

# 2022

ANNUAL REPORT



**SAMRUK-KAZYNA  
ONDEU**

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## About the Report

### Dear reader,

Welcome to the pages of our integrated annual report, which includes a sustainability report. The report contains an overview of the performance results and achievements of the Samruk-Kazyna Ondeu LLP Group of Companies for 2022, as well as a description of future plans in accordance with the Development Strategy of the Company for the period from 2023 to 2032. When preparing the annual report, we took into account the opinions of stakeholders and covered all the main topics according to GRI Standards: “The Main Option”, took into account the requirements of the Corporate Governance Code of the Company, as well as a number of disclosure indicators provided for by the LSE Listing Rules and International Financial Reporting Standards. The Company’s consolidated financial statements for 2022 have been verified and confirmed by an independent auditor Grant Thornton LLP (Volume 2).

Information about the Company’s future activities is based on forecasts made based on the current situation. However, actual results may differ from forecasts due to the influence of various objective factors. The annual

report was previously approved by the Management Board of Samruk-Kazyna Ondeu LLP and approved by the Supervisory Board of Samruk-Kazyna Ondeu LLP.

### Enjoy the reading!

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# KEY EVENTS OF 2022



## MARCH

Establishment of the Public Association "Local Professional Union of Employees of SSAP LLP"

Full repayment of the foreign currency loan in the SB of Sberbank of Russia JSC, attracted to a project for the production of polymer products in 2013, bearing high exchange rate risks.

Decrease in the share in the KPI project to 49.5%,



## APRIL

Increase in the salary up to 15% and the social package for employees of production staff

## JULY

Signing a collective agreement between SSAP LLP and Local Professional Union of Employees of SSAP LLP for 2022-2024

## OCTOBER

Development and approval of a new strategy of SK Ondeu LLP for 2023-2032

Awarding of employees of the production staff to the Republic Day

## SEPTEMBER

Celebrating the 10th anniversary of Polymer Production LLP since joining the SKO asset portfolio

Launch of the first R&D project for the production of sulfur fungicides for agriculture.

Approval of the low-carbon development program

Selling the share in Silleno to JSC NC KazMunayGas.

## NOVEMBER

2 Polymer Production employees of the 200 best young specialists among the Fund's Group of Companies, were selected as the 50 best young specialists to create and promote new projects



## DECEMBER

SAP's net profit before deduction of non-controlling interest amounted to KZT886 million, against the planned KZT444 million

Holding the first HSE Forum by Samruk – Kazyna Ondeu LLP.

The competition within the framework of the forum on the topic "The best HSE innovative ideas and practices"

Selling the share in KLPE to JSC NC KazMunayGas.

Samruk-Kazyna Ondeu LLP became the winner of the Annual Reports competition in the nomination "The best annual report of a non-public company for 2021".

## Q1 2023

SK Ondeu organized the conference "Chemical Industry: Trends, Prospects and Opportunities. Development Strategy of SK Ondeu"

SK Ondeu became the winner of the Annual Reports competition in the nomination "The best annual report of a non-public company"

# 1 ADDRESS OF THE CHAIRMAN OF THE SUPERVISORY BOARD



Let me present to your attention the 2022 Annual Report of Samruk-Kazyna Ondeu LLP, which has been prepared so that we can share the results of our work over the past year, as well as our most effective solutions for the development of the chemical industry and the prospects for our future development.

In 2022, the long-term Development Strategy of SK Ondeu LLP for 2023-2032 was approved, which focuses on updating the Company's portfolio of projects and assets, focusing on the withdrawal of non-strategic assets, attracting investors to existing assets, as well as implementation of promising projects with the participation of strategic partners with extensive experience and strong competencies. The Plan for implementation of the Development Strategy of Samruk-Kazyna Ondeu LLP for 2023-2032 has been approved, containing measures to implement strategic plans and objectives, the ultimate goal of which is to develop and increase the competitiveness of the chemical industry of Kazakhstan through the creation of enterprises for deep processing of raw materials, the introduction of the principles of sustainable development of ESG, as well as the use of new mechanisms

for attracting competencies and technology transfer.

In 2022, the Supervisory Board carried out work on updating the Charter of the Partnership in order to review the competence of the Supervisory Board and the Management Board of the Partnership to ensure that the activities of the Supervisory Board are focused on solving strategically important and significant issues of the Partnership and its subsidiaries and affiliates.

For the first time in the history of the Partnership, dividends were received from two subsidiaries in the amount of KZT 6.8 billion by the end of 2022. The dividends received had a significant impact on improving the financial stability of the group of companies and will be used for the development of the Partnership.

In 2023, work will also continue on implementation of the tasks set within the framework of the Samruk-Kazyna JSC Reform Plan, including in terms of improving business processes, establishing interaction with labor collectives, ensuring social stability and creating high-tech and import-substituting industries.

The Supervisory Board of the Partnership also selected candidates for the position of the Chief Executive Officer of the Partnership, after which, from August 1, 2022, a new Chief Executive Officer of the Partnership was appointed.

The Supervisory Board has in-depth knowledge in the field of management, strategic and financial planning and actively contributes to the overall development of the Company. It uses effective management tools, improves corporate governance and implements sustainable development.

I wish success and prosperity to the whole team, our partners and clients!

Sincerely yours,  
Chairman of the Supervisory Board  
Tazhigaliyev Mukhtar Utepkaliyevich

# 1

## ADDRESS OF THE CHIEF EXECUTIVE OFFICER



Ladies and gentlemen,

I am happy to welcome you to the pages of the 2022 SK Ondey annual report. Definitely, the past year was not easy for our Company, but thanks to the continuous work of our team and their commitment to innovation and quality, we were able to achieve our goals and even exceed some expectations.

Last year, we conducted a large and necessary analytical work for the country to review global trends in the chemical industry and analyze the current state of the chemical industry in Kazakhstan. This information was distributed to all stakeholders for use in their work for the benefit of the development of the chemical industry of the country. As a result of our work in 2022, a long-term Development Strategy for 2023-2032 was developed and approved, where four main development focuses were identified: cooperation with investors, development of partnership with SMEs, development of science and human capital, ESG transformation.

In accordance with the promising directions of the new Strategy, we plan to launch the production of chemical products in three sectors: agrochemistry (monoammonium and diamonium phosphate,

salt peter, ammonium sulfate, carbamide), petrochemistry (methanol, field chemistry, ethylene glycol, PET) and special chemistry (sulfuric acid, carbon black, sodium hydroxide, titanium dioxide, explosive emulsion, hydrogen peroxide).

Over the past year, we have been creating new and unique projects, including the production of pet (recycled PET), methanol, and worked on a project to expand a sulfuric acid plant in Stepnogorsk. The expansion of the plant will allow to produce up to 193 thousand tons of high-quality sulfuric acid per year.

One of the main factors of the sustainable growth of the chemical industry is innovation and investment in R&D. R&D development is one of the focuses of our Development Strategy. To do this, we cooperate with the research community to conduct joint research in the field of chemistry. In 2022, SKO submitted four R&D projects to the Scientific and Technical Council of Samruk-Kazyna JSC, which were approved for implementation. The first stage of the R&D project for the production of a bactericidal-fungicidal preparation based on lump sulfur, used as fertilizers, has been successfully implemented.

Every year, the Social Stability Index (SRS) is measured in the Group of Companies, which is formed on the basis of a survey of employees of subsidiaries. The main purpose of the study is to diagnose problem areas in labor relations, which will allow taking not only corrective, but also preventive measures. By the end of 2022, the social stability index increased by 15% and amounted to 78%.

I would like to express my gratitude to all our employees for their professionalism, dedication and creative approach to work. I am sure that together we will be able to achieve impressive results.

Our success is impossible without our partners and clients who have entrusted us with their projects and business tasks. We appreciate your trust and are ready to continue cooperation in the new year.

I wish all of us success and prosperity in 2023. Let's continue working in the same spirit and make the new year even more successful for our company. Thank you for your work and support.

Sincerely yours,  
Chief Executive Officer  
Sheraly Meiyr Nurtauly



### NAME

Limited Liability Partnership “Samruk-Kazyna Ondeu”.



### ESTABLISHED

by the decision of the Board of Directors of Samruk-Kazyna JSC dated November 28, 2008 (Minutes No. 4) in pursuance of the instruction of the President of the Republic of Kazakhstan given at the enlarged meeting of the Government of the Republic of Kazakhstan dated October 13, 2008 on "creation of a special company that will deal with chemical industry projects".



### SOLE PARTICIPANT

Joint-Stock Company “Sovereign Wealth Fund “Samruk-Kazyna “

[More about the Company: www.o-sk.kz](http://www.o-sk.kz)



### MISSION

Development of the chemical industry in the Republic of Kazakhstan through rational and effective investments in chemical projects, as well as the formation of advanced competencies.



### VISION

The leading manufacturing holding in the Central Asian market for the production of chemical products with high added value.

### TYPES OF ACTIVITIES



Organization and conduct of research, expertise and other work for the implementation of investment projects in the chemical industry;



Organization and implementation of projects in the field of subsoil use necessary for the organization of investment projects in the chemical industry;



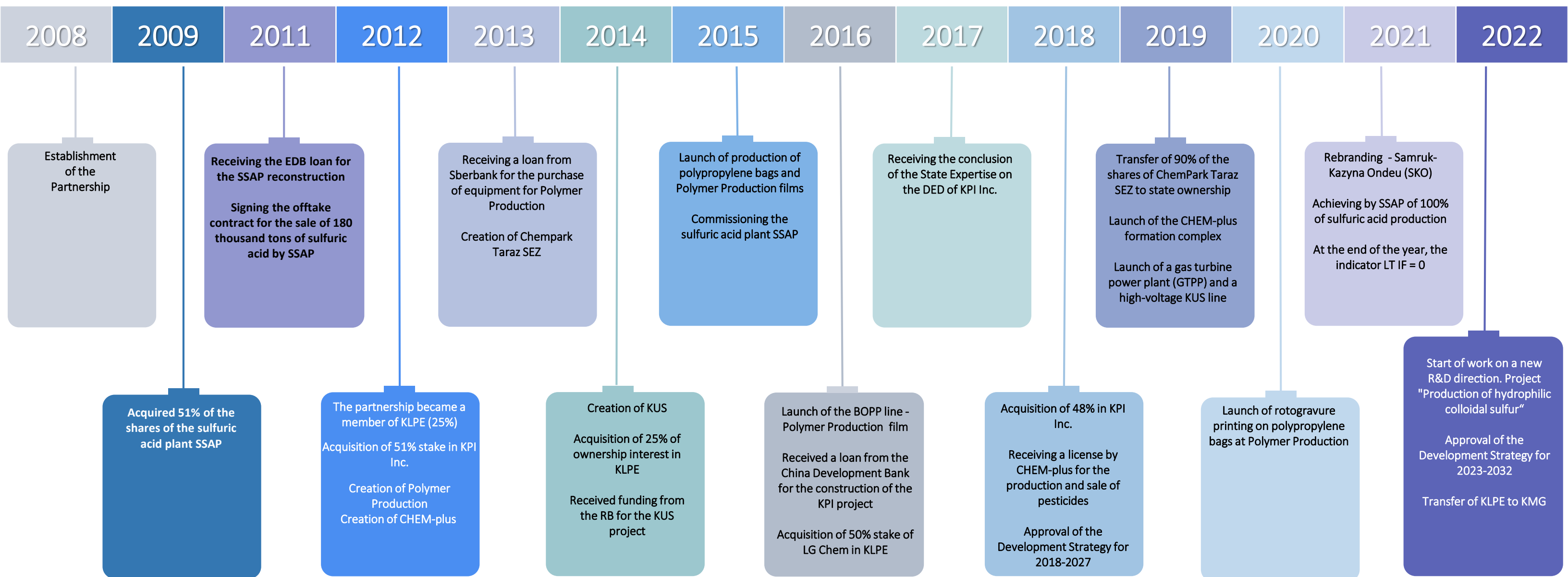
Participation of the Partnership in the establishment and/or acquisition of shares of other legal entities for the implementation of investment projects in the chemical industry;

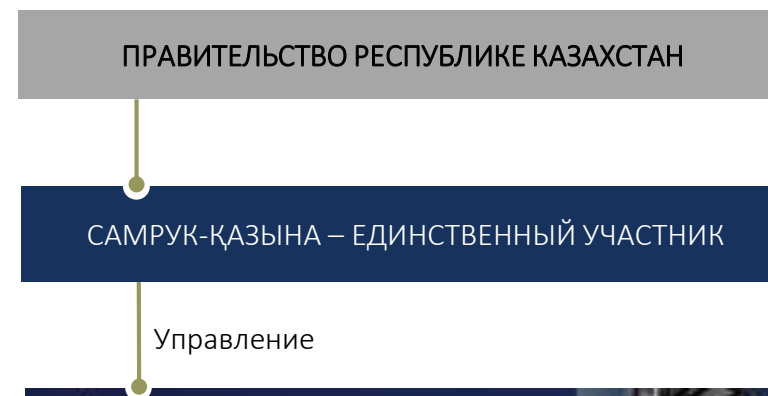
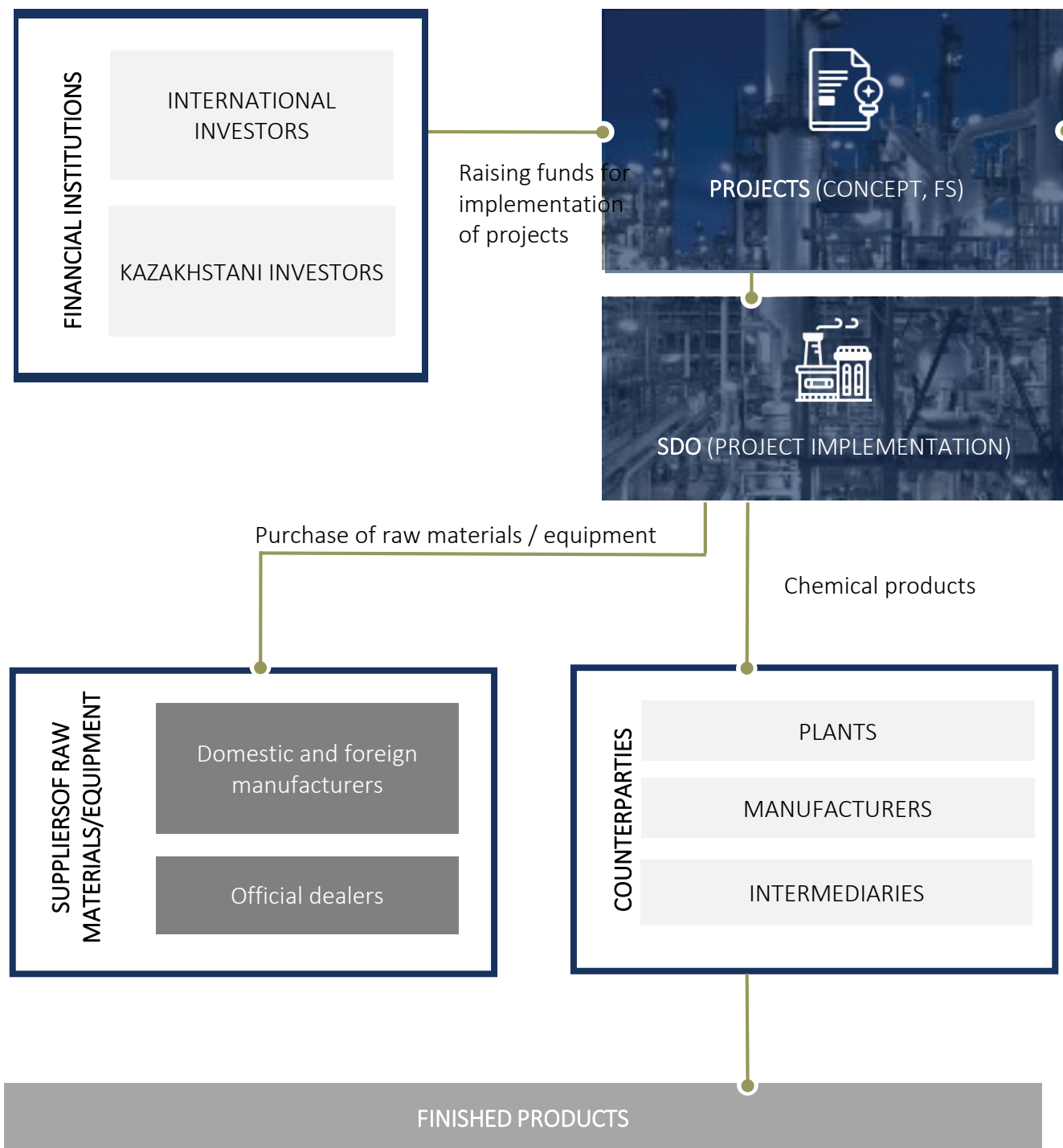


Implementation of the best global corporate governance practices of legal entities, more than fifty percent of whose voting shares are owned by the Partnership

# 2

## COMPANY HISTORY





## SAMRUK-KAZYNA ONDEU LLP

FINANCIAL CAPITAL		
258 866	185 481	262 989
MILLION TENGE	MILLION TENGE	MILLION TENGE
COMPANY ASSETS	OWN CAPITAL	CHARTER CAPITAL

PRODUCTION CAPITAL		
8	4	6
ORGANIZATIONS IN THE PORTFOLIO	CURRENT PRODUCTIONS	R&D PROJECTS

HUMAN CAPITAL		
541	78%	
EMPLOYEES	SOCIAL STABILITY INDEX	SAMRUK-KAZYNA ONDEU

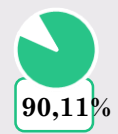


# 2 ASSET STRUCTURE

SKO has 6 organizations in its portfolio, including one agrochemistry and inorganic chemistry project, two petrochemical projects and two infrastructure projects.



## INORGANIC CHEMISTRY



SSAP LLP



## AGROCHEMISTRY



CHEM-plus LLP



## OIL AND GAS CHEMISTRY



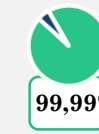
Polymer Production LLP



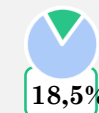
KPI Inc. LLP\*



## INFRASTRUCTURE PROJECTS



KUS LLP\*



JSC MC SEZ ChemPark Taraz



\* Projects transferred to trust management



## 2 DEVELOPMENT STRATEGY

The Development strategy of Samruk-Kazyna Ondeu LLP (SKO) for 2023-2032 was approved by the decision of the Supervisory Board of SKO dated October 28, 2022 in accordance with the Development Strategy of the Sole Participant of SKO – Samruk-Kazyna JSC.

The strategy will focus on **three priorities** affecting the entire SKO business:



### MISSION

Development of the chemical industry in the Republic of Kazakhstan through rational and effective investments in chemical projects, as well as the formation of advanced competencies.



### VISION

The leading manufacturing holding in the Central Asian market for the production of chemical products with high added value.



#### 1. OPERATIONAL EFFICIENCY



#### 2. DIVERSIFICATION OF PRODUCTION



#### 3. SUSTAINABLE DEVELOPMENT

The new Development Strategy of SKO is aimed at implementing projects for the development of low-tonnage and medium-tonnage chemical products in the following **main areas of development**:



**1. AGROCHEMISTRY** - will reduce import dependence on nitrogen and phosphate fertilizers, strengthen the country's food security, and create additional jobs.;



**2. PETROCHEMICALS** - provide the country with the necessary basic chemical products to stimulate the development of the chemical industry and further processing, reduce import dependence, create additional jobs;



**3. SPECIAL CHEMISTRY** – will ensure the development of the production of high-grade chemical products, reduce import dependence, and create additional jobs;



To implement these directions, we will focus on the following:



•**Partnership development.** We encourage and promote honesty and openness in building trusting relationships with business partners and declare our readiness to build an open dialogue with all key stakeholders, including, but not limited to representatives of SMEs, trade unions, associations and public associations, ministries, committees, business representatives, processing enterprises, suppliers of raw materials and technologies, etc.

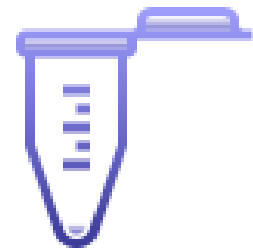


•**Human capital development.** The main value in the SKO Group of Companies is people, so we will continue to invest in the development of new competencies, introduce various mechanisms for the effective transfer of knowledge and experience, to attract and retain talented personnel in order to ensure the further sustainable development of the group

2022 SKO Integrated Annual Report



•**ESG-transformation.** SCO will make a voluntary contribution to the development of society, including the social, economic and environmental spheres, as well as adhere to high corporate management standards and implement ESG principles in the SKO Group of Companies.



•**R&D development.** Innovation and investment in R&D are among the main factors of sustainable growth of the industry. For these purposes, we will build effective relations with the research community, Kazakh universities for joint research in the field of chemistry.



## SWOT - ANALYSIS

- The status of a state-owned company and support from Samruk-Kazyna JSC, the state
- The possibility of placing operating assets in the SEZ
- Intra-holding cooperation within the framework of the Fund's activities, both as part of the provision of raw materials and as part of the sale of finished products
- Access to domestic sales markets

S

- Lack of own raw material base
- Lack of own financial resources
- Weak portfolio of projects and its unprofitability
- Remoteness of export markets
- Lack of scientific and technical base, dependence on access to technology
- High costs for the sale of products, including the cost of logistics

W

- The possibility of concluding long-term contracts for the supply of raw materials
- The possibility of obtaining state support measures
- The possibility of creating joint ventures with the involvement of strategic partners
- A growing and capacious domestic market for chemical consumption
- The possibility of obtaining a high share in the production and supply of sulfuric acid, explosives, etc.

O

- High competition in the chemistry market
- Duties/non-tariff barriers in importing countries
- Insufficient protection of the domestic market through tariff and non-tariff barriers
- Threat of disruption of the project deadlines and their cost increase
- Regulated construction procedures (SNIPs, permits, approvals)
- Errors in the design and planning of work, supplies of materials and equipment

T

## PEST - ANALYSIS

- Changes in the political situation in the country
- Changes in the policy of Samruk-Kazyna JSC in the SDO management
- Changes in legislation in the field of ecology, health and access to raw materials
- Unstable political situation in the region
- Application of sanctions to Kazakhstan or other strategic partners
- Changes in economic rates in neighboring countries
- Changing the global political course towards "Greening"

P

- Rising oil prices
- High level of inflation, negatively affecting the economic situation
- High interest rate on loans, putting pressure on economic activity
- Changes in tax legislation in importing countries, such as the introduction of a carbon tax, etc.
- A potential global economic or financial crisis that could negatively affect the economy of Kazakhstan

E

- Population growth in Kazakhstan
- Changes in the level of education and qualifications of personnel
- Insufficient level of qualification of personnel in the chemical industry and appropriate education
- Availability of inexpensive labor
- Attracting qualified foreign labor force with experience in innovative technological processes

S

- Lack of necessary technologies for the production of target products
- Introduction or popularization of new/"green" chemical products
- Lack of scientific and technical base for the development of chemical technologies
- Lack of necessary raw materials (e.g. lack of water at the production site)
- Lack of coordination between key insurance stakeholders on the development of the chemical industry

T

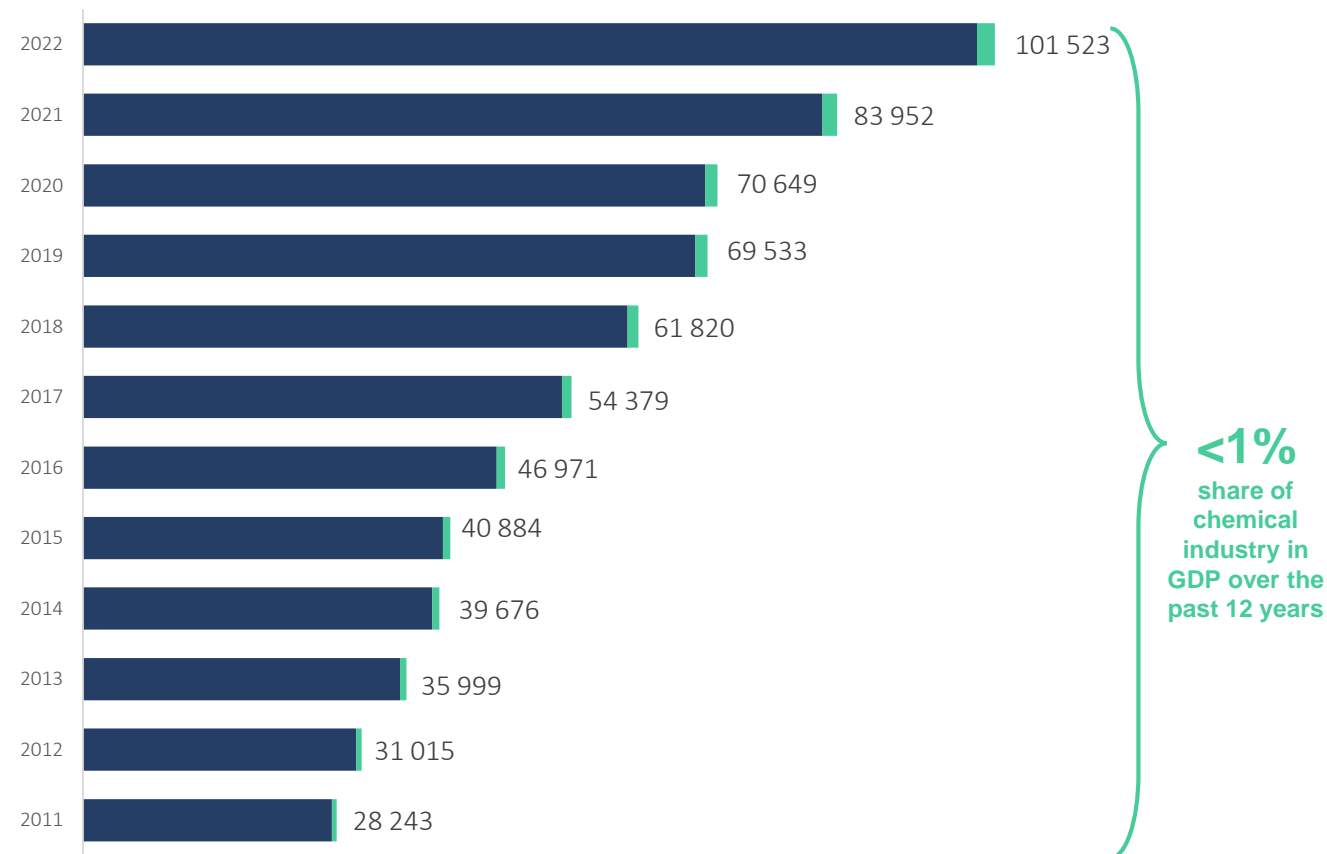
# 3

## MARKET REVIEW

### THE VOLUME OF CHEMICAL INDUSTRY PRODUCTION IN KAZAKHSTAN IS LESS THAN 1% OF GDP

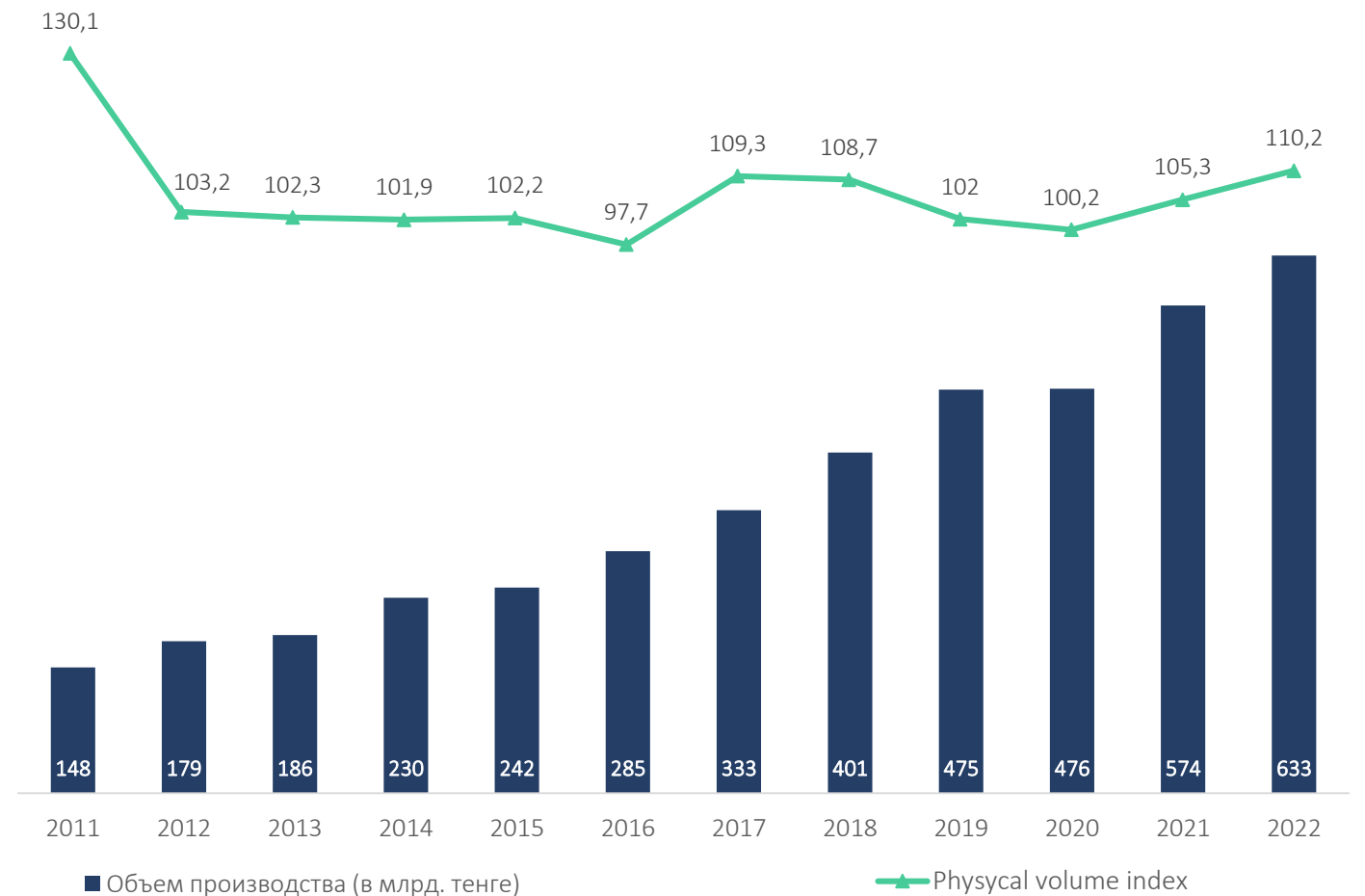
The share of the chemical industry in Kazakhstan's GDP has been <1% of GDP over the past 12 years

2011-2022, Kazakhstan's GDP and the share of chemical industry (KZT billion)



Source: Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan

Nominally, the volume of chemical products has increased 4.3 times over 12 years, but still <1% of GDP

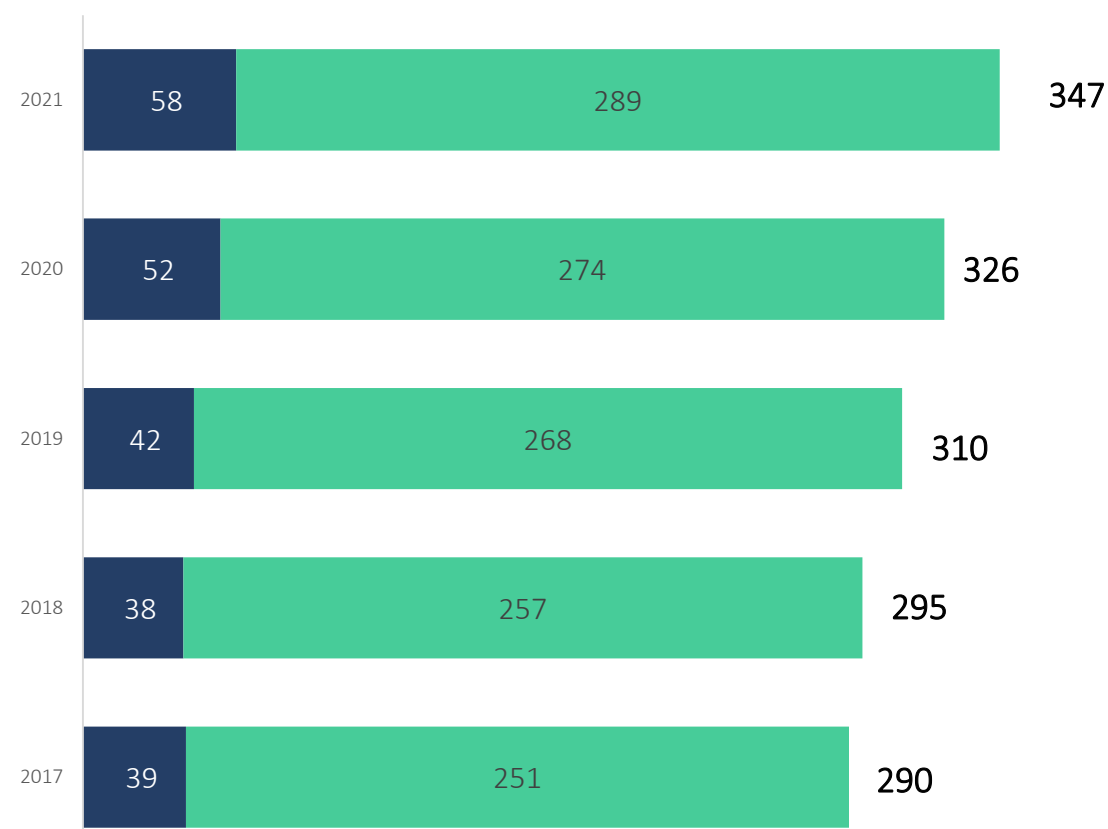


# 3

## MARKET REVIEW

Number of enterprises and productions of chemical industry products

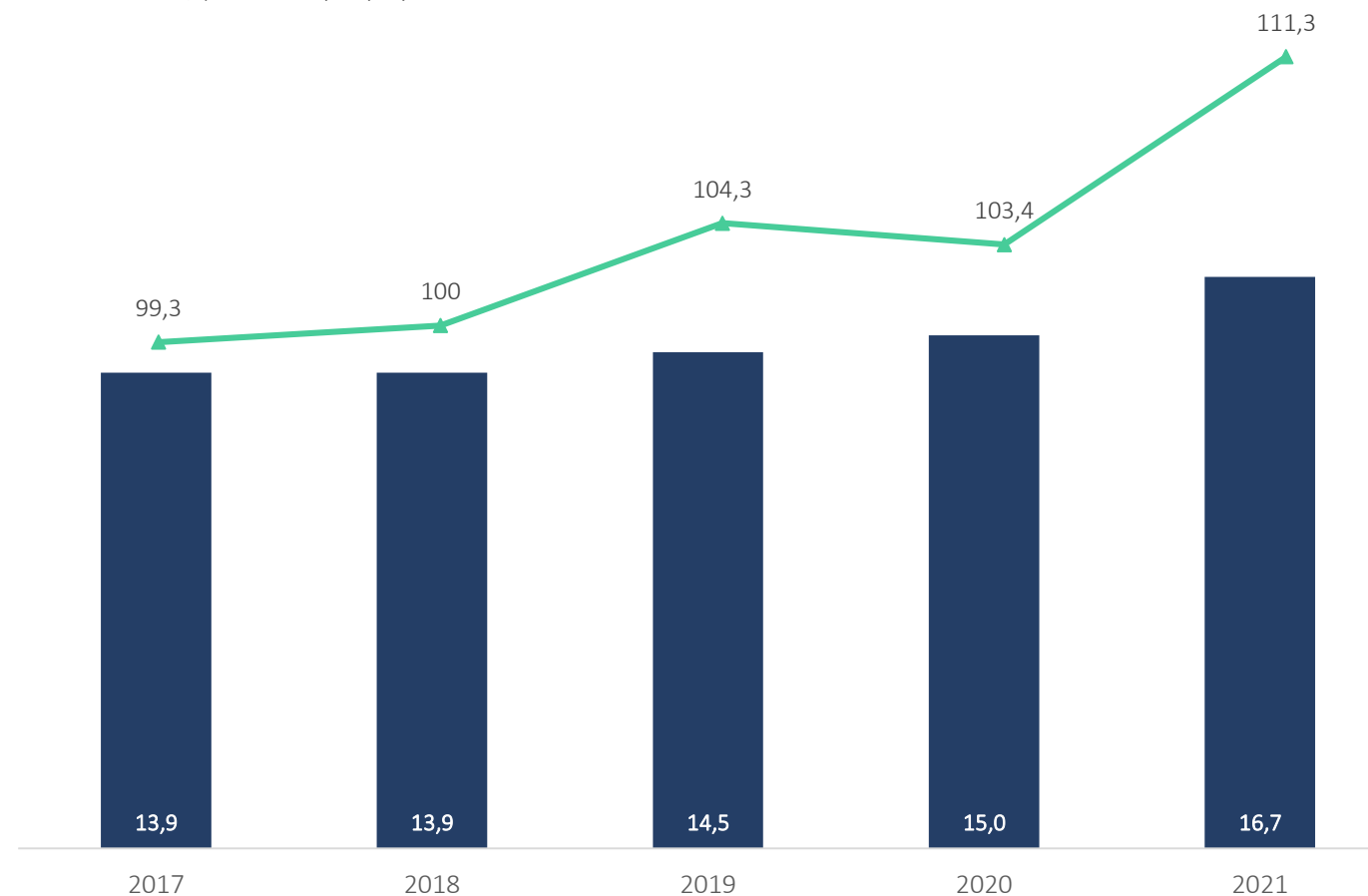
2017-2021, (units)



■ Enterprises with the main type of activity in chem. Industry

The number of personnel in the main activity of chemical enterprises

2017-2021, (thousand people)



▲ Growth rate, %

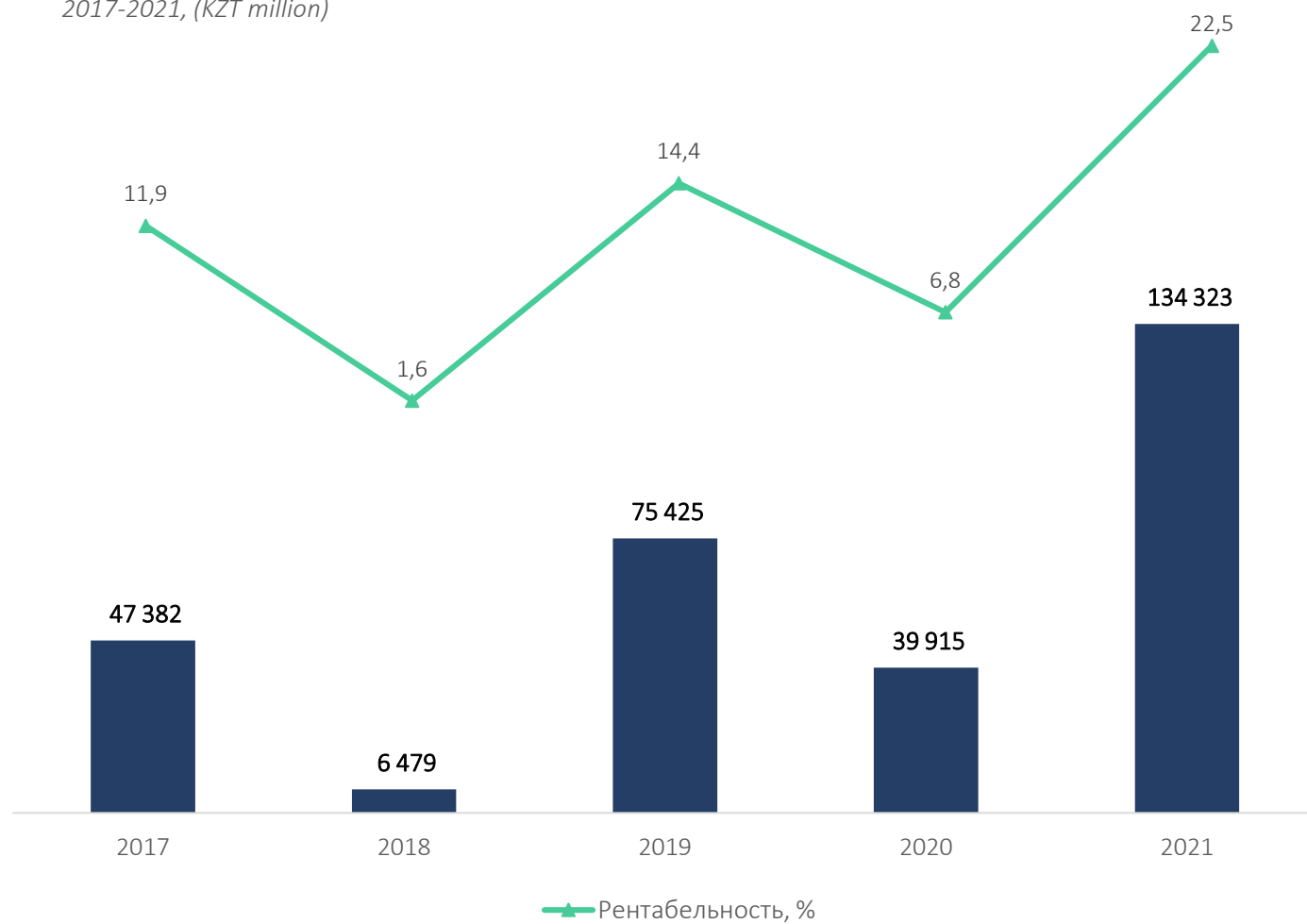
Source: Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan

# 3

## MARKET REVIEW

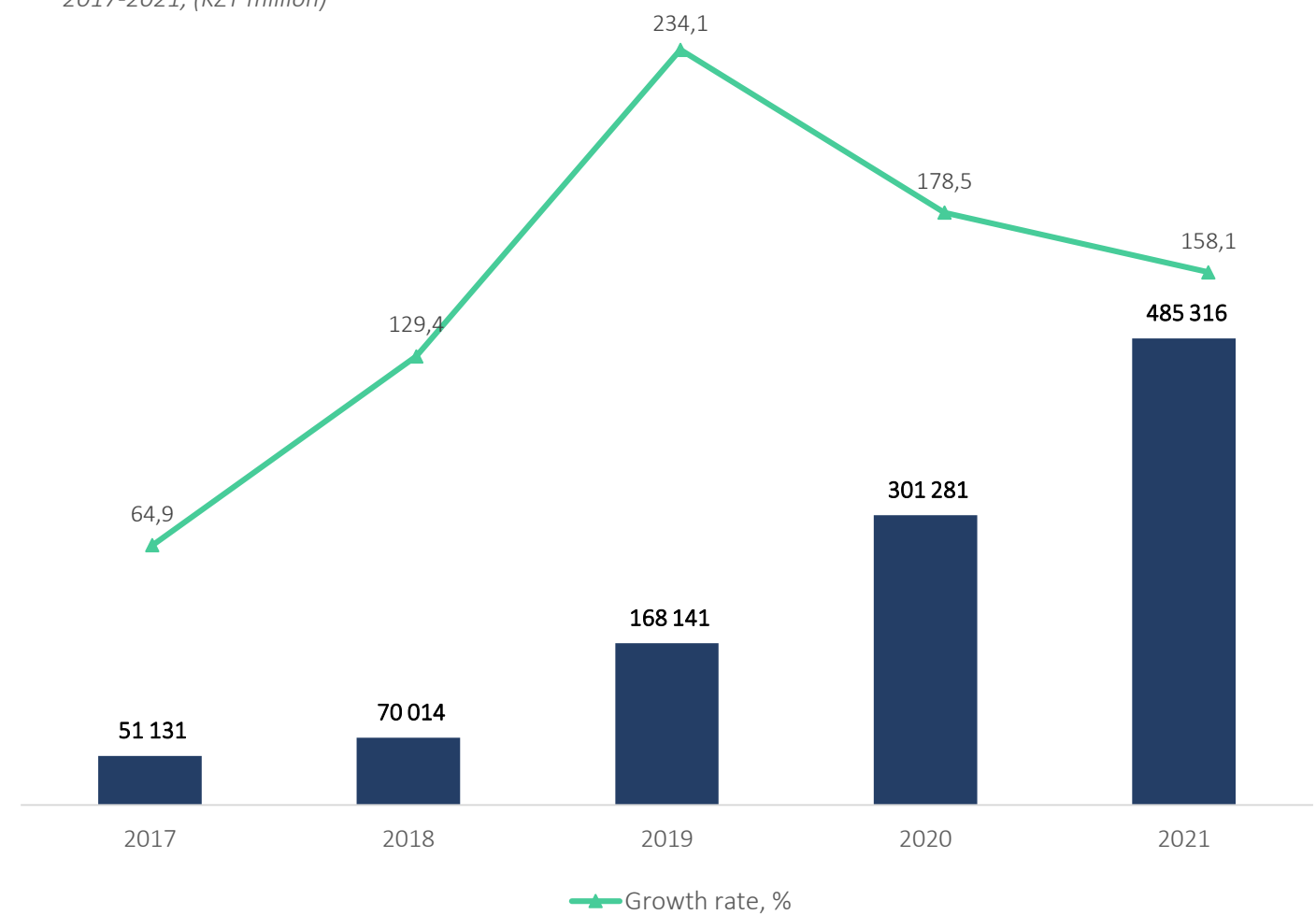
### Profit (loss) of chemical enterprises before taxation

2017-2021, (KZT million)



### Investments in fixed assets

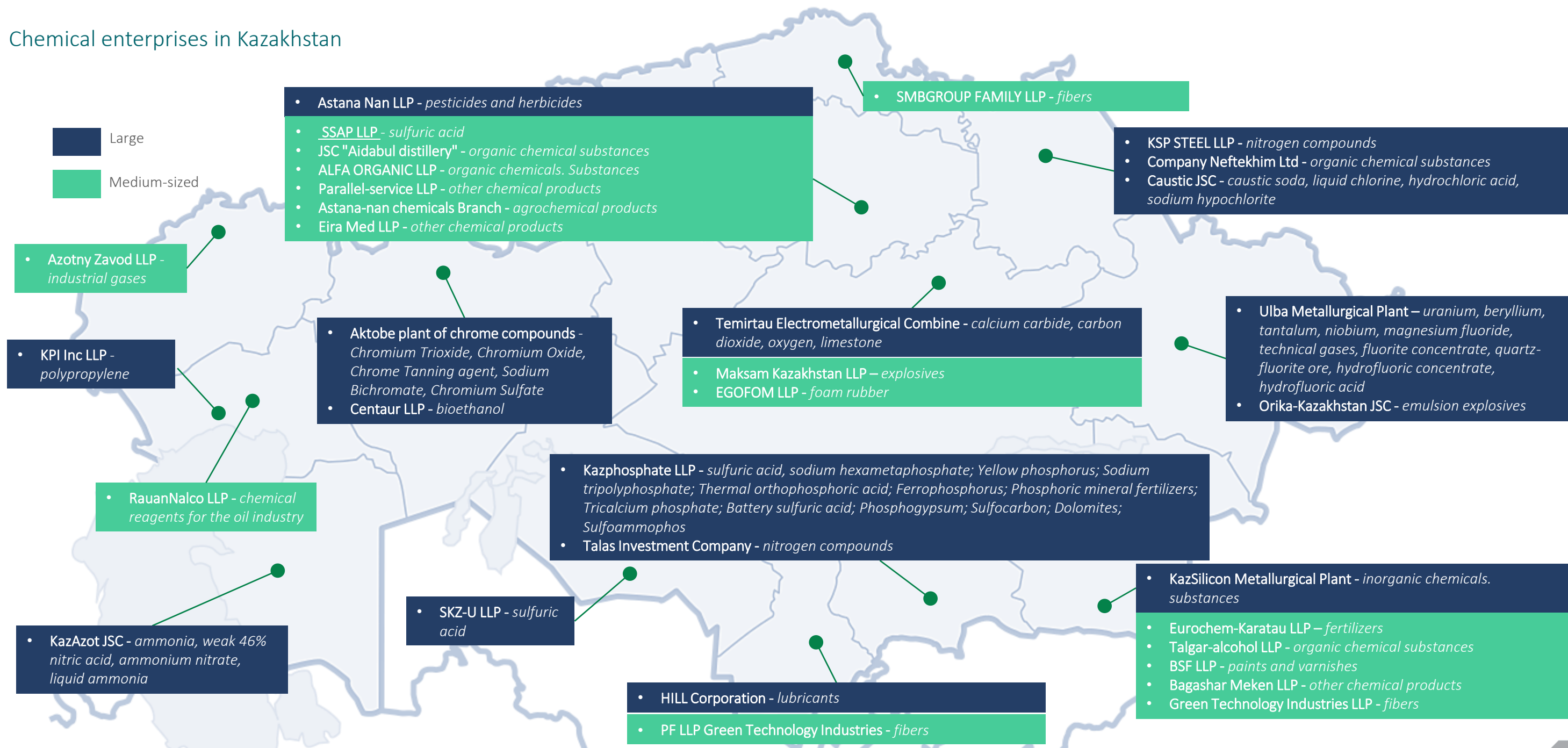
2017-2021, (KZT million)



Source: Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan

# THERE ARE RELATIVELY FEW LARGE AND MEDIUM-SIZED CHEMICAL ENTERPRISES IN THE COUNTRY

## Chemical enterprises in Kazakhstan

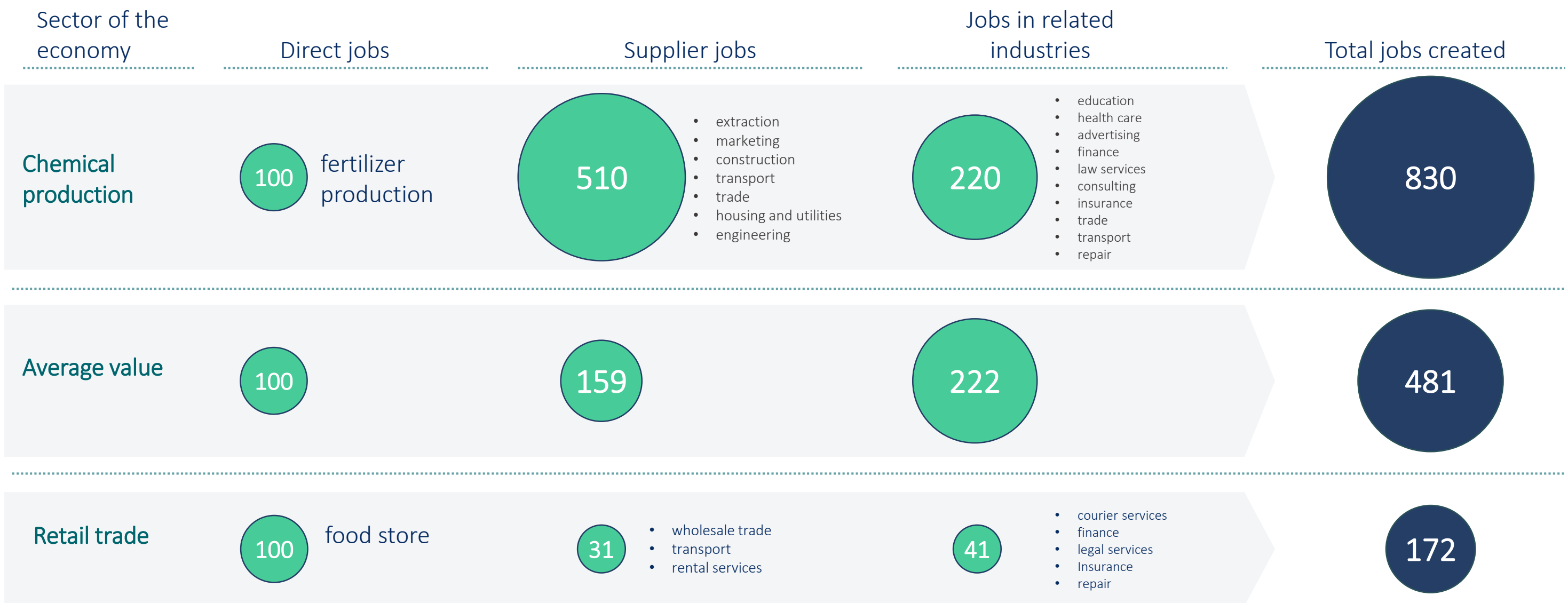


Source: BNS ASPAR, Analysis by Dasco Consulting Group



# DUE TO THE “PENETRATION” INTO OTHER INDUSTRIES, THE CHEMICAL INDUSTRY HAS A HIGH EMPLOYMENT MULTIPLIER AND IS ONE OF THE LEADERS IN JOB CREATION

## Multiplicative effect on employment on the example of fertilizer production and grocery store



Source: US Economic Policy Institute

# AS PART OF THE SURVEY OF EXPERTS, IT TURNED OUT THAT THE MAIN REASON FOR THE WEAK DEVELOPMENT OF THE CHEMICAL INDUSTRY IS ITS STRONG OVERREGULATION, INCLUDING

## The main reasons for the weak development of the chemical industry in Kazakhstan

### Monopolization of the raw materials market

Informal sharing of resources between certain companies

- Lack/difficulty of access for other market players to this raw material



### Lack of scientific basis

Lack of scientific base and relevant personnel

- Lack of investment in R&D both on the part of the state and business

Lack of a clear regulatory framework and a state program in the field of development of the chemical industry



# 4 PROJECT IMPLEMENTATION

The portfolio of Samruk-Kazyna Odeu LLP has 4 active projects, 1 of which is in trust management.

Due to the changes that occurred in the Partnership's asset portfolio in 2022, the information in the Annual Report includes, in addition to the Partnership's data, the data from the following operating subsidiaries of the Partnership:

1. **CHEM-plus LLP** - glyphosate formation complex in Zhambyl region;
2. **Polymer Production LLP** - production of polymer products in Atyrau region;
3. **SSAP LLP** - sulfuric acid production in Akmola region.

Changes in the portfolio of assets in 2022, KUS LLP - a project for the construction of infrastructure facilities to

provide basic production facilities in the NIPT SEZ in Atyrau region is under the trust management of Samruk-Kazyna Construction JSC. In this regard, information about the activities of KUS LLP is included in the annual report of Samruk-Kazyna Construction JSC.

In September 2022, the stake in Silleno was sold to JSC NC KazMunayGas. In December 2022, the stake in KLPE was sold to JSC NC KazMunayGas.

In March 2022, the share in the KPI project decreased to 49.5%, in addition, this project was transferred to trust management, so information about it is not published in this Annual Report.

Detailed information on the results of ongoing projects is presented in this section.



# SSAP LLP. Reconstruction of a sulfuric acid plant in Akmola region

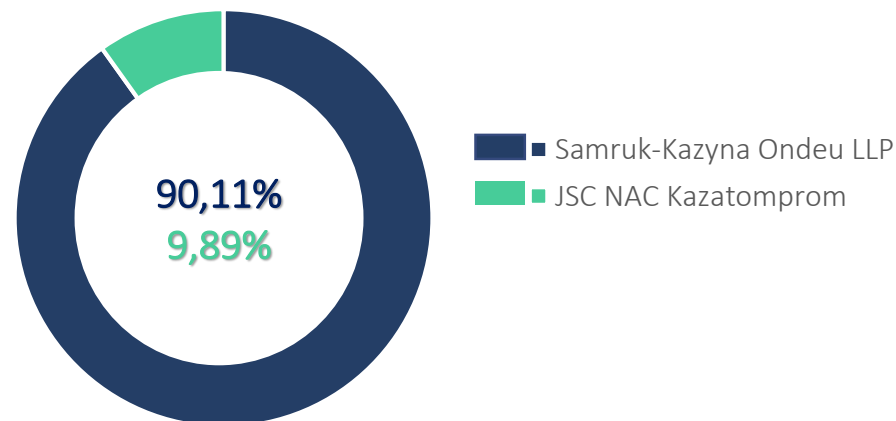


The purpose of the project - development of the chemical industry of the Republic of Kazakhstan through the processing of sulfur and the use of modern technologies.

Location: Akmola region, Stepnogorsk, industrial zone



Participants:



Production capacity: 180 thousand tons per year

Activity: production of sulfuric acid by processing sulfur obtained during oil refining

Commissioning: October 2015

Number of employees: 231 people, including 203 -production staff, 28 - administrative and managerial staff.

## KEY INDICATORS OF 2022



Sulfuric acid production volume, thous. tons 175,3



EBTIDA, KZT million 1 629,8

Net profit / loss, KZT million 886,2



# Polymer Production LLP. Production of polymer products in Atyrau region

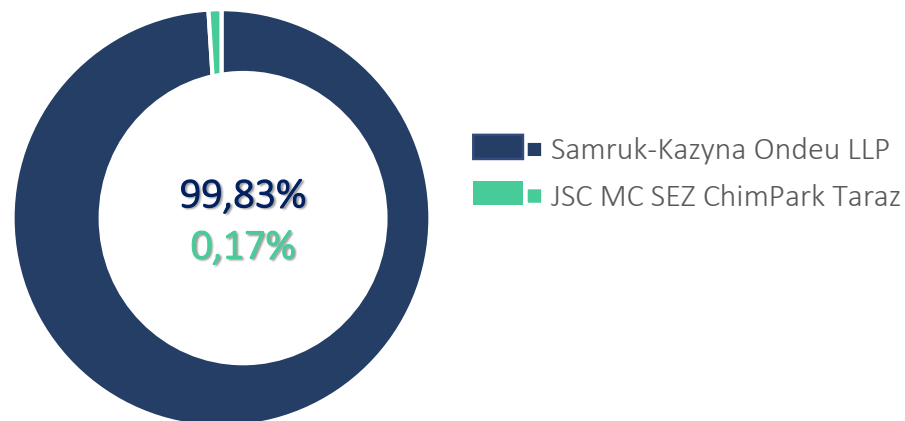


The purpose of the project - production of import-substituting and export-oriented polymer containers (bags), polypropylene (BOPP) and polyethylene film

Location: Atyrau region, SEZ NIPT



Participants:



## Production capacity:

- biaxially oriented polypropylene film. The equipment of the Andritz company (Austria) – the design capacity of 10,200 tons per year –
- polypropylene bags. The equipment of the company Starlinger (Austria) – the design capacity of 24 million pieces per year of
- polyethylene film. Kuhne equipment (Germany) – design capacity of 4,125 tons per year.

Commissioning: PE film – Q1 2015; PP bags - Q2 2015; BOPP – Q1 2016

Number of employees: 301 people, including 277 – production staff, 24 – administrative and managerial staff

## KEY INDICATORS OF 2022



BOPP production volume, tons	5 299
Production volume of PP bags, million pieces	15 475 546
EBTIDA, KZT million	-1 388,5
Net profit / loss, KZT million	-10 759,2



# CHEM-plus LLP. Glyphosate formation complex in Zhambyl region



The purpose of the project - production and sale of plant protection products (herbicides) for the Kazakhstan market)

Location: Zhambyl region, SEZ Chempark Taraz



**Commissioning:** January 2019

**Activities:**

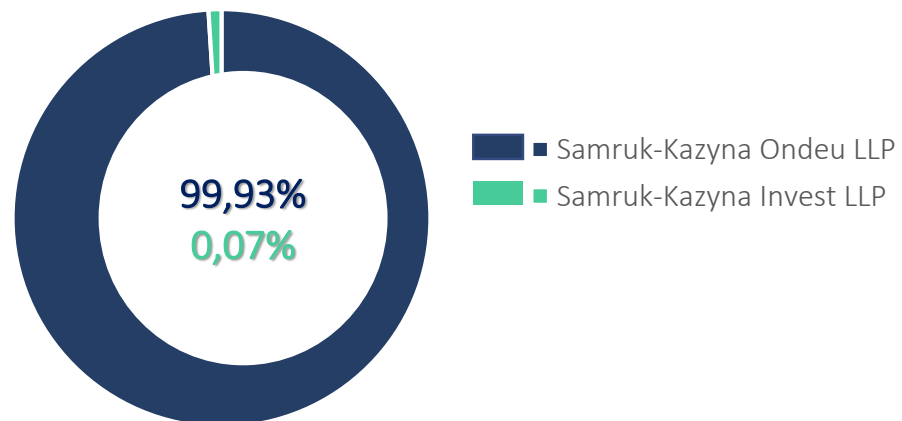
Production of liquid herbicides based on glyphosate (formulate) up to 2.9 million liters per year.

Production of granular herbicides based on glyphosate (formulates) up to 1000 tons per year.

**Number of employees:** 48 people, including 21 –production staff, 27 – administrative and managerial staff



**Participants:**



## KEY INDICATORS OF 2022



Volume of production of liquid glyphosate formulate, thousand liters	603,1
EBTIDA, KZT million	-34,8
Net profit / loss, KZT million	-491,84

## 4

## FINANCIAL AND ECONOMIC INDICATORS

On March 18, 2022, the Partnership transferred 49.5% of the stake in KPI to Samruk-Kazyna for KZT88,649,316 thousand in exchange for a decrease in the authorized capital by KZT199,600,000 thousand and an increase in the additional paid-up capital by KZT110,950,684 thousand.

From the same day, the Partnership lost control of KPI. The remaining 49.50% of the interest was transferred to investments in associates and joint ventures.

### Results of financial and economic activity for 2020-2022, KZT million

Name	2020	2021	2022	Deviation
	Actual	Actual	Actual	2022/2021/2020
Revenue from sales	20 737	36 096	37 486	74% / 4%
Cost of sales	-20 046	-29 136	-28 577	45% / -2%
Gross profit	-691	6 960	8 909	-1107% / 28%
General and administrative expenses	-4 569	-4 081	4 518	-11% / -211%
Transportation and sales costs	1 113	1 151	745	3% / -35%
Operating profit (loss)	-4 991	1 728	3 646	-135% / 111%
Other non-operating expenses	-333	-802	-2 227	141% / 178%
Financial costs	-5 911	-6 031	-6 017	2% / 0

Name	2020	2021	2022	Deviation
	Actual	Actual	Actual	2022/2021/2020
Financial income	686	1 863	2 227	172% / 20%
Impairment loss on assets	- 5 251	- 3 042	-16 973	-42% / 458%
(Negative) / positive exchange rate difference	-808	359	-956	-144% / -366%
Share in income of associates and joint ventures	-2 083	-219	31 587	-89% / -145 pas
Profit (loss) before income tax	-18 690	-6 145	11 261	-67% / -283%
Income tax expenses	-130	-468	422	260% / -190%
Net profit (loss)	-18 820	-6 613	11 683	-65% / -277%
Profit (loss) from discontinued operations	-33 344	-32 182	-156 935	-3% / 388%
Non-controlling interests	-336	-300	-1 230	-11% / 310%
Attributable to a member of the parent company	-51 828	-38 494	-144 023	-26% / 274%

Revenues from sales for the reporting period amounted to KZT37,486 million.

The decrease in the volume of production and sales of the formulate is associated with a sharp rise in the cost of the main raw materials of glyphosate from \$ 3.5 / kg to \$ 12 / kg by the time of procurement of raw materials. The instability of Glyphosate prices on the market and the lack of fixed prices did not allow timely procurement procedures in accordance with the Fund's procurement rules.

The decrease in the production of BOPP films is due to the introduction of a state of emergency in the territory of the Republic of Kazakhstan from January 5 to January 19, 2022,

which led to the postponement of deadlines for all announced tenders of the company on the procurement portal, namely pallets, sleeves, films, boards, which are used for packaging finished products and further loading into trucks of buyers and also due to the current geopolitical situation at the end of February 2022, the European market refused to purchase products from Russian manufacturers of BOPP, as a result, there was a surplus of raw materials on the Russian market (the main market for Polymer Production).

The total expenses of the Partnership from continuing operations in the reporting period decreased by KZT 542 million compared to the same period of the previous year.

Name	2022		2021		Change, KZT million	Change, %
	% of total expenses	KZT million	% of total expenses	KZT million		
<b>Expenses, total</b>	100%	39 857	100%	40 399	-542	-1%
<b>Cost</b>	72%	28 577	72%	29 136	-559	-2%
<b>General and administrative expenses</b>	11%	4 518	10%	4 081	437	11%
<b>Transportation and sales expenses</b>	2%	745	3%	1 151	-406	-35%
<b>Financial expenses</b>	15%	6 017	15%	6 031	-14	0%

The change in costs is due to the following factors:

- reduction of the cost of production by KZT 559 million due to the lack of implementation of the glyphosate formulation;

- transportation costs amounted to KZT406 million, which is 35% lower than the fact for the same period last year. Also due to a decrease in sales;

- general and administrative expenses in comparison with the fact of the same period in 2021 increased by KZT 437 million. During the current reporting period, a provision was accrued for accounts receivable from electricity buyers in the amount of KZT205,944 thousand. Also, according to the results of 2021, KUS had savings on payroll.

## Discontinued operations

In accordance with the requirements of IFRS standards, as a discontinued operation. of December 31, 2022, the Partnership considers KPI LLP as

Name	2022	2021	Change, KZT million
<b>Consolidated net loss from continuing operations</b>	11 683	-6 613	18 296
<b>Net loss from discontinued operations</b>	-156 935	-32 182	-124 753
<b>Net loss for the period</b>	-144 253	-38 795	-105 458
<b>Net loss per share of the parent company Participant</b>	-144 023	-38 496	-105 527

The results of the company's activities are presented below (KZT thousand):

Name	from January 1 to March 18, 2022 (date of disposal)	2021
<b>General and administrative expenses</b>	730 930	2 513 581
<b>Operating loss</b>	-730 930	-2 513 581
<b>Financial income</b>	309 390	267
<b>Financial expenses</b>		141 733
<b>Foreign exchange loss, net</b>	131 151 595	29 338 940
<b>Recovery/(impairment charges) impairment of assets, net</b>	65	-163
<b>Other expenses</b>	110 360	188 195
<b>Loss before taxation from discontinued operations</b>	-131 683 430	-32 182 345

The loss from discontinued operations in the amount of KZT 131,683 million at the date of transfer is mainly related (by 99.6%) to expenses on negative exchange rate difference (KZT 131,152 million) due to revaluation of foreign currency liabilities of KPI Inc. LLP. (The total amount of the credit line for the loan in the CDB is USD2 billion. The disbursement of the loan in CDB as of 31.03.21 amounted to USD1,784 million).

As of December 31, 2022, SKO reflected the value of the

KPI share in assets held for sale at the discounted value of expected payments in accordance with the Sale Agreement. The difference between the carrying amount of the interest and the sale value in the amount of KZT 25,251,954 thousand was recognized by SKO as an impairment loss as a result of the write-off of the asset to the net realizable value as part of the loss from discontinued operations.

Thus, the loss from discontinued operations amounted to KZT156,935,384 thousand.





## 5 DEVELOPMENT PROSPECTS (1/2)

Next year, we will make every effort to achieve the production and financial performance of our subsidiaries, taking into account the possible consequences of the geopolitical situation. We will continue to apply measures to minimize risks and ensure the sustainability of our business.

One of the key areas of the Development Strategy for the next year will be the improvement of operational efficiency, sustainable development and diversification of production. We plan to implement measures that will help us achieve these goals, including optimizing the portfolio of our subsidiaries with a focus on core assets. This approach will allow us to focus on our core areas of activity and increase business efficiency. In the context of subsidiaries, we plan the following:

According to the project of CHEM-plus LLP, the main tasks for 2023 will be the implementation of the production program for the production of glyphosate, the achievement of financial indicators planned for 2023, the transfer of non-core infrastructure to state

ownership for subsequent transfer to the ChemPark Taraz SEZ.

According to the project of SSAP LLP, the main tasks for 2023 will be the execution of the production program according to the assessment data, receipt of dividends, provision of an emergency stock of equipment for the organization of continuous production. According to the project of Polymer Production LLP, in 2023 it is necessary to transfer the asset, as part of the optimization of projects of the petrochemical cluster, to capitalize the necessary to ensure the activities until the transfer.

Next year, we also plan to actively implement projects related to promising areas identified in our Development Strategy. According to the Roadmap, we intend to launch two new chemical plants in the near future, and then three more projects. Currently, the following projects are in the works for a total amount of more than KZT218 billion, including:

- Production of r-PET (recycled PET);
- Sulfuric acid production (expansion of SSAP LLP);
- Methanol production;
- Production of sulfuric acid (1000 thousand tons).
- Processing of lead slag;

## 5 DEVELOPMENT PROSPECTS (2/2)

We are focused on the successful implementation of these projects, as they are of strategic importance for our Company and for the development of the chemical industry.

3 projects of the number of promising projects are currently under development for a total amount of more than KZT176 billion:

- Production of ammonium sulfate. Currently, a potential site for the project is being studied, a business plan is under development;
- Production of sulfuric acid (800 thousand tons). The feasibility study of the project is under approval;
- Production of composite materials;

In addition, we plan to actively engage in research and development. Our goal is to develop and approve at least 6 R&D projects on the National Technological System of the Fund. We will pay special attention to research, development of new technologies and search for advanced solutions.

We strive to attract partners for successful implementation of new promising projects. We believe that partnership with other companies and

organizations can significantly expand our capabilities and accelerate the achievement of our goals. Next year we will continue to actively look for partners who share our strategic goals and have the expertise and resources needed to implement projects. We strive to build mutually beneficial and long-term partnerships based on mutual trust.



# 6 CORPORATE GOVERNANCE

To ensure the effectiveness and efficiency of the Company, an important strategic direction of development is the continuous improvement of the corporate governance and decision-making system. The Company continues to implement planned measures to improve the level of corporate

governance in order to achieve international standards of best practice. Corporate governance in the Company is based on fairness, honesty, responsibility, transparency, professionalism and competence.



## COMPANY VALUES



### DEVELOPMENT

- We regularly develop ourselves and the Company
- We work outside the comfort zone
- We are open to the new and we create it ourselves



### RESPONSIBILITY

- We follow through the line
- We are in charge of decisions taken
- We perform liabilities assumed



### COURAGE

- We take the calculated risk
- We take tough decisions
- In any situation, we find the opportunities



### TRANSPARENCY

- We are open to contract and dialogues
- We do honest and transparent business
- We disclose information on a timely manner

# 6

## SOLE PARTICIPANT

SK Ondeu LLP is a subsidiary company of Joint Stock Company “Sovereign wealth Fund “Samruk-Kazyna”, who is the Sole Participant of the company. This means that all decisions in the company are made solely in the interests of the Sole Participant.

The company strives to ensure the growth of long-term value and sustainable development of activities to ensure the interests of a single participant. This can be achieved by increasing the efficiency of processes, increasing investments in the development of more advanced technologies, increasing labor productivity, creating

environmentally acceptable products and implementing social programs for personnel.

The relationship between SK Ondeu LLP and the Sole Participant is based on honesty, accountability, responsibility and transparency. The company strives to respect the interests of the sole participant, ensuring the protection and respect of his rights and legitimate interests. It also strives to cooperate with a single participant to identify priorities and strategic areas of activity, as well as to ensure their implementation in accordance with the company’s goals.

### Substantial contracts with the Sole Participant

Samruk-Kazyna Ondeu LLP currently has 2 active loans with Samruk-Kazyna JSC:

1) Attracting debt financing from Samruk-Kazyna JSC for the purchase of a stake in Subsidiaries.

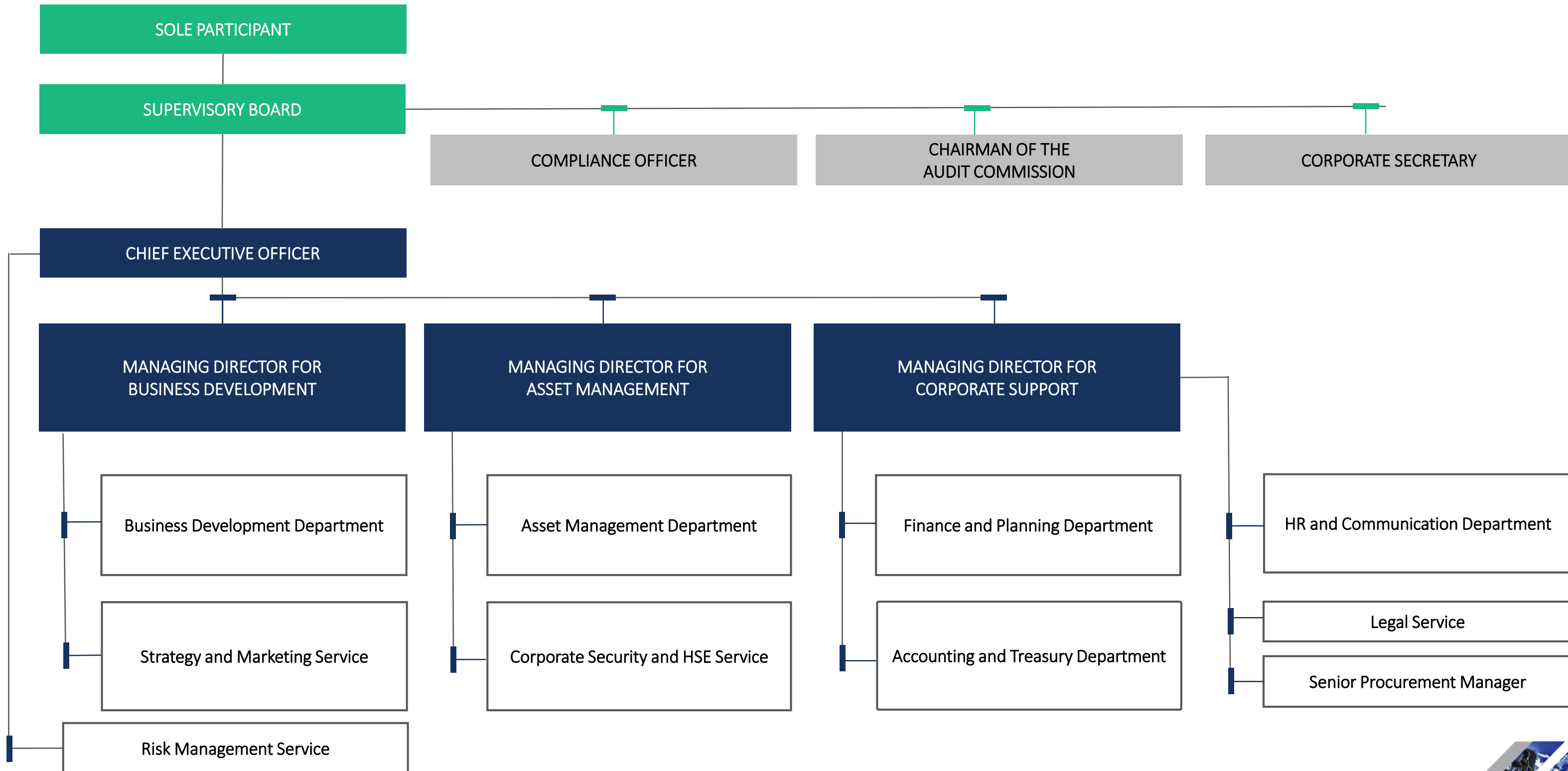
The loan amount is KZT56 700 million, the loan agreement was concluded on June 13, 2018. Maturity date is June 13, 2043 The amount of capitalized interest for 2022 amounted to KZT48 million. The total amount of capitalized expenses from the moment of borrowing until December 31, 2022 amounted to KZT193 million.

2) ) Attracting debt financing from Samruk-Kazyna JSC to issue a loan to Subsidiaries on refinancing current foreign currency debt to STBs.

The credit line is KZT9 100 million, the date of conclusion is December 15, 2017, the maturity date is differentiated by tranches, the last one is on December 31, 2032. Interest is not capitalized. Principal balance as of December 31, 2022 is KZT7,2 billion.

# 6 ORGANIZATIONAL STRUCTURE

The organizational structure was approved by the decision of the Supervisory Board of Samruk-Kazyna Ondeu LLP of March 10, 2022 (Minutes No.05/22)



## 6 SUPERVISORY BOARD

The Supervisory Board of SKO is engaged in defining strategic objectives and provides the necessary control mechanisms, including ongoing monitoring and evaluation of the results of the Partnership's activities. The Supervisory Board ensures long-term efficiency by making decisions that take into account the interests of all stakeholders and comply with the principles of sustainable development.

As of March 31, 2023, the Supervisory Board consists of 4 people – the Chairman and three members of the Supervisory Board.

In January 2023, Mukhtar Utepkaliyevich Tazhigaliyev was appointed as the Chairman of the Supervisory Board of SKO. Previously, this post was held by Rakhmetov Sabigat Maratovich, who worked as the Director of the Investment and Business Support Department of Samruk-Kazyna JSC.

Tusupov Amir Mirbolatovich and Zeinullin Abdikarim Abzhalelovich were included in the Supervisory Board of SKO in January 2023.



**TAZHIGALIYEV MUKHTAR  
UTEPKALIYEVICH**

Chairman of the Supervisory Board  
of SK Odeu LLP -  
Director of the Oil and Gas, Mining  
and Energy Assets Department of  
Samruk-Kazyna JSC



**SALTANAT SATZHAN  
YERBOL KYZY**

Member of the Supervisory Board  
of SK Odeu LLP -  
Director of the  
Department for Summary and  
Analytical Work and Control of  
Samruk-Kazyna JSC



**TUSUPOV AMIR MIRBOLATOVICH**

Member of the Supervisory Board of  
SK Odeu LLP –  
Director of the Investment and  
Business Support Department of  
Samruk-Kazyna JSC



**ZEYNULLIN ABDIKARIM  
ABZHALELOVICH**

Member of the Supervisory Board of  
SK Odeu LLP

**TAZHIGALIYEV MUKHTAR UTEPKALIYEVICH**

*Member of the Supervisory Board of SK Ondeu LLP -  
Director of the Oil and Gas, Mining and Energy Assets Department of Samruk-Kazyna JSC*



**Date of birth:** August 11, 1971

**Date of election:** April 26, 2021

**Citizenship:** Republic of Kazakhstan

**Education:**

**1988-1993** – Lenin Kazakh Polytechnic Institute, mining engineer

**1994-1996** – Kazakhstan Institute of Management, Economics and Forecasting, Master of Public Administration

**2003-2005** – Shell Open University, the Netherlands, Master of Petroleum Technology

**2013-2014** - Nazarbayev University, Master of Business Administration for Executives/Executive MBA

**Work experience (over the last 5 years):**

01/2022 - present Director of the Oil and Gas, Mining and Energy Assets Department of Samruk-Kazyna JSC

07/2021-01/2022 – Co-Managing Director for Asset Management of Samruk-Kazyna JSC;

04/2021 – 07/2021 – Managing Director for Corporate Governance and Social and Labor Relations of Samruk-Kazyna JSC;

04/2019 – 04/2021 – Head of the Oil and Gas Directorate of Samruk-Kazyna JSC;

11/2017 – 04/2019 – Director of the Non-Operational Mining Assets Department of JSC NC KazMunayGas

**Current work and membership on Boards of Directors / Supervisory Boards of other organizations:**

Chairman of the Supervisory Board of Kazakhstan Nuclear Power Plants LLP;

Chairman of the Board of Directors of Samruk-Kazyna Construction JSC..

**SALTANAT SATZHAN YERBOLKYZY**

*Member of the Supervisory Board of SK Ondeu LLP – Director of the Department for Summary and Analytical Work and Control of Samruk-Kazyna JSC*



**Date of birth:**

April 24, 1989

**Date of election:**

April 26, 2021

**Citizenship:**

Republic of Kazakhstan

**Education:**

**2007-2010** – Bachelor of Economics, Australian National University

**2014** – Association of Chartered Certified Accountants

**Work experience (over the last 5 years):**

2021 – present – Director of the Department for Summary and Analytical Work and Control of Samruk-Kazyna JSC

2018 – 2021 – Head of the Economic Analysis Sector of the Asset Management Directorate

**Current work and membership on Boards of Directors / Supervisory Boards of other organizations:**

Member of the Supervisory Board of Kazakhstan Nuclear Power Plants LLP;

Chairman of the Board of Directors Center for Scientific and Technological Initiatives Ltd.

Private Company.

Member of the Supervisory Board of SK Odeu LLP –  
Director of the Investment and Business Support Department of Samruk-Kazyna JSC



Date of election: 04.01.2023

Date of birth: 16.10.1991

Citizenship: Republic of Kazakhstan

**Education:**

- 2008-2012 - Karaganda State University named after Academician E.A.Buketov, Bachelor of Economics and Business in the “State and Local Administration”
- 2012-2014 - Karaganda State University named after Academician E.A.Buketov, Master of Economics in the “State and Local Administration”
- 2012-2014 - Karaganda Private University “Bolashak”, Bachelor of Law in the “Law”
- 2014-2016 - University of Porto, Porto, Portugal, Master of Science in the “Finance”

**Work experience (over the last 5 years):**

- 01/2023 – to the present - Director of the Investment and Business Support Department of Samruk-Kazyna JSC
- 08/2021 – to the present - Head of the Investment Support Sector of Samruk-Kazyna JSC;
- 05/2018 -08/2021 - Senior Analyst of Eurasian Group LLP

**Current work and membership on the Boards of Directors/Supervisory Boards of other organizations:**

- Member of the Supervisory Board of Samruk-Kazyna Invest LLP

**Additional information:**

- a member of the Presidential Youth Personnel Reserve;
- CFA Charterholder (CFA Institute, USA);
- Financial Modeling & Valuation Analyst (Corporate Finance, Canada).

Member of the Supervisory Board of SK Odeu LLP



Date of the election: January 19, 2023

Date of birth: January 21, 1957

Citizenship: the Republic of Kazakhstan

**Education:**

- In 1979, he graduated from the Kazakh Polytechnic Institute, Almaty, Mining Faculty (Mining Engineer).
- 1985-1989 - Postgraduate course of the Moscow Mining Institute, Moscow, Candidate of Technical Sciences
- Academic degree: 1996 — Doctor of Technical Sciences, 1998 — Professor

**Work experience (for the last 5 years):**

- 2016 - to the present - Chief Scientific Secretary, Vice-President, Kazakhstan National Academy of Natural Sciences.

**Work and membership on the Boards of Directors/ Supervisory Boards of other organizations currently:**

- Independent Director, a member of the Board of Directors of JSC “National Mining Company “Tau-Ken Samruk”



# 6

## ACTIVITIES OF THE SUPERVISORY BOARD

### Changes in the composition of the Supervisory Board

On April 26, 2021, the powers of the Supervisory Board of SK Ondeu were terminated prematurely; and a new composition was elected, which included:

1. Berdigulov Yernat Kudaibreganovich – the Chairman of the Supervisory Board;
2. Tazhigaliyev Mukhtar Utepkalievich – the member of the Supervisory Board;
3. Satzhan Saltanat Yerbolkyzy – the member of the Supervisory Board.

On February 18, 2022, the powers of the Chairman of the Supervisory Board Berdigulov Ye.K. were terminated prematurely

### Implementation of the Annual Plan of the Supervisory Board for 2022

The work plan of the Supervisory Board of the Partnership was approved by the decision of the Supervisory Board of December 15, 2021 (Minutes No. 23/21) and consists of 39 items.

In total, the Work Plan provides for 39 items:

- 35 items executed,
- 3 items not executed,
- Item 1 was submitted for consideration of the

and a new Chairman of the Supervisory Board – Rakhmetov Sabigat Maratovich was elected

On January 4, 2023, Amir Merbolatovich Tusupov, the Director of the Investment and Business Support Department of Samruk-Kazyna JSC, was appointed as a member of the Supervisory Board of the Partnership.

On January 19, 2023, Zeinullin Abdikarim Abzhalelovich was appointed as a member of the Supervisory Board of the Partnership.

Supervisory Board, agreed with all stakeholders and will be considered in 2023.

At the same time, in 2022, the Supervisory Board held 24 meetings, of which 7 were held in absentia, 151 issues were considered.

The report on implementation of the Work Plan of the Supervisory Board for 2022 was considered at the meeting of the Supervisory Board on January 31, 2023 (Minutes No. 01/23).

### Statistics of attendance of members of the Supervisory Board of meetings of the Supervisory Board.

#	Full name of the members of the Supervisory Board	Number of meetings	Number of meetings attended	Percentage of participation in meetings
1.	Berdigulov Ye K.	3	3	100%
2.	Rakhmetov S.M.	20	16	80%
3.	Tazhigaliyev M.U.	24	23	96%
4.	Satzhan S.Ye.	24	23	96%
5.	Tusupov A.M.	1	1	100%

### Information on the SB meetings held

Number of the SB meetings in 2021	Number of the SB in-presence /absentee meetings	Average duration of the SB meetings	Average number of issues on the SB agenda	Average duration of discussions on the agenda items of the SB meetings
24	17 in-presence and 7 absentee	112 minutes	6	15 minutes

Year	In-presence	Absentee	Total
2020	9	4	13
2021	18	6	24
2022	17	7	24

# PERFORMANCE EVALUATION OF THE SUPERVISORY BOARD

The report on performance self-evaluation of the Supervisory Board, the Chairman, members of the Supervisory Board and the Corporate Secretary of the Partnership for 2022 was prepared given the international practice in corporate governance as well as in compliance with the Charter of the Partnership, Regulations on the Supervisory Board of the Partnership and the Corporate Governance Code of the Partnership and approved by the decision of the Supervisory Board.

The Supervisory Board carries out its activities to a greater extent in accordance with the approved work plan. The work plan of the Supervisory Board of the Partnership was approved by the decision of the Supervisory Board of December 15, 2021 (Minutes No. 23/21) and consists of 39 items.

In total, the Work Plan provides for 39 items:

35 items executed,

3 items not executed,

Item 1 was submitted for consideration of the Supervisory Board, agreed with all stakeholders and will be considered in 2023).

In 2022, the Supervisory Board held 24 meetings, of which 7 were held in absentia, 151 issues were considered. Based on the results of the self-assessment conducted over the past year, the following areas of activity were identified, on which it was necessary to focus the efforts of the Supervisory Board in 2022 :

- appointment of the Chairman of the Management Board of the Partnership;
- approval of the priority pool of projects and implementation of projects in the chemical industry;
- focus on solving strategically important issues, without wasting time on operational issues;
- updating of the Charter of the Partnership in order to review the competence of the Supervisory Board;

- in the internal regulatory documents of the Partnership, strengthen control over the approval of materials submitted for consideration by the management bodies of the Partnership.

All planned activities have been completed.

The Supervisory Board is actively involved in all key business decisions. During 2022, the issues of project implementation, including issues of financing, allocation of financial assistance, were considered.

Before each meeting, the CEO is heard on implementation of projects, an analysis of the root causes of deviations with an emphasis on external and internal factors under the control of the Partnership, measures to eliminate negative factors proposed by the Management Board of the Partnership.

Also, before each in-presence meeting, a CFO report is heard, which reflects information on sales income, cost of sales, GAE, EBITDA, financial results, cash flow and current obligations of the Partnership.

In order to ensure the implementation of the strategic objectives of the Partnership, as well as to strengthen the focus on priority tasks, the Supervisory Board annually approves motivational key performance indicators (hereinafter - KPIs), in which, among other things, priority tasks and expectations of the Sole Participant are cascaded.

The motivational KPIs of the Management Board members are approved by the Supervisory Board before the start of the planned year. A clear accountability of the Management Board members for implementation and completion of key investment projects has been established.

On April 26, 2021, the Sole Participant of the Partnership by the decision (Minutes No. 17/21) approved the composition of the Supervisory Board with a term of office of 3 years. In 2022, changes took place in the composition of the Supervisory Board of the Partnership, the Chairman of the Supervisory Board of the Partnership was re-elected twice (S.M. Rakhmetov, M.U. Tazhigaliyev.).

As part of the self-assessment, the members of the Supervisory Board conducted a mutual evaluation of the effectiveness (questionnaire 360) according to the questionnaires.

The survey was conducted according to the form approved by the Methodology for Performance Evaluation of the Supervisory Board, the Chairman, members of the Supervisory Board and the Secretary of the Supervisory Board of United Chemical Company LLP, approved by the decision of the Supervisory Board of the Partnership dated May 4, 2018 (Minutes No. 03/18).

According to the results of the survey, the members of the Supervisory Board received an average score of 32 out of 35 possible. According to the results of the survey, the members of the Supervisory Board had sufficient knowledge, skills, experience and personal qualities to perform their functions.

According to the respondents, improvements are required in the information on the previously given instructions of the Supervisory Board, the reflection of problematic issues in the reports of CEOs and CFOs (including possible risks), as well as forecasts for the year.

The number of members of the Supervisory Board, their knowledge and experience, as well as the ability to work in a team meet all the necessary needs of the Partnership. However, according to the respondents, in order to work together more effectively, it is desirable for each member of the Supervisory Board to deepen their knowledge in non-core areas, such as ESG, risk management, and the chemical sector.

In general, the Supervisory Board assessed itself as a rather critical but fair governing body in its approaches and assessments.

Based on the results of the analysis, the following areas of activity were identified, on which it is necessary to focus the efforts of the Supervisory Board in 2023 :

- monitoring the implementation of the Partnership's Development Strategy for 2023-2032, including the promotion of ESG principles;
- control over the financial and economic activities of the Partnership and its subsidiaries and affiliates;
- implementation of best practices in the field of compliance and the work of the Audit Commission;
- updating the organizational structure of the Partnership and approving the list of CEO-2 positions, candidates for which are subject to mandatory approval by the Supervisory Board of the Partnership;
- training of members of the Supervisory Board.

### Changes in the composition of the Management Board

As of March 31, 2023, the Management Board of Samruk-Kazyna Ondeu LLP consists of 3 people – the Chief Executive Officer, Managing Director for Asset Management and Managing Director for Business Development. The position of the Managing Director for Corporate Support is vacant, and competitive selection is currently underway.

#### In 2022, the following changes took place in the composition of the Management Board:

The Management Board of Samruk – Kazyna JSC by the decision No. 06/22 dated January 24, 2022 terminated the powers of the Chief Executive Officer Tusupbekov Zh.R., No. 17/22 dated March 17 this year terminated the powers of the Deputy Chief Executive Officer Akberdin R.O.

The Management Board of the Fund by the decisions No. 06/22 dated January 24, 2022 and No. 25/22 dated May 6, 2022, the temporary performance of the duties of the Chief Executive Officer of SKO was assigned to Yeralin Zh.M.

extended the powers of the Management Board for 1 year, until May 18, 2023. The Management Board of the Fund by the decision No. 36/22 dated June 30, 2022, Kapasova A.Zh. (Managing Director for Corporate Governance) was elected to the Management Board).

The Management Board of Samruk-Kazyna JSC by decisions No. 35/22 dated June 23, 2022 and No. 39/22 dated July 19, 2022, Sheraly M.N. was elected as the Chief Executive Officer of SKO.

The Management Board of the Fund prematurely terminated the powers of Yeralin Zh.M by the decision of the Management Board of the Fund dated November 24, 2022 No. 65/22.

The Management Board of the Fund by the decision No. 07/23 of February 2, 2023, the powers of Kapasova A.Zh were terminated prematurely.

The Management Board of the Fund by the decision No. 11/23 dated March 2, 2023 elected Zh.B. Orazaliyev to the Management Board



**SHERALY  
MEIYR NURTAIULY**

Chief Executive Officer



**ZHANKUBAYEV  
BERIK BAKHYTBEKOVICH**

Managing Director for Business Development, Member of the Management Board



**ORAZALIYEV ZHANDOS  
BAKBERGENOVICH**

Managing Director for Asset Management, Member of the Management Board

**SHERALY MEIYR NURTAIULY**

*Chief Executive Officer*



**Date of election:** 01.08.2022

**Citizenship:** Republic of Kazakhstan

**Education:**

2007 - University of Liverpool (Liverpool, UK), one-year program "International Foundation" Engineering

2010 - University of Manchester (Manchester, UK), Bachelor of Petroleum and Gas Engineering

2012 - Karaganda State University named after E.A. Buketov, Bachelor of Economics

**Work experience (over the last 5 years):**

08/2022 – to the present – Chief Executive Officer of Samruk-Kazyna Odeu LLP

01/2020 – 07/2022 - General Director of LLP JV Baker Hughes ZMS

07/2018 – 07/2022 - General Director of Baker Hughes Kazakhstan LPP

12/2021 – 07/2022 - Director of Kazakhstan and Uzbekistan Baker Hughes, Oilfield Services Company

07/2018 – 12/2021 - Head of Sales and Business Development East Caspian Region Baker Hughes, a GE Company

01/2018 – 06/2018 - Head of the region, Uzbekistan Baker Hughes, a GE Company

**Additional information:**

- a member of the Presidential Youth Personnel Reserve;
- scholarship holder of the international scholarship of the President of the Republic of Kazakhstan “Bolashak”;

**ORAZALIYEV ZHANDOS BAKBERGENOVICH**

*Managing Director for Asset Management, Member of the Management Board*



**Date of election :** 02.03.2023

**Citizenship :** Republic of Kazakhstan

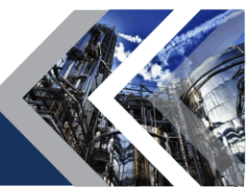
**Education:**

2008 – Master's Degree at Robert Gordon University (Scotland)

2001 - Kazakh University of International Relations and World Languages named after Abylai Khan, specialty: international relations

**Work experience (over the last 5 years):**

- 11/2020 – 07/2022 - CEO of Borkit Oiltech
- 05/2019 – 11/2020 - General Director of Hydratight Kazakhstan
- 05/2017 – 05/2019 - Managing Director of JSC National Company "Kazakh Invest"



**ZHANKUBAYEV BERIK BAKHYTBEKOVICH**

*Managing Director for Business Development, Member of the Management Board*



Date of birth: June 01, 1978

Election date: July 15, 2021

Citizenship: Republic of Kazakhstan

Education:

1995 - Kazakh State Academy of Management (Narkhoz), International Economist specialty

2013 - Caspian State University of Technology and Engineering, Oil & Gas Business specialty

**Work experience (over the last 5 years):**

06/2021 – to the present - Managing Director for Business Development, Member of the Management Board of Samruk-Kazyna Ondeu LLP;

09/2019 - 06/2021 – Chief Manager of the Commercial Department / Leading Engineer of the Infrastructure Service of KLPE LLP;

01/2018 - 09/2019 – Director of the Marketing and Logistics Department at United Chemical Company LLP;



# Activities of the Management Board

# Performance evaluation and remuneration of the Management Board

In 2022, the Management Board of SK Ondeu LLP held 60 meetings, 57 of them in person, at which 210 issues were considered, including 14 issues considered with subsequent submission to the meeting of the Sole Participant, 78 – the Supervisory Board, 39 – the General Meeting of Shareholders/Participants (GMP/GMS) of the SDO/TA of SK Ondeu LLP.

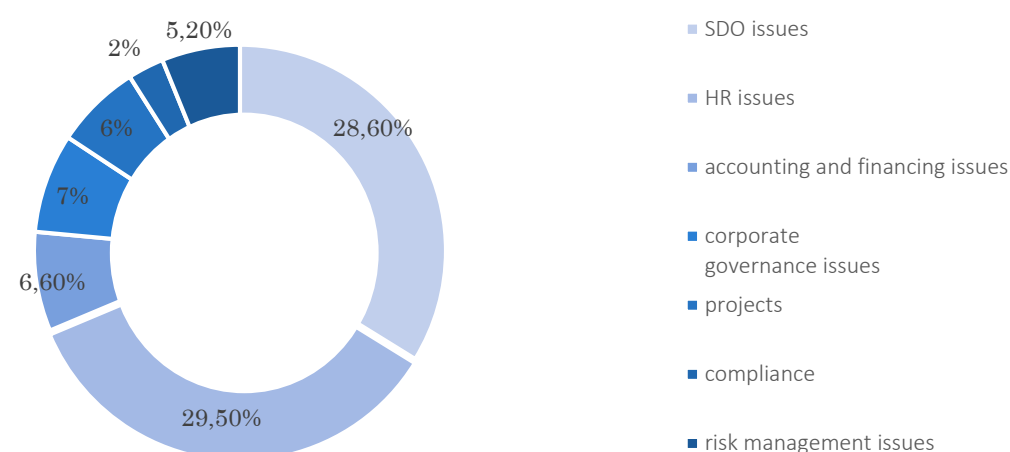
### Number of the Management Board meetings held in 2020-2022

Year	In-presence	Absentee	Total
2020	42	0	42
2021	20	22	42
2022	57	3	60

The issues submitted to the Sole Participant, the Supervisory Board, the Investment and Strategic Committee and the GMP/GMS of the subsidiaries and affiliates within their competence were previously reviewed and approved by the Management Board.

Among them, the main block presents questions on projects of subsidiaries and dependent organizations, in the implementation of which SK Ondeu LLP participates. The structure of the issues considered by areas is presented below:

### Structure of issues considered by the Management Board in 2022



The terms of remuneration and bonuses for the CEO and members of the Management Board of the Partnership are strictly regulated by the Rules for Remuneration of Executives, Employees of the Audit Commission, Corporate Secretary and Employees of the Compliance subdivision. The procedure for evaluating the performance of executives includes the selection of motivational Key Performance Indicators (KPIs) and their target values, approval of motivational KPIs, performance monitoring, calculation and approval of actual performance.

Remuneration is carried out on the basis of a time-based bonus system, taking into account the grade of each position. The adjusted Motivation efficiency Maps with target values for 2022 were approved by the decision of the Supervisory Board in September 2022. In order to provide material incentives for the achievements achieved and to improve the efficiency of work, remuneration

for the year may be paid to the CEO and members of the Management Board, depending on the results of the key performance indicators and evaluation of the effectiveness of the goals set by the Development Strategy of the Partnership.

The performance management system of the executives of SK Ondeu LLP is constantly monitored. The report on implementation of motivational KPIs for the results of 2022 has not yet been prepared. The report for 2021 was reviewed and approved at the meeting of the Supervisory Board. The corporate KPIs performance was 69%. Due to the failure to achieve certain functional KPIs, which were important in assessing the work of the Management Board, the Supervisory Board decided not to pay remuneration to the members of the Management Board by the end of 2021.



## Improving the corporate governance system

SKO attaches great importance to improving the efficiency of corporate governance, considering it a key factor for ensuring sustainable business development and making sound management and investment decisions. Following the best international practices, our Company strives for continuous improvement of the corporate governance system, therefore, it provides effective risk management and a reliable internal control system, facilitates access to information and improves the reputation of the Company.

We strive for continuous improvement of corporate governance, therefore we undertake to respect the rights of shareholders, investors and other interested parties. We also clearly divide the powers and responsibilities between the Company's bodies and divisions, increase the effectiveness of the Supervisory Board, as well as the Executive Body. We do not allow corporate conflicts and conflicts of interest, improve the management reporting system and strive to apply the best global corporate governance practices by implementing the principles and provisions of the Corporate Governance Code. In our Company, we adhere to the principles of information openness for shareholders and other interested parties. We follow the formalized and transparent policy and procedures for remuneration of the Company's executives,

publish an annual report with financial statements and a report on sustainable development in accordance with GRI and IFRS standards, and much more.

We guarantee the availability of effective planning processes, effective systems of internal control, compliance and internal audit, and an effective risk management system.

In 2022, the Company had an Action Plan for the implementation of best corporate governance practices in accordance with the requirements of the listing rules of the LSE and the AIFC. This plan has been fully implemented by the end of 2022.

Independent diagnostics of the Company's corporate governance system was not carried out, accordingly, the corporate governance rating was not assigned. The last diagnosis was carried out in 2018, according to the results of which SK Odeu LLP was assigned a corporate governance rating at the "B" level.

## Following the principles of corporate governance

SK Odeu LLP is guided by the Corporate Governance Code, the provisions and norms of which are mandatory for compliance by all bodies, officials and employees.

The Corporate Secretary monitors and advises the Supervisory Board and the Management Board on proper compliance with the Code, as well as prepares an annual report on compliance/non-compliance with its principles:

- the Government as a shareholder of the Fund;
- interaction of the Fund and organizations;
- sustainable development;
- shareholders' rights and fair treatment of them,;
- efficiency of the SB and the executive body;
- risk management;
- internal control and audit;
- transparency.

In 2022, SK Odeu LLP conducted a self-assessment for compliance with the principles and provisions of the Corporate Governance Code. The report on the results of the self-assessment is contained in Annex 1 to this annual report. The company's activities comply with 58 principles of the 75 principles, and comply with 3

principles partially, 14 principles are not applicable to the company's activities.

# 6

## AUDIT COMMISSION

The activities of the Audit Commission are carried out in accordance with the International Professional Practices Framework (IPPF), developed by the International Institute of Internal Auditors (The IIA). It strives to provide the Sole Participant and the Supervisory Board with independent and objective guarantees and advice aimed at optimizing risk management, internal control and corporate governance systems.

The Audit Commission is organizationally subordinate and functionally accountable to the Supervisory Board of the Company, administratively - to the Management Board of the Company. The annual work plan of the Audit Commission is considered and approved by the Supervisory Board of the Company. Performance evaluation of the Audit Commission are carried out by the Supervisory Board of the Company.

In 2022, the Audit Commission completed in full the tasks provided for in the Annual Work Plan for 2022 approved by the decision of the Supervisory Board of the Company: 13 of 13 planned tasks. When performing its functions, the Audit Commission confirms to the Supervisory Board of the Company its organizational independence and the absence of the impact of resource constraints on the activities of the Audit Commission.

The Supervisory Board of the Company by the decision of December 19, 2022, approved the Annual Work plan of the Audit Commission for 2023, providing for the performance of 11 audit tasks.



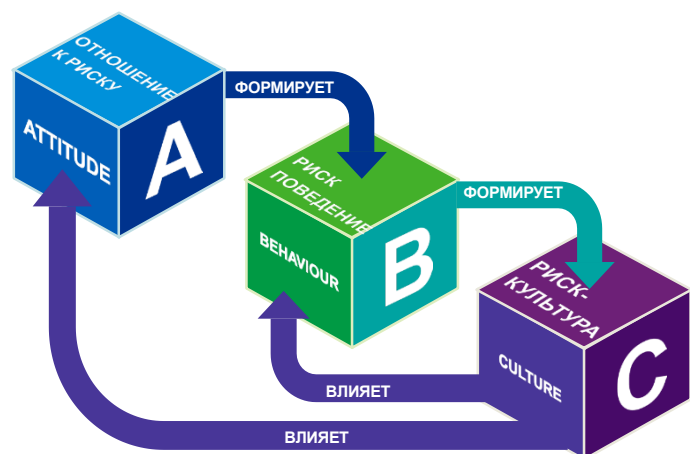


# 6

## RISK MANAGEMENT

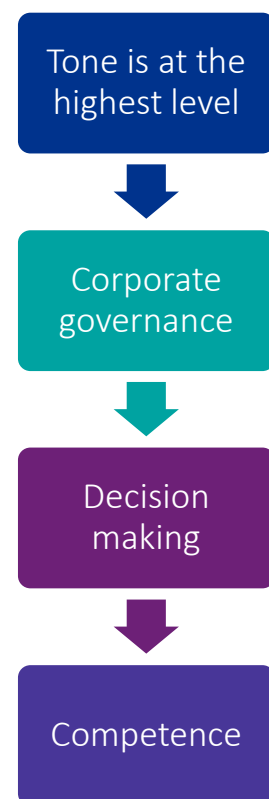
Risk management is an integral part of the activities of SK Ondeu LLP (hereinafter - the Company) and is aimed at identifying, assessing and monitoring all significant risks, as well as taking measures to reduce the level of risks that may negatively affect the value and reputation of the Company and its subsidiary and dependent organizations (hereinafter - SDO).

moment of strategy development to its implementation and monitoring of effectiveness.



Risk management culture (risk culture) is the basis of risk management, it is the beliefs, understanding and knowledge in the field of risk management shared and applied by all officials and employees in the performance of their duties.

Risk culture is part of the Company's corporate culture. The level of risk culture determines how risks are identified, assessed and managed from the



**“Tone” is at the highest level.** The Supervisory Board and the Management Board of the Company set the tone from above and, when making decisions, proceed from the optimal balance between long-term value, profitability and risks associated with both decision-making and non-decision-making, management encourages risk-oriented behavior among subordinates. Each issue on the agenda of meetings of the Company's bodies should be accompanied by an analysis of risks and compliance with the established Risk appetite.

**Corporate governance.** The Company's activities are aimed at creating such a control environment that ensures that employees understand that the Policy and all internal regulatory documents are mandatory for compliance. All officials and employees of the Company are clearly aware of their area of responsibility and authority for risk management and internal control. Risk owners, within their competence, understand the risks, manage them and properly inform about the risks in accordance with the Company's internal regulatory documents.

**Decision making:** The internal environment is characterized by open communications and transparency of information about risks, which promotes an open and constructive discussion of related risks and potential opportunities between employees and Company officials and allows them to

jointly make effective decisions in response to external challenges.

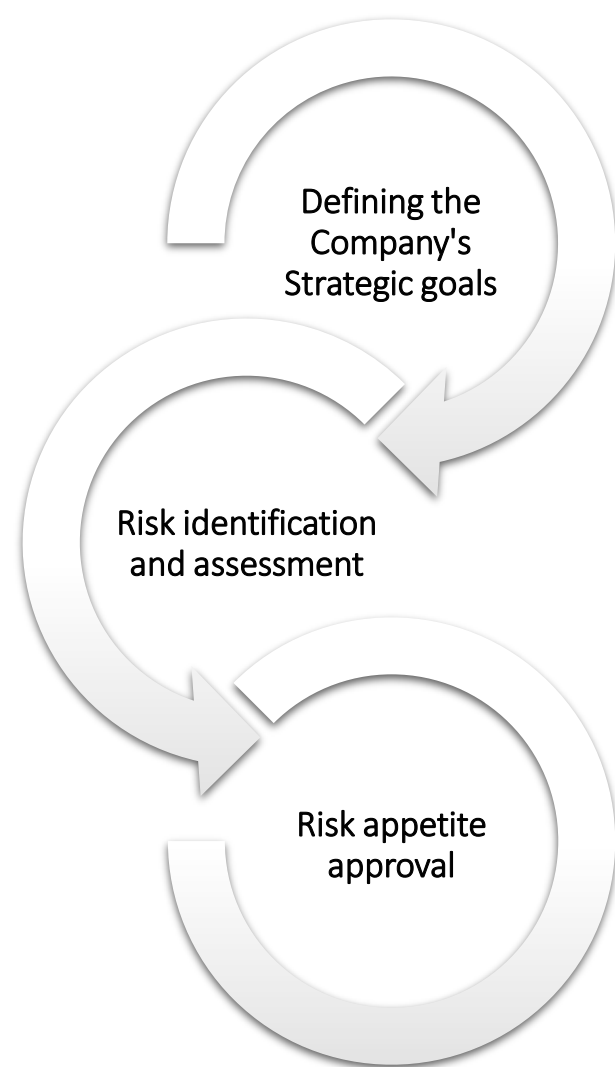
**Competence.** The organizational structure of the Company is based on the "three lines of defense" model. The Risk Management Service effectively performs the role of the second line of defense, thereby increasing the confidence of management in achieving the Company's goals. The Risk Management Service supports the course of continuous development of the risk culture in the Company, including through the use of adaptation course mechanisms for newly hired employees of the Company. The Risk Management Service conducts an annual survey to assess the risk culture among the Company's employees.



After defining strategic goals (strategic directions of development), the Company identifies risks that may prevent the Company from achieving its goals. The Risk Management Service takes measures to submit the Risk appetite for approval of the Supervisory Board of the Company. Risk appetite takes into account the mission, vision and strategic goals, it is determined in relation to investment, financial and operational activities in the context of the creation, preservation and realization of the value of the Company's assets.

Every year, the Risk Management Service analyzes the relevance of Risk Appetite and within three months from the date of detection of significant changes in the internal (for example, when changing the strategy) or external environment (for example, new regulatory requirements), the Risk Management Service initiates a review of Risk appetite.

Risk appetite is established for no more than the period of validity/approval of the Company's Development Strategy in the form of qualitative and quantitative indicators. Risk appetite indicators may take annual values (for example, losses from operating activities accumulated during the financial year should not exceed 10% of EBITDA) and/or longer-term indicators (for example, the discounted amount of losses from capital investments expected during the entire life of an investment project or SDCs should not exceed 3% of the Company's equity). When forming Risk appetite, the risk profile is necessarily taken into account and the impact of losses (equal to the size of Risk appetite) on the financial results of the Company is analyzed.

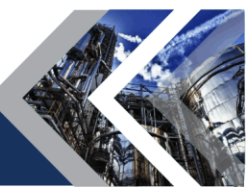


Risk appetite is integrated into the decision-making process at all levels of the Company. Risk appetite, Tolerance, Key risk indicators and risk limits are interrelated and are constantly monitored for compliance with them.

Compliance with Risk appetite is mandatory for Company employees when conducting transactions, initiating transactions, analyzing projects and for Company officials when making management decisions..

Taking into account the geopolitical situation of 2022, the updating of the Risk Register was carried out through the prism of "sanctions risks" and their impact on the activities of subsidiaries and the Company as a whole. Thus, measures have been developed to monitor legal entities (counterparties) for the appearance of sanctions risks. The Risk Register, Risk Map, Key Risk Indicators (KPIs) and the Key Risk Management Action Plan for 2023 were also subject to revision.

Based on the results of the work carried out to identify the risks of subsidiaries and companies for 2023, 12 key risks were identified and assessed, where the efficiency thresholds were updated, risk factors and measures to reduce them were updated by the risk owners.



# 6

## INTERNAL CONTROL SYSTEM

As part of the improvement of risk management and internal control, work is carried out on updating (revision) Risk and control matrices for all business processes of the Company.

The purpose of forming the Matrix is the following : correlation of business process goals, relevant functions (steps), process risks and control procedures. As a result, the vulnerability of business processes requiring improvement of internal control is revealed;

to ensure the integration of risk management and internal control with all business processes of the Company;

to distribute the powers, responsibilities and responsibility for specific risk management and internal control procedures among the managers of the following level and/or heads of structural divisions/owners of business processes.

COMPONENTS OF THE ICS. THE COSO MODEL



The ICS is not limited to the preparation of financial statements, but covers the entire activity of the Company

Structure of the internal control system in the Company is presented at several levels with the involvement of the following bodies :

### SUPERVISORY BOARD

- Organizes ICS in the Company, monitors and evaluates the effectiveness of ICS using a risk-based approach
- Takes measures to improve the ICS

### MANAGEMENT BOARD

- Ensures the reliability and efficiency of the ICS
- Forms recommendations for its further improvement
- Monitors the internal control system, improves internal control processes and procedures

### BUSINESS PROCESS OWNERS

- Develop, document, implement, monitor and improve control procedures
- Support the effective functioning of the ICS in accordance with their official duties within the framework of the business processes entrusted to them

### RISK MANAGEMENT SERVICE AND COMPLIANCE OFFICER

- Provide methodological support to business process owners in the process of developing, documenting, implementing, monitoring and improving control procedures, forming an Action Plan for improving the ICS, reports on its execution, as well as for implementing decisions of higher ICS participants within their competence
- Monitor compliance with legislation and administrative rules, internal regulations and investigation of facts of unfair actions

### AUDIT COMMISSION

- Conducts an assessment of the effectiveness of the ICS
- Forms and provides relevant reports to the Management Board and the Supervisory Board

# ESSENTIAL COMPLIANCE TOPICS OF 2022: ANTI-CORRUPTION STANDARDS/ CONFLICT OF INTEREST RESOLUTION

## 6 BUSINESS ETHICS AND COMPLIANCE

### KEY RESULTS OF 2022



97 % of PC employees have been trained in compliance



155 employees completed compliance training in 2022



5 training programs have been developed in the main compliance areas "Conflict of interests", "Equal employment and labor conditions", "Code of Business Ethics", "Reliability Check", "Compliance standards for new employees"



7 communications are sent to employees with a reminder of the most important compliance requirements within the organization

### STATISTICS OF 2022

**21** APEALS

was received by the Hotline and was checked, as well as corrective measures were taken based on the results

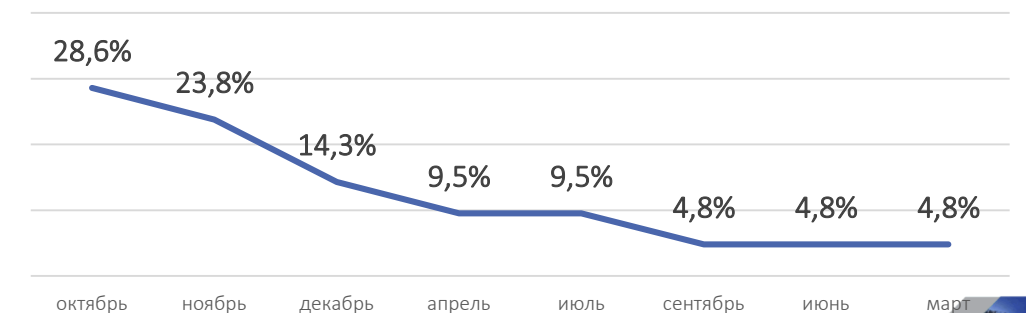
**3** NEW COMPLIANCE DIRECTIONS

sanctions compliance, verification of the trustworthiness of counterparties, open communication environment and human rights

**6** CORRUPTION RISKS REVEALED

based on the results of an internal analysis of the company's organizational and managerial activities

Analytics of calls to the Hotline by months 2022





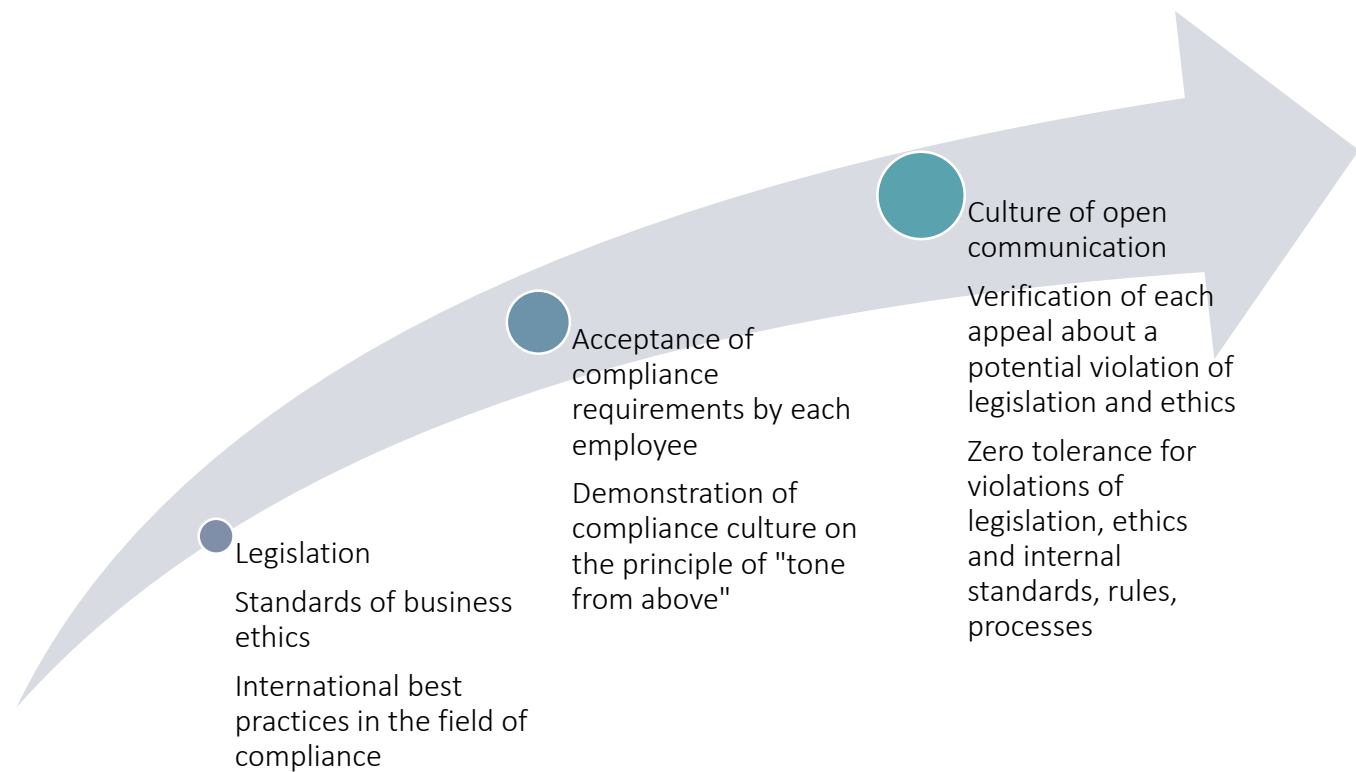
Ethical business conduct and respect for human rights, combating corruption and all types of economic crimes, conflict of interest management are at the heart of our Company's activities.

We strive to create and encourage an atmosphere of mutual respect and openness by implementing the best international practices in the field of business ethics and compliance.

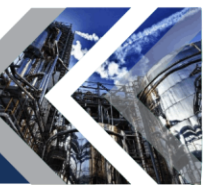
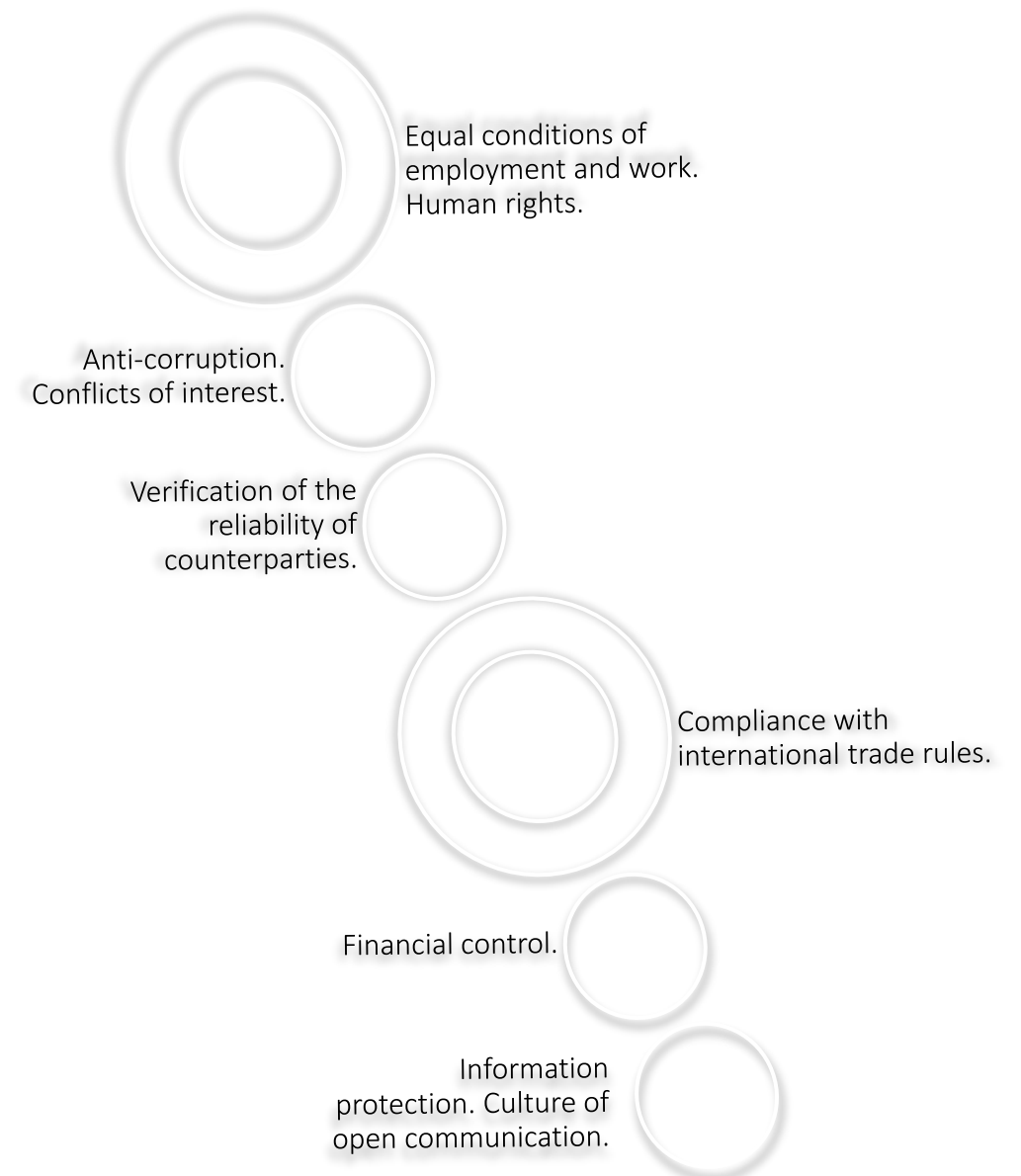
As a Company representing the quasi-public sector,

we strive to fully comply with the principles of the anti-corruption initiative, respect for human rights, and contribute to sustainable development.

We are committed to the principles of honesty, fairness, integrity, transparency and responsibility and believe that no financial results can be superior to ethical and legitimate business conduct.



### KEY COMPLIANCE AREAS



# 7 SUSTAINABLE DEVELOPMENT

Our Company is aware of the importance of the impact of its activities on the economy, ecology and society and understands that in modern conditions the success of the Company depends not only on financial well-being, but also on the well-being of society and the environment. Therefore, the Company strives to ensure sustainable development in the long term, observing the balance of interests of stakeholders.

Sustainable development in the Company has three components :

- **Economic component** directs the Company's activities to ensure the interests of the SF and investors, increase in the efficiency of processes, growth of investments in the development of more advanced technologies, improvement of labor productivity.
- **Environmental component** ensures minimization of the impact on biological and physical natural systems, optimal use of organic resources, creation of environmentally acceptable products, minimization, recycling and destruction of waste.

- **Social component** is focused on the principles of social responsibility. The Company strives to encourage and promote the application of the principles of sustainable development by partners, which include: occupational safety and health of employees, fair remuneration and respect for the rights of employees, individual development of personnel, implementation of social programs for personnel, creation of new jobs, charity.

The Company analyzes its activities in these three aspects, and strives to prevent or reduce the negative impact of its results on the environment and on stakeholders.

In accordance with the Corporate Governance Code, the Supervisory Board and the Management Board of the Partnership must ensure the formation of an appropriate system in the field of sustainable development and its implementation. All employees and Officials at all levels should contribute to sustainable development of the Company.





# 7 ABOUT THE SUSTAINABILITY REPORT

**Report Profile:**

**Report structure:** GRI standards;

**Approach to GRI:** according to the "basic" option

**Scope of the report:** in terms of financial indicators – SK Ondeu LLP and 9 Subsidiaries, JVs and Associates, in terms of environmental and social indicators – 3 Subsidiaries with operating production facilities;

**Reporting period:** January 01 – December 31, 2022

**Reporting cycle:** annual

**Previous Report:** Integrated Annual Report for 2021 published in September 2022;

**External assurance:** None.

**Defining the content and quality of the report**

In our Integrated Annual Report, we have made every effort to provide stakeholders with high-quality information for an objective assessment of the activities of SK Ondeu LLP and its subsidiaries. All data presented in the report were provided by the structural subdivisions of SK Ondeu LLP in accordance with the Regulations for the Preparation of the Annual Report and did not undergo external

verification (except for the Consolidated Financial Statements for 2022). According to the "Main Option", we have disclosed information about our Group of companies, reporting on the impact of our economic, environmental and social activities.

**Defining the report scope**

This Report contains information about the activities of SK Ondeu LLP in the field of sustainable development. In addition, the report provides separate sections on the activities of Subsidiaries of SK Ondeu LLP, as well as

structural subdivisions of SK Ondeu LLP in the main areas of activity related to sustainable development, including economic, environmental and social aspects of impact.

When preparing this report, the Company is guided by the following principles:



**ACCURACY** - accurate, specific, detailed and confirmed information is reflected so that stakeholders can evaluate the Company's performance.



**COMPLETENESS** - information provided on all areas of the Company's sustainable development for the reporting period is in accordance with the GRI standard.



**BALANCE** – the positive and negative results of activities are reflected so that stakeholders can objectively evaluate the results.



**RELIABILITY** – information has been collected, analyzed and disclosed in such a way as to ensure the quality and materiality of the data.



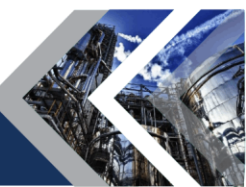
**CLARITY** – we make the report in a form that is understandable and accessible to stakeholders so that they are sufficiently aware of the Company's activities and Subsidiaries



**COMPARABILITY** – information is presented in dynamics over the past three years to allow stakeholders to analyze changes in dynamics



**TIMELINESS** – the preparation of the report is planned, including the process of development, conducting dialogues with the structural subdivisions of the Company, Subsidiaries and publication.





Consolidated data presented in the Integrated Annual Report include the following subsidiaries and dependent organizations.

Company	Type of activity	Place of registration
CHEM-plus LLP	Production of phosphorus trichloride, caustic soda, chlorine and glyphosate	Zhambyl region
Polymer Production LLP	Production of polymer products	Atyrau region
SSAP LLP	Processing of sulfur and producing of sulfuric and battery acid	Akmola oblast

As part of the instruction of the Samruk-Kazyna JSC management on reforming Portfolio Companies and withdrawing non-core assets for 2022, successful work was carried out on withdrawal KLPE LLP, Silleno LLP, as well as a large stake of KPI Inc. from the

Partnership group In addition, according to the new reporting rules, the Integrated Annual Report does not include subsidiaries where the share of SKO interest is less than 50%.

In order to prepare a high-quality report on the activities of SK Ondeu LLP in the field of sustainable development and to determine the content of the report and its scope, we assessed the materiality of the topics disclosed in the report on our own. In the process of determining the content of the report, the

entire list of significant topics, which included the management features of SK Ondeu LLP, issues reflecting significant economic, environmental, social impact, as well as human rights issues, impact on society, ecology, etc. was considered.

### Sustainable Development Principles

When carrying out activities in the field of sustainable development, SK Ondeu LLP is guided by the following principles:

- Openness;
- Accountability;
- Transparency;
- Ethical behavior;
- Respect for the interests of stakeholders;
- Legality;
- Respect for human rights;
- Corruption intolerance;
- Inadmissibility of conflicts of interest;
- Personal example.

### Global Sustainable Development Goals

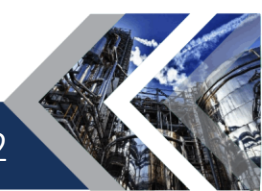
In 2015, the UN approved the 2030 Agenda for Sustainable Development, consisting of 17 goals aimed at eradicating poverty, preserving the planet's resources and ensuring well-being. Each of these

goals has a set of indicators that must be achieved within 15 years. To achieve them, the cooperation of Governments, civil society and business are needed.



SK Ondeu LLP focuses on 3 goals from the UN Agenda for Sustainable Development, where it can have the greatest impact: decent work and economic growth, good health and well-being, responsible consumption

and production. The company strives to achieve these goals by participating in various social initiatives aimed at improving the quality of life in the regions where it is present and within its core business.





### Interaction with Stakeholders

Interaction with stakeholders is an important element of the sustainable development system. SK Ondeu LLP has identified a scope of persons who are interested in its decisions and activities in order to understand their influence and ways to take measures in response to them.

an assessment of the impact on current activities and strategic development, as well as the established practice of interaction of the Group of Companies with stakeholders.

The basis for identifying and selecting stakeholders is

### Stakeholder Map

No.	Stakeholder	Interaction issues	Means of interaction
<b>Internal stakeholders</b>			
1	Sole Participant	<ul style="list-style-type: none"> <li>- ensuring the rights of the Sole Participant</li> <li>- fulfillment of decisions and expectations of the Sole Participant</li> </ul>	<ul style="list-style-type: none"> <li>- Charter</li> <li>- Financial and management reporting</li> <li>- Annual Report</li> <li>- Meetings, sessions</li> <li>- Internet resources</li> <li>- Business correspondence</li> </ul>
2	Supervisory board	<ul style="list-style-type: none"> <li>- determining the Company's priority areas and development strategy</li> <li>- control over the activities of the Executive Body</li> </ul>	<ul style="list-style-type: none"> <li>- Charter</li> <li>- Corporate Governance Code</li> <li>- Regulations on the Supervisory Board</li> <li>- other internal regulatory documents (IRDs)</li> <li>- Financial and management reporting</li> <li>- Annual Report</li> <li>- Meetings, sessions</li> <li>- Internet resources</li> <li>- Business correspondence</li> </ul>
3	Management Board	all issues not referred to the competence of the SP and the SB	<ul style="list-style-type: none"> <li>- Charter</li> <li>- IRDs</li> <li>- Financial and management reporting</li> <li>- Annual Report</li> <li>- Meetings, sessions</li> <li>- Internet resources</li> </ul>
4	Staff	<ul style="list-style-type: none"> <li>- labor relations with the employer</li> <li>- performance of official duties for the implementation of the tasks and functions of the Company</li> </ul>	<ul style="list-style-type: none"> <li>- Labor Code of the Republic of Kazakhstan</li> <li>- Internal meetings</li> <li>- Trainings and seminars</li> <li>- Corporate events</li> <li>- Meetings, sessions of the Management Board</li> </ul>
5	Subsidiary dependent organizations	compliance with the interests of the Company as a participant	<ul style="list-style-type: none"> <li>- Charter</li> <li>- IRDs</li> <li>- Meetings, sessions</li> <li>- Internet resources</li> <li>- Business correspondence</li> </ul>

No.	Stakeholder	Interaction issues	Means of interaction
<b>External stakeholders</b>			
6	Investors	implementation of joint projects	<ul style="list-style-type: none"> <li>- Company's Development Strategy</li> <li>- IRDs</li> <li>- Internet resources</li> <li>- Annual Report</li> <li>- Financial statements</li> <li>- Contracts, agreements, memoranda</li> <li>- Meetings, sessions, conferences</li> </ul>
7	Business partners, suppliers	development of mutually beneficial cooperation	<ul style="list-style-type: none"> <li>- Company's Development Strategy</li> <li>- IRDs</li> <li>- Internet resources</li> <li>- Contracts</li> <li>- Meetings, sessions, conferences</li> <li>- Procurement Portal</li> </ul>
8	Consumers of products	<ul style="list-style-type: none"> <li>- customer satisfaction</li> <li>- Quality of goods (services)</li> </ul>	<ul style="list-style-type: none"> <li>- Company's Development Strategy</li> <li>- IRDs</li> </ul>
9	Public authorities	- interaction on the issues of Company's activities within the competence of public authorities	<ul style="list-style-type: none"> <li>- Legislation of the Republic of Kazakhstan</li> <li>- Participation in the activities of government working bodies</li> <li>- Business correspondence</li> </ul>
10	Competitors	<ul style="list-style-type: none"> <li>- stimulation of development</li> <li>- benchmarking</li> <li>- Cooperation to solve common industry tasks</li> </ul>	<ul style="list-style-type: none"> <li>- Monitoring and analysis of the market based on statistical data and information from other open sources, including the reporting of competing companies</li> <li>- Internet resources</li> </ul>
11	Public organizations/population	<ul style="list-style-type: none"> <li>- support, loyalty, favorable attitude</li> <li>- cooperation</li> </ul>	<ul style="list-style-type: none"> <li>- Implementation of corporate social responsibility policies and programs</li> <li>- Disclosure of financial and non-financial information and</li> <li>- Reporting</li> <li>- Meetings</li> <li>- Internet resources</li> </ul>
12	Media	<ul style="list-style-type: none"> <li>- informing about the Company's activities</li> <li>- transparency and disclosure of information</li> </ul>	<ul style="list-style-type: none"> <li>- IRDs</li> <li>- Annual Report</li> <li>- Internet resources</li> <li>- Media</li> </ul>

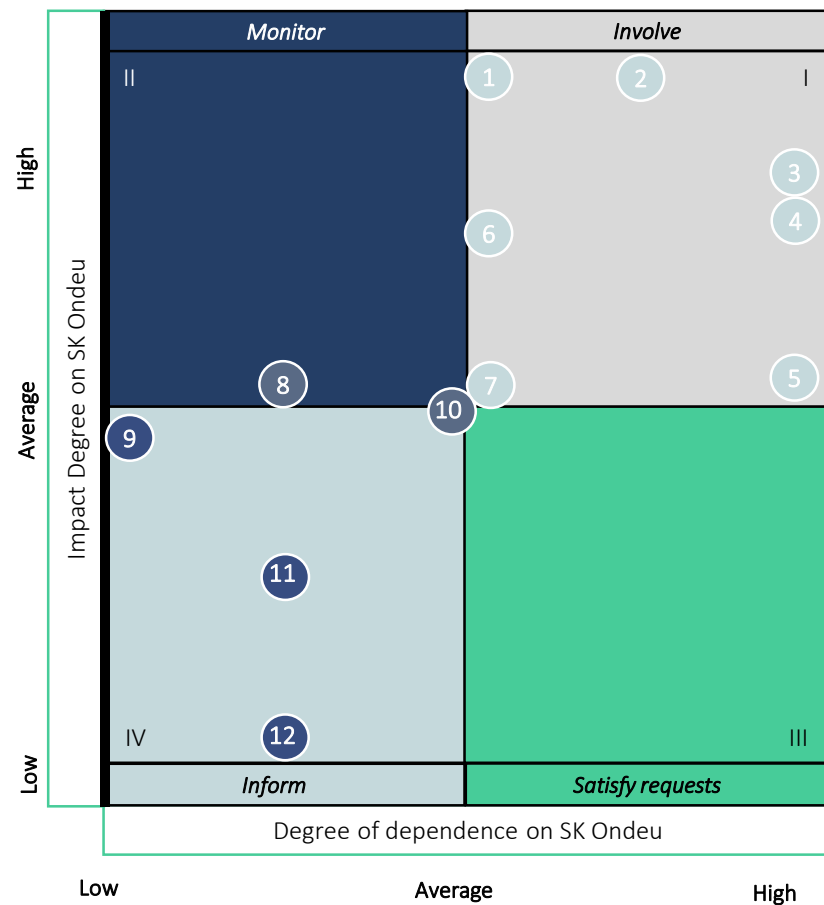
The presented Stakeholder Map was prepared by conducting a survey of the management, as well as representatives of structural subdivisions that interact with the Company's stakeholders. Based on the expert assessment of the indices of influence and dependence of stakeholders on the Company's

activities received from key employees of the Company, a Matrix of influence and dependence of the Company's stakeholders was compiled, determining the position of importance of each stakeholder.



# MATRIX OF INFLUENCE AND DEPENDENCE OF STAKEHOLDERS

## MATERIALITY MATRIX



- 1 – Sole Shareholder
- 2 – Supervisory Board
- 3 – Management Board
- 4 – Staff
- 5 – Subsidiaries
- 6 – Investors
- 7 – Business Partners / Suppliers
- 8 – Consumers of products
- 9 - Public authorities
- 10 – Competitors
- Public organizations
- 12 – Media

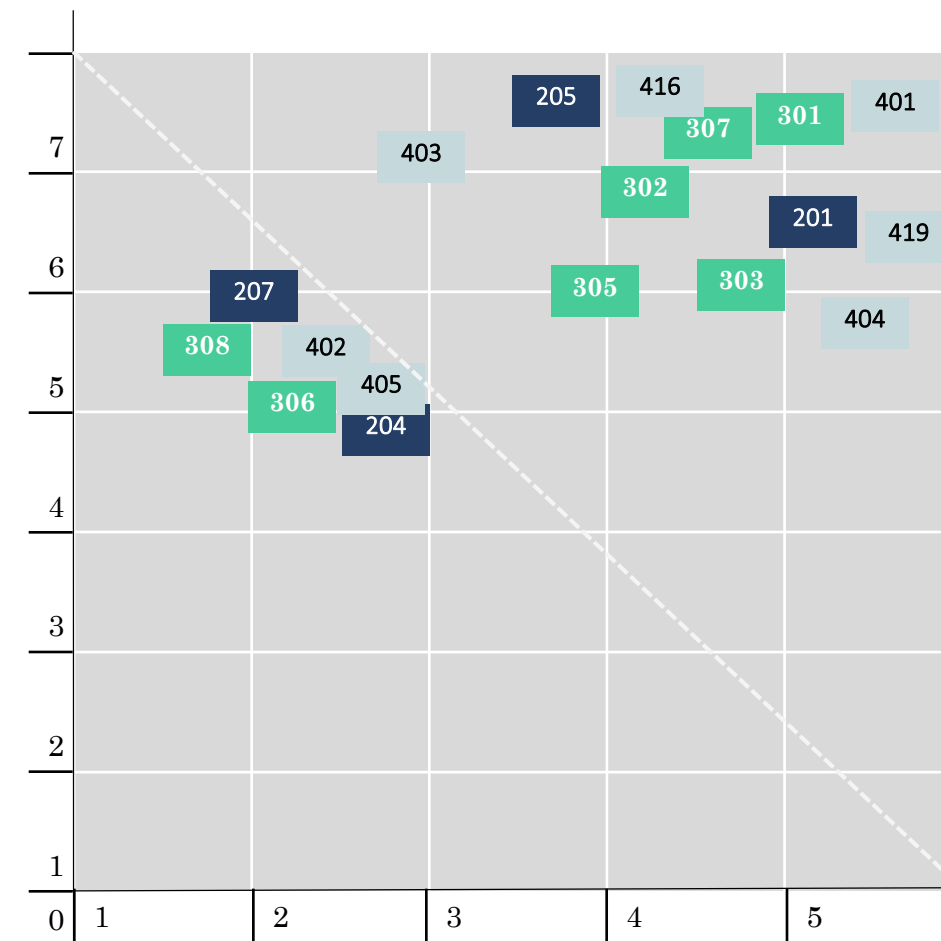
In preparing this report, we applied the principle of the materiality of GRI Standards, and took into account the opinions and expectations of stakeholders. This helped to ensure high-quality disclosure of information.

We consider essential those issues where, firstly, the impact of the Company is great, and secondly, there is a significant impact on stakeholders.

The materiality analysis included an internal assessment of the Company's impact in the economic, environmental and social spheres, as well as an assessment of the importance of topics from the point of view of stakeholders, which was presented based on the results of interaction with stakeholders (questionnaires, meetings, interviews).

In accordance with the expectations of stakeholders and assessments within the Company, the topics were ranked according to the degree of materiality and plotted on the Materiality Matrix. In this Annual Report, the topics above the dotted line of the

matrix are disclosed, since they were recognized as the most significant. All topics have an impact both inside and outside the organization.



- 201 Economic performance
- 204 Procurement practices
- 205 Anti-corruption
- 207 Taxation
- 301 Materials
- 302 Energy
- 303 Water and waste water
- 305 Emissions
- 306 Waste
- 307 Compliance with regulations and requirements
- 308 Environmental assessment of the supplier

- 401 Employment
- 402 Labor and labor relations
- 403 Safety and health at work
- 404 Training and education
- 405 Diversity and equal opportunities
- 416 Customer health and safety
- 419 Social economic compliance

# 7 ECONOMIC RESPONSIBILITY

The created direct and distributed economic value, including income, operating costs, payments to employees, suppliers of raw materials, suppliers of capital, the state, donations and other investments in communities, as well as retained earnings is one of the key

indicators of sustainability reporting. These indicators were calculated on the basis of the consolidated financial statements of Samruk-Kazyna Odeu LLP prepared in accordance with IFRS.

Interpretation of the created direct and distributed economic value (KZT thousand)

Indicators	2020	2021	2022
<b>Created direct economic value, including:</b>			
Income from sales	21 423 628	36 978 213	38 943 186
Financial income	20 737 337	36 095 738	37 486 006
	686,291	882,475	1 457 180
<b>Distributed economic value</b>			
Operating costs	-25 150 127	-35 266 851	-38 029 362
	-17 689 746	-27 108 333	-28 371 734

Indicators	2020	2021	2022
Salaries and other payments and benefits to employees;	- 4 127 899	- 4 303 164	-5 468 354
Payments to capital suppliers	-1 774 624	-1 602 777	-1 189 274
Payments to the State	- 1 557 858	- 2 252 577	-3 226 901
Investing in local communities	0	0	
Retained economic value	- 3 726 499	1 711 362	686,923

Detailed information on the financial and economic results of the activities of Samruk-Kazyna Odeu LLP for 2022 is presented in the audited consolidated financial statements posted on the corporate website of SK Odeu LLP <http://www.o-sk.kz/> in the section "To Investors – Reporting – Financial Statements", as well as in the Annual Report VOLUME II "Consolidated Financial Statements"

# 7 ANTI-CORRUPTION COMPLIANCE

We strive to develop and maintain an atmosphere of intolerance to any forms and manifestations of corruption in our Company and affiliates.

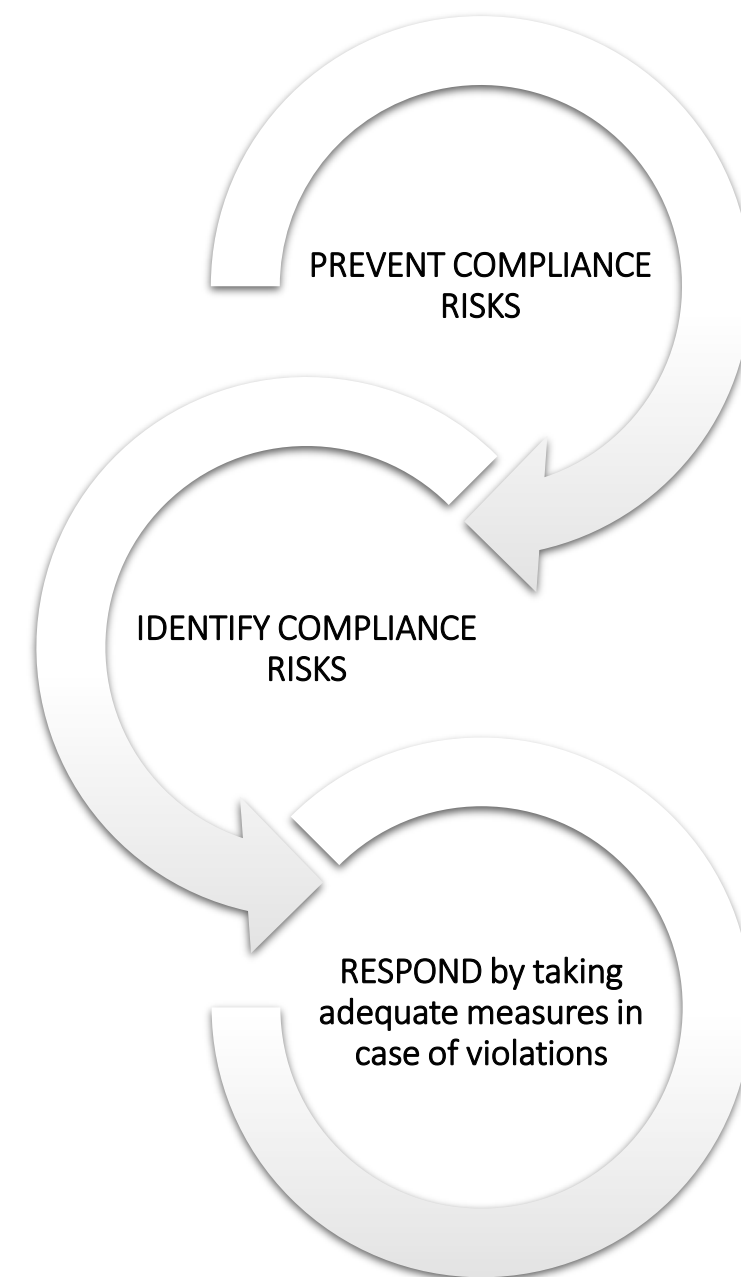
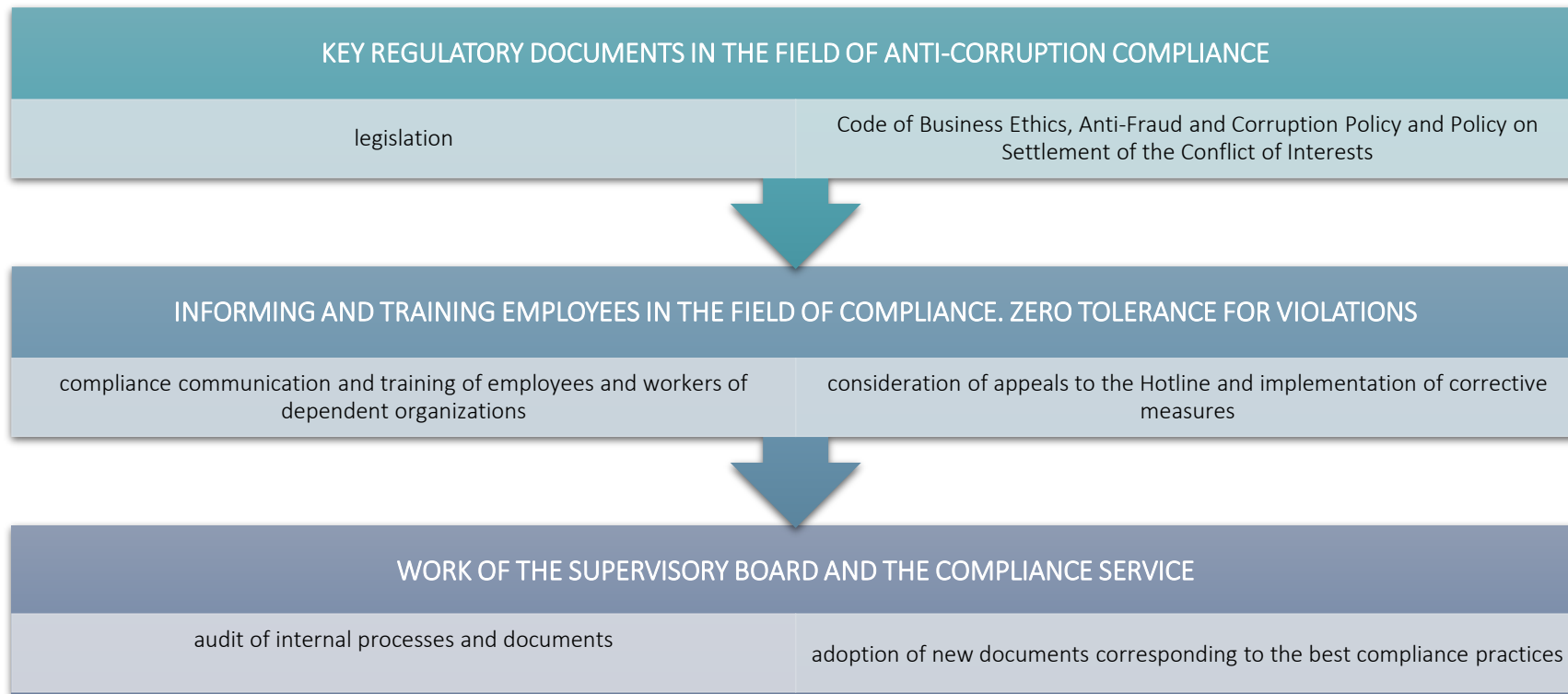
Samruk-Kazyna OJSC ensures compliance with the requirements of applicable anti-corruption legislation. The procedures for ensuring the implementation of anti-corruption legislation are enshrined in the internal regulatory documents and the description of the company's business processes, as

well as the Anti-Fraud and Corruption Policy.

There is an anti-corruption clause in the contracts concluded by our Company.

There were no confirmed cases of corruption in the Company in the reporting year. The litigations concerning corruption were not initiated against the organization or its employees in 2022.

## KEY COMPLIANCE TOOLS



# 7 ENVIRONMENTAL RESPONSIBILITY. MATERIALS

The list of materials that are used in manufacturing products under the current projects of Samruk-Kazyna Ondeu LLP, as well as the percentage of recycled materials used in manufacturing main products.

## Materials used on existing projects

Name	Unit of measure	2019	2020	2021	2022
<b>SSAP LLP</b>					
Granular sulfur	tons	50 835	50 593,2	59 856	<b>53 710</b>
Slaked lime	kg	8 500	2 308,35	9 700	<b>15 300</b>
Soda ash	tons	8.9	1.51	1.56	<b>6.405</b>
Sulfur filtration powder (ground perlite)	tons	1.5	1.912	3.18	<b>2.70</b>
Percentage of secondary materials used in manufacturing basic products	%	0	0	0	<b>0</b>
<b>CHEM-plus LLP</b>					
Glyphosate 95%	kg		982,225	144,000	<b>360,000</b>
Potassium hydroxide 90%	kg		372,880	42 320	<b>134 320</b>
(Emulgator M-540K)	kg		264 000	29 072	<b>92 072</b>
Ammonium bicarbonate 96%	kg		-	15 259	<b>43 160</b>
Ammonium sulfate 98%	kg		-	5 915	<b>17 600</b>
(GO-402 4-K Emulsifier)	kg		-	3 420	<b>9 700</b>
Polyethylene	kg		117,170	6 458	<b>35 872</b>
Basco PF1010/13-PE concentrate, snow white (Masterbatch snow white)	kg		2 392	131	<b>722</b>
Percentage of secondary materials used in manufacturing basic products	%		-	0	<b>0</b>

Name	Unit of measure	2019	2020	2021	2022
<b>Polymer Production LLP</b>					
Anti-blocking additive AB 06064	kg	4 322	5 519.22	295.78	<b>0</b>
Anti-blocking additive AB 06060	kg	1 305	191	2504	<b>2055</b>
Antistatic sliding additive SAT 4509	kg	124 071	118 925	117 944	<b>61 675</b>
Antistatic sliding additive Coexas 15	kg	-	11 050	31 800	<b>25 995</b>
Combined additive GammaSlipStat PP (031) DASLAST-15	kg	2 650	0		
Antistatic sliding additive "A.SCHULMAN PLASTICS BVBA" FASPS 2950	kg	1 342	0	0	<b>269.61</b>
Antistatic sliding additive AGA15	kg	2 280	0	50	<b>0</b>
Antistatic agent AT04082	kg	484	0	0	<b>0</b>
Anti-blocking additive AB 06019	kg	4 135	4 965	4 200	<b>2 792</b>
Polypropylene SIBEX PP H031 BF/3 TU 2211-006-93911504-2015	kg	6 570 000	620 800	-	<b>-</b>
Polypropylene LH3066-03.O	tons	38 500	0	-	<b>-</b>
Polypropylene PPG 1034 04 TU 2211-008-50236110-2006	tons	247 800	722 725	-	<b>-</b>
Polypropylene HB032BF	tons	27 000	6 754 731	9 302	<b>5 649</b>
Polypropylene D382	tons		33 895,50	74	<b>0</b>
Polypropylene F400	tons		3 598	-	<b>-</b>
PP H030GP/7	tons			0	<b>30</b>
Balene (polypropylene copolymers of propylene)01270	tons			12	<b>11</b>
High-pressure polyethylene 15803-020,v/s	tons			4	<b>1</b>
Polypropylene, PP H250GP/3 grade	tons			18	<b>0</b>
Calcium Carbonate CO -PLAS C-080AC-011S	tons			76	<b>16</b>
Calcium carbonate, polymer in granules General characteristics: With chalk content of up to 95% in granules	tons			0	<b>49</b>
Eltex P KS409 Propylene copolymer	kg	214 229	270 700	254 150	<b>153 075</b>
Eltex KS359 Thermopolymer	kg	290 359	322 395	271 370	<b>185 035</b>
Adsyl 5 C 30 FST Copolymer	kg		12 550	109 825	<b>0</b>
Clyrell RC 112L Copolymer	kg		15 900	40 475	<b>0</b>
Eltex KS384 Thermopolymer	kg	12 450	9 550	-	<b>-</b>
Eltex KS329 Thermopolymer	kg	46 750	23 375	-	<b>31 204</b>
Ampacet SEABLOCK Antiblock	kg		15	965	<b>20</b>
Ampacet SKIBLOCK 5 Antiblock	kg		35	965	<b>0</b>
Adsyl 5 C 99 FST Terpolymer	kg			1375	<b>0</b>
Vistamax3850	kg			700	<b>0</b>
Percentage of secondary materials used in manufacturing basic products	%	-	0	0	<b>-</b>

# 7 ENERGY

This Section contains information about energy implemented by Samruk-Kazyna Ondeu LLP. consumption as part and beyond the projects being

## Total fuel consumption

Name	Unit of measure	2019	2020	2021	2022
<b>SSAP LLP</b>					
Gasoline	tons	9.0	0.739	0	0
Diesel fuel	tons	295.9	190.782	132.550	187.130
<b>Polymer Production LLP</b>					
Gasoline	tons	0.65	0.7828	1.02	0.042
Diesel fuel	tons	3 422,0	0	1.72	0.077
<b>CHEM-plus LLP</b>					
Gasoline	tons		-	-	0
Diesel fuel	tons	18	16	12	10
<b>All Subsidiaries</b>					
Gasoline	tons	9.65	1.5218	1.02	0.042
Diesel fuel	tons	3735.98	206.782	146.27	197.207

According to the above projects, energy resources from renewable sources are not used during 2016-2022.

## Energy consumption, kWh

Name	2019	2020	2021	2022
<b>SSAP LLP</b>				
Total consumption	23 356 375	22 073 129	25 976 544	21 961 824
Consumption from Stepnogorsk-Energosbyt	1 718 743	782 153.00	0	0
Own electricity	21 637 632	21 290 976	25 976 544	21 961 824
<b>Polymer Production LLP</b>				
Total consumption	16 896 094	17 522 799	18 450 767	12 822 104
Consumption from Karabatan Power LLP	16 896 094	17 522 799	18 450 767	12 822 104
<b>CHEM-plus LLP</b>				
Consumption for own needs of Alem Pavlodar LLP	1 760 513	1 556 965	1 147 000	856,000
<b>All Subsidiaries</b>				
Total consumption	42 012 982	41 152 893	45 574 311	35 639 928

## Thermal energy consumption, Gcal/year

Name	2019	2020	2021	2022
SSAP LLP	9 500	9 500	9 500	9 500
Polymer Production LLP	0	0	0	0
CHEM-plus LLP	the boiler house has not been put into operation			0
All Subsidiaries	9 500	9 500	9 500	9 500

### SSAP LLP

Heat supply is carried out by steam-water heat exchange plate devices TO1, TO2 with a thermal load of 3.2 Gcal/ h with an effective area of 18.86 m2, a steam flow rate of 5.84 t/h and a UDWS of 127.63 t/h for heating mains water in the main. Network water in the main line is pumped using network pumps No.1, 2 and 3 with a capacity of 15 kWh.

According to the technological regulations for the production of sulfuric acid by contact method, the consumption of thermal energy in technological buildings is 7300 Gcal/year. According to the accounting data for the last 5 years, the actual consumption of thermal energy in buildings No. 9, 11A and 37 is 2200 Gcal/year. The total consumption of thermal energy for the enterprise will be 9500 Gcal/year.

During the 2021-2022 heating season, the consumption of thermal energy from third-party organizations was not carried out. Heating of buildings and structures was carried out due to the utilization of associated steam. The thermal energy of its own production is fully sufficient to cover the needs of the Partnership.

### Polymer Production LLP

The heat supply is carried out through its own boiler house operating on natural gas. Two hot water boilers for automatic fuel supply are installed in the boiler room.

During the 2019-2022 heating season, the consumption of thermal energy from third-party organizations was not carried out. Heating of buildings and structures was carried out at the expense of

its own boiler room. The thermal energy of its own production is fully sufficient to cover the needs of the Partnership.

Energy efficiency and resource conservation measures are aimed at constant monitoring and optimization of accounting and management systems for consumed resources, search for methods and means to increase energy and resource efficiency, consideration of the possibility of optimizing current production indicators for energy and resource conservation. In this aspect, it is necessary to develop an internal regulatory document to improve energy efficiency and resource conservation, to regulate the above-described measures.

### CHEM-plus LLP

The heat supply should be carried out through its own boiler house operating on natural gas. The boiler house has not been put into operation.

During the 2019-2022 heating season, the consumption of thermal energy from third-party organizations was not carried out. Heating of buildings and structures was carried out by convectors.

On these projects, energy consumption for cooling of technological equipment is not taken into account. Steam from third-party energy-producing organizations was not used in the period 2019-2022.

For the period 2019-2022, electric, thermal, cooling and steam energy were used only for their own production needs, the sale of these types of energy was not carried out.

# 7 WATER AND WASTE WATER (1/2)

This Section contains information about the existing projects of Samruk-Kazyna Ondeu LLP, including the total amount of water extracted from various sources, information about water sources affected by the organization's water intake, as well as on the volume of water repeatedly and reused and wastewater emissions, indicating their quality and destination.

### Total amount of water taken by source

	Household-drinking water, m3	Technical water, m3	Technical water for the main production, m3	Technical water for the energy generation, m3	Technical requirements for acid dilution, m3	Wastewater discharge, m3	Average value of % of production load, %
<b>SSAP LLP</b>							
2022	22 101	441 150	227 549	178 786	34 814	22 101	90.65
2021	26 417	464 510	238 399.09	187 313.57	38 617,33	26 417	92.67
2020	13 524	510 840	267 742	210 369	32 729	13 524	84.9
2019	34 029	446 570	231 805	182 131	32 634	34 029	85.57
<b>Polymer Production LLP</b>							
2022	32 875	0	0	0	0	2 602	85
2021	15 917	0	0	0	0	2 620	76
2020	14 492	0	0	0	0	1 898	74
2019	13 179	0	0	0	0	2 818	70
<b>CHEM-plus LLP*</b>							
2022	300	1 000	700	0	0	100	0
2021	300	1 500	1 200	0	0	120	0
2020	300	1 500	1 200	0	0	120	0
<b>All Subsidiaries</b>							
2022	55 276	442 150	228 249	178 786	34 814	24 803	175.65
2021	42 334	466 010	239 599.09	187 313.57	38 617,33	29 157	168.67
2020	28 316	512 340	268 942	210 369	32 729	15 542	158.9
2019	47 208	446 570	231 805	182 131	32 634	36 967	155.57

#### Polymer Production LLP

The volume of water consumption in the Partnership is insignificant, does not have a significant impact on the source water used. The system of water pipelines of Atyrau Su Arnasy RSE, the annual volume under the contract is 39 708 m3.

\*There are no water intake sources. Technical water is

purchased from municipal organizations in the amount of 1500 m3. According to the project, water is purchased from Taraz Chemical Park SEZ, according to the project, industrial and household effluents are discharged into the collector of Taraz Chemical Park SEZ after local purification.

### Use of underground, rainwater, sewage and municipal water supply systems

Name	Underground water	Rainwater collected and stored by the organization	Wastewater of other organizations	Municipal and other water supply systems
SSAP LLP	not used	not used	not used and not disposed	absent
Polymer Production LLP	not used	not used	not used and not disposed	drinking quality water
CHEM-plus LLP	not used	not used	not used and not disposed	1000 m3 per year

### Water sources that are significantly affected by the organization's water intake

The water intake of **SSAP LLP** is carried out from Stepnogorsk-Vodokanal MSE on REM from Seleta River basin.

At **Polymer Production LLP**, the volume of water

consumption is insignificant, does not have a significant impact on used source water. The water pipelines system of Atyrau Su Arnasy RSE.

**Chem Plus LLP** does not used.

### Total volume of reusable and reused water

Name	Volume of reusable and reused water, m <sup>3</sup>			
	2019	2020	2021	2022
SSAP LLP	3 400	3 400	3 400	3 400
Polymer Production LLP	10 361	12 594	13 297	30 273
CHEM-plus LLP	0	0	0	0
All Subsidiaries	13 761	15 994	16 697	33 673



# 7 WATER AND WASTE WATER (2/2)

Total volume of discharges indicating the quality of wastewater and the receiving facility

Name	The volume of discharges indicating the quality of wastewater and the receiving facility, m <sup>3</sup> /year			
	2019	2020	2021	2022
SSAP LLP	34 029	13 524	26 417	22 101
Polymer Production LLP	2 818	1 898	1 715	2 602
CHEM-plus LLP	0	0	0	0
All Subsidiaries	36 847	15 422	28 132	24 703

### SSAP LLP

Wastewater discharge is carried out through a pipeline owned by Stepnogorsk-Vodokanal SME on REM to the sewage treatment plant.

In the course of production activities, household waste water is also generated. The treatment of them requires taking ordinary sanitary and hygienic measures, since the household service of the staff is provided in the existing household building of the Partnership. The project does not provide for special measures for the disposal of domestic wastewater.

Stormwater and meltwater from the roof of buildings are diverted directly to the blind areas of buildings with subsequent discharge to the relief.

The volume of discharges reused by another organization on the territory of the Partnership is not available.

### Polymer Production LLP

There are two evaporation ponds with a mirror area of 2700 m<sup>2</sup> and a depth of 2.50 m - 2.56 m. Evaporation ponds are designed for the discharge of treated effluents and for their subsequent evaporation. Wastewater generated during the production activities of the facilities of Polymer Production LLP is represented by household and industrial wastewater.

The generated waste water is pumped to a biological treatment facilities through a SPS pumping station. The MEGA-M-40 unit is designed for complete biological treatment of domestic wastewater, its post-treatment and disinfection. The Partnership, according to standards of maximum permissible discharges (MPD), determined the qualitative and quantitative composition of discharges of pollutants discharged into evaporation ponds. Following industrial environmental monitoring held by specialized organizations, the volume of discharges of pollutants into evaporation ponds in 2022 amounted to 3 158 tons (total volume after bio-purification) at the established standard of 8 175 tons per year.

**CHEM-plus LLP** During the production of liquid formulas, chemical contaminated effluents are not formed.







# 7 EMISSIONS (1/2)

This section provides information on the current projects of Samruk-Kazyna Ondeu LLP in terms of total emissions, direct greenhouse gas emissions, emissions into the atmosphere of NO<sub>x</sub>, SO<sub>x</sub> and other significant pollutants.

Name	Total emissions		
	SSAP LLP	CHEM-plus LLP	Polymer Production LLP
Direct greenhouse gas emissions	absent	absent	399 tons*
Indirect energy emissions of greenhouse gases	absent	absent	absent
Other indirect greenhouse gas emissions	absent	absent	absent
Intensity of greenhouse gas emissions	absent	absent	absent
Reducing greenhouse gas emissions	absent	absent	absent
Emissions of ozone-depleting substances	absent	absent	absent
Emissions of NO <sub>x</sub> , SO <sub>x</sub> and other significant pollutants into the atmosphere	NO <sub>x</sub> – 0.168 tons		NO <sub>x</sub> – 1.8 tons
	SO <sub>x</sub> – 121.8 tons		SO <sub>x</sub> – 0 tons
	Volatile organic compounds – 0.001 tons	NO <sub>x</sub> – 0 tons	PM – 2.4 tons
	Solid particles – 0.452 tons	SO <sub>x</sub> – 0 tons	CO - 6.2 tons
	Gaseous and liquid – 121.280 tons	From non-stationary sources - 0.175 tons	Other – 14.4 tons
	Other – 14.8 tons		

## Emissions of NO<sub>x</sub>, SO<sub>x</sub> and other significant pollutants into the atmosphere

### SSAP LLP

Harmful substances polluting the atmosphere on the territory of the plant are:

- sulfuric acid aerosols and sulfurous anhydride in the exhaust gases of the final absorption tower;
- diesel fuel vapors containing marginal hydrocarbons C 12-C 19 and hydrogen sulfide from diesel fuel consumable tanks;
- sulfuric acid aerosols from a sulfuric acid warehouse, including in case of an emergency spill;
- soot, nitrogen oxide, nitrogen dioxide, sulfur dioxide, carbon oxide during the heating of the combustion furnace, exhaust gases, incomplete combustion products.
- NO<sub>x</sub> – 0.168 tons.
- SO<sub>x</sub> – 121.8 tons.
- Volatile organic compounds (VOCs) – 0.001 tons.
- Solid particles (SP) – 0.452 tons.
- Gaseous and liquid – 121.280 tons.
- Other – 14.8 tons.

Constant control over and monitoring of emissions into the environment is carried out, aimed at establishing a system of standards for the condition and maximum permissible impact on environmental components necessary for the effective implementation of environmental protection management. The main task of environmental control of emissions is to identify the extent of changes in the quality of the environment within

the sanitary protection zone of the enterprise and on its border.

### Direct greenhouse gas emissions of Polymer Production LLP

According to requirements of the Environmental Legislation of the Republic of Kazakhstan, in 2023, the Partnership has drew up an inventory of greenhouse gases discharged to the environment in 2022 as part of the Partnership activities. The calculation of greenhouse gas emissions from a diesel generator, boiler house and motor transport (one forklift truck) has been performed. According to results of the inventory of greenhouse gases emitted by the forklift truck, diesel generator and boiler house (insignificant amount) carried out in 2022 in the Partnership, the emissions of the above gases are stable (about 390 tons per year), and therefore the Partnership does not fall under requirements for greenhouse gas quotas according to the National Plan for the Distribution of Quotas for Greenhouse Gas Emissions. In its activities, the Partnership does not emit ozone-depleting substances that affect climate change.





# 7 EMISSIONS (2/2)

## Emissions of NO<sub>x</sub>, SO<sub>x</sub> and other significant pollutants into the atmosphere by Polymer Production LLP

The Partnership, according to standards of maximum permissible emissions (MPE), determined stationary sources of emissions of harmful substances (organized and unorganized). In order to reduce emissions from stationary sources, the Partnership conducted operational monitoring – accounting for the number of hours of operation of each piece of equipment and material consumption. The reduction of emissions is confirmed by the results of industrial environmental monitoring conducted by specialized organizations. The volume of gross emissions from stationary sources in 2022 amounted to 25 tons at the established standard of 134 tons per year.

The actual volume of gross emissions from stationary sources: total - 25 tons per year, including: solid - 2.06 tons, gaseous - 22.89 tons, of which hydrocarbons – 14 tons, NO<sub>x</sub> - 1.8 tons, SO<sub>x</sub> – 0.0001 tons and others – 7.09 tons.

## Direct greenhouse gas emissions at CHEM-plus LLP

There are no direct greenhouse gas emissions from CHEM-plus LLP, the boiler house has not been put into operation. After commissioning of the boiler house, an inventory of greenhouse gases will be carried out.

## Emissions of NO<sub>x</sub>, SO<sub>x</sub> and other significant pollutants into the atmosphere by CHEM-plus LLP

Emissions from unorganized sources amounted to 0.175 tons, which is 30-33% of the permitted emission standard. The control over emissions of pollutants into the atmosphere is carried out by an accredited laboratory. Sampling sites for determining concentrations of pollutants are determined in accordance with the requirements of regulatory documents. The selection and analysis of the air samples under the contract is carried out by an accredited laboratory of by FAN PCF LLP according to the control schedules for emissions of pollutants into the atmosphere. The main task of environmental control is to monitor the impact of pollutants and identify the extent of environmental quality changes within the sanitary protection zone of the enterprise and on its border.



# 7 WASTE (1/2)

## WASTE GENERATION

This section provides information on waste on current projects of Samruk-Kazyna Ondeu LLP. At all objects of the Partnership, production and consumption waste is accounted for by their types, quantity and properties, passports of hazardous waste are developed, production and consumption waste is recorded in the

appropriate waste register, as waste is generated and transferred to utilization or disposal. Results of waste accounting are submitted to the authorized body in the field of environmental protection.

Waste name	Waste hazard level	Source of waste generation	Waste accumulation				Transfer to specialized organizations, tons			
			Volume of accumulated waste, tons							
			2019	2020	2021	2022	2019	2020	2021	2022
<b>SSAP LLP</b>										
Used fluorescent lamps	200121*	Replacement of used lamps	0.1175	0.106	0.117	<b>0.0921</b>	0.1175	0.106	0.117	<b>0.0921</b>
Cakes after sulfur filtration	060602*	Sulfuric acid production waste, sulfur melting	62	75	80	<b>183</b>	62	75	80	<b>183</b>
Waste containing sulfuric acid	170903*	Sulfuric acid waste during tank cleaning	5	0	2.5	<b>2.5</b>	5	0	2.5	<b>2.5</b>
Solid household waste	200301	They are formed as a result of the vital activity of the staff	23.585	21.84	42.89	<b>45.63</b>	23.585	21.84	42.89	<b>45.63</b>
Waste paper, paper	200101	It is formed as a result of the production process	0	0	0	<b>0.325</b>	0	0	0	<b>0.325</b>
Welding electrode stubs	120113	They are formed in the production process during electric welding works	0	0	0.001	<b>0.003</b>	0	0	0.001	<b>0.003</b>
Oiled rags	150202*	It is formed when using a cleaning material for wiping mechanisms, parts, engineering tools and machines from petroleum products	0	0	0	<b>0.004</b>	0	0	0.001	<b>0.004</b>
Office equipment	200135*	It is formed during the operation of office equipment	0.028	0.0312	0.005	<b>0.071</b>	0.028	0.0312	0.005	<b>0.071</b>
Rechargeable batteries	160601*	They are formed during the operation of portable equipment, when replacing batteries	0	0.038	0.042	<b>0</b>	0	0.038	0.0042	<b>0</b>
Construction waste	170106*	Construction repair work, dismantling of equipment	0	10	8	<b>3.78</b>	0	10	8	<b>3.78</b>
Waste nylon tape	200199	They are formed as a result of sorting and packaging of raw materials	0	0	0	<b>0.001</b>	0	0	0	<b>0.001</b>
PVC canopy	150110*	They are formed as a result of sorting and packaging of raw materials	0	0	0	<b>42.007</b>	0	0	0	<b>42.007</b>
B, G class medical waste	180103*	They are formed when providing medical care to personnel	0.0309	0.01865	0.015	<b>0.01777</b>	0.0309	0.01865	0.015	<b>0.01777</b>
	180104									
	160117									
Metal waste	160118	Operation and repair of equipment	0	0	0	<b>0</b>	0	0	0	<b>0</b>

# 7 WASTE (2/2)

Waste name	Waste hazard level	Source of waste generation	Waste accumulation				Transfer to specialized organizations, tons			
			Volume of accumulated waste, tons							
			2019	2020	2021	2022	2019	2020	2021	2022
<b>Polymer Production LLP</b>										
Film waste (plastic waste)	07 02 13	Production of BOPP film	769	817	693	<b>588</b>	-	-	-	-
Solvents of paints and varnishes	07 06 04*	Cleaning the printing press	0.519	1.228	0.714	<b>1.021</b>	0.519	1.228	0.714	<b>1.021</b>
Oiled technical fabric	15 02 02*	Equipment maintenance, contaminated materials	0.254	0.536	0.1	<b>0.008</b>	0.254	0.536	0.1	<b>0.008</b>
Plastic waste (except packaging)	02 01 04	Plastic waste (plastic barrels, plug, pallets)	0	0	0.276	<b>0</b>	0	0	0.276	<b>0</b>
Paint and varnish materials	08 01 11*	Painting and printing machine works	0.021	0.05	0.188	<b>1.363</b>	0.021	0.05	0.188	<b>1.363</b>
Solid household waste	20 03 01	They are formed as a result of the vital activity of the staff	78	176	269	<b>181</b>	78	176	269	<b>181</b>
Metal barrels	02 01 40	Oil containers, coolants	0.225	0.675	0	<b>0</b>	0.225	0.675	0	<b>0</b>
Welding electrode stubs	12 01 13	They are formed in the production process during electric welding works	0	0	0.075	<b>0</b>	0	0	0.075	<b>0</b>
Metals	20 01 10	Operation of metalworking machines	0.4	0.12	0.24	<b>0</b>	0.4	0.12	0.24	<b>0</b>
Used oils	13 02 06*	They are formed during the operation of equipment and transport	1.170	0	0	<b>0</b>	1.17	0	0.24	<b>0</b>
<b>CHEM-plus LLP</b>										
Packaging containing residues or contaminated with hazardous substances	15 01 10* Dangerous (mirror)	Packaging of raw materials	6.5	7.8	2.6	<b>3.8</b>	6.5	7.8	2.6	<b>0</b>
Mixed packaging	15 01 06 Hazardous (mirror)	Packaging of raw materials	0.7	0.8	0.4	<b>0.6</b>	0.7	0.8	0.4	<b>0</b>
Used activated carbon	06 13 02 Hazardous (mirror)	From the adsorber	0.2	0.2	0.2	<b>0.2</b>	0.2	0.2	0.2	<b>0</b>
Absorbents, filtrable materials (including oil filters otherwise unspecified), wiping cloths, protective clothing contaminated with hazardous materials	15.02.02 Hazardous (mirror)	Rags, protective clothing	0	0.1	0.1	<b>0.1</b>	0	0.1	0.1	<b>0</b>
Household waste			3	4	2	<b>2</b>	3	4	2	<b>2</b>

# 7 HR AND SOCIAL POLICY

The HR Policy of the Partnership was approved by the decision of the Supervisory Board of the Partnership and is a functional policy aimed at implementing the Development Strategy of the Partnership. The HR Policy outlines the priorities of working with personnel until 2028.

**The mission of the HR Policy** is to provide the necessary number of promising, highly professional and motivated personnel to achieve high results for the implementation of the Company's Strategy.

**The vision of the HR Policy** is the development of an effective corporate culture of the Company focused on achieving high results, meritocracy and innovation using the best practices for personnel development through the introduction of new behaviors for "commercial" way of thinking

Achieving the mission and vision of the Company involves the development of key competitive advantages, among which a significant place is occupied by the formation of SK Ondeu LLP as a competent partner with experience in the field of complex projects by 2028, in this regard, the greatest emphasis will be placed on the development of competencies.

At the end of 2020, in accordance with the Instructions of the Deputy CEO of Samruk-Kazyna JSC, Pirmetov A.Kh. (letter No.22-43-05.14286 of August 10, 2020): "... representatives of the Fund in the Boards of Directors and Supervisory Boards of portfolio companies are proposed to consider the issue of the implementation of HR Policies of Portfolio Companies at the meetings of the

Board of Directors and Supervisory Boards of Portfolio Companies and take measures to level the risks of non-fulfillment of the efficiency of HR Policies of Portfolio Companies", an audit of the implementation of measures of the HR Policy of the Partnership for 2018-2028 was conducted, it covered 9 (nine) key areas: staff planning, staff search and selection, staff training and development, staff performance evaluation, talent management system, remuneration management, corporate culture development, HR function development, Manual on Engagement with Portfolio Companies in the field of HR management.

The total number of tasks is 94, of which 88 tasks have been completed, or 98% have not been completed (due to restrictions in the Partnership's budget, cost optimization) – 2 tasks (related to automation of processes that require additional costs).

The results of the implementation of the HR Policy were accepted for consideration by the Supervisory Board in October 2020.

The ability to diagnose, forecast and plan the situation with personnel for medium and long-term periods. The proactivity of the HR Policy is manifested through consistency with the key goals and objectives of the Partnership Strategy.

## PROACTIVITY

It will be implemented through transparent procedures for appointing members of the executive body, management bodies of subsidiaries and other executives to leadership positions, enrolling in the talent pool and promoting reservists to executive and managerial positions, transparent competitive procedures for hiring to administrative positions, transparency of the labor payment and remuneration system, unified providing of training and development opportunities.

## TRANSPARENCY

## SUCCESSION

It will be achieved through the continuity of knowledge and experience, emphasis on the development and training of employees, support for mentoring mechanisms, the creation of a system of accessibility of accumulated knowledge and experience (encouraging the transfer of information in case of rotation and dismissal). The Partnership strives to ensure professional growth and development of employees who have practical experience in production links, who have passed all stages, production levels and stages of career development.

## INTEGRATEDNESS

It will be implemented through the close relationship and interdependence of workforce planning, personnel recruitment, evaluation, payment and motivation, social support of personnel, training, professional development and corporate culture.



## STAFF WELL-BEING

## SOCIAL STABILITY LEVEL

Samruk-Kazyna Odeu LLP participates in the study of staff engagement on an annual basis.

In 2022, the study was held using a new WELL-BEING SURVEY methodology.

**Well-being** is a person's inner feeling, a combination of love for what we do every day, good relationships with others, a stable financial situation, good health and pride in our contribution to society and the interrelation of these elements.

**Goal of the study is** to determine the level of well-being of employees.

**Objective of the study is:**

- Determining 5 elements of well-being: health, finances, social well-being, environment, professional prosperity.
- Determining the happiness index.
- Determining of the index of intolerance to corruption.
- Making recommendations to improve the well-being of employees.

According to survey results, the overall level of well-being for 2022 amounted to 68%.



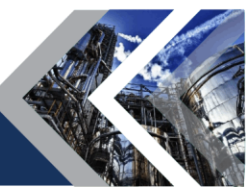
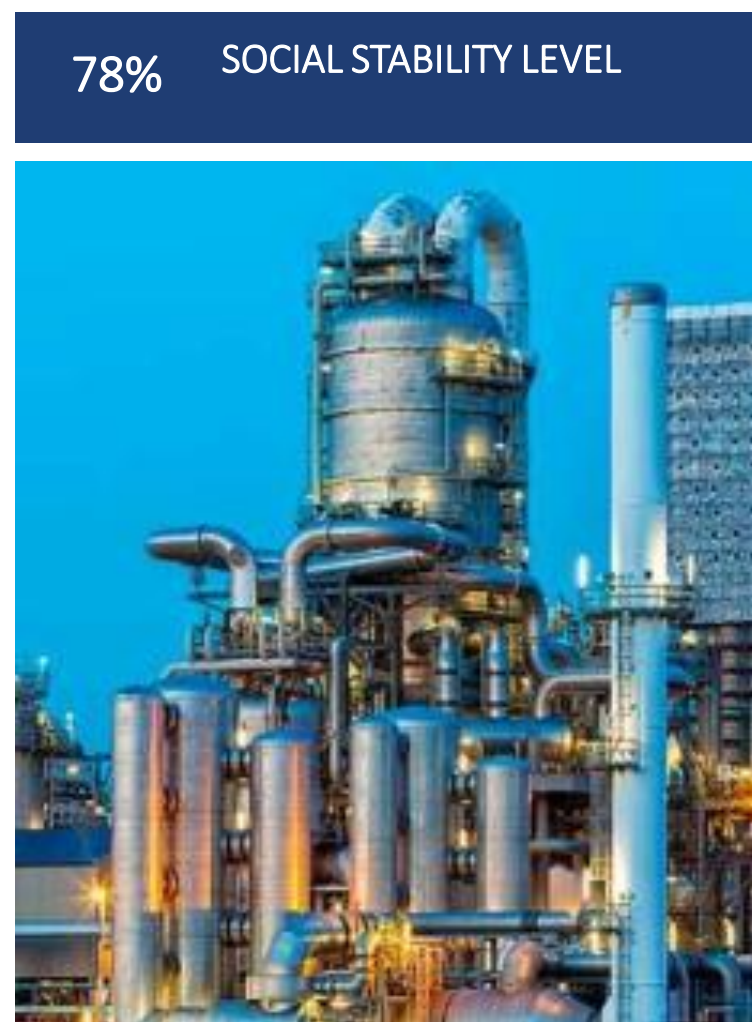
Samruk-Kazyna Odeu LLP participates in the **SAMRUK RESEARCH SERVICES** study on an annual basis. In 2022, this study was held on a quarterly basis. Starting from 2023, it is planned to hold 1 every six months.

**SAMRUK RESEARCH SERVICES** is a monitoring tool for measuring the level of social stability in the Fund's workforce.

According to the results of the study in Samruk-Kazyna Odeu LLP (SSAP LLP and Polymer Production LLP), there is increase in the level of social stability in labor collectives.

Thus, the integral SRS indicator of the Company in 2022 increased by 10 percentage points as compared to 2021 and amounted to 78%.

In terms of Subsidiaries, SSAP LLP is the leader in the context of the integral indicator (82%), while in Polymer Production LLP the SRS index was 66%.



## LABOR AND LABOR RELATIONS

## SOCIAL SUPPORT, GUARANTEES AND COMPENSATION PAYMENTS

The issues of labor organization and labor relations are regulated by the Rules for Internal Labor Regulations, labor contracts. Employee incentives are implemented through a system of approving goals for the period and individual employee development plans, on the basis of which periodic performance evaluation and bonuses are carried out.

As part of social support, employees are given the opportunity to train in rented volleyball halls and ping-pong hall, financial assistance is provided for work holidays, at the birth of a child, etc. Various thematic team building, intellectual games, etc. are held.

The system of remuneration and bonuses for employees of the Partnership is based on the following principles:

- 1) internal fairness (official salary is depending on the grade of the position) and external competitiveness (the level of remuneration should be competitive relative to the reference salary market);
- 2) the remuneration system should be transparent and understandable;

3) the amount of remuneration should depend on the achievement by the Partnership as a whole and individual employees of goals and objectives, as well as the financial and economic capabilities of the Partnership. The labor remuneration of the Partnership employees is based on a time-based bonus system of remuneration, given the grade of each position.

The comprehensive annual income of an employee may consist of the following elements:

- official salary;
- bonus to administrative employees based on the results of the reporting period (based on the results of performance evaluation);
- bonuses to senior employees (members of the executive body of the Partnership) depending on the results of the execution of key performance indicators approved by the Supervisory Board;
- financial assistance for labor leave;
- award based on results of the year, depending on the execution of corporate key performance indicators;
- holiday bonus for the Independence Day of the Republic of Kazakhstan.

The social policy of the SK Ondeu LLP group of companies is determined jointly with employees and is provided at the expense of the available financial capabilities of the SK Ondeu LLP group of companies.

Labor disputes in the SK Ondeu LLP group of companies are resolved in accordance with the current legislation and the Regulation on the Conciliation Commission for Individual Labor Disputes with the participation of representatives of the employer and employee. The procedure for contacting and receiving feedback on labor disputes is determined by an internal regulatory document, familiarization with which is carried out during the employment of employees.

The composition of the Conciliation Commission is approved by the organizational and administrative document. In the event of a labor dispute, before applying to the Conciliation Commission, the employee has the right to apply:

- to the Head of the HR Department;
- to the Chairman of the Conciliation Commission;
- to the CEO of the Company.

It is worth noting that there is no practice of concluding collective agreements in the Group of companies, however, at the moment

a collective agreement has been concluded in one Subsidiary, while others are under development.

The following benefits are provided to employees in SK Ondeu LLP and Subsidiaries:

- compulsory life insurance by the employer;
- voluntary health insurance of employees;
- incapacity/disability compensation;
- maternity/paternity leave;
- financial assistance for the birth /adoption of a child;
- financial assistance in connection with the death of an employee, spouse, children, parents of an employee;
- financial assistance for recovery;
- partial refund of food to rotation shift workers;
- transportation of personnel (to the place of work and return home);
- free providing of disposable medical masks and decontamination sprays.

# STAFF NUMBER AND COMPOSITION

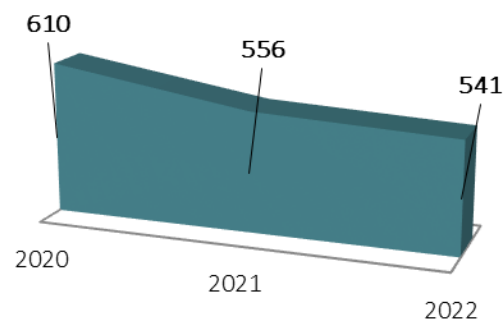
The actual number of employees in 2022 for the SK Ondeu LLP group of companies amounted to 541 persons, which is 2.7% below the previous reporting year. In addition to the SKO Corporate Center, the

following Subsidiaries are taken into account in the 2022 report: SSAP LLP, Polymer Production LLP, CHEM-plus LLP, due to changes in the reporting rules.

The personnel structure of the SK Ondeu LLP group of companies consists of 99.8% permanent employees. Due to the peculiarities of the activity, it is characterized by a high proportion of male employees. The main share of the personnel of the SK Ondeu LLP group of companies is made up of employees who are at the most productive age for professional work up to 30 years (42%). The staff mainly consists of the category "specialists" and

"workers", in which men make up 83.6%. Given these indicators, the enterprises of the SK Ondeu LLP group of companies are taking measures aimed at developing the mentoring institute to ensure continuity and transfer of professional knowledge and skills, as well as achieving an optimal combination of young initiative workers and experienced employees.

Dynamics of changes in the actual number, person

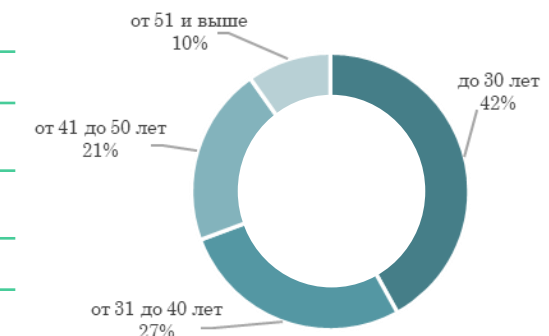


Distribution of the actual number of enterprises for 2022, person

Company name	2022
SK Ondeu LLP	33
SSAP LLP	220
Polymer Production LLP	245
CHEM-plus LLP	43
<b>TOTAL</b>	<b>541</b>

Number by gender and age

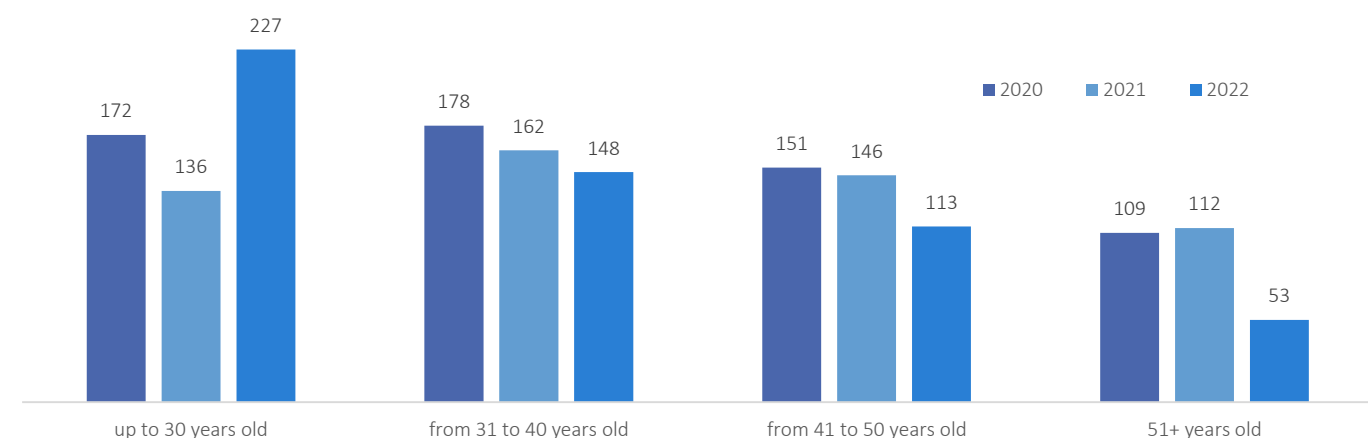
Age	Men	Women
Up to 30 years old	176	51
From 31 to 40 years old	98	50
From 41 to 50 years old	63	50
Over-51s	41	12
<b>Total</b>	<b>378</b>	<b>163</b>



Staff structure by category and gender in 2022

Staff category	Total		of these:			
	Person	%	men		women	
			Person	%	Person	%
Senior management	8	2,2%				
Heads of structural subdivisions	51	14,2%	54	14,3%	14	8,6%
Specialists	99	27,5%				
Workers	383	56,1%	324	85,7%	149	91,4%
<b>TOTAL</b>	<b>541</b>	<b>100%</b>	<b>378</b>	<b>69,9%</b>	<b>163</b>	<b>30,1%</b>

Staff structure by age, person





In 2022, throughout the SK Ondeu LLP group of companies, 83 persons were entitled to maternity/paternity leave, of which only 16 employees took advantage of this opportunity. More detailed information is provided below.

YEAR	Number of employees who were entitled to maternity/paternity leave, person		Number of employees who have taken maternity/paternity leave, person		Number of employees who returned to work at the end of maternity/paternity leave and continued to work twelve months after returning to work, person		Percentage of return to work and retention of employees who have taken maternity/paternity leave.	
	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN	WOMEN	MEN
2020	42	121	14	0	7	0	50%	0%
2021	29	78	14	1	3	0	21%	0%
2022	26	57	16	0	9	0	56%	0%

## STAFF TRAINING AND DEVELOPMENT

In accordance with the Rules of Professional Training and Development of Employees, employees are given the opportunity to improve their level of education and qualifications. In the SK-Ondeu LLP group of companies, comprehensive professional development of employees is carried out on an ongoing basis. Training and development system in a group of companies provides for compulsory,

normative training, development of managerial and professional competencies.

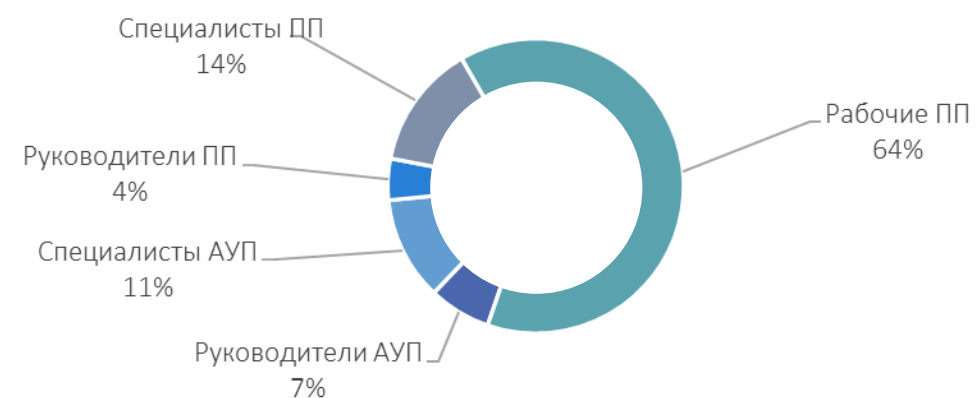
In total, 249 employees were trained in the Group of Companies in 2022, which amounted to 44% of the average number of employees. The average age of the trainees was 38,5 years old.

More detailed information is given below.

Name	2020	2021	2022
The average annual number of training hours of employee	4.1	6.9	6.6
Total number of training hours for all employees	2583	4095	3652
The average annual number of training hours of female employee	1.7	5.1	4.4
Total number of training hours of female employees	284	779	724
The average annual number of training hours of male employee	5.3	8.3	7.8
Total number of training hours of male employees	2299	3316	2928

# 8 TRAINING

Percentage of staff training by gender and position, number of employees



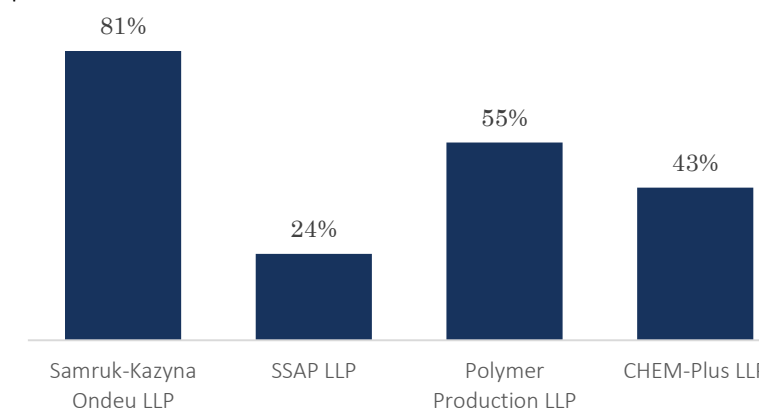
Share of staff training, by company, %

In the reporting period, 33 employees of the Partnership underwent external training (80.5%).

In SSAP LLP, this indicator amounted to 24% or an employee, including 8 employees of AMP and 46 production workers.

20 employees or 42.5% of the average number were trained in CHIM-plus LLP during 2022, including 18 (or 90%) refer to production personnel.

142 employees (or 55%) were trained in Polymer Production LLP, of which 140 (or 98.5%) were employees related to production personnel.



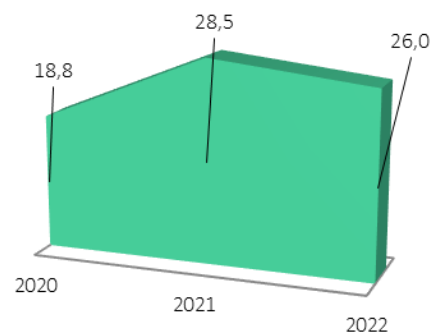
# STAFF TURNOVER

In 2022, as for the SK Odeu LLP group of companies, there is decrease in the staff turnover rate to 26%, which is 2.5% lower than in 2021. In total, in 2022, employment contracts were terminated with 144 employees. For comparison, last year this figure amounted to 170. The minimum period of notification of employees upon termination of employment relations due to a reduction in the number or staff

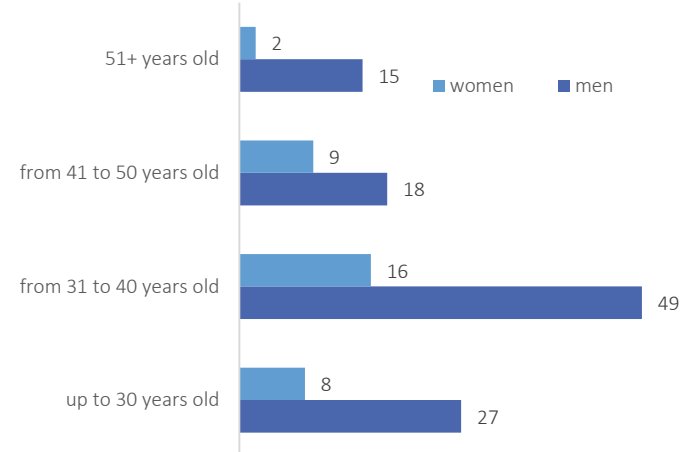
of employees is one month in accordance with the Labor Code of the Republic of Kazakhstan. The minimum period of notification of employees about significant changes in the activities of the group of companies is carried out in accordance with the legislation of the Republic of Kazakhstan and in accordance with the Company's internal regulatory documents.

Also in 2022, there is minor increase in the SK Odeu LLP group of companies of the turnover ratio for hiring staff by 1% relative to 2021.

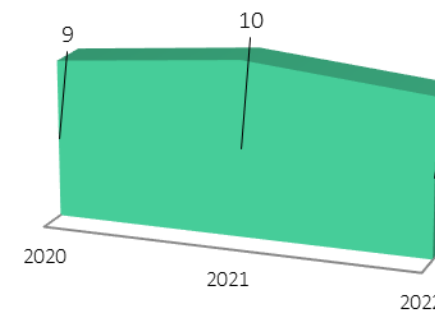
Staff turnover, %



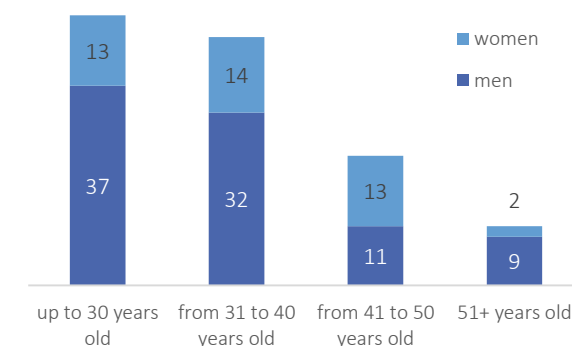
Terminated employment contracts, person



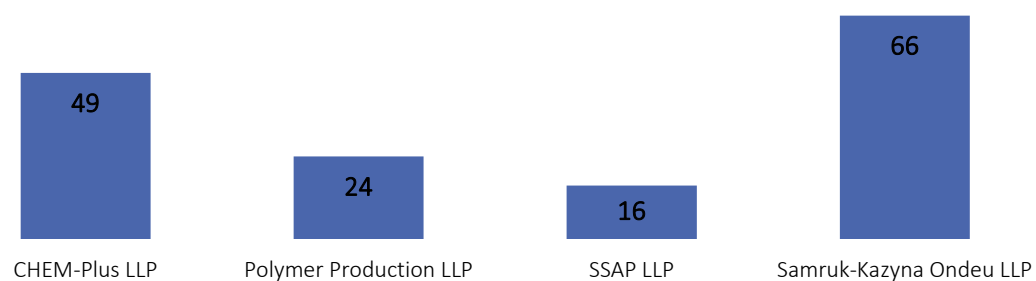
Turnover ratio for staff admission, %



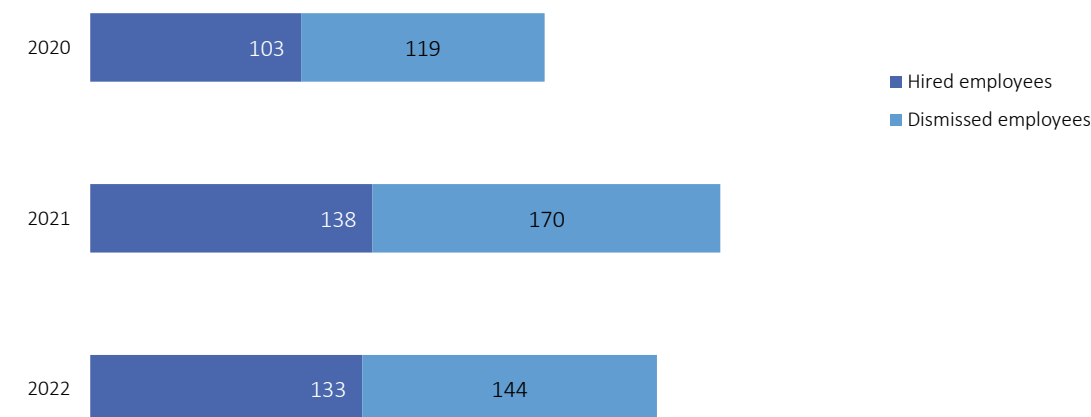
Newly hired employees, person



Staff turnover by company, %



Dynamics of hired and dismissed employees, person





### **SAFETY AND HEALTH AT WORK**

The Samruk-Kazyna Ondeu LLP group of companies sets the priority of the life and health of employees in relation to results of production activities, as well as the prevention of hazardous production factors in the field of occupational and industrial safety.

The management of the Company and its Subsidiaries follows the principle of zero tolerance in relation to losses and damages related to incidents and accidents, the use of alcohol, narcotic drugs, psychotropic substances and their analogues, and road accidents. The Company undertakes to comply, in addition to national legislation, with requirements of international and national standards. The Company continues to work to ensure a high level of safety at work in accordance with international standards and best practices.

In order to reduce risks of harm to the life and health of personnel, constant monitoring is carried out during the work, the responsibility and involvement of managers and employees in the processes of ensuring occupational safety and labor protection is increased. Great attention is also paid to improving the competence and qualifications of employees of the entire SK Ondeu group of companies. Following 2022, work-related accidents and cases of occupational diseases have not been registered.

### **CUSTOMER'S HEALTH AND SAFETY**

The most important priority of SK Ondeu's activities is the protection of life and health of employees, as well as ensuring safe working conditions. Sustainable Development is one of SK Ondeu's strategic initiatives, therefore the Company pays special attention to ensuring a high level of safety at work according to international standards and best practices.

The Occupational Health and Industrial Safety Policy of the SK Ondeu group of companies is based on the leadership and commitment of senior management in relation to occupational health and industrial safety issues and is aimed at involving each employee in the development of a safety culture. The company complies with requirements of the legislation of the Republic of Kazakhstan, provides safe and favorable working conditions.

Management of issues in the field of health protection is carried out in accordance with the requirements of the Labor Code, the Code "On Health of the People and the Health System", sanitary rules and instructions of the Republic of Kazakhstan, as well as other HSE requirements.

#### **Polymer Production LLP**

Polypropylene biaxially oriented film, polypropylene bags and bag fabrics (hereinafter referred to as Products) are non-toxic and under normal conditions do not have a harmful effect on the human body in direct contact, use does not require additional precautions.

The products have chemical resistance, are resistant to water, organic solvents, brines, alkalis and non-oxidizing acids at normal temperature, and are subject to photochemical degradation under the influence of sunlight.

#### **SSAP LLP**

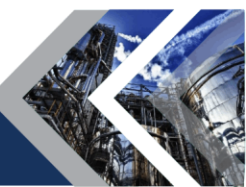
The sulfuric acid produced,  $H_2SO_4$ , is a strong dibasic acid, and under standard conditions is an oily, colorless, odorless liquid. It is low-volatile at normal temperatures, at elevated temperatures, it is possible to release steam and sulfur dioxide, which irritate the upper respiratory tract, at high concentrations can cause severe lung diseases. The maximum permissible concentration of the working area is 1 mg/m<sup>3</sup>.

The Partnership sulfuric acid meets the regulatory requirements of GOST. The products have passed the declaration procedure for compliance with the requirements of TP TC 005/2011 "On Packaging Safety". The products are sold in batches. Each batch of products is accompanied by a quality certificate, which is the main document that characterizes the quality of products, regulates the normalized and actual indicators for the product. The Organization has not identified any cases of violations of regulatory requirements and voluntary codes.

#### **CHEM-plus LLP**

Glyphosate salts are a sterilizing absorbent herbicide with high efficiency, low toxicity, and a wide spectrum of action. As a broad-spectrum sterilizing herbicide, glyphosate salts have a number of advantages over other herbicides, such as high conductivity, the ability to destroy the ten most common weeds in the world with a developed root system, have low toxicity, do not precipitate, do not accumulate in living organisms, are deactivated in the soil, forming compounds with bivalent metal ions, are decomposed by microorganisms in the soil, do not pollute the soil, and also have wider safety limits when eaten.

Its toxicity is not high, but when working with it special clothing and work gloves. In contact with the skin, it causes irritation, so in emergency cases, it is necessary to wash hands, face and eyes with plenty of water. It is stable under normal conditions of use and storage. It is not explosive, not flammable. The products are sold in batches. Each batch of products is accompanied by a safety data sheet, which is the main document that characterizes the quality of products.



## 8 Independent auditor's opinion

### INDEPENDENT AUDITOR'S REPORT

To the Participant and Management of Samruk-Kazyna Ondeu LLP

#### Opinion

We have audited the consolidated financial statements of Samruk-Kazyna Ondeu LLP and its Subsidiary (hereinafter - the Group), which comprise the consolidated statement of financial position as of December 31, 2022, the consolidated statement of income and loss and other comprehensive income, the consolidated capital statement and the consolidated statement of cash flows for the year ended on that date, as well as notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the enclosed consolidated financial statements present fairly, in all material matters, the consolidated financial position of the Group as of December 31, 2022, as well as its consolidated financial results and consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards (hereinafter referred to as IFRS).

#### Basis for the conclusion

We have carried out the audit in accordance with the International Standards on Auditing (hereinafter - the ISA). Our responsibility in accordance with these standards is further disclosed in the section "Auditor Responsibility for the Financial Statements Audit" of our conclusion. We are independent of the Company in accordance with the ethical requirements applicable to our audit of consolidated financial statements in the Republic of Kazakhstan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

#### Other issues

The audit of the Group's consolidated financial statements for the year ended December 31, 2021, was held by another auditor, who expressed an unmodified opinion regarding these financial statements on March 05, 2022.

#### Responsibility of management and persons responsible for corporate governance for the financial statements

The management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS and for such internal control as management determines is necessary to prepare consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### Responsibility of the management and persons responsible for corporate governance, for the financial statements (continued)

In preparing the consolidated financial statements, management is responsible for assessing the ability of the Company to continue as a going concern, for disclosing information related to going concern, as appropriate, and for preparing statements based on the going concern assumption, unless management intends to liquidate the Group, terminate its operations or when it does not have any other real alternative, other than liquidation or termination of activity.

Persons responsible for corporate governance are responsible for overseeing the preparation of the Group financial statements.

#### Auditor responsibility for the consolidated financial statements audit

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor conclusion containing our opinion. Reasonable assurance represents a high degree of confidence, but is not a guarantee that an audit conducted in accordance with ISA will always detect material misstatements if any. Misstatements may be the result of fraud or error and are considered material if, individually or collectively, they can reasonably be assumed to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. In addition, we perform the following:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; develop and perform audit procedures in response to these risks; obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of non-detection of material misstatement as a result of unfair actions is higher than the risk of non-detection of material misstatement as a result of an error, since unfair actions may include collusion, forgery, intentional omission, distorted presentation of information or actions bypassing the internal control system;
- obtain an understanding of internal control relevant to the audit in order to develop audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control system of Samruk-Kazyna Ondeu LLP;
- evaluate the appropriateness of the accounting policies applied and the reasonableness of the estimates calculated by the management and the related disclosures;
- conclude on the legality of the management's application of the going concern assumption, and on the basis of the audit evidence obtained, conclude whether there is a material uncertainty in connection with events or conditions that may result in significant doubts about the ability of the Group to continue its activities smoothly. If we conclude that there is a material uncertainty, we should draw attention in our auditor conclusion to the relevant disclosures in the consolidated financial statements or, if such disclosures are inappropriate, modify our opinion. Our conclusions are based on audit evidence obtained prior to the date of our audit conclusion. However, future events or conditions may cause the Group to lose the ability to continue its operations continuously;

#### Auditor responsibility for the consolidated financial statements audit (continued)

- evaluate the presentation of the consolidated financial statements as a whole, their structure and content, including disclosure of information, as well as whether the consolidated financial statements represent the underlying transactions and events in such a way as to ensure their fair presentation;
- obtain sufficient appropriate audit evidence relating to the financial information of organizations or activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the governance, control and audit of the Group. We remain fully responsible for our audit opinion.

We carry out informational interaction with persons responsible for corporate governance in Samruk-Kazyna Ondeu LLP, bringing to their attention, among other things, information about the planned scope and timing of the audit, as well as significant comments on the audit results, including significant deficiencies in the internal control system that we identify during the audit.

Grant Thornton LLP



Партнер по заданию / Генеральный директор  
ТОО «Grant Thornton»

#### Qualified Auditor

Republic of Kazakhstan

Qualification certificate

No. MΦ-0000069 dated January 20, 2012

State license to engage in auditing activities on the territory of the Republic of Kazakhstan of series No. 18015053, issued by the Internal State Audit Committee of the Ministry of Finance of the Republic of Kazakhstan on dated August 03, 2018

February 20, 2023

Republic of Kazakhstan, Almaty

## CONSOLIDATED STATEMENT ON COMPREHENSIVE LOSS

For the year ended December 31, 2022

KZT thousand	Note	2022	2021
<b>Continuing operations</b>			
Revenue from contracts with customers	4	37,486,006	36,095,738
Realization cost	5	(28,577,003)	(29,136,367)
<b>Gross income</b>		<b>8,909,003</b>	<b>6,959,371</b>
General and administrative expenses	6	(4,618,399)	(4,081,206)
Cost of sales		(744,687)	(1,151,179)
<b>Operating income</b>		<b>3,645,917</b>	<b>1,726,986</b>
Financial income	7	2,226,618	1,862,788
Financial expenses	7	(6,016,737)	(6,031,103)
(Loss)/ income from currency difference		(955,641)	359,453
Share in income/(loss) of associates and joint venture	12	31,586,827	(219,010)
Non-financial asset impairment loss, net		(16,972,569)	(2,542,413)
Net increase in the inventory for expected credit losses		(101,868)	(499,678)
Other expenses, net		(2,151,271)	(801,834)
<b>Income/(loss) before taxation from continuing operations</b>		<b>11,261,276</b>	<b>(6,144,811)</b>
Income tax savings / (loss)	8	421,503	(468,094)
<b>Net income / ( loss) for the year from continuing operations</b>		<b>11,682,779</b>	<b>(6,612,905)</b>
<b>Discontinued operations</b>			
Loss after tax for the year from discontinued operations	20	(156,935,384)	(32,182,345)
<b>Net loss for the year</b>		<b>(145,252,605)</b>	<b>(38,795,250)</b>
Other comprehensive income for the year		-	-
<b>Total loss for the year, net of taxes</b>		<b>(145,252,605)</b>	<b>(38,795,250)</b>
<b>Total loss attributable to:</b>			
Member of the Parent Company		(144,023,074)	(38,495,526)
Non-controlling interests		(1,229,531)	(299,724)
		<b>(145,252,605)</b>	<b>(38,795,250)</b>

Director of the Finance and Planning Department

  
 Айтимов А.Т.  
  
 Chief Accountant  
  
 Тахешанова Б.К.

The accounting policies and notes on pages 6 to 56 are an integral part of these consolidated financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31, 2022

KZT thousand	Note	December 31, 2022	December 31, 2021
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets	9	113,965,971	165,921,086
Intangible assets		37,330	2,795,833
Advances issued for long-term assets	11	134,719	2,172,750
Investments in associates and joint ventures	12	27,520,635	5,214,702
VAT receivable		8,128,114	10,916,714
Other non-current assets		107,583	96,753
Trade and other receivables	10	3,628,055	5,359,562
Restricted cash	14	2,042,391	1,219,257
<b>Total non-current assets</b>		<b>155,564,798</b>	<b>193,696,457</b>
<b>Current assets</b>			
Inventory items		4,338,408	2,645,845
Trade and other receivables	10	7,911,486	7,024,556
Prepayment of corporate income tax		21,930	99,504
VAT receivable		2,550,720	4,403,522
Advances paid		311,088	604,337
Amounts due from credit institutions	13	16,443	39,878
Restricted cash	14	152,159	-
Short-term financial assets		6,486	44,425
Other current assets		1,250,593	126,439
Cash and cash equivalents	15	12,797,237	17,899,745
<b>Total current assets</b>		<b>29,358,550</b>	<b>32,888,251</b>
<b>Assets held for sale</b>	21	<b>73,942,834</b>	<b>902,385,072</b>
<b>Total assets</b>		<b>258,866,182</b>	<b>1,128,969,780</b>

The accounting policies and notes on pages 6 to 56 are an integral part of these consolidated financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)**

KZT thousand	Note	December 31, 2022	December 31, 2021
<b>Capital and liabilities</b>			
<b>Capital</b>			
Share capital	16	262,989,254	458,121,775
Additional paid-in capital	16	135,232,478	23,190,580
Accumulated loss		(213,513,693)	(237,023,058)
<b>Capital attributable to the company Participant</b>		<b>184,708,039</b>	<b>244,289,277</b>
Non-controlling interests	16	772,888	1,877,420
<b>Total equity</b>		<b>185,480,927</b>	<b>246,166,697</b>
<b>Long-term liabilities</b>			
Loans	18	62,491,309	68,488,699
Payables	17	931	-
Provisions		53,054	-
Deferred tax liabilities	8	460,346	1,265,568
<b>Total long-term liabilities</b>		<b>63,095,640</b>	<b>69,754,267</b>
<b>Short-term liabilities</b>			
Loans	18	4,810,245	4,090,959
Payables	17	3,188,635	3,741,250
Obligations on corporate income tax		27,425	-
Other current liabilities	19	2,353,310	2,808,475
<b>Total short-term liabilities</b>		<b>10,379,615</b>	<b>10,640,684</b>
Liabilities directly related to the assets held for sale	21	-	804,410,132
<b>Total liabilities</b>		<b>73,385,255</b>	<b>884,803,083</b>
<b>Total capital and liabilities</b>		<b>258,866,182</b>	<b>1,128,969,780</b>

Director of the Finance and Planning Department

  
Ашимов Н.Т.

  
Самрук-Казына  
Одеу

  
Табеежанова Б.К.

Chief Accountant

The accounting policies and notes on pages 6 to 36 are an integral part  
of these consolidated financial statements.

**CONSOLIDATED CASH FLOWS STATEMENT**

For the year ended December 31, 2022

KZT thousand	Note	2022	2021
<b>Operational activities</b>			
Cash inflows from buyers		40,923,022	38,223,939
Interest received		1,626,613	851,858
Other proceeds		265,663	374,923
Cash payments to suppliers		(24,017,544)	(29,510,559)
Salary payments		(6,028,792)	(5,299,300)
Interest paid		(21,986,799)	(30,399,179)
Other taxes and payments		(2,819,113)	(2,214,900)
Corporate income tax		(407,788)	(155,129)
Other payments		(521,433)	(900,350)
<b>Net cash flows used in operating activities</b>		<b>(12,966,151)</b>	<b>(29,028,699)</b>
<b>Investment Activity</b>			
Refund in credit institutions		5,305,046	1,231,756
Placement of funds in credit institutions		(2,208,549)	(4,874,874)
Proceeds from the sale of fixed assets		2,534,349	2,604,514
Other proceeds		366	90,225
Acquisition of fixed assets		(13,954,008)	(255,329,890)
Acquisition of intangible assets		(542,025)	(5,257,613)
Contributions to associates and joint ventures	12	(2,725,000)	(250,000)
Cash of the withdrawn subsidiary	20	(43,537,497)	-
<b>Net cash flows used in investing activities</b>		<b>(55,127,318)</b>	<b>(261,785,882)</b>
<b>Financial activities</b>			
Contribution to the authorized capital	16	6,467,479	87,261,085
Borrowings received	18	20,926,113	225,892,314
Repayment of loans	18	(9,184,233)	(2,859,346)
Dividends paid to non-controlling owners		(38,744)	-
Other payments		(379,512)	-
<b>Net cash flows from financing activities</b>		<b>17,800,103</b>	<b>310,294,053</b>
<b>Net change in cash and cash equivalents</b>		<b>(50,293,366)</b>	<b>19,479,472</b>
Effect of changes in the exchange rate on cash and cash equivalents		169,665	(90,331)
Decrease in reserve for expected credit losses		64,234	94,928
<b>Cash directly related to assets for sale</b>		<b>44,956,959</b>	<b>32,430,997</b>
- at the beginning of the period		-	(44,956,959)
Cash and cash equivalents, as of the beginning of the year		17,899,745	10,941,838
<b>Cash and cash equivalents, as of the end of the year</b>	15	<b>12,797,237</b>	<b>17,899,745</b>

On March 18, 2022, the Group transferred to Samruk-Kazyna an interest in a subsidiary for KZT88 649 316 thousand due to a reduction in the authorized capital, and on September 14, 2022, the Group sold the subsidiary for KZT816 370 thousand by offsetting counterclaims on the Samruk-Kazyna loan (Note 21).

Director of the Finance and Planning Department

Chief Accountant

  
Ашимов Н.Т.

  
Самрук-Казына  
Одеу

  
Табеежанова Б.К.

The accounting policies and notes on pages 6 to 36 are an integral part  
of these consolidated financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the year ended December 31, 2022

the	Note	It is accounted for a member of the Parent Company			Total	Non-controlling interests	Total equity
		Authorized capital	Additional paid-in capital	Accumulated loss			
<b>As of January 01, 2021</b>		369.652.891	22.923.705	(198.527.532)	194.049.064	1.384.943	195.434.007
Net loss for the year		-	-	(38.495.526)	(38.495.526)	(299.724)	(38.795.250)
<b>Total comprehensive loss for the year</b>		-	-	(38.495.526)	(38.495.526)	(299.724)	(38.795.250)
Contributions to the authorized capital	16	86.468.884	-	-	86.468.884	792.201	87.261.085
Other transactions with the Participant	16	-	266.855	-	266.855	-	266.855
<b>As of December 31, 2021,</b>		<b>456.121.775</b>	<b>23.190.560</b>	<b>(237.023.058)</b>	<b>242.289.277</b>	<b>1.877.420</b>	<b>244.166.697</b>
Net loss for the year		-	-	(144.023.074)	(144.023.074)	(1.229.531)	(145.252.605)
<b>Total comprehensive loss for the year</b>		-	-	(144.023.074)	(144.023.074)	(1.229.531)	(145.252.605)
Contributions to the authorized capital	16	6.467.479	-	-	6.467.479	-	6.467.479
Realization of subsidiaries	16, 20	(199.600.000)	110.950.684	186.093.952	97.444.636	-	97.444.636
Other transactions with the Participant	9, 16, 21	-	1.091.234	(18.561.513)	(17.470.279)	124.999	(17.345.280)
<b>As of December 31, 2022</b>		<b>262.989.254</b>	<b>135.232.478</b>	<b>(213.513.693)</b>	<b>184.708.039</b>	<b>772.888</b>	<b>185.480.927</b>

Director of the Finance and Planning Department



Аулымов А.Т.



Samruk-Kazyna  
Odeu



Факржанова Б.К.

Chief Accountant

The accounting policies and notes on pages 6 to 56 are an integral part of these consolidated financial statements.

Sole Participant/ Fund	Joint Stock Company "Sovereign Wealth Fund "Samruk-Kazyna"
Samruk-Kazyna Odeu LLP, SK Odeu LLP, SK Odeu, SKO, Company, Partnership	Samruk-Kazyna Odeu Limited Liability Partnership
RoK	Republic of Kazakhstan
Subsidiary	Subsidiaries and Affiliates
SK Odeu LLP group of companies/Group of Companies/SKO Group	Samruk-Kazyna Odeu Limited Liability Partnership and Subsidiaries and Dependent Organizations
BoD/SB	Board of Directors/Supervisory Board
GMS/GMP	General Meeting of Shareholders/ General meeting of participants
KPI Inc. LLP/KPI	Kazakhstan Petrochemical Industries Inc. Limited Liability Partnership
JSC MC SEZ ChimPark Taraz/ Taraz ChimPark SEZ	Joint Stock Company MC SEZ Taraz Chemical Park
KUS LLP/KUS	Karabatan Utility Solutions Limited Liability Partnership
JSC NC SEZ NIPT / NIPT SEZ	Special Economic Zone "National Industrial Petrochemical Technopark"
FS	Feasibility study
SEZ	Special Economic Zone
DED	Design and estimate documentation
PE	Polyethylene
ICS	Internal control system
GSU	Gas separation unit
GRI	Global Reporting Initiative
GTPP	Gas turbine power plant
SPIID	State Program of Industrial and Innovative Development

## CONTACT INFORMATION

### Samruk-Kazyna Odeu LLP

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### Contacts of Subsidiaries

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## GENERAL ELEMENTS OF DISCLOSURE

Standard and indicators	It is disclosed	Report section
<b>ORGANIZATION PROFILE</b>		
102-1	Name of the organization	About company
102-2	Information about trademarks, products, services	About company Group structure Project implementation
102-3	Location of the head office	Contact information
102-4	Location of production points	About company Project implementation
102-5	Legal form	About company
102-6	Markets served	Project implementation
102-7	Organization description	About company
102-8	Information about employees and hired staff	Hr and social policy
102-9	Supply chain	Project implementation Economic responsibility
102-11	Precautionary principle	Risk management
102-12	External initiatives	Development history
102-13	Membership in associations	Development history About the sustainability report
<b>STRATEGY AND ANALYSIS</b>		
102-14	Statement of the management	Appeal of the management
<b>ETHICS AND INTEGRITY</b>		
102-16	Values, principles, standards and norms of behavior	Hr and social policy Business ethics, culture and compliance
<b>CORPORATE GOVERNANCE</b>		
102-18	Composition and management structure	Organizational structure Supervisory board Management Board
<b>INTERACTION WITH STAKEHOLDERS</b>		
102-40	List of stakeholder groups	Interaction with Stakeholders
102-41	Collective agreements	Hr and social policy
102-42	Identification and selection of stakeholders	Interaction with Stakeholders
102-43	The approach to interaction with stakeholders	Interaction with Stakeholders
102-44	Key topics and issues raised	Materiality matrix
<b>REPORTING PRACTICES</b>		
102-45	Persons included in the consolidated financial statements	About the sustainability report
102-46	Defining report content and boundaries	About the sustainability report
102-47	List of essential topics	Materiality matrix
102-48	Information repeat	Not applicable
102-49	Changes in reporting	Materiality matrix
102-50	Reporting period	About the sustainability report
102-51	Date of the last report	About the sustainability report
102-52	Reporting cycle	About the sustainability report
102-53	Contact information for questions about the report	Contact information
102-54	Statement on reporting in accordance with GRI standards	About the sustainability report
102-55	GRI Content Index	GRI indexes
102-56	External assurance	About the report

## SPECIFIC ELEMENTS OF DISCLOSURE

Standard and indicators	Disclosure	Report sections
<b>ECONOMIC TOPICS</b>		
<b>201 Economic performance</b>		
201-1	Direct economic value created and distributed	Economic responsibility
<b>204 Procurement practices</b>		
204-1	Ratio of procurement from local suppliers	Economic responsibility
<b>205 Anti-corruption</b>		
205-1	The total number and percentage of production operations assessed in terms of the risks of corruption and identification of cases of significant risks	Economic responsibility
205-2	Informing and training on anti-corruption policy and anti-corruption methods	Economic responsibility
205-3	Confirmed cases of corruption and actions taken	Economic responsibility
<b>ENVIRONMENTAL TOPICS</b>		
<b>301 Materials</b>		
301-1	Weight and volume of materials used	Environmental policy
301-2	Percentage of materials that are processed into raw materials	Environmental policy
<b>302 Energy</b>		
302-1	Energy consumption within the organization	Environmental policy
302-2	Energy consumption outside the organization. Specific value energy consumption	Environmental policy
<b>303 Water and discharges</b>		
303-1	Withdrawal of the total amount of water from the source	Environmental policy
303-2	Water sources severely affected by water withdrawal	Environmental policy
303-3	Percentage ratio and total volume of recycled and reused water	Environmental policy
303-4	Volume of transported, imported, exported and treated water that is considered life-threatening	Environmental policy
303-5	Water bodies affected by water discharge and/or runoff	Environmental policy
<b>305 Emissions</b>		
305-1	Direct greenhouse gases (GHG) emissions (Volume 1)	Environmental policy
305-2	Energy indirect greenhouse gases (GHG) emissions (Volume 2)	Environmental policy
305-3	Other indirect greenhouse gases (GHG) emissions (Volume 3)	Environmental policy
305-4	Greenhouse gases (GHG) intensive emissions (Volume 4)	Environmental policy
305-5	Reduction of greenhouse gas (GHG) emissions	Environmental policy
305-6	Emissions of substances contributing to the destruction of the ozone layer	Environmental policy
305-7	NOx, Sox and other significant emissions into the atmosphere	Environmental policy
<b>307 Compliance with regulations and requirements</b>		
307-1	The monetary value of significant fines and the total number of non-financial sanctions for non-compliance with environmental laws and regulations	Environmental policy
<b>SOCIAL TOPICS</b>		
<b>401 EMPLOYMENT</b>		
401-1	New employees and staff turnover	Hr and social policy
401-2	Benefits granted to full-time employees that are not presented to temporary and part-time employees	Hr and social policy
<b>403 Safety and health at work</b>		
403-2	Types of injuries and level of injuries, occupational diseases, lost days and absenteeism, as well as the number of accidents at work	Hr and social policy
403-3	Workers with high morbidity or high risk of occupational diseases	Hr and social policy
<b>404 Training and education</b>		
404-1	Average number of hours of training per year per employee	Hr and social policy
<b>416 Customer health and safety</b>		
416-1	Health and safety impact assessment by categories of goods and services	Hr and social policy
<b>419 Social economic compliance</b>		
419-1	Failure to comply with laws and regulations in the social and economic sphere	Hr and social policy

## General elements of disclosure

Standard and indicators	Disclosure	Socar	Sibur
<b>ORGANIZATION PROFILE</b>			
102-1	Name of the organization	+	+
102-2	Information about trademarks, products, services	+	+
102-3	Location of the head office	+	+
102-4	Location of production points	+	+
102-5	Legal form	+	+
102-6	Markets served	+	+
102-7	Organization description	+	+
102-8	Information about employees and hired staff	+	+
102-9	Supply chain	+	+
102-11	Precautionary principle	+	+
102-12	External initiatives	+	+
102-13	Membership in associations	+	+
<b>STRATEGY AND ANALYSIS</b>			
102-14	Statement of the management	+	+
<b>ETHICS AND INTEGRITY</b>			
102-16	Values, principles, standards and norms of behavior	+	+
<b>CORPORATE GOVERNANCE</b>			
102-18	Composition and management structure	+	+
<b>INTERACTION WITH STAKEHOLDERS</b>			
102-40	List of stakeholder groups	+	+
102-41	Collective agreements	+	+
102-42	Identification and selection of stakeholders	+	+
102-43	The approach to interaction with stakeholders	+	+
102-44	Key topics and issues raised	+	+
<b>REPORTING PRACTICES</b>			
102-45	Persons included in the consolidated financial statements	+	+
102-46	Defining report content and boundaries	+	+
102-47	List of essential topics	+	+
102-48	Information repeat	+	+
102-49	Changes in reporting	+	+
102-50	Reporting period	+	+
102-51	Date of the last report	+	+
102-52	Reporting cycle	+	+
102-53	Contact information for questions about the report	+	+
102-54	Statement on reporting in accordance with GRI standards	+	+
102-55	GRI Content Index	+	+
102-56	External assurance	+	+

## Specific elements of disclosure

Standard and indicators	Disclosure	Socar	Sibur
<b>ECONOMIC TOPICS</b>			
<b>201 Economic performance</b>			
201-1	Direct economic value created and distributed	+	+
<b>204 Procurement practices</b>			
204-1	Ratio of procurement from local suppliers	+	+
<b>205 Anti-corruption</b>			
205-1	The total number and percentage of production operations assessed in terms of the risks of corruption and identification of cases of significant risks	+	-
205-2	Informing and training on anti-corruption policy and anti-corruption methods	+	+
205-3	Confirmed cases of corruption and actions taken	+	+
<b>ENVIRONMENTAL TOPICS</b>			
<b>301 Materials</b>			
301-1	Weight and volume of materials used	+	+
301-2	Percentage of materials that are processed into raw materials	-	-
<b>302 Energy</b>			
302-1	Energy consumption within the organization	+	+
302-2	Energy consumption outside the organization. Specific value energy consumption	-	-
<b>303 Water and discharges</b>			
303-1	Withdrawal of the total amount of water from the source	+/-	+
303-2	Water sources severely affected by water withdrawal	+	+
303-3	Percentage ratio and total volume of recycled and reused water	+	+
303-4	Volume of transported, imported, exported and treated water that is considered life-threatening	-	+
303-5	Water bodies affected by water discharge and/or runoff	-	-
<b>305 Emissions</b>			
305-1	Direct greenhouse gases (GHG) emissions (Volume 1)	+	+
305-2	Energy indirect greenhouse gases (GHG) emissions (Volume 2)	+	+
305-3	Other indirect greenhouse gases (GHG) emissions (Volume 3)	-	+
305-4	Greenhouse gases (GHG) intensive emissions (Volume 4)	+	+
305-5	Reduction of greenhouse gas (GHG) emissions	+	+
305-6	Emissions of substances contributing to the destruction of the ozone layer	-	-
305-7	NOx, Sox and other significant emissions into the atmosphere	-	+
<b>307 Compliance with regulations and requirements</b>			
307-1	The monetary value of significant fines and the total number of non-financial sanctions for non-compliance with environmental laws and regulations	+	+
<b>SOCIAL TOPICS</b>			
<b>401 EMPLOYMENT</b>			
401-1	New employees and staff turnover	-	+
401-2	Benefits granted to full-time employees that are not presented to temporary and part-time employees	-	+
<b>403 Safety and health at work</b>			
403-2	Types of injuries and level of injuries, occupational diseases, lost days and absenteeism, as well as the number of accidents at work	-	+
403-3	Workers with high morbidity or high risk of occupational diseases	-	+
<b>404 Training and education</b>			
404-1	Average number of hours of training per year per employee	-	-
<b>416 Customer health and safety</b>			
416-1	Health and safety impact assessment by categories of goods and services	-/+	+
<b>419 Social economic compliance</b>			
419-1	Failure to comply with laws and regulations in the social and economic sphere	+	+

Report of Samruk-Kazyna Ondeu LLP on following the principles of the  
Corporate Governance Code of the Partnership for 2022

No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Compliance status
<b>1. The Government as the Shareholder of the Fund</b>			
1.1	<p>The main strategic task of the Fund and the Organizations is the long-term growth in their value and their Sustainable Development, as reflected in the Development Strategy of the Fund and the Companies. All decisions and actions should be consistent with the Development Strategy.</p> <p>The Fund and the Companies should have an optimal structure of assets./ The Fund and the Companies should seek the greatest simplicity of their asset structure and their organisational and legal forms of the assets./</p> <p>The Organizations should operate within their key (core) activities. New activities may take place only if there is insufficient competition in a given market or if the involvement of the Fund and the Organisations will aid the development of small and medium-sized businesses./</p> <p>It is recommended to have and preserve a controlling block of shares (interests) in the organizations of the Fund.</p>	<p>These strategic objectives are reflected in the Development Strategy of Samruk-Kazyna Ondeu LLP (hereinafter - SK Ondeu LLP) and are enshrined by the decision of the Supervisory Board (hereinafter - SB) of October 28, 2022 (Minutes No.19/22)</p>	Comply
1.2	<p>The Government of the Republic of Kazakhstan participates in the management of the Fund and the Organizations solely through exercising the powers of the Sole Shareholder of the Fund provided for by the Law "On Sovereign Wealth Fund" (hereinafter - the Law on Fund) and the Charter of the Fund, as well as through the representation on the Board of Directors of the Fund. The main principles and issues of interaction between the Government and the Fund are regulated by the Agreement on Cooperation between the Government of the Republic of Kazakhstan and the Fund, approved by Government Decree of the Republic of Kazakhstan of December 14, 2012, No.1599 (hereinafter - Agreement on Cooperation). The principles contained in Section 4. "Shareholders' (Participants') Rights and Fair Treatment of Shareholders (Participants)" of this Code apply to the Government as the Shareholder to the extent that they do not contravene the Law of the Republic of Kazakhstan "On Sovereign Wealth Fund".</p>		Not applicable
1.3	<p>For the purpose of stable social and economic development of the country, ensuring economic sustainability and protection it from the effects of possible adverse external factors, issues on management of the Fund is considered at a meeting of the Council for the Fund Governance (hereinafter - CFG) chaired by the President of the Republic of Kazakhstan. The CFG carries out its activities in accordance with the Regulations approved by Decree of the President of the Republic of Kazakhstan of December 06, 2010, No.1116.</p>		Not applicable
1.4	<p>The Government provides the Fund and the Organizations with full operational independence and does not permit interference by the Government and public authorities in the operational (current) and investment activities of the Fund and the Organizations, except in cases provided for by laws, acts and instructions of the President of the Republic of Kazakhstan.</p> <p>The Fund's Management Board, the Chief Executive Officer, and bodies of the the Organisations are fully autonomous and independent in their decisions and any actions within their competence./</p>		Not applicable

No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Compliance status
1.5	Cooperation (interaction) of the Government with the Fund and the Organisations shall be carried out solely through the Fund's BoD, in accordance with the principles of good corporate governance. The role and functions of the Chairman of the Board of Directors and the Chief Executive Officer of the Fund are clearly segregated and enshrined in the Fund's internal documents.		Not applicable
1.6	The Fund shall disclose all necessary information about its activities to the Government, as the Shareholder, and the Fund's Board of Directors, in accordance with the Law of the Republic of Kazakhstan "On Joint Stock Companies", the Fund Charter, and the Agreement on Cooperation, and ensures transparency of the activities of the Fund and the Organizations.		Not applicable
1.7	The investment activity of the Fund or the Organization is carried out on market principles in accordance with the strategy of the Fund or the Organization and is aimed at increasing the value and optimal asset structure. The Fund and the Organisations should disclose cases of implementation of low-profit or socially significant projects in their Annual Reports. The disclosures should contain information about the sources of funding for the projects./	The investment activity of the Partnership is carried out on market principles in accordance with the Development Strategy and is aimed at increasing the value and optimal asset structure. The section of the Annual Report "Project Implementation" includes information about low-profit projects, indicating the sources of their financing.	Comply
1.8	The Fund's Board of Directors, the Management Board, Committees of the Board of Directors, the Corporate Secretary and the Internal Audit Service (hereinafter - the IAS) should act in accordance with the principles of Sections 5 "Effectiveness of the Board of Directors and the Executive Body" and 6 "Risk Management, Internal Control and Audit" to the extent that the Chapters do not contravene the Law of the Republic of Kazakhstan "On Sovereign Wealth Fund".		Not applicable
1.9	For a deeper and more qualitative elaboration of the issues, the Fund's Board of Directors should establish the following Committees: the Audit Committee, the Nomination and Remuneration Committee, and the Specialized Committee. Other Committees may be created at the discretion of the Fund's Supervisory Board.		Not applicable
1.10	The Fund shall appoint the Corporate Secretary. The Board of Directors takes a decision on the appointment of the Corporate Secretary, determines the term of his/her powers, functions and procedure of activity. The main duties of the Corporate Secretary include assistance in timely and high-quality corporate decision-making by the Board of Directors, the Sole Shareholder, acting as an adviser to the members of the Board of Directors on all issues of their activities and the application of the provisions of this Code, as well as monitoring the implementation of this Code and participation in improving corporate governance in the Fund and Organizations.		Not applicable
1.11	The Fund establishes the IAS. The Fund's Board of Directors determines the quantitative composition, the tenure, appoints its Head, as well as early terminates his/her powers, sets the operating procedures, the size and terms of remuneration and bonuses of the IAS employees, and the budget of the IAS.		Not applicable
1.12	The Fund establishes the collegial executive body in the form of the Management Board. The Management Board is accountable to the Board of Directors and acting within its competence, as provided for in the Fund Charter./ The Fund's Supervisory Board monitors the efficiency of the Management Board, including implementation of the decisions of the Sole Shareholder and the Fund's Supervisory Board.		Not applicable



No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Compliance status
1.13	<p>The Fund and the Organizations should adhere to high ethical standards and implement the necessary procedures to ensure that these standards are constantly applied by all employees and partners of the Fund and the Organizations.</p> <p>Notifications of potential breaches should be sent directly to the IAS or the Board of Directors of the Fund and the Organisation./ The Executive Body and all its structural subdivisions, including the Security Service, should not impede the submission of notifications of potential breaches to the IAS or the Board of Directors./</p>	<p>The Supervisory Board by the decision of October 20, 2020 (Minutes No.08/20) approved amendments to the Code of Corporate Ethics on Ethics Issues. Employees of SK Oudeu LLP were familiarized with these amendments and confirmed their personal responsibility for the implementation of ethical standards. According to this Code, consideration of appeals of stakeholders may be carried out by the Supervisory Board of the Partnership.</p> <p>The Partnership corporate website contains information about the availability of a hotline (e-mail addresses, phone numbers), where stakeholders can apply. These applications are submitted directly to the Fund or to the Partnership (depending on the choice of the addressee), where they are registered for consideration and taking relevant decision. In 2022, 21 appeals on compliance with the Code of Corporate Ethics were registered. 97% of our Company's employees have been trained in compliance.</p>	Comply
1.14	<p>The Ombudsman should be appointed to comply with the principles of business ethics and resolve effectively social and labour disputes that may arise in the Fund and the Organizations.</p>	<p>Currently, the Ombudsman in the Partnership is not provided as an individual staff unit. In addition, according to sub-item 10) of the Corporate Governance Code of the Fund, the Ombudsman is a person appointed by the Board of Directors of the Fund, whose role is to advise employees of the Fund and organizations who have applied to him/her and to assist in resolving labor disputes, conflicts, problematic issues of a social and labor nature, as well as in compliance with the principles of business ethics by employees of the Fund and organizations.</p> <p>To settle labor disputes in the Partnership, there is the Conciliation Commission, which consists of representatives of the employer and employees. All employees of the Partnership are notified of the Hotline where they can apply.</p>	Not applicable
<b>2. Interaction of the Fund and Organizations. The Role of the Fund as the National Managing Holding Company/</b>			
2.1	<p>The corporate governance systems in the Fund and the Organisations should provide governance of and control over the operations of the Fund and the Organisations in order to ensure growth in their long-term value and their sustainable development. The Fund, as the National Managing Holding Company, plays a strategic role in respect to its Companies./ Effectiveness, efficiency and transparency should be at the core of corporate governance./</p>	<p>The Fund interaction with SK Oudeu LLP is based on the well-established corporate governance system and in accordance with the Manual on Engagement with Portfolio Companies of Samruk-Kazyna JSC in the new version approved by the decision of the Management Board of Samruk-Kazyna JSC of December 26, 2019 (Minutes No.42/19).</p> <p>All decisions taken by SK Oudeu LLP are necessarily agreed with the Fund, by submitting them to the Sole Shareholder, the Supervisory Board, the Investment and Strategy Committee of the Fund and other bodies.</p>	Comply
2.2	<p>The corporate governance system of the Fund and the Organizations is a set of processes that ensure the management and control over the activities of the Fund and the Organizations, as well as a system of relationships between the Executive Body, the Board of Directors, shareholders and Stakeholders. The competence of the bodies and the procedure on decision-making should be clearly defined and enshrined in the Charter./</p>	<p>In SK Oudeu LLP, the corporate governance system provides for:</p> <ol style="list-style-type: none"> <li>1) compliance with the hierarchy of the issue consideration procedure and decision-making: all issues submitted to the Supervisory Board for consideration;</li> <li>2) clear delineation of authorities and responsibilities between the Supervisory Board, the Management Board, and employees: the competencies, powers and responsibilities of the bodies, as well as the decision-making procedure are clearly defined and enshrined by the Charter, the Regulations on the Supervisory Board and the Management Board; areas of responsibility of members of the Management Board of SK Oudeu LLP are clearly delineated by the order of the Chief Executive Officer "On Distribution of Duties and Powers"; the structural units of SK Oudeu LLP carry out their activities based on the Regulations on Units; job descriptions have been developed for each position.</li> </ol>	Comply



No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Compliance status
2.3	<p>The Fund participates in the management of Companies through the implementation of functions of the Shareholder (Participant), as well as through the Board of Directors, in accordance with the procedure established by the Charter of Companies and this Code.</p> <p>The Fund annually sends the shareholder's expectations for the upcoming financial year to the Chairman of the Supervisory Board and representatives of the Fund on the Board of Directors of the company.</p> <p>The Board of Directors of companies have full independence in decision-making within their competence established by the Charter of Companies./</p> <p>The Fund's opinions on certain matters are expressed through its representatives on the Boards of Directors of the Companies./</p>	<p>The Fund participates in the management of SK Odeu through implementation of functions of the Sole Participant, as well as through the Supervisory Board, in accordance with the procedure established by the Charter of SK Odeu LLP. Three of four selected members of the Supervisory Board are the representatives of the Sole Participant on the Supervisory Board of SK Odeu LLP.</p> <p>The Supervisory Board have independence in decision-making within their competence established by the Charter.</p> <p>The Fund position on certain issues is communicated through the representatives of the Sole Participant on the Supervisory Board.</p>	Comply
2.4	<p>Taking into account the discussions held with Companies, the Fund forms uniform policies for companies, approves methodological recommendations and corporate standards for the Organizations.</p> <p>When making a decision on the application of the corporate standards on internal audit and internal control system approved by the Fund, the Organisation's Board of Directors should ensure these standards account for the features of the Organisation's business./</p>	<p>Given discussions held with companies, the Fund forms unified policies for Portfolio Companies, approves methodological recommendations and corporate standards, which are taken as the basis for the relevant IRDs of our Company.</p>	Comply
2.5	<p>The Executive Bodies of the Fund and Companies should cooperate in a spirit of cooperation to ensure that the Development Plans of the Companies submitted for approval of the Boards of Directors of the Companies are sufficiently ambitious and realistic, as well as their compliance with the Development Strategy and Development Plan of the Fund.</p>	<p>The Fund presents the target parameters of long-term KPIs (financial and production) to ensure their achievement by the management of SK Odeu LLP.</p> <p>SK Odeu LLP maintains constant interaction with the Fund on implementation of the Development Strategy, including on long-term and medium-term planning, risk management, investment activities, HR management, etc. Managerial and financial reports are also submitted to the Fund on a regular basis.</p>	Comply
2.6	<p>Net income in favor of the Fund as the Shareholder is distributed in the form of dividends based on the formalized and transparent dividend policy.</p>	<p>The Fund approved the Dividend Policy in relation to Subsidiaries (decision of the Management Board of the Fund of October 02, 2012 (Minutes No.39/12).</p>	Comply
2.7	<p>The Organization's bodies should govern the Organizations in accordance with their competence and procedures stipulated in the Charter of the Organization. This principle also applies to the Organisations with more than one Shareholder (Participant)./</p>	<p>The competencies of the management bodies are defined by the Charter, the regulations on the Supervisory Board, and the Management Board.</p>	Comply



No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Compliance status
2.8	<p>The Fund, the Organizations and their executives are responsible for growth of the long-term value and Sustainable Development of the Fund and the Organizations, respectively, and decisions and actions/inaction taken, in accordance with the procedure established by the legislation of the Republic of Kazakhstan and internal documents.</p> <p>The key element in assessing the performance of the Fund, the Organisations and their Executive Bodies is the KPI system./ The Fund, through its representatives on the Boards of Directors, submits its expectations in terms of KPIs to the Companies./ The Company's list of KPIs and their target values shall be approved by its Board of Directors./</p> <p>In order to achieve the KPIs, the Companies should prepare relevant Development Plans./</p> <p>Achievement of KPIs by the Fund and the Organizations is assessed annually by comparing with the approved Development Plan. The assessment should influence the remuneration of the Head and members of the Executive Bodies and should be taken into account when re-selecting. The assessment may also form the basis for early termination of the Chairman and members of the Executive Body./</p>	<p>SK Odeu LLP and officials are responsible for decisions taken and actions/inaction in accordance with the legislation of the Republic of Kazakhstan, the Charter and other regulations. Increase in the long-term value of the Company is determined by the strategic direction of the activity of SK Odeu LLP. Growth of the long-term value of the company is defined in the specific target values of the long-term KPIs, the responsibility for achieving which is borne by SK Odeu LLP and its officials.</p> <p>The parameters of the long-term strategic KPIs for 2020-2024 were presented by the Sole Participant to ensure their achievement in the framework of development of the Business Plan of SK Odeu LLP for 2020-2024.</p> <p>Implementation of the Business Plan is monitored on a monthly and quarterly basis.</p> <p>Achievement of strategic KPIs is assessed within the framework of the Implementation Report of the Business Plan on a quarterly basis.</p> <p>The requirement that this assessment affects the remuneration of the Head and members of the Executive Bodies, is taken into account when they are re-elected, and may also be the basis for their early dismissal from office, is enshrined in the Rules for Executives Performance Evaluation of SK Odeu LLP.</p>	Comply
2.9	<p>The Board of Directors of a Holding company should ensure effective management, long-term value growth and sustainable development in all legal entities that are part of its group. The Holding Company's effective governance practices should result in improvements in their operational efficiency, quality of reporting and standards of corporate culture and ethics, greater transparency and disclosure, reduction of risks, and proper internal control systems./</p>	<p>The Supervisory Board of SK Odeu LLP exercises this control by consideration of monitoring reports on implementation of projects, and promptly brings the position and instructions of the Fund to the management of SK Odeu LLP</p>	Comply
<b>3. Sustainable development</b>			
3.1.	<p>The Fund and the Organizations recognise the importance of their impact on the economy, environment and society and, seeking to grow their long-term value, should ensure its sustainable development meeting the balance of Stakeholders' interests. The principle of responsible, thoughtful and rational interaction with Stakeholders will contribute to the successful development of the Fund and the Organisations./</p>	<p>Sub-items 7 and 8 of the Sustainable Development Policy of the Partnership, approved by the decision of the Supervisory Board of April 07, 2020 (Minutes No.03/20), regulates the process of interaction with stakeholders, and describes the Stakeholders Map, which is divided into internal (SP, SB, Management Board, staff, Subsidiaries) and external (investors, partners, suppliers, public authorities, society, etc.) stakeholders who are distributed in the matrix of stakeholders, according to the degree of their influence and dependence on the activities of the Partnership.</p> <p>The Partnership, as necessary, updates the Plan for Interaction with stakeholders, in which each stakeholder is considered in terms of their contributions to activities of the Partnership, their interests, and describes measures that contribute to effective interaction, deadlines and responsible persons.</p>	Comply

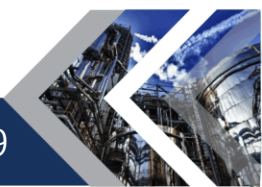


No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Compliance status
3.2	The Fund and the Organizations should ensure the consistency of their economic, environmental and social goals for the sustainable development in the long term, which includes, among other things, the growth of long-term value for shareholders and investors. Sustainable Development of the Fund and the Organisation has three components: economic, environmental and social./	The strategic goals of SK Odeu LLP are reflected in the Development Strategy for 2023-2032. The mission of SK Odeu LLP is the development of the chemical industry in the Republic of Kazakhstan through rational and effective investments in chemical projects, as well as the formation of advanced competencies. Sustainable development is one of priorities of the activity of SK Odeu LLP. To implement this direction, SK Odeu LLP will make a voluntary contribution to the development of society, including the social, economic and environmental spheres, as well as adhere to high corporate management standards and implement ESG principles in the SKO group of companies. SK Odeu LLP approved the Sustainable Development Policy, which regulates the process of managing the impact of its activities on the environment, economy, and society and obliges to take decisions given interests of stakeholders.	Comply
3.3.	The Fund and the Organisations should analyse their activities and risks against the three aspects and strive not to admit or eliminate the negative impact of their operations on Stakeholders./	SK Odeu LLP annually analyzes its activities and risks in the field of sustainable development. The analysis of sustainable development activities in terms of three aspects is included in the integrated annual report of the Partnership.	Partially comply
3.4	The principles of the sustainable development are openness, accountability, transparency, ethical behavior, respect for the interests of stakeholders, legality, respect for human rights, intolerance to corruption, inadmissibility of conflicts of interest, personal example.	The Code of Corporate Ethics of SK Odeu LLP and the Sustainable Development Policy of SK Odeu LLP enshrine the following principles of sustainable development: openness, accountability, transparency, ethical behavior, respect for interests of stakeholders, legality, respect for human rights, intolerance to corruption, inadmissibility of conflicts of interest, personal example.	Comply
3.5	The Fund and Organization should have a management system in the field of sustainable development, which includes, but is not limited to, the following elements: 1) commitment to the principles of the sustainable development at the level of the BoD, the Executive Body and employees; 2) Analysis of both the internal and external situation in three components (economy, ecology, and social issues);/ 3) Identification of risks in the field of Sustainable Development, across the economic, environmental and social components;/ 4) Development of the Stakeholders map;/ 5) Determination of the goals and KPIs for Sustainable Development, preparation of an action plan, and appointment of responsible persons;/ 6) integration of the sustainable development into key processes, including risk management, planning, human resource management, investment, reporting, operational activities and others, as well as into the development strategy and decision-making processes; 7) Development of qualifications for Officials and employees in the field of Sustainable Development;/ 8) Regular monitoring and evaluation of Sustainable Development activities, evaluation of performance against the goals and KPIs, taking remediation measures, and introducing a culture of continuous improvement./	The Charter, the Regulations on the Supervisory Board, the Regulations on the Management Board, and the Sustainable Development Policy set forth the competencies of the management bodies of SK Odeu LLP in the field of sustainable development. SK Odeu LLP approved a Sustainable Development Policy, which includes: <ul style="list-style-type: none"> <li>• goals, principles, and objectives of sustainable development;</li> <li>• responsibility of management bodies, Subsidiaries and all employees of SK Odeu LLP for implementation of the principles of sustainable development;</li> <li>• risk-based approach to sustainable development;</li> <li>• process of creating an effective and transparent system of interaction with stakeholders;</li> <li>• process of forming the materiality matrix;</li> <li>• process of determining the relationship between sustainable development and the key processes of SK Odeu LLP.</li> </ul>	Partially comply

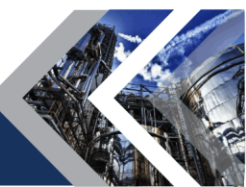




No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Compliance status
3.6	The Fund and the Companies annually publish the Sustainability Reporting to ensure clarity and transparency of its activities for Stakeholders, taking into account the protection of information constituting official, commercial and other legally protected secrets. The Board of Directors approves the Sustainability Reporting./	The Partnership publishes an integrated annual report on an annual basis, approved by the Supervisory Board. The Sustainability Report is included in the Annual Report for 2021, approved by the decision of the Supervisory Board and posted on the website of the Company (link to the website: <a href="http://o-sk.kz/for-investors/reporting/">http://o-sk.kz/for-investors/reporting/</a> ) The Internet resource of SK Ondeu LLP contains a separate section "Sustainable Development", which includes subsections of main aspects of sustainable development (link on the website: <a href="http://o-sk.kz/corporate-management/development/principles/">http://o-sk.kz/corporate-management/development/principles/</a> )	Comply
3.7	The Fund and the Organisations should take steps to adopt and adhere to the principles of sustainable development in their relationships with Partners./	In its relations with partners, SK Ondeu LLP strives to comply with the principles of sustainable development in accordance with the Sustainable Development Policy of SK Ondeu LLP, approved by the decision of the Supervisory Board of April 07, 2020 (Minutes No. 07/20).	Partially comply
<b>4. Shareholders' (participants') rights and fair treatment of shareholders (participants)</b>			
4.1	Compliance with the rights of shareholders (participants) is a key condition for attracting investments in the Fund and the Organizations. An Organisation should ensure that its Shareholders (Participants) are able to exercise their rights./ An Organisation with more than one Shareholder should ensure that each Shareholder is treated fairly./	Samruk-Kazyna JSC is the Sole Participant of SK Ondeu LLP. Rights of the participant are exercised in accordance with the legislation of the Republic of Kazakhstan, the Charter and the Corporate Governance Code.	Comply
4.2	The rights, responsibilities and competences of the Shareholders (Participants) are determined and are set forth in current legislation and the incorporation documents. The rights of the Shareholders (Participants) include, but are not limited, to receiving sufficient and timely information for decision-making in accordance with the procedures stipulated in legislation of the Republic of Kazakhstan, the Organization's Charter and internal documents on information disclosure; participating in General Meetings of Shareholders (Participants) and voting on issues within their competence; determining the composition, the tenure of the Supervisory Board (the Supervisory Board and the Executive Body), appointing its members, terminating their powers, and determining the amount and conditions of their remuneration; receiving dividends in the amounts and within terms determined by the decision of the General Meeting of Shareholders (Participants), based on a clear and transparent dividend policy.	Rights, obligations and competencies of shareholders are enshrined in the Charter of SK Ondeu LLP. In accordance with the Charter, as well as internal documents of the Fund, the participant receives the necessary information through the annual report, the website, information materials, briefings, through requests, etc. The interaction of the Sole Shareholder with SK Ondeu LLP is regulated by the Manual on Engagement with Portfolio Companies of Samruk-Kazyna JSC. Decisions on issues referred by the legislation of the Republic of Kazakhstan and the Charter of SK Ondeu LLP to the competence of the general meeting of participants are taken by the Sole Participant at its own discretion and are subject to execution in writing. Distribution of net income and payment of dividends by Companies, more than fifty percent of shares (interests) of which are owned by the Fund on the right of property or trust management, is carried out in accordance with the dividend policy approved by the Fund in relation to subsidiaries.	Comply
4.3	If there are several Shareholders (Participants) in the organization, including Minority Shareholders (Participants), the corporate governance system should ensure fair treatment of all Shareholders (Participants) and the exercise of their rights, which should be enshrined in the Charter of the organization.		Not applicable



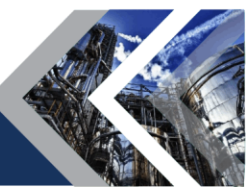
No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Compliance status
<b>5. Effectiveness of the Supervisory Board and the Executive Body</b>			
5.1	<p>The BoD is the management body accountable to the general meeting of shareholders, providing strategic management of the organization and control over the activities of the executive body. The BoD should ensure the implementation of all provisions of the Code.</p> <p>The Executive Body is accountable to the Board of Directors, it manages the daily operations of the Organization and ensures that the Organization complies with its Strategy, Development Plan and decisions taken by the General Meeting of Shareholders and the Board of Directors.</p>	These functions are enshrined in the Charter of SK Ondeu LLP and the Regulations on the Supervisory Board.	Comply
5.2	<p>The BoD should have sufficient authorities to manage the Organization and control over the activities of the Executive Body. The BoD performs its functions in accordance with the Charter and pays special attention to the following issues:</p> <ol style="list-style-type: none"> <li>1) defining the Development Strategy (directions and results);</li> <li>2) setting and monitoring the key performance indicators of the Development Plan;</li> <li>3) Organising and controlling the effectiveness of risk management and internal control systems;/</li> <li>4) approval and monitoring of the effective implementation of major investment projects and other key strategic projects within the competence of the Supervisory Board;</li> <li>5) Electing the Head and members of the Executive Body, approving their remuneration, overseeing their activities and planning their succession;/</li> <li>6) Overseeing corporate governance and ethics;/</li> <li>7) Ensuring compliance in the Organisation with the provisions of this Code and the corporate standards of the Fund in the field of business ethics (Code of Business Ethics)./</li> </ol>	These functions are enshrined in the Charter of SK Ondeu LLP and the Regulations on the Supervisory Board.	Comply
5.3	The members of the Supervisory Board should properly perform their duties and ensure growth of the long-term value and sustainable development of the organization. The Board of Directors of the organization is accountable to shareholders. This accountability is implemented through the mechanism of the general meeting of shareholders./	This function is enshrined in the Regulations on the Supervisory Board of SK Ondeu LLP.	Comply
5.4	The Board of Directors and its Committees should maintain a balance of skills, experience and knowledge that ensures the adoption of independent, objective and effective decisions in the interests of the organization and given fair treatment of all shareholders and the principles of the sustainable development.	This function is enshrined in the Regulations on the Supervisory Board of SK Ondeu LLP.	Comply
5.5	It is necessary to ensure diversity in the composition of the Board of Directors in terms of experience, personal characteristics and gender composition. The Board of Directors should include Independent Directors, in the amount sufficient to ensure the independence of decisions taken and fair treatment of all shareholders. The recommended number of Independent Directors on the Company's Supervisory Board is up to fifty percent of the total number of members of the Supervisory Board.	<p>These requirements are enshrined in the Regulations on the Supervisory Board of SK Ondeu LLP. As of March 01, 2023, the Supervisory Board of SK Ondeu LLP consists of 4 members: the Chairman of the Supervisory Board and three members of the Supervisory Board. The share of women in the Supervisory Board is 25%</p> <p>In accordance with the Charter, the Supervisory Board consists of at least three members. The Regulations on the Supervisory Board stipulate that the numerical composition of the Supervisory Board is set individually, taking into account the scope of activities, business needs, current tasks, development strategy and financial capabilities.</p>	Comply



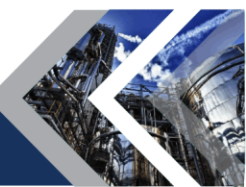
No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Compliance status
5.6	The General Meeting of Shareholders elects the members of the Board of Directors based on the clear and transparent procedures, considering the competencies, skills, achievements, business reputation and professional experience of the candidates. When re-electing individual members of the Supervisory Board or its full composition for a new term, their contribution to the effectiveness of the Supervisory Board of the organization is taken into account.	<p>The Chairman of the Supervisory Board is elected by the decision of the Supervisory Board. In the Charter of SK Odeu LLP, the powers on electing the Chairman of the Supervisory Board are assigned to the Sole Participant.</p> <p>The tenure of members of the Supervisory Board coincides with the tenure of the entire Supervisory Board and expires at the moment when the Sole Participant takes decision on the election of a new composition of the Supervisory Board.</p> <p>Members of the Supervisory Board are elected for a term of up to three years, and in the future, subject to satisfactory performance, they may be re-elected for a term of up to three years.</p> <p>Any membership in the Supervisory Board for more than six successive years (for example, two three-year terms) is subject to special consideration in view of the need to improve the quality of the Supervisory Board.</p> <p>An Independent Director may not be a member of the Supervisory Board for more than nine successive years. In exceptional cases, election for more than nine year is permitted; election of the Independent Director to the Supervisory Board shall be held annually and be supported with a detailed justification of the necessity in selection of this member of the Supervisory Board and the influence of this fact on the decision-making independence.</p> <p>No one should participate in any decision-making concerning his/her own nomination, election or re-election./</p>	Comply
5.7	The Board of Directors approves the Induction Program for Newly Elected Members of the Supervisory Board and the professional development program for each member of the Board of Directors. The Corporate Secretary ensures these programmes are implemented./	The Induction Program for the newly elected members of the Supervisory Board of Samruk-Kazyna Odeu LLP was approved by the decision of the Supervisory Board of December 28, 2016 (Minutes No.10/16). The Corporate Secretary ensures this programme is implemented./	Comply
5.8	The Chairman of the Board of Directors is responsible for the overall management of the Board of Directors, ensures the full and effective implementation of key functions by the Board of Directors and establishing a constructive dialogue between the members of the Board of Directors, major shareholders and the Executive Body.	These requirements are enshrined in the Charter and the Regulations on the Supervisory Board.	Comply
5.9	The role and functions of the Chairman of the Board of Directors and the Head of the Executive Body should be clearly distinguished and enshrined in the Charter of the organization, the Regulations on the Board of Directors and the Executive Body.	These requirements are enshrined in the Charter and the Regulations on the Supervisory Board.	Comply



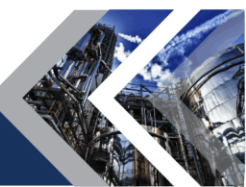
No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Compliance status
5.10	<p>The level of remuneration of the members of the Supervisory Board should be sufficient to attract, retain and motivate each member of the Supervisory Board at the level required for the successful management of the organization. The remuneration of the member of the Supervisory Board of the organization is determined in accordance with the methodology developed by the Fund, while the expected positive effect for the Organization from the participation of this person in the Supervisory Board should be taken into account. In organizations with several shareholders, the relevant Rules for Remuneration of the Members of the Supervisory Board are developed on the basis of the Fund's methodology and approved by the general meeting of shareholders. The Nomination and Remuneration Committee of the Supervisory Board of the organization makes proposals on the amount of remuneration for candidates for Independent Directors.</p>	<p>In practice, the members of the Supervisory Board are appointed by the decision of the Sole Participant.</p> <p>No one participate in any decision-making concerning his/her own remuneration.</p> <p>These requirements are enshrined in the Rules for the formation of the composition of the Supervisory Board of Samruk-Kazyna JSC companies.</p>	Comply
5.11	<p>The Committees of the the Board of Directors contribute to the in-depth and thorough consideration of issues referred to the competence of the Supervisory Board and improvement of the quality of decisions taken, especially in such areas as audit, risk management, proper and effective application of the Procurement Rules for Goods, Works and Services of the Fund and the Organizations, appointment and remuneration of members of the Supervisory Board and the Executive Body, Sustainable Development, including occupational health and safety and the environment. The existence of Committees does not release the members of the Supervisory Board from responsibility for the decisions taken within the competence of the Supervisory Board.</p>		Not applicable
5.12	<p>The preparation and holding of meetings of the Supervisory Board should contribute to the maximum effectiveness of its activities. To perform their duties, members of the Supervisory Board should have access to complete, up-to-date and timely information.</p>	<p>These requirements are enshrined in the Regulations on the Supervisory Board.</p> <p>The Supervisory Board meets regularly in order to perform its functions effectively. Meetings of the Supervisory Board are held in accordance with the work plan approved prior to the beginning of the calendar year. Meetings of the Supervisory Board are held in the in-presence or absentee form, at that the number of absentee meetings was minimised. Issues of great importance and of a strategic nature are considered and approved only at the in-presence meetings of the Supervisory Board.</p> <p>Meetings of the Supervisory Board should be properly minuted by the Corporate Secretary and should contain the full results of discussions and decisions taken.</p>	Comply



No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Compliance status
5.13	The Supervisory Board, Committees and members of the Supervisory Board should be evaluated on an annual basis within the framework of a structured process approved by the Board of Directors of the organization. This process should comply with the Fund’s methodology./ At least once every three years, the assessment should be carried out by an independent professional organisation./	SK Ondeu LLP follows the process of evaluating the performance of the Supervisory Board. Methodological recommendations for performance evaluation of the Supervisory Board, the Chairman, members of the Supervisory Board and the Corporate Secretary of organizations of Samruk-Kazyna JSC, developed in accordance with the Corporate Governance Code were approved by the decision of the Management Board of Samruk-Kazyna JSC of December 14, 2017 (Minutes No.44/17). The Methodology for performance evaluation of the Supervisory Board, the Chairman, members of the Supervisory Board and the Secretary of the Supervisory Board of SK Ondeu LLP was approved by the decision of the Supervisory Board of May 04, 2018 (Minutes No.03/18). The self-evaluation plan for the Chairman, members of the Supervisory Board and Corporate Secretary for 2022 was approved by the decision of the Supervisory Board of December 15, 2022 (Minutes No.23/22)	Comply
5.14	The evaluation should help determining the contribution of the Supervisory Board and each of its members to growth of the long-term value and Sustainable Development of the organization, as well as identifying areas and recommending measures for improvement. The results of the evaluation are taken into account when re-electing or early termination of the authorities of members of the Supervisory Board.	The report on performance self-evaluation of the Supervisory Board, the Chairman, members of the Supervisory Board and the Corporate Secretary of Samruk-Kazyna Ondeu LLP for 2022 was approved by the decision of the Supervisory Board. As part of the self-evaluation, the members of the Supervisory Board conducted a mutual performance evaluation (360 questionnaire survey) according to the questionnaires. The questionnaire survey was conducted in accordance with the form approved by the Methodology for Performance Evaluation of the Supervisory Board, the Chairman, Members of the Supervisory Board and the Secretary of the Supervisory Board of Samruk-Kazyna Ondeu LLP, approved by the decision of the Supervisory Board of the Partnership of May 04, 2018 (Minutes No.03/18). All members of the Supervisory Board received 32 points out of 35 possible ones. According to the questionnaire survey results, the members of the Supervisory Board have sufficient knowledge, skills, experience and personal qualities to perform their functions. All members of the Supervisory Board are well prepared for meetings and are ready for teamwork. Detailed information about the evaluation is described in the section of the annual report – Corporate Governance – Performance Evaluation of the Supervisory Board.	Comply
5.15	The Board of Directors appoints the Corporate Secretary to effectively organize the activities of the Supervisory Board and the interaction of the Supervisory Board, the Executive Body with shareholders.	These requirements are enshrined in the Charter, the Regulations on the Supervisory Board, and the Regulations on the Corporate Secretary. The Corporate Secretary is accountable to the Supervisory Board. The main duties of the Corporate Secretary include assistance in timely and high-quality corporate decision-making by the Supervisory Board, the Sole Shareholder, acting as an adviser to the Supervisory Board members on all issues of their activities and the application of provisions of the Code, as well as monitoring implementation of this Code and participating in the improvement of corporate governance in the Fund and organizations. The Corporate Secretary also prepares a report on compliance with the principles and provisions of this Code, which is included in the Annual Report of SK Ondeu LLP.	Comply



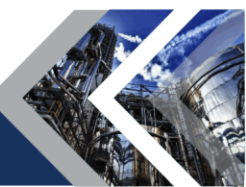
No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Compliance status
5.16	The collegial Executive Body is established in Companies, in other organizations, as well as in the case of a joint venture company, it can be a collegial or sole, depending on the discretion of shareholders (participants). The Head and members of the Executive Body should possess high professional and personal characteristics, as well as have an impeccable business reputation and adhere to high ethical standards./	According to the Charter of SK Ondeu LLP, current activities are governed by the executive body of SK Ondeu LLP - the Management Board.	Comply
5.17	The Executive Body is accountable to the Board of Directors and manages the daily activities of the organization, is responsible for the implementation of the strategy, Development Plan and decisions taken by the Board of Directors and the General Meeting of Shareholders.	These requirements are enshrined in the Charter of SK Ondeu LLP.	Comply
5.18	The Supervisory Board elects the Head and members of the Executive Body, determines the terms of office, the amount of the official salary, and the terms of payment for their work. The Nomination and Remuneration Committee of the Supervisory Board of the organization plays a key role in the process of searching and selecting candidates for the Executive Body, determining their remuneration.	The CEO and members of the Management Board of SK Ondeu LLP are appointed by a decision of the Management Board of the Fund with indication of their tenure. The Chairman of the Supervisory Board signs an employment contract with the Chief Executive Officer. The Supervisory Board determines the size of official salaries of the CEO and members of the Management Board of SK Ondeu LLP.	Comply
5.19	The candidacy for the position of the CEO of the company is approved by the President or the Executive Office of the President of the Republic of Kazakhstan in the case of inclusion of the company in the relevant list approved by the Decree of the President of the Republic of Kazakhstan.		Not applicable
5.20	The Board of Directors evaluates the Head and members of the Executive Body. The main criterion used for the assessment should be the achievement of KPIs./	This provision is enshrined in the Regulations on the Supervisory Board of SK Ondeu LLP. The KPI Performance Report of the Chief Executive Officer and members of the Management Board is revised by the Supervisory Board annually.	Comply



No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Compliance status
5.21	<p>The Head of the Executive Body should bring cases of violation of the standards of the Code of Business Ethics by members of the Executive Body to the attention of the Supervisory Board.</p> <p>A member of the Executive Body who has breached the Code of Business Ethics may not be a member of the Executive Body of any other Organisation./</p>	<p>Employees have the right to report violations on the part of the Management Board to the Compliance Officer, the Ombudsman (after being appointed by the Fund) and the Supervisory Board.</p>	Comply
5.22	<p>In the event of corporate conflicts, the participants seek ways to resolve them through negotiations to ensure effective protection of the interests of the organization and Stakeholders.</p> <p>The Chairman of the Supervisory Board of the organization considers the corporate conflicts with the assistance of the Corporate Secretary. If the Chairman of the Supervisory Board is involved in a corporate conflict, such cases are considered by the Nomination and Remuneration Committee.</p>	<p>This provision is enshrined in the Regulations on the Supervisory Board of SK Odeu LLP.</p>	Comply
<b>6. Risk management, internal control and audit</b>			
6.1	<p>The Fund and Organizations should have an effectively functioning risk management and internal control system aimed at providing reasonable confidence in the achievement of their strategic and operational goals by the Fund Organizations, and representing a set of organizational policies, procedures, standards of conduct and actions, methods and management mechanisms created by the Board of Directors and the Executive Body of the Fund and Organizations to ensure:</p> <ul style="list-style-type: none"> <li>- optimal balance between the growth of the organization's value, profitability and the risks associated with them;</li> <li>- efficiency of financial and economic activity and achievement of financial stability of the company;</li> <li>- soundness of assets and efficient use of the company's resources;</li> <li>- completeness, reliability and truthfulness of financial and management reports;</li> <li>- compliance with the requirements of the legislation of the Republic of Kazakhstan and internal documents;</li> <li>- proper internal control to prevent fraud and ensure effective support for the functioning of the main and auxiliary business processes and analysis of the results of activities.</li> </ul>	<p>Risk management and internal control in SK Odeu LLP on a consolidated basis is carried out by introducing the Corporate Risk Management System (hereinafter -CRMS) at all levels of SK Odeu LLP.</p> <p>The structure of the risk management system in SK Odeu LLP is represented by risk management at several levels involving the following bodies and subdivisions of SK Odeu LLP: the Supervisory Board, the Management Board, the Risk Management Committee, the structural subdivisions responsible for risk management, the Audit Commission, the Compliance Officer, and other structural subdivisions.</p> <p>The Supervisory Board of SK Odeu LLP approved the documents defining the principles and approaches to the organization of an effective risk management and internal control system, demonstrating the company's commitment to best practices in the field of risk management and internal control. The Risk Management Policy approved by the Supervisory Board has been developed in accordance with the Development Concept of the Corporate Risk Management System of SK Odeu LLP (hereinafter - CRMS) and the methodology of the Sole Shareholder.</p> <p>The Regulations on the Internal Control System was amended by the decision of the Management Board of March 07, 2018, to include the provision of reports on the state of the internal control system (hereinafter - ICS) in the functions of the subdivision.</p> <p>SK Odeu LLP supervises the process of introducing the risk management system in its subsidiaries, provides methodological and consulting support, and coordinates development and improvement of the CRMS in SK Odeu LLP.</p> <p>According to the Risk Management Policy of SK Odeu LLP, the Audit Commission evaluates performance of the risk management system on an annual basis. The Audit Commission evaluates performance of the risk management system in accordance with the Methodology for Corporate Risk Management System Evaluation. In addition, an independent company evaluates performance of the CRMS once every three years.</p>	Comply



No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Compliance status
6.2	The Board of Directors of the Fund and Organizations should determine the principles and approaches to the organization of the risk management and internal control system, based on the objectives of this system and given best practices and methodology of the Fund in the field of risk management and internal control.	The Supervisory Board of SK Ondeu LLP approved the Risk Management and Internal Control Policy of SK Ondeu LLP approved by the decision of the Supervisory Board of December 06, 2019 (Minutes No. 11/19), defining the principles and approaches to the organization of an effective risk management and internal control system, demonstrating the Company's commitment to the best practices in the field of risk management and internal control. SK Ondeu LLP identifies and assesses risks on an annual basis, and the Risk Register and Risk Map are compiled on the basis of risk identification and assessment. At that, the Risk Register and Risk Map may be revised or supplemented during the year as information about the risks provided by the structural subdivisions of SK Ondeu LLP when identifying new or changing the status of existing risks, including due to changes in the internal and external market, becomes available.	Comply
6.3	The Executive Bodies of the Fund and the Organisations should ensure the creation and maintenance of an effective risk management and internal control system. The risk management process should be integrated with the planning processes (strategy and Development Plans, annual budget) and evaluation of the organization's performance (management reporting).	The Risk Management Policy defines the functions of the bodies and subdivisions. Risk management processes are integrated with planning processes (strategy and development plans, annual budget). The objectives of SK Ondeu LLP are defined at the strategic level, and set the basis for development of operational objectives. The process of developing strategic plans, including the identification and analysis of risks that can affect the achievement of strategic goals. To ensure horizontal communication and effective CRMS introduction, the Risk Management Committee is operating, which is an advisory body under the Management Board of SK Ondeu LLP, which develops proposals in terms of risk management. Information on risks is provided to the Supervisory Board as part of the quarterly risk management report, and to the Executive Body as part of the quarterly risk management report and the monthly report on monitoring key risk indicators.	Comply
6.4	The risk management and internal control system of the Fund and the Organizations should be based on a high culture of risk management conducted by the Executive Body, which provides for mandatory procedures for identifying, evaluating and monitoring all significant risks, as well as taking timely and adequate measures to reduce the level of risks that may negatively affect the achievement of strategic goals, the implementation of operational tasks and the reputation of the company.	Activities of SK Ondeu LLP are aimed at creating an internal environment that increases the understanding of risks by employees and improves their responsibility for risk management. The Regulation on the structural subdivision responsible for Risk Management includes internal control functions.	Comply





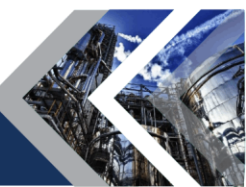
No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Compliance status
6.5	The Fund and the Organizations should develop, approve, formalize and document control procedures in three key areas: operational activities, preparation of financial statements and compliance with the requirements of the legislation of the Republic of Kazakhstan and internal documents.	SK Odeu LLP has a map of business processes, within the framework of operational activities, of individual structural subdivisions. As part of these maps, the main business processes and control points for operational processes are fully specified. There are also Rules for the Investment Projects Development and Consideration. In terms of financial statements, there are Corporate Regulations for Preparation of Consolidated Financial Statements and Regulations on the Accounting Department. In terms of compliance with the requirements of the legislation of the Republic of Kazakhstan and internal documents, there is documentation where all the main business processes of SK Odeu LLP are formalized.	Comply
6.6	The Fund and the Organizations should implement transparent principles and approaches in the field of risk management and internal control, the practice of training employees and officials about the risk management system, as well as the process of identifying, documenting and timely communicating the necessary information to executives.	SK Odeu LLP approved internal documents regulating the field of risk management, based on transparent principles and approaches, in accordance with the standard documents of the Sole Shareholder. To maintain and increase the risk culture, training is conducted to familiarize new employees and periodically familiarize all employees of SK Odeu LLP (at least on an annual basis) with the current CRMS. As part of improving the corporate governance system, the structural subdivision responsible for risk management held training and testing in the field of risk management for employees of SK Odeu LLP and risk coordinators of Subsidiaries once a year.	Comply
6.7	The Board of Directors of the Fund and the Organizations should take appropriate measures to ensure that the current risk management and internal control system complies with the principles and approaches to its organization defined by the Board of Directors and functions effectively. Risk Reports should be submitted to the meetings of the Supervisory Board at least once a quarter and discussed properly in full.	SK Odeu LLP developed the Methodology for Corporate Risk Management System Evaluation, as well as the Methodology for Internal Control System Evaluation. The Methodology for Internal Control System Evaluation establishes the main approaches to evaluating the effectiveness of the internal control system. This evaluation includes an analysis and evaluation of the factors that affect the effectiveness of the internal control system, in the context of each of its five components: 1) Control environment; 2) Risk assessment; 3) Control procedures; 4) Information and its transfer; 5) Monitoring. The Methodology for Corporate Risk Management System Evaluation establishes the main approaches to assessing the effectiveness of the corporate risk management system. This evaluation includes an analysis and evaluation of the factors that affect the effectiveness of the risk management system, in the context of each of its five components: 1) organization of risk management processes; 2) risk identification; 3) risk assessment; 4) risk management; 5) monitoring. The results of performance evaluation of the corporate risk management system were considered by the Supervisory Board of SK Odeu LLP in 2022 on a quarterly basis.	Comply
6.8	The IAS should be established in the Fund and the Organizations for a systematic independent assessment of the reliability and effectiveness of the risk management and internal control system and corporate governance practices.	SK Odeu LLP has established the Audit Commission for a systematic independent assessment of the reliability and effectiveness of the risk management and internal control system and corporate governance practices. This requirement is enshrined in the Charter, the Regulation on the Audit Commission of SK Odeu LLP.	Comply



No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Compliance status
6.9	Internal audit in the Fund and the Organizations should be carried out by creating a separate structural subdivision – the IAS (in organizations in the form of limited liability partnerships, the internal audit functions should be assigned to the audit commission/auditor, functionally accountable to the Supervisory Board; at the same time, the goals, functions and tasks of the audit commission/auditor, the procedure for its interaction with the bodies of the Organization should be established given the principles set out in this Code in relation to the Internal Audit Service). The goals, authorities and responsibilities of the IAS, qualification requirements (requirements for the professionalism of internal auditors) should be set forth in the internal document of the Company (the IAS Regulations)./ The IAS Regulations should be developed and approved given the requirements of the International Professional Standards of Internal Audit and the Fund’s corporate standards of internal audit./	The Regulations on the Audit Commission of SK Ondeu LLP have been approved, which establishes the objectives, powers and responsibilities of the Audit Commission, qualification requirements. The Regulations on the Audit Commission have been developed given the requirements of the International Professional Standards of Internal Audit and the Fund's corporate standards in the field of internal audit.	Comply
6.10	To ensure the independence and objectivity of the internal audit, the IAS should be organizationally subordinate and functionally accountable to the Board of Directors. The Supervisory Board takes decisions on approving the plans and strategy of the IAS activities, the IAS budget, determines the quantitative composition, size and conditions of remuneration and bonuses for IAS employees.	In accordance with the Regulations, the Audit Commission is functionally and organizationally accountable to the Supervisory Board of SK Ondeu LLP. The organizational subordination and functional accountability of the Audit Commission to the Supervisory Board means: 1) approval by the Supervisory Board of the regulations and other policies in the field of internal audit that regulate the goals, objectives, functions and procedures of the Audit Commission; 2) approval by the Supervisory Board of the risk-oriented annual audit plan; 3) submitting the Supervisory Board with quarterly implementation reports of the annual audit plan and other information on the activities of the Audit Commission; 4) taking by the Supervisory Board of decisions on remuneration of the Chairman and members of the Audit Commission; 5) approval by the Supervisory Board of the budget of the Audit Commission (as part of the Partnership development plan); 6) consideration by the Supervisory Board of significant restrictions on the powers of the Audit Commission or other restrictions that may adversely affect the implementation of internal audit.	Comply
6.11	The Head of the IAS in organizations should develop internal documents regulating the activities of the subdivision based on the Fund's corporate standards in the field of internal audit and ensure their consideration and approval by the Audit Committee and the Board of Directors.	Internal documents regulating the activities of the Audit Commission of SK Ondeu LLP are developed in accordance with the corporate standards of the Fund and approved by the Supervisory Board.	Comply



No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Compliance status
6.12	The IAS operates on the basis of a risk-based annual audit plan approved by the Board of Directors. The results of audit reports and key findings are submitted quarterly for consideration of the Supervisory Board.	The annual audit plan of the Audit Commission includes priority audits in accordance with the goals of the Partnership and is developed taking into account the instructions of the Sole Shareholder and the Supervisory Board of SK Ondeu LLP, the priorities of the executive body of the Partnership, as well as business processes and activities that involve the most significant risks in accordance with the Risk Map and the Risk Register of the Partnership. The results of audit reports and key findings are submitted quarterly for consideration of the Supervisory Board.	Comply
6.13	In carrying out its activities, the IAS should evaluate the performance of the internal control and risk management systems, assess corporate governance using generally accepted standards of activity in the field of internal audit and corporate standards and recommendations of the Fund in the field of corporate governance assessment, performance evaluation of the internal control and risk management system.	The Audit Commission of SK Ondeu LLP, in carrying out its activities, evaluates the performance of the internal control and risk management systems, assess corporate governance using generally accepted standards of activity in the field of internal audit and corporate standards and recommendations of the Fund in the field of corporate governance assessment, performance evaluation of the internal control and risk management system.	Comply
6.14	The Head of the IAS should develop and maintain a quality assurance and improvement program covering all types of internal audit activities, and providing for mandatory internal and external evaluation of the IAS activities.	The program for ensuring and improving the quality of the Audit Commission of SK Ondeu LLP was approved by the decision of the Supervisory Board of SK Ondeu LLP. This program covers all types of internal audit activities, and provides for mandatory internal and external evaluation of the activities of the Audit Commission.	Comply
<b>7. Transparency.</b>			
7.1	The Fund and the Organizations promptly and reliably disclose information about all important aspects of their activities, including financial condition, results of operations, ownership and management structure to comply with the interests of stakeholders.	Disclosure of information about SK Ondeu LLP is carried out in accordance with the legislation of the Republic of Kazakhstan, internal documents of SK Ondeu LLP.	Comply
7.2	The Fund and the Organizations promptly disclose information provided for by the legislation of the Republic of Kazakhstan and internal documents. The Fund and the Organisations should approve internal documents defining the principles and approaches to information disclosure and protection, and information to be disclosed to the Stakeholders./ The Fund and the Organisations determine the procedure on classifying information into access categories, the rules for its storage and use, and the list of persons who may be granted access to commercially sensitive or officially secret information. The Fund and the Organisations should take measures to protect this information./	Disclosure of information about SK Ondeu LLP is carried out in accordance with the legislation of the Republic of Kazakhstan, internal documents of SK Ondeu LLP.	Comply



No.	Corporate governance principles	Criteria for assessing compliance with the corporate governance principle	Compliance status
7.3	The Fund, the Company and the Organizations whose shares or bonds are traded on a stock exchange should promptly publish on their corporate websites audited annual financial statements prepared in accordance with International Financial Reporting Standards (hereinafter - IFRS), as well as financial statements prepared in accordance with IFRS for Q1, six months and first nine months of the reporting period. The Fund, the Company and the Organisations whose shares or bonds are traded on a stock exchange are recommended to disclose additional information about their financial condition in addition to the basic forms of financial statements./	In accordance with the established terms of the Corporate Governance Code, SK Odeu LLP publishes its consolidated financial statements on a quarterly basis on the Internet resource within 60 days from the end of the reporting period. The annual audited financial statements must be published within 120 days of the end of the reporting period. In addition, the financial statements are posted on the Internet resource after receiving an extract of the decision on the approval of the annual financial statements by the Sole Shareholder.	Comply
7.4	The Fund and the Organizations should conduct an annual audit of financial statements by engaging an independent and qualified auditor who, as a third party, provides an objective opinion to Stakeholders about the reliability of the financial statements and their compliance with the requirements of IFRS. The requirement to have annual financial statements audited only applies if it is set forth in legislation of the Republic of Kazakhstan and / or in internal documents./	SK Odeu LLP conducts an annual audit of the consolidated financial statements by engaging an independent and qualified auditor (the service period is 3 years). The external auditor is selected based on the open tender in accordance with the Rules for selection of the audit organization for Samruk-Kazyna JSC and organizations, more than fifty percent of voting shares (interests) of which are directly or indirectly owned by Samruk-Kazyna JSC on the right of property or trust management. The Chairman of the Supervisory Board is a member of the competition commission. Information about the external auditor is disclosed on the website, as well as in the Annual Report.	Comply
7.5	The Fund, the Companies and the Organizations whose shares are traded on the stock exchange should prepare an annual report in accordance with the provisions of this Code and the best practices of information disclosure. Annual Reports shall be approved by the respective Boards of Directors./	SK Odeu LLP prepares an annual report on an annual basis, with an integrated report in the field of sustainable development for a wide range of stakeholders. In accordance with the Charter of SK Odeu LLP, the Annual Report is approved by the decision of the Supervisory Board. The Annual Report for 2021 was approved by the decision of the Supervisory Board of September 02, 2022 (Minutes No.15/22) and published on the website of SK Odeu LLP.	Comply
7.6	The Internet resource should be well structured, easy to navigate and contain information necessary for Stakeholders to understand the activities of the Fund and the Organizations.	1) The corporate website of SK Odeu LLP contains a significant part of information provided for by best practices. Key information is published in Kazakh, Russian and English. 2) Updating of the Internet resource is carried out as necessary, on a regular basis. 3) All significant corporate events of SK Odeu LLP are accompanied by the publication of press releases. 4) Disclosure of information on the website of SK Odeu LLP is carried out in accordance with the internal documents of SK Odeu LLP.	Comply

