



STRATEGY IS TRANSLATED INTO INVESTMENTS

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We strive for the status of the Leader of the national economy, and we understand that the stability of our financial results has a direct impact on the country's economy.

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Our Fund strives for the status of the Leader of the national economy, and we understand that the stability of our financial results has a direct impact on the country's economy. [GRI 3-3](#)

Our portfolio includes strategic and socially significant assets. About 30% of the Fund's revenue falls to regulated entities, 12% – to subjects of natural monopolies.

According to the results of the Fund's activities in 2022, there is an increase in financial indicators, including income from core activities (+26% compared to the fact of 2021) and net income (+24% for the period). In 2022, the state paid subsidies for KZT53.4 billion. [GRI 201-4](#)

By the end of 2022, there has been a significant improvement in the financial stability indicators of the Fund's Group. Consolidated assets of the Fund's group amounted to KZT33.6 trillion as of 31 December 2022, an increase of KZT3.3 trillion, or 11% as compared to the same indicator in 2021. Debt/EBITDA as of year-end 2022 declined to 1.73 as compared to 2021 due to growth of EBITDA and lower debt, mainly driven by early repayment of foreign currency denominated loans, refinancing of loans and appreciation of foreign currency. The decrease in this indicator is a reliable indicator of the financial stability of the Fund Group.

TABLE 4. DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED, KZT BILLION⁴

Indicator	2020	2021	2022
Direct economic value generated			
Total revenues⁵	9 556.8	13 178.7	16 682.6
Economic value distributed			
Total expenses⁶	-8 974.2	-11 270.3	-14 313.8
Economic value retained			
Profit	582.5	1 908.4	2 368.9
Payments to the State ⁷	-1 522.7	-2 064.9	-2 885.2
Payments to capital suppliers (dividends)	-251.9	-247.9	-486.3
Capital investments	1 434.4	1 572.4	1 880.3

In 2022, the direct economic value created by the Fund amounted to KZT16 682.6 billion, the distributed value — KZT14 313.8 billion, and the retained value — KZT2 368.9 billion. [GRI 201-1](#)

⁴ In accordance with the GRI recommendations on disclosure 201-1, the financial statements of the Fund prepared in accordance with IFRS were used to prepare the table.

⁵ Total revenue and other income in the statement of comprehensive income.

⁶ Total costs and expenses in the statement of comprehensive income.

⁷ Payments to the budget and CIT in all regions of the Fund Group's activities.



TABLE 4. PRODUCTION INDICATORS, UNITS.

Name of indicators for portfolio companies	UoM	2020	2021	2022
Oil and gas condensate production	million tons	21.8	21.7	22
Production of natural and associated gas by assets for the share of HMG	billion m ³	8.2	8.1	8.2
Oil transportation	million tons	73.2	74.6	74.7
Oil and gas refining	million tons	18.1	18.8	19.9
Wholesale sale of HMG petroleum products, domestic market	million tons	2.2	3.6	4.1
Coal mining	million tons	43.3	44.6	42.5
Uranium mining	thousand tons	19.6	21.8	21.3
Natural gas sales:	billion m ³	23.8	23.6	22.7
including the domestic market	billion m ³	15.9	17.6	18.4
Gas pipeline transportation	million m ³ /km	86 590	95 422	83 744
Electricity production	billion kWh	31.4	35.6	35.9
Electricity transmission volumes (KEGOC)	billion kWh	46.2	54.6	58.5
Cargo turnover (railway)	billion t-km	231.8	233.3	245.2
Passenger turnover (railway)	billion p-km	8.6	9.5	12.4
Passenger traffic (air)	million people	3.7	7.2	7.9
Postal and courier services	million units	137.8	131.7	114.7
Number of fixed lines	thousand lines	2 893.5	2 774.5	2 636.6
Number of BIA ⁸ customers	thousand ports	1 833.2	1 860.7	1 857.4
Number of pay TV subscribers	thousand points	863.9	918.7	917.5
Number of mobile phone customers	million customers	14.8	14.5	14.4

In order to optimize the management of the Fund, in 2022, a restructuring was carried out with a reduction in the number of administrative and management personnel of the corporate center by 2 times, from 248 to 124 people and the number of management positions from 10 to 5. The number of structural divisions has been optimized by 33%, the official positions of “advisers” as staff units have been eliminated. It was decided to

close the Fund’s foreign representative offices. The number of corporate centers has been halved – from 2 786 to 1 393 people, foreign specialists among the administrative and managerial staff have been halved — from 47 to 24, foreign members on the boards of directors from 23 to 14.

⁸ broadband internet access



DIVIDENDS AND OTHER PAYMENTS TO THE BUDGET

Being a state-owned enterprise, the Fund is subject to various taxes and fees established by the Government of Kazakhstan. By the end of 2022, more than KZT1 696 billion was paid to the state in the form of taxes and other payments.

In addition to paying taxes, the Fund contributes to the state's income through dividends, which it pays to the state as the sole shareholder. By the end of 2022, KZT170 billion of dividends were paid, which is twice as much as in 2021.

The Government authorizes the Fund with various obligations related to sponsorship and financing. Since the Government is the ultimate shareholder of the Group, expenses related

to the fulfillment of such obligations are recognized in the consolidated financial statements as "Other distributions to the Shareholder" in equity.

TABLE 5. PAYMENTS TO THE STATE, RK, KZT BILLION

Name	2021	2022
Dividends	88	170
Other distributions	68	132
Taxes paid to the budget of the Republic of Kazakhstan ⁹	1 167	1 696.4
Payments to the National Fund from the privatization of assets	0.6	0.1
TOTAL	1 324	1 998.5

We intend to increase further transparency and openness in the payment of taxes. For this purpose, in the period 2022–2023, we intend to introduce a system of horizontal monitoring in matters of tax payment within the framework of a pilot project of the State Revenue Committee of the Ministry of Finance of the Republic of Kazakhstan. This initiative will increase transparency, reduce tax risks, fines and penalties and, in the future, reduce the costs of tax administration. Horizontal monitoring is a global trend in tax administration, which is actively promoted in the members-countries of the Organization for Economic Cooperation and Development and has already been implemented in more than 53 countries around the world.

⁹ Excluding Individual Income Tax



Why is this important to us?

Given the formed production and raw material base, we are striving for the development of new redistributions. Entering new redistributions sets us the task of building up human resources, strengthening competencies in new areas and continuously improving the skills of employees, based on the best world practices.



Our goals and objectives:

- Commissioning of 14 projects worth 1.6 trillion tenge with the creation of 1.3 thousand permanent jobs in 2023
- Formation of a network of domestic and foreign scientific and technological partners
- Increased funding for applied research to 8 billion tenge until the end of 2026

Material topics	Impact type	Direct impact
Local communities	+-	●●
Economic Performance	+	●●●●

Impact type: + positive – negative

Materiality level:

- strong
- average
- low

NEW PRODUCT CONVERSIONS AND JOB CREATION [GRI 3-3, GRI 203-1](#)

INDUSTRY, INNOVATION AND INFRASTRUCTURE

Development of R&D and innovation, high-tech industries

Building up scientific and research potential will ensure competitiveness in the long term. We are working on the development of scientific research, building close relationships with the research community and increasing the practical effect of scientific research, including with the support of research work by domestic personnel. Important attention is paid to the issues of commercialization of research and development work in order to obtain a timely economic effect from scientific developments.

We have created a Center for Scientific and Technological Initiatives – a “single window” for scientific and innovative activities. This step coordinates more effectively the work on the development of scientific research, industrial innovations and innovation culture in portfolio companies, and will ensure the introduction of domestic and foreign research and development activities (hereinafter referred to as R&D) in production.

According to the results of 2022, the CSTI considered more than 120 applications for R&D (according to the procedures of the Corporate Standard on R&D and Innovation adopted on March 17, 2022), of which 70 projects totaling KZT8.5 billion were approved for implementation at meetings of the Scientific and Technical Council of the Fund, including 51 projects of JSC NAC Kazatomprom, 12 projects of JSC NC KazMunayGas, 4 projects of Samruk-Kazyna Ondeu LLP, 2 projects of Samruk-Energy JSC and 1 project of JSC NMC Tau-Ken Samruk.

At the moment, we are implementing a new information system to support scientific and innovative activities, which will provide for the internal needs and features of the business processes of the Fund Group, and will also include all the necessary functions to ensure the reception and consideration of applications for R&D. Additionally, it is expected to launch and ensure an effective and transparent mechanism for the selection, examination and monitoring of R&D projects, taking into account international experience. As part of the work plan, an innovative audit of the Fund Group will be conducted, an analysis of the state of development of the scientific, technical and innovative infrastructure of the Fund Group enterprises and the development of appropriate recommendations. [GRI 203-2](#)

Resource base development and infrastructure modernization

Currently, a shortage of the gas resource base in the country is expected due to ambitious plans for gasification and decarbonization of industry, development of gas chemical industries.

At the same time, resource development is limited by the following key constraints:

- the sale of gas for domestic consumption is unprofitable for market participants. The current gas purchase price from subsurface users is lower than the cost of its production, and the actual sales price (current wholesale and retail gas sales price) is lower than the cost of sales;
- due to the general unprofitability of the gas market, the interest of private investors is low.

In conditions of impending shortage, increasing the resource base is a strategically important priority for the Fund.

Increasing the extraction of raw materials using the full capacity of production enterprises will help to realize the export potential. It will also ensure the independence of raw materials to create a base for the production of products with high added value, where special attention will be paid to the goods in demand in accordance with the analysis of potential global needs.

The increase in the resource base is possible due to the implementation of new exploration projects, as well as the expansion of existing fields.

Thus, in 2022, according to the results of exploration and additional exploration at existing fields, the total increase in 2022 amounted to 19 million tons. Based on the results of basin modeling and analysis of historical data, 5 most promising sites have been identified that require additional research by staging advanced seismic surveys as part of the geological study of the oil subsurface.

The package of priority projects of the Fund also includes the construction of gas processing facilities projects. As part of the increase in commercial gas resources to 30 billion m³ per years, JSC NC QazaqGaz is implementing a project for the construction of the Kashagan Gas Processing Plant with a capacity of 1 billion m³ per year. In addition, it is planned to implement a project to increase the processing of Kashagan gas at stage 2A with a capacity of 2-4 billion m³ per year.

Commissioning of new generating capacities in 2024–2031 (the restoration of power unit No. 1 at Ekibastuz GRES-1 with the installation of new electric filters, the expansion of Ekibastuz GRES-2 with the installation of units No. 3 and No. 4, the construction of GRES-3, etc.) will increase the coal consumption of the stations by 233% and will amount to about 37.8 million tons per year, that requires an increase in coal production at the mines of Samruk-Energy JSC.

Modernization of existing and construction of new infrastructure

In 2022, 5 projects for KZT1 344 billion were introduced.

In 2022, the work was carried out on the first package of priority investment projects, including the reconstruction and expansion of the Astrakhan-Mangyshlak water pipeline, construction of a desalination plant in the village of Kenderli, gasification of the Sarsha area and the Warm Beach resort area, reconstruction of the Mangystau region gas transmission system, construction of the Kashagan gas processing plant with a capacity of 1 billion m³, construction of the main gas pipeline looping Makat-North Caucasus and gas infrastructure for gas supply of Almaty CHP plants 1, 2 and 3.

In 2022, the plant of Kazakhstan Petrochemical Industries Inc. LLP was commissioned, which should promote seriously the Kazakh gas chemical industry and will produce 500 thousand tons of various grades of polypropylene per year. The company has a large export potential: 10% of products are planned to be sold on the domestic market, based on needs, and 90% – for export to Europe, Turkey, China and the CIS.

JSC NC KazMunayGas has also implemented projects on modernization of crude gas injection compressors at the Kashagan field and install the 4th gas re-injection compressor at the Karachaganak field. An important strategic event for JSC NC KazMunayGas was the acquisition of an 8.4% stake in the Kashagan project from the Fund for \$3.8 billion.

A 60 MW wind farm with the prospect of expanding to 300 MW in the Shelek Corridor, a unique region for the development of renewable energy potential, was put into operation. The new plant includes 24 wind power plants, each with a

nominal capacity of 2.5 MW. The new wind farm will generate 225.7 million kWh of electricity per year.

HEGOC has implemented a project to build a substation “Ortalyk” with a capacity of 220 kWh in the Turkestan region. In 2022, the substation was put into operation. The aim of the project is to increase the energy security of the Republic of Kazakhstan and the reliability of the national energy system. The construction of a mixed cycle plant with a flexible generation regime will create favorable conditions for the integration of renewable energy sources into the energy system of the Republic of Kazakhstan.

In November 2022, binding documentation was signed on the entry of the strategic partner SIBUR Holding PJSC into projects for the production of polypropylene and polyethylene.

The Fund has identified a list of priority projects consisting of two packages. The first package includes 13 projects for KZT3.6 trillion. These are water supply projects in the western regions of Kazakhstan, projects in the field of gas supply, electricity and the development of railway transport. The second list consists of 20 projects for KZT20.4 billion. These are projects in the field of petrochemistry, gas supply, electricity, including renewable energy, telecommunications and the development of railway transport.

In 2023, it is planned to launch 14 projects for KZT 1.6 trillion with the creation of 1.3 thousand permanent jobs. 4 projects are included in the priority list.

DECENT WORK AND ECONOMIC GROWTH

Industrial development and job creation

Taking into account the current socio-economic situation of the country's development and the role of the Fund for the national economy (the Fund's share in the country's economy was 5.7% in 2022), we are focused primarily on investments in the economy of Kazakhstan, including for implementation of strategic projects. The management model of the Fund in the next 7 years is defined as a strategic holding with the tasks of maintaining the social and infrastructural development of the country.

The Fund continues to perform the function of supporting the country's economy through the implementation of infrastructure projects, as well as regional and industrial development projects.

In accordance with the Fund's investment policy, which includes the principle of responsible investments and takes into account the ESG criteria, the Fund implements two packages of priority investment projects of the Fund group totaling more than KZT24 trillion. These projects cover the areas of expansion of critical infrastructure of oil and gas chemistry, electric power, gas infrastructure, railway transport, telecommunications, construction of wind power plants with innovative energy storage systems for Kazakhstan. (Table 7).

The implementation of priority projects will have a long-term effect on the activities and value of the Fund's assets, will create new jobs, and will also be system-forming and will affect the development of industries and the strengthening of the national economy, will have an impact on improving the investment climate as a whole.

New product conversions and the creation of industries

The key role of the Fund in the economy of the Republic of Kazakhstan is diversification and development of the economy through investments in high-tech projects, especially in the field of processing raw materials and creating value chains. To do this, we are actively working to attract large foreign investors to implement innovative projects. This is done through a strategic Partnership with foreign investors, which allows creating conditions for implementation of projects with high growth and development potential (for example, construction of wind farms with innovative systems for Kazakhstan electricity storage).

Special attention is paid to high-tech industries that can increase added value in the industrial sector.

An example of such a project is the integrated gas chemical complex, opened in November 2022, the operator of which is a subsidiary of the Fund – Kazakhstan Petrochemical Industries Inc. (KPI) LLP. KPI is the first large-scale plant in the petrochemical industry of Kazakhstan, carrying out deep processing of raw materials. The project is aimed at diversifying the economy of Kazakhstan and moving away from the raw materials orientation of exports. The plant produces up to 500 thousand tons of polypropylene per year, which is about 1% of the world's polypropylene production, and allows Kazakhstan to become one of the world's leading producers of this product. Additionally, in the period from 2023 to 2027, the Fund plans to implement a project for the production of polyethylene and the necessary infrastructure, thereby continuing the creation of new product conversions and the development of industrial industries.

It is planned to implement projects for the development of new repartitions in various industries, such as chemical, food (creation of gelatin production, production of a full cycle of fruit growing, creation of an agricultural Fund), manufacturing (production of sandwich panels from mineral wool slabs, production of thermal insulation materials), construction.

A detailed list of projects is given in table No. 7. [GRI 203-1](#), [GRI 203-2](#)

Human resources development and job creation

Creation of new jobs has important aspects for the regions where we operate: social (reducing unemployment, improving living standards), economic (economic growth, small business development), human resource development (attracting and developing specialists) and economic diversification (reducing dependence on certain sectors).

The Fund is the largest employer in the country. The number of jobs created in the Fund's group in the reporting year exceeded 259 thousand people. Entering new product conversions sets new tasks for the Fund to build human resources, strengthen competence in new areas and continuously improve the skills of employees based on the best world practices.

In 2022, 5 projects were commissioned in the sectors of petrochemistry, energy in the amount with the creation of 5 682 temporary and 709 permanent jobs. [GRI 203-2](#)

The implementation of new investment projects of the Group of the Fund will create about 50 thousand jobs. [GRI 203-2](#)

Increasing labor productivity plays a key role in increasing incomes and well-being of the population. We strive for the rational use of resources and the well-coordinated functioning of all factors of production today, for the preservation and maintenance of future generations. This requires concentrating the Fund's current programs and plans on increasing labor productivity – creating productive jobs in high-value-added sectors and applying advanced technologies in production. According to the National Development Plan of the Republic of Kazakhstan, the goal is to increase labor productivity across the country by 45% by 2025. The Fund has reflected this goal in the Development Plan for 2023–2032 and plans to increase labor productivity by 1.5 times by 2032 compared to 2021.

Equal access to infrastructure and markets

As part of reforming the Fund's Group of Companies, efforts continue to stimulate the development of domestic business by ensuring equal access to infrastructure and markets.

Samruk-Energy JSC carries out centralized sale of electric energy from Ekibastuz GRES-1, GRES-2 and Moynak HPP as part of a single group of entities. The purpose of selling electric energy from a single group of entities is to provide

equal conditions to market entities, excluding discrimination due to differences in approved marginal tariffs. Centralized sale of electric energy determines the weighted average cost of electricity for all market entities.

According to the instruction of the President of the Republic of Kazakhstan, further gasification of the country, including the northern regions, will be continued in order to increase the coverage of the population with natural gas to 13.5 million people (65%) by 2030. As part of implementation of this instruction, various options are studied, including the construction of further stages of the Saryarka main gas pipeline project.

Also, according to the Action Plan for implementation of the pre-election program of the President of the Republic of Kazakhstan "Fair Kazakhstan – for all and for everyone. Now and forever", the Fund was entrusted with the task of providing the domestic market with the main types of petroleum products by increasing the volume of processing to 21 million tons per year. Within the framework of the draft roadmap developed by the Ministry of Energy of the Republic of Kazakhstan, the basic design of the expansion of the Shymkent Oil Refinery from 6 to 9 million tons per year has begun. The completion of the Shymkent Oil Refinery expansion project is scheduled

for 2029. The increase in the design processing capacity at the Shymkent Oil Refinery will increase the volume of processing to 21.3 million tons per year.

We will ensure the introduction of transparent mechanisms and the removal of barriers for participants in the gas markets, coal and electricity supplies, railcar supply and access to other infrastructure.

CLEAN WATER

We are implementing projects aimed at solving water supply issues in the regions of our presence.

In 2022, a reservoir water desalination plant was launched at the Karazhanbas field. The aim of the project is to solve the social problems of drinking water shortage in the region. [GRI 203-2](#) Now Karazhanbasmunai JSC uses in its activities the products of the plant (purified water extracted along the way) for production purposes instead of Volga water. As a result of a decrease in the consumption of fresh water by the deposit (by 1.2 million m³), an additional 1.2 million m³ of Volga water is redistributed to the population of the region.



The project on reconstruction and expansion of the Astrakhan-Mangyshlak main water pipeline is implemented in order to solve the water shortage in the western regions and provide water to the population, agricultural producers, industrial and oil and gas producing enterprises. The water pipeline is the only centralized source of water supply for consumers of Kurmangazinsky, Isataisky and Zhylyoisky districts of Atyrau region with an actual annual water supply volume of 4.8 million m³, as well as for the city of Zhanaozen, Beineu, Mangistau, Karakiyansky and Tupkaragansky districts of Mangistau region with an annual water supply volume of 10.5 million m³. The population consuming water is more than 35% of the population of Mangystau region and more than 28% of the population of Atyrau region. Water consumption by the population is growing by 4-5% annually. The reconstruction project provides for an increase in the capacity of the main water pipeline and the renewal of worn-out equipment. Construction and installation work began in 2022, the project is scheduled to be completed in 2023.

The Fund plans to implement another project "Construction of a seawater desalination plant in Henderli with a capacity of 50 000 m³/day". The project is scheduled to be completed by the end of 2024. [GRI 203-2](#) The aim of the project is to provide drinking water to the population and enterprises of Zhanaozen and nearby settlements. The project is low – profit and is implemented at the expense of the Fund Group's own funds. The implementation of the project will reduce the technological load on the Astrakhan-Mangyshlak main water pipeline in proportion to the design capacity of the desalination plant.

AFFORDABLE AND CLEAN ENERGY

Reliable energy

To support the population and improve living conditions in Kazakhstan, JSC NC QazaqGaz, whose gas distribution network is represented in 16 regions of the country, including newly formed ones, implements socially significant projects in the regions of its presence. The implementation of the activities of JSC NC QazaqGaz has a high social and strategic importance for the regions of its presence:

- ensuring energy security, reliable and uninterrupted gas supply;
- transfer of industrial facilities and business entities to natural gas.

By the end of 2022, 57.7% of citizens (11 million people) have access to gas. In 2022 143 000 new consumers in 160 settlements have obtained access to gas. According to the instruction of the Head of State, further gasification of the country, including the northern regions, will be continued in order to increase the coverage of the population with natural gas to 13.5 million people (65%) by 2030. In 2022, the lost profit of JSC NC HazMunayGas amounted to KZT453.9 billion.

Currently, the Fund adheres to the policy of further restraining the growth of gas prices for domestic consumers. Gas prices for socially unprotected segments of the population will be restrained as a priority. JSC NC QazaqGaz carries out wholesale sales of commercial gas at marginal wholesale prices approved annually by the Ministry of Energy. [GRI 203-2](#)

Resource saving

A comprehensive strategy is needed to minimize the negative impact on the environment, in particular on the climate. This means developing environmentally conscious thinking, obtaining global ESG assessments, and using digital innovations to track environmental impacts.

The Fund's assets are focused in such important sectors of Kazakhstan's economy as electric power, mining and processing of minerals, transport and telecommunications, which have significant energy saving potential, as the results of energy audits show.

The Fund is constantly working to improve energy efficiency and reduce the energy intensity of its productions. Thus, from 2014 to 2020, a comprehensive Energy efficiency Improvement Program was implemented, the implementation of which has already allowed reducing the energy intensity index of the gross volume of marketable products by 27% compared to 2014 (up to 3.6 toe /KZT million). As part of the modernization and energy saving, the old (less efficient) equipment is replaced with a new one, the transition from fuel oil to natural gas (as fuel at mining facilities) and the use of new generation additives to increase the flow rate.

CLEAN AIR

The high share of the use of coal for electricity and heat generation, as well as the presence in our portfolio of companies using hydrocarbon fuels to support their production and operational activities, make a key contribution to air pollution and the impact on climate change (the Fund's enterprises account for 26.5% of the emissions of pollutants in the country¹⁰).

One of our main environmental objectives is to reduce emissions of pollutants as a result of production activities and achieve a zero level of regular flaring at oil and gas producing assets.

We plan to continue implementing measures aimed at reducing emissions of pollutants: conversion of coal-fired power to natural gas, expansion of low-carbon power generation (NPP and RES) modernization of technological equipment, introduction of energy-saving technologies, optimization of thermal energy generation and consumption, as well as the development of our own low-carbon generation sources, as well as the use of the best available techniques (clean coal technologies and emission capture technologies). [GRI 203-2](#)

The Fund's power plants completed the replacement of electric filters with new generation filters from the world's leading manufacturers-leaders in the field of ash collection. The capture KPI of 99.6% was achieved. Measures on modernization of the electric filters reduced ash emissions into the atmosphere by 17 thousand tons per unit. Low-emission burner devices were introduced, providing a concentration of nitrogen oxides of no more than 650 mg/m³.

We continue the program on equipping 12 objects of the first hazard category with automated systems for monitoring emissions of pollutants (in the sectors of oil and gas production, oil and gas refining, gas chemistry, electricity production), which allow monitoring emissions into the environment in

real time. The installation has been completed at two sites. At the remaining facilities, the installation is expected to be completed during 2023.

The portfolio of projects planned for implementation in the near future includes projects to reduce the negative impact on the environment of Almaty by switching stations to natural gas combustion, as well as providing consumers of Almaty and the Almaty region with reliable and uninterrupted supply of heat and electricity:

- modernization of Almaty CHP-2 with minimization of environmental impact, involving the construction of a new plant using gas turbine technologies with a capacity of up to 600 MW at the site of Almaty CHP-2;
- reconstruction of Almaty CHP-3 on the basis of CCGT with an increase in the station's capacity to 450 MW;
- construction of a 200-250 MW CCGT at the site of Almaty CHP-1.

According to experts, the gasification project of the plant meets the most stringent requirements of the Republic of Kazakhstan and the European Union. The expected reduction in emissions of pollutants after the gasification of the Almaty energy complex is by 88% (or 8 times) from 49.6 thousand tons to 6 thousand tons. The expected reduction in specific emissions of pollutants for the Samruk-Energy Group of Companies is by 14% from 10.1 g/kWh to 8.6 g/kWh.

The work is also underway in the oil and gas production and refining sector to reduce emissions of pollutants. The oil refineries of JSC NC KazMunayGas Group of Companies are included in the National Project "Green Kazakhstan", the purpose of which is to improve air quality in Kazakhstan. As part of this project, it is planned to reduce the emission limit at these plants from 30.7 to 20 thousand tons per year (reduction of up to 35%). Within the framework of the project, measures aimed at reducing air pollution will be implemented by 2025. Oil refineries have approved Action Plans with

¹⁰ Data on emissions of pollutants in Kazakhstan for 2022 are preliminary and amount to 2.3 million tons



targets for energy and resource conservation and reduction of emissions into the atmosphere by 2031, including such measures as replacement of technically obsolete burners on process furnaces, return of flare gases to the fuel network of the plant, modernization of the vapor capture system when steaming reactors of the delayed coking plant, transfer of bulk operations for light oil products on the overpass of hermetic filling, installation of pontoons on tanks, etc.

One of our most important tasks to reduce emissions into the atmosphere is to increase the useful use and utilization of crude gas, to minimize flaring of gas in the sector of oil and gas production and processing, as in one of the largest emitters of pollutants in the Fund. In an effort to minimize the volume of regular burning of crude gas, JSC NC HazMunayGas in 2015 supported the initiative of the World Bank “Full utilization of associated petroleum gas by 2030”.

In recent years, a number of measures have been implemented to increase the useful use of crude gas, as a result, this indicator has been improved and amounted to 98.8% by the end of 2022. The volume of flaring of crude gas in comparison with 2017 decreased by 89%. The gas combustion rate is at the level of 1.5 tons per 1 thousand tons of produced UVS (in 2021 – 2.1, in 2020 – 2.2), which is 29% lower than in 2021 and 84% lower than the industry average IOGP.

TABLE 6. THE FUND GROUP'S INVESTMENT PROJECTS (BY DIRECTION) [GRI203-1](#), [GRI203-2](#)

Industry, innovation and infrastructure		
Name of the project	Project goal	Terms of implementation
Construction of gas infrastructure for CHP-1, CHP-2, CHP-3, Almaty	Providing consumers of Almaty and Almaty region with gas	November 2021 – December 2023
Reconstruction of Almaty CHP-3 on the basis of CCGT with an increase in the station's capacity to 450 MW	Providing consumers of Almaty and Almaty region with reliable and uninterrupted supply of electric and thermal energy in accordance with load schedules and temperature conditions	2021–2025
Expansion of CHP-1 with the construction of a 200-250 MW CCGT	Expansion of Almaty CHP-1 with the construction of a 200-250 MW CCGT to ensure the reliability of heating and electrification of the city of Almaty	2021–2026
Reconstruction of cable networks in Almaty	Reduction of losses in cable lines and reduction of emergency shutdowns	2022–2030
Construction of a second line on the Dostyk – Moyinty railway section	Increasing the speed of trains, increasing the capacity and carrying capacity of the main transit corridor of Kazakhstan on the China-Europe route.	2022–2025
5G network construction in the Republic of Kazakhstan	Providing broadband access to the mobile Internet and a corresponding increase in data transfer speed	December 2027
Laying of a fiber-optic highway along the bottom of the Caspian Sea	Creation of a digital corridor from Europe to China along the Azerbaijan-Kazakhstan route, passing along the bottom of the Caspian Sea from Azerbaijan to Kazakhstan, and, thereby, the transit of Internet traffic to Central Asia and China. One of the important and large-scale projects to improve the status of our country as a regional digital hub. The implementation of this project will diversify data transit flows	2023–2024
Construction of the Darbaza–Maktaaral railway line	Unloading of the Saryagash checkpoint and attracting additional cargo traffic of up to 10 million tons per year, as well as connecting Maktaralsky district of Turkestan region with the main railway line	2024–2025
Reconstruction of the gas transmission system of the Mangystau region	The project involves the construction of the 2 nd line and the overhaul of the first line of the Beineu Zhanaozen gas pipeline, the overhaul of three lines of the Zhanaozen-Aktau gas pipeline, as well as the reconstruction of the Zhanaozen and Beineu compressor stations	August 2021 – December 2024

Construction of the third rail border crossing «Bakhty» on the Kazakhstan-China border with access to the existing Semey – Aktogay railway section	Increasing the capacity in the Chinese direction to 20 million tons	2024–2025
Construction of a power plant based on a CCGT with a capacity of up to 1,000 MW in the Turkestan region	The construction will increase the energy security of the country, in particular, it will make it possible to compensate for the missing energy capacities, to level the emergency voltage drops that are created by the power system of Central Asia (Uzbekistan, Hyrgyzstan) and independently continuously supply energy to socially-oriented life-supporting facilities. Moreover, this plant will create favorable conditions for the integration of renewable energy sources into the national energy system. 2 thousand new jobs will be created for the construction of the station	2022–2025
Construction of the second line of Beineu-Bozoi-Shymkent MG (1 st stage)	Increasing the capacity of the gas transmission system to increase the gas coverage of the country's population and to provide gas to industrial consumers	2023–2029
Construction of a bypass railway line bypassing the railway junction of Almaty station	It will allow to reduce the delivery of goods through the city by an average 24 hours and unload the Almaty station	2023–2024
Expansion and reconstruction of Ekibastuz GRES-2 with the installation of power unit No. 3	To overcome future energy deficits, the Fund is implementing a project to create new electricity generation capacity	2006–2025
Expansion of Ekibastuz GRES-2 with the installation of power unit No. 4		2022–2028
Decent work and economic growth		
Polyethylene production project	The plant will contribute to maintaining social stability in the region and creating new jobs. In particular, about 8,000 jobs will be created during the construction phase, and 875 permanent jobs will be created during operation. The contribution to the country's GDP is estimated at 1.2%. If a positive decision is made, the implementation of the Polyethylene Production Project will increase the efficiency and improve the diversification of the Fund's business, as well as the competitiveness of the country's economy as a whole through the production of technological and high-margin products (increasing the efficiency of the value chain, business diversification and expanding the portfolio of products made from hydrocarbon raw materials)	2022–2028
Production of butadiene and its derivatives in Kazakhstan	The implementation of the project will create more than 2,000 jobs during construction and 700 jobs (highly qualified specialists) during operation	2022–2025
Construction of a sulfuric acid plant with a capacity of 800 thousand tons per year	It will create new jobs (800 people during construction, 500 people during operation). It will increase the socio-economic development of the region, annual tax deductions will amount to ≈ KZT4 billion. Will reduce dependence on imports of sulfuric acid (imports amounted to: 2021 ≈ 10%, 2022 ≈ 38%). Eliminate the risk of sulfuric acid deficiency: the expected shortage of sulfuric acid in the Republic of Kazakhstan by 2025 will amount to 1516 thousand tons. The associated electricity generation will be 30 MW	2022–2026
Clean water		
Reconstruction and expansion of the Astrakhan-Mangyshlak main water pipeline	Increasing the capacity of the Astrakhan-Mangyshlak main water pipeline and updating worn-out equipment to provide water to the population, agricultural producers, industrial and oil and gas producing enterprises. The water pipeline is the only centralized source of water supply for consumers of Kurmangazinsky, Isataysky and Zhylyoysky districts of Atyrau region with an actual annual water supply volume of 4.8 million m ³ , as well as for Zhanaozen, Beineu, Mangystau, Karakiyansky and Tupkaragansky districts of Mangystau region with an annual water supply volume of 10.5 million m ³ . The population consuming water is more than 35% of the population of Mangystau region and more than 28% of the population of Atyrau region. Water consumption by the population is growing by 4-5% annually	2022–2023
Construction of the sea water desalination plant "Kenderli"	Providing water to the population and enterprises of Zhanaozen and reducing the load on the Astrakhan-Mangyshlak water pipeline	2023–2024

Affordable and clean energy

Unification of the energy system of Western Kazakhstan with the UES	Increasing the capacity and reliability of power supply to consumers of the Western zone of the UES of Kazakhstan with the strengthening of 220 kV electric networks between the western regions of the country, as well as ensuring the output of power planned for the construction of large wind and gas generation facilities	2022–2028
Strengthening of the electric network of the Southern zone of the UES	Strengthening of the electric power system of the Southern zone of the UES of Kazakhstan on the territory of the country to ensure the reliability of power supply to consumers and strengthen the electrical connection between the regions of the Southern zone	2021–2027
Construction of a 1 GW wind farm with an energy storage system in the south-east of Kazakhstan jointly with Total Eren	Carbon dioxide (CO ₂) emissions is expected to reduce by at least 2 million tons annually under the project	2021–2027
Construction of a 1 GW wind farm jointly with ACWA Power	The realization of the project will increase the country's green electricity generation and prevent carbon dioxide emissions (an estimated 3 million tonnes of CO ₂ eq.)	To be determined
Construction of the Hashagan Gas Processing Plant (Stage 1)	Expanding the resource base for further gasification of the country, the development of Kazakhstan's gas processing industry and environmental protection	February 2021 – April 2025
Construction of a Looping of Makat-North Caucasus MG	Ensuring the reliability of gas supply to the population and large industrial enterprises of Atyrau and Atyrau region and to prevent emergencies related to the shutdown of a single-line gas pipeline	November 2021 – June 2023
Gasification of the area «Sarsha» and the resort area «Warm beach»	Providing of natural gas to consumers of the Sarsha locality and the Warm Beach resort area in the Mangystau region	July 2021 – June 2023
Construction of a nuclear power plant with a capacity of up to 2,800 MW	Increasing the capacity and reliability of power supply to consumers of the Western zone of the UES of Kazakhstan with the strengthening of 220 kV electric networks between the western regions of the country, as well as ensuring the output of power planned for the construction of large wind and gas generation facilities	2022–2035
Clean air		
Development of Hashagan Crude Gas Utilization Project (Stage 2)	Production of marketable gas – a «transition» fuel for the energy transition	2023–2028
Construction of Ekibastuz GRES-3 with the installation of power units of stations No. 1 and No. 2 based on clean coal technology	To overcome future energy deficits, the Fund is implementing a project to create new power generation capacity based on clean coal technology	2023–2030
Construction at the Almaty CHP-2 CCGT with a capacity of up to 600 MW	Reducing the negative environmental impact of the plant on the environmental situation of Almaty by switching the plant to natural gas combustion, as well as providing consumers of Almaty and the Almaty region with reliable and uninterrupted supply of heat and electricity in accordance with load schedules	2020–2026

Information on infrastructure projects, best practices, technological solutions of the Fund aimed to achieve decarbonization goals can be found in Samruk-Kazyna's Transition Plan to a Low-Carbon Business Model (Annex 1 to the Low-Carbon Development Concept of the Fund https://sk.kz/investors/financial-performance/reports/low-carbon_development_concept_ru.pdf).

Why is this important to us?

25% of the activities of the Group of Companies of the Fund are socially significant. Therefore, the well-being of the country and our citizens is our priority, and the Fund is interested in making investment decisions, where the positive effect for the population significantly exceeds the material benefit.



Our goals and objectives:

- Implementation of socially significant projects in the regions of its presence
- Carrying out charitable activities and corporate sponsorship, as well as promoting corporate volunteering

Material topics	Impact type	Direct impact	Indirect Impact
Local communities	+/-	●●	
Indirect economic impacts	+	●●●	●●●
Procurement practices	+	●●●	●●●

Impact type: + positive – negative

Materiality level:

- strong
- average
- low

ENSURING THE SUSTAINABLE DEVELOPMENT OF THE REGIONS GRI 3-3

The Fund's activities are focused not only on making a profit, we perform the function of redistributing funds between different sectors of the economy for the benefit of the country and our citizens. Rather, on the contrary, the Fund's activities for modernization and support of social infrastructure require investment decisions, where the indirect social effect significantly exceeds material costs. In 2022, the amount of cross-subsidization of the Fund amounted to KZT918 billion. At the same time, KZT256 billion was the amount of capital investments for maintenance not covered by the tariff.

In general, 36 of the 143 activities of the Fund's Group of Companies, or 25%, are socially significant: gas sales to the domestic market, domestic passenger transportation and others.

The socially significant activities of the Fund are represented in all major sectors of the country's economy, such as:

- providing citizens with gas and water;
- forwarding of parcels in the Republic of Kazakhstan, distribution of periodicals, payment of pensions and allowances;
- passenger transportation, cargo transportation in domestic traffic;
- domestic passenger air transportation;
- provision of telecommunication services;
- construction to strengthen the economy and the well-being of the people;
- support of domestic entrepreneurship and development of import substitution;
- charity.

TAKING CARE OF REMOTE REGIONS

The national company Kazpost JSC plays an important role in the economy of Kazakhstan and is a key player in the postal services market. The Fund is the guarantor of reliability and high quality of postal services provided. Kazpost JSC, which is part of the Fund's Group of Companies, provides a wide range of services: postal, financial, agency and digital services, and also has a large number of branches throughout the country (more than 2 700 branches in all significant localities), which allows the population to easily access services anywhere in the country at the most low prices.

Kazpost JSC provides the population with demanded postal services at the lowest prices in the country. Thus, when providing services for the distribution of periodicals by subscription, the company incurs losses on their delivery in the village and city.

In addition to traditional postal services with the constant and irreplaceable work of postmen, Kazpost JSC provides financial services, which include the payment of pensions. The special service "Delivery 80 plus" allows pensioners over 80 years of age to use the service of free pension delivery. Postal operators at their sites deliver the money directly to the addressee [GRI 203-2](#)

Kazakhtelecom JSC continues to develop communications in rural areas. In two years, the Company has provided more than one and a half million rural residents with modern communication technologies. In 2023, it is planned to provide Internet to 142 more rural settlements through the deployment of an LTE network. Also for 2023–2024, the Company plans to develop a broadband network in rural areas. [GRI 203-2](#)

OPEN TRANSPORT CORRIDORS AND LOGISTICS

Railway transport is an important element of the country's infrastructure, providing communication between cities and regions, as well as contributing to the development of the economy. Therefore, the government is trying to reduce the cost of train tickets in order to make travel more affordable for all segments of the population. One of the ways to curb the growth of tariffs is subsidizing the cost of tickets. At the same time, the cost of passenger transportation does not increase due to state subsidies (HZT38 billion) [GRI 203-2](#)

During the reporting year, passenger turnover was more than 12.4 million pkm (30% more than in 2021).

JSC NC Kazakhstan Temir Zholy is actively working to improve the conditions of passenger transportation. The company invests in the modernization of the passenger car fleet, including the purchase of new cars with more modern comfort and safety conditions. Thus, in 2022, 62 Talgo cars were added to the passenger railway fleet of Kazakhstan, and in the coming years, it is planned to purchase about 500 more new cars, which will allow updating a total of two-thirds of the cars. The production of new wagons will be organized in Kazakhstan on the past basis of the Tulpar plant (operating Stadler Kazakhstan LLP). An important aspect is the training of local personnel. Kazakh personnel of the Stadler Kazakhstan LLP plant will be trained at Stadler plants.

JSC NC Kazakhstan Temir Zholy also plays an important role in ensuring the socio-economic development of Kazakhstan by providing affordable transportation rates. At the same time, the level of tariffs in Kazakhstan for the main range of goods is several times lower than tariffs in Russia, Uzbekistan and other CIS countries. This allows Kazakhstani companies to save on transportation costs, which contributes to the development of business and the economy of the country as a whole. At the same time, JSC NC Kazakhstan Temir Zholy, as a national cargo carrier, retains the obligation to transport all cargo without the right to choose (both profitable and unprofitable).

JSC NC Kazakhstan Temir Zholy provides the supply of basic materials extracted and produced in the country at a discount for the needs of the domestic market in order to produce products of medium and high processing. In addition, JSC NC Kazakhstan Temir Zholy transports not only commercial goods, but also socially significant goods under special control, such as coal and grain, and also takes measures to strengthen ties with railways of other countries.

Within the national project "Strong Regions – the driver of the country's development" and the Concept for the Development of Transport and Logistics Capacities by 2030, a project is implemented to Construction of a second track on the Dostyk-Moynty railway section, which will increase cargo traffic and the development of container transportation.

Work is also carried out to increase the transit potential of Kazakhstan, which made it possible to reach a historical maximum in transit in 2022. [GRI 203-2](#)

AFFORDABLE AIR SERVICE FOR ALL CATEGORIES OF CITIZENS

The national air carrier Air Astana JSC strives to contribute to the development of civil aviation in Kazakhstan and change the life of society for the better, adhering to the traditions of social responsibility and implementing charitable and sponsorship projects.

Air Astana JSC provides assistance by providing preferential air transportation for certain categories of citizens of the Republic of Kazakhstan. The airline is considering the possibility of providing free air tickets or discounts for children from poor families flying for treatment or surgery with oncological or cardiovascular diseases incurable in the Republic of Kazakhstan.

Since its Fund, Air Astana JSC has been helping WWII participants, citizens of the Republic of Kazakhstan, to travel around Kazakhstan and the CIS. The airline provides veterans with a 100% discount on flights, excluding airport and other fees.

Another air carrier included in the structure of the Fund, QAZAQ AIR JSC, provides services for subsidized socially significant air transportation in the Republic of Kazakhstan. QAZAQ AIR JSC provides a special preferential fare for passengers from 16 to 22 years old, as well as over 60 years old. The regional route network of QAZAQ AIR JSC includes popular, socially important routes subsidized by the state in the following directions: from Turkestan to Hostanay, Uralsk, Aktobe, from Almaty to Zhezkazgan, from Astana to Taldykorgan and Pavlodar, as well as from Zhezkazgan to Karaganda. [GRI 203-2](#)

CONSTRUCTION AS THE FOUNDATION OF THE ECONOMY AND THE WELL-BEING OF THE PEOPLE

We are actively cooperating with government agencies and local authorities in order to address jointly issues related to the development of regional infrastructure, including the construction of affordable housing and social facilities. As part of this partnership, we participate in the development and implementation of government programs in various regions of Kazakhstan.

As part of this initiative, we invest our own and borrowed funds in construction. As of the end of 2022, we are holders of contracts for the construction of 12 residential buildings and one roofing and cladding materials plant. We also manage construction and real estate and participate in projects for the reconstruction of old and dilapidated buildings, participate in the state program for the construction of factories aimed at import substitution of building materials.

National project “Comfortable School”

The Fund performs the task of realizing the Action Plan for implementation of the pre-election program of the President of the Republic of Kazakhstan “Fair Kazakhstan – for all and for everyone. Now and forever” on the introduction of 1.5 million student places with comfortable learning conditions to solve finally the problem of overloaded classrooms, emergency schools and three-shift training.

We plan to build 401 new schools across Kazakhstan by the end of 2025. This will create more than 842 thousand modern student places and completely cancel the third shift. Schools will be built both in cities and in remote settlements in all regions of the Republic of Kazakhstan. The total amount of financing will be KZT26 billion. At the moment, the National project “Comfortable School” has been approved by the Decree of the Government of the Republic of Kazakhstan. [GRI203-2](#)

SUPPORT OF DOMESTIC ENTREPRENEURSHIP AND DEVELOPMENT OF IMPORT SUBSTITUTION

The Fund and its portfolio companies that purchase goods and services from domestic producers play an important role in the economic development of the regions. In 2022, the amount of purchased goods, works and services amounted to KZT3 591 billion, and 92% of this amount is accounted for by domestic suppliers. [GRI203-2](#)

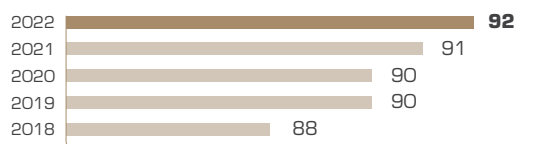
Purchases from domestic suppliers of goods, works and services contribute to the creation of new jobs, the development of infrastructure, the growth of production capacity, the development of supply chains and the competitiveness of local companies. This, in turn, contributes to the economic development of the regions, increases the incomes of the population and reduces social tension.



To ensure equal access to procurement for existing market participants in 2022, taking into account the views of a wide range of stakeholders, we have made significant changes to procurement procedures aimed at supporting businesses, especially local producers and small and medium-sized businesses, expanding access and removing barriers to business, increasing transparency of procurement and minimizing corruption risks. In 2022, the share of local content in purchases was increased to 79% (in 2021 – 77%). Also, the grounds for purchases from one source were reduced by 44%, the list of intra-holding purchases was optimized from 208 to 100 positions, which reduced non-competitive purchases. [GRI 413-1](#)

Purchases from domestic producers also contribute to the development of national production and technological progress, reducing dependence on imports and strengthening the economic independence of the country. One of the mechanisms for supporting domestic producers is the Import Substitution Program, where the manufacturer undertakes to create a production of imported products, and the Fund ensures long-term demand for these products. The Fund approves on a quarterly basis a list of goods for which there is a long-term need for net imports. The program proposes to establish production in Kazakhstan.

FIGURE 2. THE SHARE OF GOODS, WORKS AND SERVICES PURCHASED FROM DOMESTIC SUPPLIERS, %. [GRI 204-1](#)



As part of implementation of the Import Substitution Program aimed at creating new, unparalleled productions in Kazakhstan, from 2018 to 2022, the Fund's companies have concluded 331 offtake contracts totaling HZT101.4 billion. At the same time, 139 offtake contracts totaling HZT19.2 billion were signed in 2022. The conclusion of offtake contracts allowed for the first time in Kazakhstan to establish the production of transformers and shunting reactors (Asia Trafo LLP) and other goods.

Contributing to the promotion of a sustainable and responsible business that complies with the sustainability principles, we have started implementing ESG criteria in several areas of our procurement activities. One of the main directions is consideration of applications from potential suppliers for the implementation of projects within the framework of the Program to Promote the Creation of New Production facilities, according to the approved Procedure for concluding and executing offtake contracts. The evaluation of projects is an important stage in the consideration of applications, and it directly affects the approval by the Commission of the Fund for the further conclusion of an offtake contract with the supplier.

The evaluation of projects includes such ESG criteria as: the use of "green" renewable energy sources (wind farms, nuclear power plants, hydroelectric power plants, solar power plants and renewable sources of electricity) in the life cycle of the goods produced (production of goods, purchase of raw materials, delivery, sale, use, disposal, etc.), including a sign of planned production goods (goods that reduce emissions of greenhouse gases and pollutants), as well as the use of other technologies to reduce the carbon footprint.

OBLIGATIONS UNDER SUBSURFACE USE CONTRACTS

The Fund's portfolio companies, within the framework of subsurface use contracts, finance socially significant facilities, construction of sports complexes, socio-economic development of the region, etc. Thus, the subsoil use contracts of the subsidiaries of JSC NC HazMunayGas provide for the allocation of significant funds for the development of the regions of production presence and social assistance to the needy segments of the population, as well as on the basis of agreements and memoranda concluded with the akimats of the regions, portfolio companies transfer funds to local executive bodies, which, based on the needs of local communities, distribute funds. [GRI 203-2](#)

Paying great attention to the development and training of the younger generation and youth in the regions of its presence, JSC NAC Kazatomprom, within the framework of corporate volunteering and career guidance, has been organizing an information camp on the development of SANA leadership potential for schoolchildren since 2020. The main goal of the camp is development of personal competencies and leadership qualities, emotional intelligence through educational and informational events for students.

We provide an opportunity for students of various universities to undergo practical training and paid internships. Thus, in 2022, 2 students of the L.N. Gumilev Eurasian National University, as well as 6 students of other universities, completed an internship at the Fund, 741 people studying at universities in Kazakhstan and abroad, completed an internship at the Fund's production facilities in the areas of petrochemistry, energy and nuclear industry (Kazakh-British Technical University JSC, S. Utebayev Atyrau University of Oil and Gas, Satbayev University, etc.).

97 people have completed a summer internship at the Fund's production facilities as part of a Summer School in the fields of petrochemistry, energy and nuclear industry.

JSC NAC Kazatomprom traditionally cooperates with universities and specialized colleges of the Republic of Kazakhstan, as well as with educational institutions of neighboring countries, in the specialties of the nuclear industry (K. Satpayev KazNITU, D. Serikbayev EKSTU, M. Auyezov SKSU, National Research Tomsk Polytechnic University, National Research Nuclear University MIFI, Moscow State Institute of Electronics and Mathematics and others). Within the framework of this cooperation, JSC NAC Kazatomprom trains employees in master's degree programs, as well as individuals who are not in labor relations with JSC NAC Kazatomprom and its enterprises in bachelor's degree programs.

CHARITY

We continue to contribute to the social development of the country through charitable activities and corporate sponsorship, as well as the promotion of corporate volunteering. In 2022, within the framework of the current charity project "Zhenis", volunteers, including employees of the Fund's portfolio companies, provided assistance to veterans of the Great Patriotic War and home front workers in the Kostonay region. Our employees participate in various external social initiatives and actions, such as holding concerts for nursing homes for the elderly and disabled in the Pavlodar region and in the villages of the Ekibastuz region, participating in the Biz Birgemiz campaign, the World Cleanup Day campaign and others. [GRI 203-2](#)

During the fires in Kostonay region, our employees provided assistance to the residents of the region. JSC NC Kazakhstan Temir Zholy presented fire trains, Kazpost JSC provided delivery of humanitarian aid, Samruk-Kazyna Trust CF allocated extraordinary grants to NGOs of Kostonay region to finance social projects to help victims, within the framework of the current charity project "Zhenis" volunteers provided assistance to WWII veterans and home front workers in Kostonay region, the medical train "Salamatty Kazakhstan", launched by the Samruk-Kazyna Trust CF, provided medical assistance. Kazakhtelecom JSC has completely freed residents of Auliekol district from subscription fees and implemented a project to restore networks in Kostonay region, providing a new microdistrict "Birlik" in the village of Auliekol with modern telecommunications services. The newcomers used the services for free until the end of 2022.

Samruk-Kazyna Trust

In our charitable activities, we give priority to projects aimed primarily at improving the socio-economic situation of the regions and improving the quality of life of the local population, covering the maximum number of people.

These projects are implemented on behalf of the entire Fund group by a single charity operator of the Fund – Samruk-Kazyna Trust CF in close cooperation with the Fund's portfolio companies, with the population, public and local executive authorities. The initiators of the projects are both portfolio companies and non-governmental organizations. The activity is carried out with the involvement of experts in the field of public and social policy. Charity is carried out on the basis of the principles of legality, equality, voluntariness and publicity. In order to ensure the openness of the decisions taken, potential users had the opportunity to participate and speak at

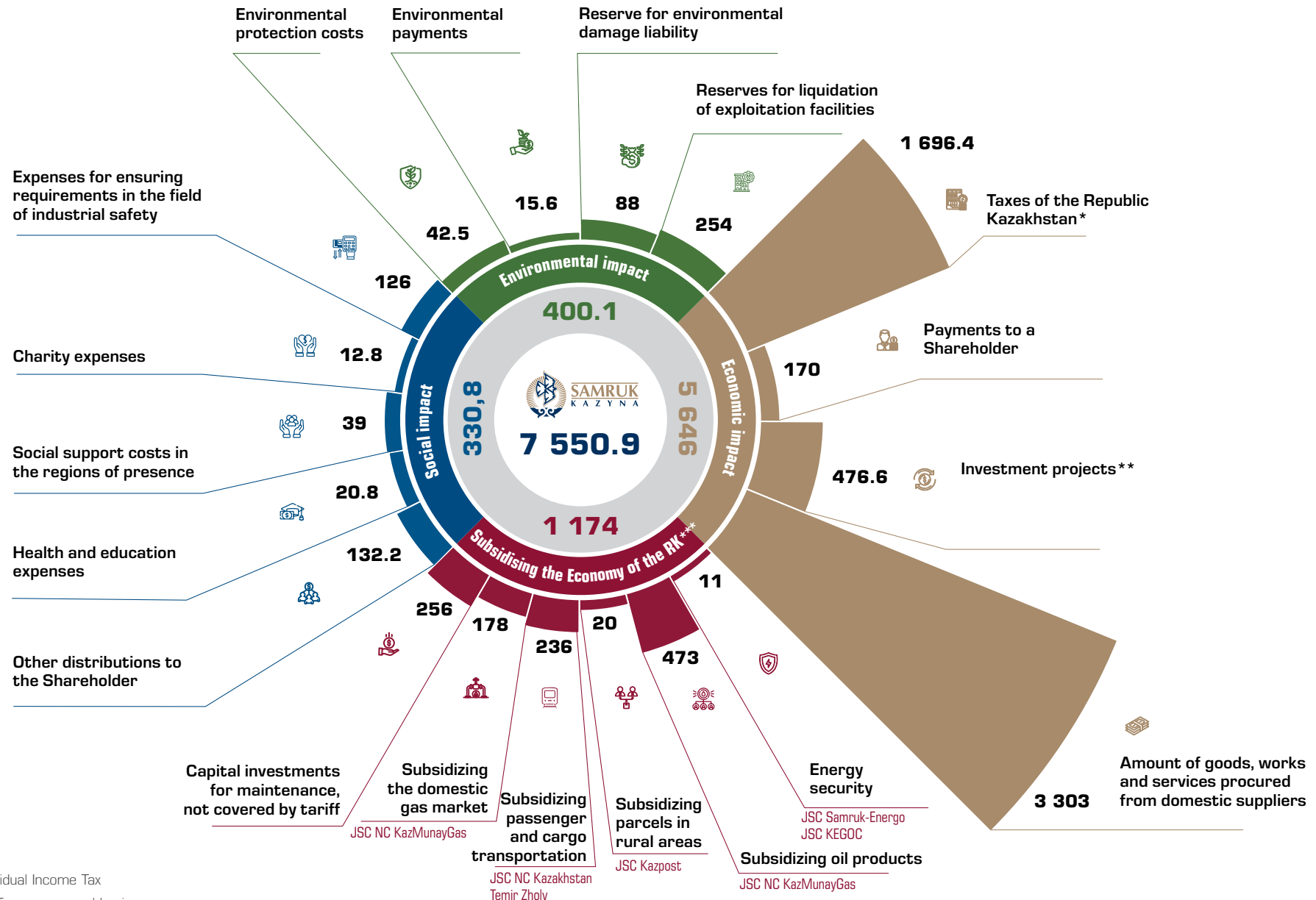
the meetings of the Board of Trustees online. Samruk-Kazyna Trust CF regularly reports to the Public Council of the Fund and the media on the work done. On a regular basis, explanatory work is carried out with stakeholders regarding the regulations, norms, rules for implementation of charitable activities. In 2022, about 700 calls were received, 80 meetings were held with the general public, NGO representatives, journalists, opinion leaders, and employees in 8 regions with a total of more than 600 people.

The 2022 was declared the "Year of Children" by the Head of State. In this regard, our efforts were primarily aimed at supporting children in the regions of our country. During the year, 43 social projects were implemented, about 500 thousand people received assistance, including from socially vulnerable segments of the population and children, of which 95 thousand people from rural areas and 55 thousand children. 624 people have been provided with job due to implementation of projects. Among the key initiatives are the organization of medical trains for residents of the regions, adaptive sports for special children, as well as the supply of hypothermic devices for resuscitation of infants in maternity hospitals. Within the framework of the directions of the Charity Program, projects were implemented in the following areas:

- in the direction of "assistance to people, communities in the social and medical sectors", 23 projects were implemented for a total amount of KZT5 788 million;
- in the direction of "development of media, cultural community, human potential development", 14 projects were implemented for a total amount of KZT1 376 million;
- in the direction of "implementation of the regional social investment program in the regions where the Fund Group operates", 6 projects were implemented for a total amount of KZT2 839 million;

IMPACT MATRIX BASED ON THE RESULTS OF 2022, KZT BILLION

GRI 203-1, GRI 203-2



* Excluding Individual Income Tax

** Excluding VAT, on an accrual basis

*** Cross-subsidization by the Fund of socially significant areas in order to curb the growth of prices and tariffs