Khazar Operating	north-western part of the Caspian Sea		supplying	1,707.17	maritime ecosystem	State protected area in the northern part of the Caspian Sea	Located inside the boundaries	
Karazhanbas	Buzachi Peninsula		hydrocarbon extraction	160.01	terrestrial	State protected area in the northern part of the Caspian Sea	Located in the vicinity (1-10 km)	
Main pipeline of Intergas Central Asia JSC	South Kazakhstan region Almaty region		JSC NC QazaqGaz	Trunk pipeline	not applicable	terrestrial	Syrdarya-Turkestan State Regional Nature Park	Located inside the boundaries
Bukhara-Ural trunk gas pipeline	Aktobe region Kostanay region			Trunk pipeline	not applicable	terrestrial	Mikhailovsky State Nature Reserve	Has adjacent boundaries
Kharasan-2 Mine	Zhanakorgan district, Kyzylorda region		JSC NAC Kazatomprom	uranium ore mining by in-situ leaching method	350	terrestrial	South Kazakhstan State Protected Area	Has adjacent boundaries
South Karamurun Mine	Suzak district, Turkestan region	uranium ore mining by in-situ leaching method		8.65	terrestrial	Kargala State Nature Reserve	Has adjacent boundaries	
Karatau Mine	Suzak district, Turkestan region	uranium ore mining by in-situ leaching method		18.05	terrestrial	South Kazakhstan State Protected Area	Has adjacent boundaries	
Kulandy Mine	Suzak district, Turkestan region	uranium ore mining by in-situ leaching method		15.02	terrestrial	South Kazakhstan State Protected Area	Has adjacent boundaries	
South Inkai Mine	Suzak district, Turkestan region	uranium ore mining by in-situ leaching method		79.37	terrestrial	South Kazakhstan State Protected Area	Has adjacent boundaries	
Inkai Mine	Suzak district, Turkestan region	uranium ore mining by in-situ leaching method		140.4	terrestrial	South Kazakhstan State Protected Area	Has adjacent boundaries	
West Mynkuduk Mine	Suzak district, Turkestan region	uranium ore mining by in-situ leaching method		70.32	terrestrial	South Kazakhstan State Protected Area	Has adjacent boundaries	
East Mynkuduk Mine	Suzak district, Turkestan region	uranium ore mining by in-situ leaching method		30.69	terrestrial	South Kazakhstan State Protected Area	Has adjacent boundaries	
Central Mynkuduk Mine	Suzak district, Turkestan region	uranium ore mining by in-situ leaching method		46.98	terrestrial	South Kazakhstan State Protected Area	Has adjacent boundaries	



Site	Geographic location	Portfolio company	Type of operation	Size of operational site in km ²	Biodiversity value (terrestrial, freshwater, or maritime ecosystem)	Name of protected area	Protected status
Zhalpak Mine	Suzak district, Turkestan region	JSC NAC Kazatomprom	uranium ore mining by in-situ leaching method	145.7	terrestrial	South Kazakhstan State Protected Area	Has adjacent boundaries
Akdala Mine	Suzak district, Turkestan region		uranium ore mining by in-situ leaching method	39.89	terrestrial	South Kazakhstan State Protected Area	Has adjacent boundaries
Uvanas Mine	Suzak district, Turkestan region		uranium ore mining by in-situ leaching method	89.08	terrestrial	South Kazakhstan State Protected Area	Has adjacent boundaries
Central Moyinkum Mine	Suzak district, Turkestan region		uranium ore mining by in-situ leaching method	37.43	terrestrial	South Kazakhstan State Protected Area	Has adjacent boundaries
South Moyinkum Mine	Suzak district, Turkestan region		uranium ore mining by in-situ leaching method	17.4	terrestrial	South Kazakhstan State Protected Area	Has adjacent boundaries
Kanzhugan Mine	Suzak district, Turkestan region		uranium ore mining by in-situ leaching method	70.42	terrestrial	South Kazakhstan State Protected Area	Has adjacent boundaries
Zarechnoye Mine	Otar district, Turkestan region		uranium ore mining by in-situ leaching method	56.7	terrestrial	Arys and Karaktau State Nature Reserve	Has adjacent boundaries
First Wind Power Plant LLP	Akmola region, Ereimentau district	Samruk Energy JSC	electricity generation	not applicable	terrestrial	State National Nature Park "Buiratau"	Located inside the boundaries
Ereymtau Wind Power LLP	Akmola region, Ereimentau district		electricity generation	not applicable	terrestrial	State National Nature Park "Buiratau"	Located inside the boundaries



Restatements of prior period indicators

GRI 2-4

A number of indicators of previous periods were recalculated due to changes in the reporting perimeter, as well as methodological approaches to the calculation of certain indicators. The table below shows the indicators that have been changed significantly.

GRI #	Metrics	Unit of measure	2022 information per Sustainability Report'22	2022 information per Sustainability Report'23	Difference	Explanation for Restatement
2-7	Total number of employees (year-end)	employees	259,055	261,840	-2,785	Restatement due to changes in reporting boundaries.
204-1	Volume of spendings on suppliers	KZT billion	3,591	3,769	-178	Restatement due to changes in reporting boundaries. Restatement due to a change in the calculation methodology.
205-3	Total number of confirmed incidents of corruption.	incidents	2	3	-1	Restatement due to changes in reporting boundaries.
302-1	Total energy consumption within the organization	thousand GJ	594,144	453,896	140,248	Restatement due to changes in reporting boundaries. Restatement due to a change in the calculation methodology.
302-4	Amount of reductions in energy consumption	thousand GJ	16,551	16,917	-366	Restatement due to changes in reporting boundaries. Restatement due to a change in the calculation methodology.
303-3	Total water withdrawal	thousand m ³	304,143	63,762,226	-63,458,083	Restatement due to changes in reporting boundaries. Restatement due to a change in the calculation methodology.

GRI #	Metrics	Unit of measure	2022 information per Sustainability Report'22	2022 information per Sustainability Report'23	Difference	Explanation for Restatement
303-4	Total water discharge	thousand m ³	87,926	63,541,232	-63,453,306	Restatement due to changes in reporting boundaries. Restatement due to a change in the calculation methodology.
303-5	Total water consumption	thousand m ³	304,143	220,994	83,149	Restatement due to changes in reporting boundaries. Restatement due to a change in the calculation methodology.
401-3	Number of employees who took parental leave	employees	9,274	9,560	-286	Restatement due to changes in reporting boundaries.
401-3	Number of employees who returned from parental leave	employees	3,896	3,746	150	Restatement due to changes in reporting boundaries.
405-1	Number of female employees	employees	71,940	71,953	-13	Restatement due to changes in reporting boundaries.
405-1	Number of employees under 30 years of age	employees	44,397	43,107	1,290	Restatement due to changes in reporting boundaries.



Annex 12. Additional materials

Operational indicators

Key operational indicators	Unit of measure	2020	2021	2022	2023
Oil and gas sector					
Oil and condensate production (per year)	thousand tons/year	21,767.2	21,665.2	22,026.2	23,546.3
Oil and condensate production (per day)	thousand tons/day	59.6	59.4	60.3	64.5
Natural and associated gas production (per year)	million m ³ /year	8,516.8	8,359.2	8,518.6	9,753.3
Extraction of natural and associated gas (per day)	thousand m ³ /day	23,331.1	22,901.9	23,338.5	26,721.2
Number of drilling sites (with a share of more than 50%)	amount	67	65	65	66
Oil and gas refining	thousand tons	18,077	18,833	19,900	19,593
Oil and gas refining, including	thousand tons	16,818	17,404	18,669	18,273
- Gasoline	thousand tons	4,592	4,941	5,330	5,614
- Fuel oil	thousand tons	1,939	2,190	2,416	2,002
- Vacuum gas oil (VGO)	thousand tons	522	526	482	179
- Paraxylene	thousand tons	205	45	76	18
- Diesel fuel	thousand tons	6,305	6,387	6,588	6,438
- Benzene	thousand tons	44	7	9	25
- Coke	thousand tons	345	386	377	630
- Liquefied gas	thousand tons	804	806	846	880
- Sulfur	thousand tons	53	61	60	114
- Aviation fuel	thousand tons	457	595	838	791
- Heating oil	thousand tons	34	14	16	6
- Bitumen	thousand tons	871	601	657	469
- Commercial oil	thousand tons	243	257	231	-
- Raw materials for technical carbon	thousand tons	0	26	10	-
- Light naphtha	thousand tons	-	-	2	-
- Propylene	thousand tons	-	-	-	117
- Other (please specify)	thousand tons	403	562	730	990
Installed processing capacity*	thousand tons/day	75.8	75.8	75.8	75.8
Transportation of natural gas, including	billion m ³	97	107	96	92
- by main gas pipelines	million m ³	86,590	95,422	83,744	79,558
- by gas distribution networks	million m ³	10,443	11,413	11,806	12,600
Oil transportation, including	thousand tons	73,171	74,565	74,659	80,359
- by main pipelines	thousand tons	64,181	64,710	65,316	69,581
- by sea (tankers)	thousand tons	8,990	9,855	9,343	10,778

Key operational indicators	Unit of measure	2020	2021	2022	2023
Energy					
Heat energy production volume	thousand Gcal	5,828	5,776	5,512	6,412
Electricity generation volume, including	billion kW/h	35.7	40.9	41.25	40.50
- on coal	billion kW/h	28.6	33.2	33.09	32.52
- on natural gas	billion kW/h	0.8	1.8	2.05	2.00
- on fuel oil	billion kW/h	-	-	-	-
- HPP	billion kW/h	6.1	5.6	5.75	5.51
- WPP	billion kW/h	0.2	0.2	0.24	0.38
- SPP	billion kW/h	0.0	0.0	0.01	0.01
- Electricity generation from the turbine of SKZ-U LLP*	billion kW/h	0.1	0.1	0.12	0.09
Length of overhead and cable lines (0.4-220 kV transmission lines)	km	47,006	41,787	41,796	47,604
Length of overhead and cable lines (330-500 kV transmission lines)	km	10,151	10,146	10,146	10,145
Length of overhead and cable lines (1150 kV transmission lines)	km	1,421	1,421	1,421	1,421
Coal production volume	million ton	43.3	44.6	42.5	42.9
Chemical industry					
Sulfuric acid	ton	165,950	194,000	175,340	193,400
Liquid herbicide	thousand liters	1,073	197	603	181
Granular herbicide	ton	-	46	12	-
BOPP	ton	8,312	9,300	5,300	5,833
PB	thousand pcs	17,338	15,500	15,500	17,083
Mining and processing of minerals					
Natural uranium production volume	ton	19,587	21,834	21,279	20,996
Uranium products manufacturing volume	ton	19,477	21,819	21,227	21,112
Rare metals production volume	ton	1,530	1,580	1,469	1,004
Ore extraction and processing volume	ton	-	-	181,544	-
Production of finished products: refined gold	ton	34	51	56	52
Production of finished products: refined silver	ton	9	6	8	5
Production of finished products: silicon	ton	-	-	-	-
Production of finished products: quartz	ton	-	-	-	-

Key operational indicators	Unit of measure	2020	2021	2022	2023
Total volume of exports of products in physical terms					
U3O8 sales volume (consolidated)	ton	16,432	16,526	16,358	18,069
incl. Company sales volume	ton	14,126	13,586	13,572	14,950
Sales volume of rare metals					
Beryllium products	ton	1,375	1,529	1,332	843
Tantalum products	ton	144	165	166	154
Niobium products	ton	16	8	13	8
Communication services					
Number of fixed lines	thousands of lines	-	2,775	2,651	2,511
Number of broadband access subscribers	thousands of ports	-	1,861	1,863	1,889
Number of pay TV subscribers	thousands of points	-	919	931	1,049
Number of mobile communication subscribers	million subscribers	-	15	15	14
Air transportation					
Number of departures	number	30,955	47,113	51,819	55,068
Fleet average age	number of years	5.1	4.7	5.0	5.3
Available Seat Kilometers		7,904,320	13,063,678	15,921,347	17,689,651
Aviation passenger turnover	pkm	-	10,410,181	13,159,168	14,646,227
Railway transportation					
Passenger turnover	billion pkm	6.4	9.5	12.4	11.8
Freight turnover	billion tons/km	231.8	233.3	245.2	262.4
Cargo turnover (total)	billion tons of gross km	429	423	444	473
Cargo turnover (electric locomotives)	billion tons of gross km	236	224	227	243
Cargo turnover (diesel locomotives)	billion tons of gross km	193	199	217	230
Postal Services					
Postal Services	thousand units	137,752	131,662	114,663	106,964



Procurement practice	Unit of measure	2020	2021	2022	2023
Total purchased goods and services <small>GRI 204-1</small>	KZT billion	2,786	3,351	3,769	3,696
Single-source procurement	KZT billion	528	485	891	2,098
	%	19	14	24	57
Procurement through request for quotations	KZT billion	37	53	84	104
	%	1	2	2	3
Open tender procurement	KZT billion	427	637	1,100	1,472
	%	15	19	29	40
Procurement by holding competitive negotiations	KZT billion	1,070	1,338	1,097	0
	%	38	40	29	0
Procurement within intra-holding cooperation	KZT billion	725	834	589	0
	%	26	25	16	0

Occupational health and industrial safety	Unit of measure	2020	2021	2022	2023
Indicators of industrial diseases					
Road traffic accident rate	ratio	0.04	0.07	0.07	0.25
Number of all road traffic accidents	unit	68	79	68	82
Number of cases of health deterioration in the workplace that are not related to work and have not led to a fatal outcome	person	-	53	27	42
Number of employees registered on the "D" account	person	-	108,501	23,958	12,441
Number of employees who have undergone periodic medical examination according to laws of the Republic of Kazakhstan	person	-	193,026	201,463	150,537
Number of fires	unit	90	103	106	93
Number of accidents	unit	5	13	7	-
Number of incidents	person	327	284	334	1,013 ⁷¹
Labor protection and occupational safety costs					
Amount of money spent to ensure the occupational safety requirements, including in the following areas:	KZT billion	122.4	99.8	125.0	108.7
Labor protection	KZT billion	19.9	22.5	24.6	31.7
Fire safety	KZT billion	8.6	10.2	14.6	14.1
Occupational safety	KZT billion	88.4	60.8	81.1	52.9
Training	KZT billion	1.9	2.4	1.8	2.1
Other	KZT billion	3.3	3.6	2.9	7.9

⁷¹ The increase is due to a review of the methodology for recording incidents.



Environmental protection costs	Unit of measure	2020	2021	2022	2023
Environmental protection costs excluding emissions payments	KZT million	30,620	41,592	42,537	60,853
Technologies implementation, including	KZT million	1,235	4,580	1,151	7,904
- BAT	KZT million	0	0	9	0
- AMS	KZT million	0	0	1,093	1,811
- Forest-climatic projects	KZT million	0	0	0	852
- Energy efficiency	KZT million	1,085	184	921	4,230
- R&D	KZT million	1,153	728	891	890
- Other	KZT million	27,148	36,100	39,575	46,977
Emission Payments including	KZT million	10,957	13,717	13,747	14,957
- Regulatory emissions payments (tax)	KZT million	10,887	13,697	13,739	14,620
- Over limit emissions payments	KZT million	70	20	8	336
Environmental fines					
- Claimed	KZT million	269	752	1,832	7,859
- Paid	KZT million	335	627	1,937	7,883
- Cases of non-financial sanctions	amount	0	0	2	1

Additional data on water consumption	Unit of measure	2020	2021	2022	2023
Volume of reused water (after treatment)	thousand m ³	16,578	18,056	18,273	22,343
Volume of recycled water	thousand m ³	3,581,565	3,935,063	3,978,464	3,928,414

Annex 13. Independent assurance



Independent Limited Assurance Report

To the Board of Directors of JSC "Sovereign Wealth Fund "Samruk-Kazyna":

Introduction

We have been engaged by the management of JSC "Sovereign Wealth Fund "Samruk-Kazyna" (hereinafter – the "Fund") to provide limited assurance on the selected information described below and included in the Sustainability Report of the Fund for the year ended 31 December 2023 (hereinafter – the "Report").

Description of the subject matter information and applicable criteria

The selected information for the year ended 31 December 2023 is summarized in the Annex "8. GRI Content Index" and Annex "9. SASB Index" of the Report (hereinafter – the "Selected Information").

The Selected information represents information related to the Fund and its selected subsidiaries as indicated in the Annex "7. Information perimeter" of the Report.

The scope of our assurance procedures was limited to the Selected Information for the year ended 31 December 2023 only. We have not performed any procedures with respect to earlier periods or any other items included in the Report and, therefore, do not express any conclusion thereon.

The criteria used by the Fund to prepare the Selected Information are contained in the GRI Sustainability Reporting Standards published by the Global Reporting Initiative (GRI) (hereinafter – "the GRI Standards"), SASB Sustainability Reporting Standards published by the International Sustainability Standards Board (ISSB) (hereinafter – "the SASB Standards") and methodology and guidelines developed by the Fund and disclosed in the Report (hereinafter – the "Reporting Criteria").

In our view, the Reporting Criteria constitute appropriate criteria to form the limited assurance conclusion.

Responsibilities of the management of the Fund

The management of the Fund is responsible for:

- designing, implementing and maintaining internal control relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- establishing internal methodology and guidelines for preparing and reporting the Selected Information in accordance with the Reporting Criteria;
- preparation, measurement and reporting of the Selected Information in accordance with the Reporting Criteria; and
- the accuracy, completeness and presentation of the Selected Information.



Our responsibilities

Our responsibility is to express a limited assurance conclusion on the Selected Information based on the procedures we have performed and the evidence we have obtained.

We performed the limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements, and to plan and perform procedures to obtain limited assurance that the Selected Information for the year ended 31 December 2023 has been prepared, in all material respects, in accordance with the Reporting Criteria.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our independence and quality management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of work performed

Our planned and performed procedures were aimed at obtaining limited assurance that the Selected Information for the year ended 31 December 2023 has been prepared, in all material respects, in accordance with the Reporting Criteria. We have performed the following procedures:

- made enquiries of the management of the Fund, including those with responsibility for sustainability reporting management and reporting;
- conducted interviews of personnel responsible for the preparation of the Report and collection of underlying data;
- performed analysis of the relevant internal methodology and guidelines, gaining an understanding of the design of the key structures, systems, processes and controls for managing, recording, preparing and reporting the Selected Information; and
- performed limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.



Inherent limitations

Under the GRI Standards and SASB Standards there is a range of different, but acceptable, measurement and reporting techniques. The techniques can result in materially different reporting outcomes that may affect comparability with other organisations. The Selected Information should therefore be read in conjunction with the methodology used by management as described in the Report, and for which the Fund is solely responsible.

Limited assurance conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the year ended 31 December 2023 has not been prepared, in all material respects, in accordance with the Reporting Criteria.

Restrictions of use and distribution

This report, including our limited assurance conclusion, has been prepared solely for the Board of Directors of the Fund in accordance with the agreement between us, to assist the management of the Fund in reporting on the Fund's and its selected subsidiaries' sustainability performance and activities.

We permit this report to be disclosed in the Report, which will be published on the Fund's website, to assist the management of the Fund in responding to their governance responsibilities by obtaining an independent limited assurance report in connection with the Selected Information.

The maintenance and integrity of the Fund's website is the responsibility of management; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Information or Reporting Criteria when presented on the Fund's website.

To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of the Fund and the Fund for our work or this report except where the respective terms are expressly agreed in writing and our prior consent in writing is obtained.

PricewaterhouseCoopers LLP

10 June 2024
Almaty, Kazakhstan



Annex 14. Glossary

Shareholder — a party owning shares;

Charity — a socially useful activity based on the providing charitable assistance and satisfaction of humane needs, carried out voluntarily, gratuitously or on preferential terms in the form of sponsorship and patronage activities;

Fund group — Fund, companies, their subsidiaries, more than fifty percent of the voting shares (interest) of which are owned by the companies, as well as legal entities, more than fifty percent of the voting shares (interest) of which are owned by the specified subsidiaries of the companies for which a special legal status is established by the Law “On Sovereign Wealth Fund”;

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

Other indirect greenhouse gas emissions (Scope 3) — greenhouse gas emissions that differ from energy indirect greenhouse gas emissions that are the result of an organization’s activities, but arise from greenhouse gas sources owned or controlled by other organizations;

Stakeholders — natural persons, legal entities, groups of natural persons or legal entities that affect, or may be affected by, the activities of the Fund and / or the Portfolio Companies, its products or services, and related actions by virtue of legislation norms, signed agreements (contracts) or indirectly (circuitously); this definition does not apply to all those who may be merely familiar with the Fund and the Portfolio Companies or express an opinion about them; the main representatives of the Stakeholders are Shareholders, employees, customers, suppliers, government bodies, subsidiary organisations, bond holders, creditors, investors, public organizations, and residents of the regions in which the Fund and the Portfolio Companies operate;

Key performance indicators are indicators that characterize the level of performance of the Fund or Portfolio Company, enabling to evaluate their activities as a whole, as well as the executives of the Fund or Portfolio Company. KPIs have a quantitative value that is approved as part of the action plan of Fund or the Portfolio Company and corresponds to their performance for the planned and reporting periods;

Independent Director — a member of the Board of Directors who is not an affiliated person of this joint stock company and has not been an affiliated person for three years prior to his/her election to the Board of Directors (except for the case of his/her tenure as an independent director of this joint stock company), is not an affiliated person in relation to the affiliated persons of this joint stock company; is not subordinated to the officials of this joint stock company or affiliated organizations of this joint stock company and has not been subordinated to these persons during the three years preceding his/her election to the Board of Directors; is not a civil servant; is not a shareholder’s representative at meetings of the bodies of this joint stock company and has not been one for three years prior to his/her election to the Board of Directors; does not participate in the audit of this joint stock company as an auditor working as part of an audit organisation, and has not participated in such an audit during the three years preceding his/her election to the Board of Directors;

Ombudsman — an individual appointed by the Fund’s Board of Directors, whose role is to advise the employees of the Fund and the Portfolio Companies who seek the advice, provide them with assistance to resolve labour disputes, conflicts, matters of a social and labour nature, and compliance with the principles of business ethics by employees of the Fund and the Portfolio Companies;

Portfolio Companies — legal entities in which more than 50% of the voting shares (interests) are directly or indirectly owned by the Fund based on the right of property or trust management;

Partners — suppliers and contractors, partners in joint projects;

Action Plan — a document that has been approved by the Board of Directors and determines the core activities and the KPIs of the Fund and the Portfolio Companies for the following five years;

Government — the Government of the Republic of Kazakhstan, the Sole Shareholder of the Fund;

Direct greenhouse gas emissions (Scope 1) — Greenhouse gas emissions from greenhouse gas sources owned or controlled by an organization;

Rational use of fuel and energy resources — the use of resources that ensures the achievement of maximum efficiency at the current level of technology and technology development, given the limited reserves and compliance with the requirements of reducing the anthropogenic impact on the environment and other requirements of society;

Tonne of oil equivalent (toe) — conversion of natural fuel (tno) into conventional (toe) is carried out by caloric equivalent by multiplying the amount of natural fuel by the ratio of the lowest calorific value of the fuel of this type to the calorific value of 1 kg of conventional fuel;

Fuel and energy resources — a combination of various types of fuel and energy (products of the oil refining, gas, coal, peat and shale industries, electricity from nuclear and hydroelectric power plants, as well as local fuels) which the country has at its disposal to meet its production, domestic and export needs;

Carbon footprint — the sum of greenhouse gas emissions and removals in the production system, expressed as equivalents and based on an assessment of the product life cycle using one impact category — climate change. The equivalent of a specific amount of greenhouse gas is calculated as the mass of a given greenhouse gas multiplied by its global warming potential. For the purposes of this Concept, the carbon footprint includes direct (carbon dioxide, CO₂) and methane (CH₄) and energy indirect greenhouse gas emissions;

Carbon neutrality — a zero level of greenhouse gas emissions achieved by balancing emissions and carbon dioxide uptakes;

Conditional fuel — a unit adopted in technical and economic calculations, regulated in norms and standards, which serves to compare the thermal value of various types of organic fuels;

Sustainable development — development in the course of which the Fund and the Portfolio Companies manage the influence of their operations on the environment, the economy, society and make decisions, taking into account the Stakeholders’ interests;

Fund — Joint Stock Company “Sovereign Wealth Fund “Samruk-Kazyna”;

Energy resources — a set of natural and produced energy carriers, the stored energy of which is currently being used or can be used in the future in economic and other types of activities, as well as types of energy (atomic, electrical, chemical, electromagnetic, thermal and other types of energy);

Energy efficiency (energy efficiency) — the quantitative ratio of the volume of services rendered, works, products (goods) produced or energy resources produced to the initial energy resources spent on it;

Efficient use of energy resources — achieving a technically feasible and economically justified level of use of energy resources;

Energy saving — the implementation of organizational, technical, technological, economic and other measures aimed at reducing the amount of energy resources used;

Energy indirect greenhouse gas emissions (Scope 2) — Greenhouse gas emissions from the production of imported electrical energy, heat or steam consumed by an organization.



Acronyms and Abbreviations

AEMS	Automated emission monitoring systems
ADSL	Asymmetric Digital Subscriber Line
AES	The AES Corporation
AIX	Astana International Exchange
APG	Associated petroleum gas
APP	Almaty Power Plants
BAU	Business as usual
BOD	Board of Directors
CC	Civil contract
CCGT	Combined-cycle gas plant
CCS	Carbon capture and storage
CCUS	Carbon capture, use and storage
CDP	The Carbon Disclosure Project
CHP	Central heating and power plant
CHPP	Combined Heat and Power Plant
CIP	Center for International Programs
CO ₂	Carbon dioxide
CP	Cerebral palsy
CRMS	Corporate Risk Management System
CSIC	Center for Social Interaction and Communications
CSTI	Center for Scientific and Technological Initiatives
DEQAR	The Database of External Quality Assurance Results
DP	Domestic producers
EASA	European Aviation Safety Agency
EBITDA	Earnings before interest, taxes, depreciation and amortization
EMBRAS	Employer Brand Award & Summit
EMS	Environmental Monitoring System
EP	Environment Protection
ESG	Environmental, Social, and Corporate Governance
ETL	Energy transmission line
FER	Fuel and energy resources
GDP	Gross Domestic Product
GDR	Global Depositary Receipt
GHG	Greenhouse gases
GJ	Gigajoule

GPW	Great Patriotic War
GRI	Global Reporting Initiative
GSC	Gas separation complex — an infrastructure facility designed to produce ethane used as feedstock at a polyethylene production plant (Polyethylene project)
H&S	Health&Security
HIT	Humility, Integrity, Transparency
HPP	Hydroelectric power plant
HSPS	Horizontal sewage pumping station
IAAR	Independent Agency for Accreditation and Rating
IAS	Internal Audit Service
IFCA	International Financial Center Astana
IFRS	International Financial Reporting Standards
IMEO	International Methane Emissions Observatory
IOGP	International Association of Oil and Gas Producers
IPCC	Intergovernmental Panel on Climate Change
IPO	Initial public offering
IR	Industrial relations
ISAE 3000	INTERNATIONAL STANDARD ON ASSURANCE ENGAGEMENTS (ISAE) 3000 REVISED
ISO	International Organization for Standardization
JSC	Joint-stock company
KASE	Kazakhstan Stock Exchange
KBA	Key Biodiversity Areas
KEGOC	Kazakhstan Electricity Grid Operating Company
KIDF	Kazakhstan Investment Development Fund
KOT	Key ornithological territories
KPI	Key performance indicators
KTZ	Kazakhstan Railways
LLP	Limited Liability Partnership
LPG	Liquefied petroleum gas
LSE	London Stock Exchange
LTIF	Lost Time Injury Frequency
MGP	Main gas pipelines
MIST	Methane Inventory Systematic Tool
MW	Megawatt
NAC	National Atomic Company
NC	National Company



NDC	Nationally-defined contributions
NGO	Non-governmental organization
"NIPT" SEZ	"National Industrial Petrochemical Technopark " Special Economic Zone
NPO	Non-profit organizations
NPRPO	Non-profit research and production organization
OECD	Organization for Economic Cooperation and Development
OGMP	The Oil & Gas Methane Partnership
OHS	Occupational health and safety
ORP	Occupational Risk Prevention
OS	Operational safety
R&D	Research, Development and Engineering works
RES	Renewable energy sources
RK	Republic of Kazakhstan
SAF	Sustainable Aviation Fuels
SDPP	State District Power Plant
Shymkent Refinery	Shymkent Oil Refinery
SME	Small and Medium Enterprises
SPNA	Specially Protected Natural Areas
SPO	Secondary public offering
SPP	Solar power plant
SRS	Samruk Research Services
SSAP	Sulfuric Acid Solutions and Products
SWF	Sovereign Wealth Fund
SWFI	Sovereign Wealth Fund Institute
TCFD	Task Force on Climate-Related Financial Disclosures
TOE	Tonne of oil equivalent
UEPS	Unified Electric Power System
UN	United Nations
UN SDGs	Sustainable Development Goals adopted by the United Nations
UNEP	United Nations Environment Program
USA	United States of America
USAID	United States Agency for International Development
WPP	Wind Power Plants