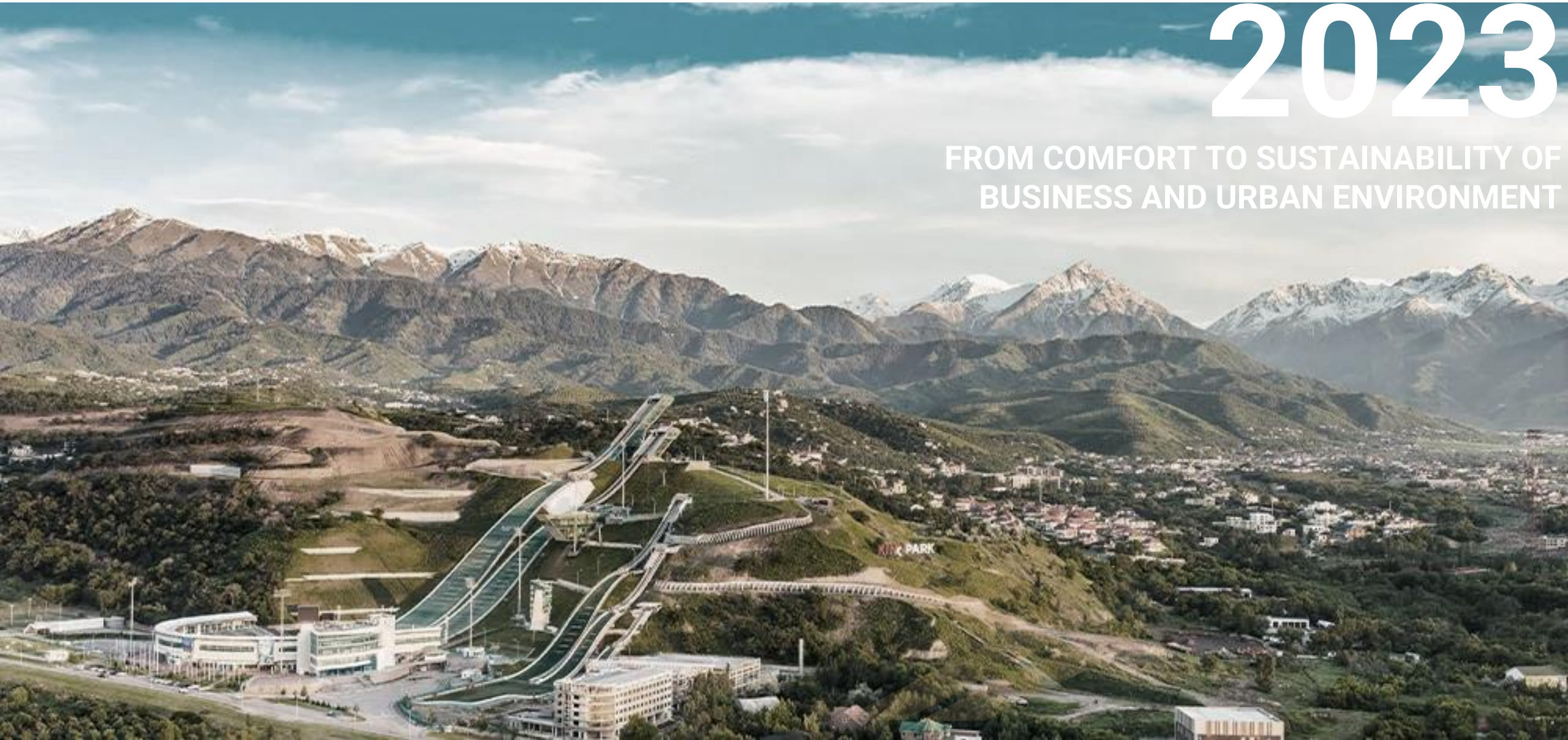


SUSTAINABLE DEVELOPMENT REPORT

Almaty Social-Entrepreneurial Corporation JSC

2023

FROM COMFORT TO SUSTAINABILITY OF
BUSINESS AND URBAN ENVIRONMENT



02	ABOUT THE REPORT	04 Principles of Report preparation	06 Materiality matrix
		05 Defining essential topics	07 Interaction with stakeholders
09	ABOUT THE COMPANY	10 General information	15 Company ratings
		12 Company's business model	16 Important developments in ESG, initiatives and membership
		13 Key indicators for 2023	17 Priority UN SDGs for the Company
		14 Direct economic value	18 Contribution to achievement of UN Sustainable Development Goals
22	CORPORATE GOVERNANCE	23 Corporate governance overview	45 Business ethics
		26 Sole Shareholder	46 Anti-corruption
		27 Board of Directors	47 Conflict of interest management
		34 Committees of the Board of Directors	48 Know Your Customer policy
		37 Management Board	49 Procurement management
		40 Remuneration of members of the Board of Directors and Management Board	50 Feedback mechanisms
		41 Organizational structure of the Company	51 Risk management
		42 Sustainable development management	55 Tax policy
			56 Statutory compliance
57	SOCIAL IMPACT	58 Management approach	63 Employee training and development
		59 Personnel structure and employment	64 Occupational safety and health
		61 Employee relations with management	65 Corporate events
		62 Remuneration and motivation of employees	66 Charity and volunteering
67	ENVIRONMENTAL IMPACT	68 Environmental protection	72 Resource consumption
		69 Greenhouse gas emissions	73 Waste management and responsible use of resources
		70 Climate risks	74 Environmental protection costs
		71 Climatic possibilities	



1. ABOUT THE REPORT

Principles of
report preparation

Defining significant
topics

Materiality matrix

Interaction with stakeholders

The Sustainable Development Report for 2023 is an independent public document designed to disclose non-financial information about Almaty SEC JSC (hereinafter - the Company, SEC, we) activities. For the first time, the Company is disclosing non-financial information as part of a separate report on sustainable development. By publishing the Report, we emphasize our intention to demonstrate maximum transparency to all stakeholders.

The Report covers SEC activities from January 1, 2023 to December 31, 2023. The Company plans to expand consistently the boundaries of information disclosure by including subsidiaries and bring information disclosure on all topics and indicators to uniform boundaries.

The Report has been prepared in accordance with standards of the Global Reporting Initiative (GRI) as amended in 2021. GRI standards are internationally recognized standards for sustainability reporting. The Report is formed in accordance with principles of the context of sustainable development, completeness, balance, comparability, accuracy, timeliness, clarity and verifiability. There was no GRI industry standard at the time of the Report's preparation.

The Report contains information on main events and work results, principles of activity in the field of social responsibility and sustainable development, SEC impact on economic, social and ecological environment of the region (Almaty city), approaches to interaction with stakeholders. The Report includes significant events in the field of sustainable development that occurred in 2023, along with information about corporate short-term and strategic plans and intentions of SEC.

The Report reveals information about our contribution to achievement of UN Sustainable Development Goals. Every year we will strive to expand a number of disclosure indicators so that stakeholders receive more accurate and detailed information. The Report also includes certain requirements of international rating agencies in the field of ESG and certain TCFD recommendations.

Data on economic and financial indicators contained in the Report are based primarily on information from SEC's consolidated financial statements for 2023. Financial indicators are presented in tenge.

Results of independent diagnosis conducted by International Auditing Company Russell Bedford A+ Partner LLP in 2023 were used when preparing information on corporate governance issues.

Data on greenhouse gas emissions and consumption of fuel and energy resources are also based on the results of study by independent company (EURASIAN GHG MANAGEMENT LLP).

The Company did not conduct an independent audit to confirm reliability of the information provided in the framework of non-financial reporting, with exception of data on greenhouse gas emissions.

The Company intends to further improve quality and degree of information disclosure in its non-financial statements in accordance with international reporting standards in the field of sustainable development.

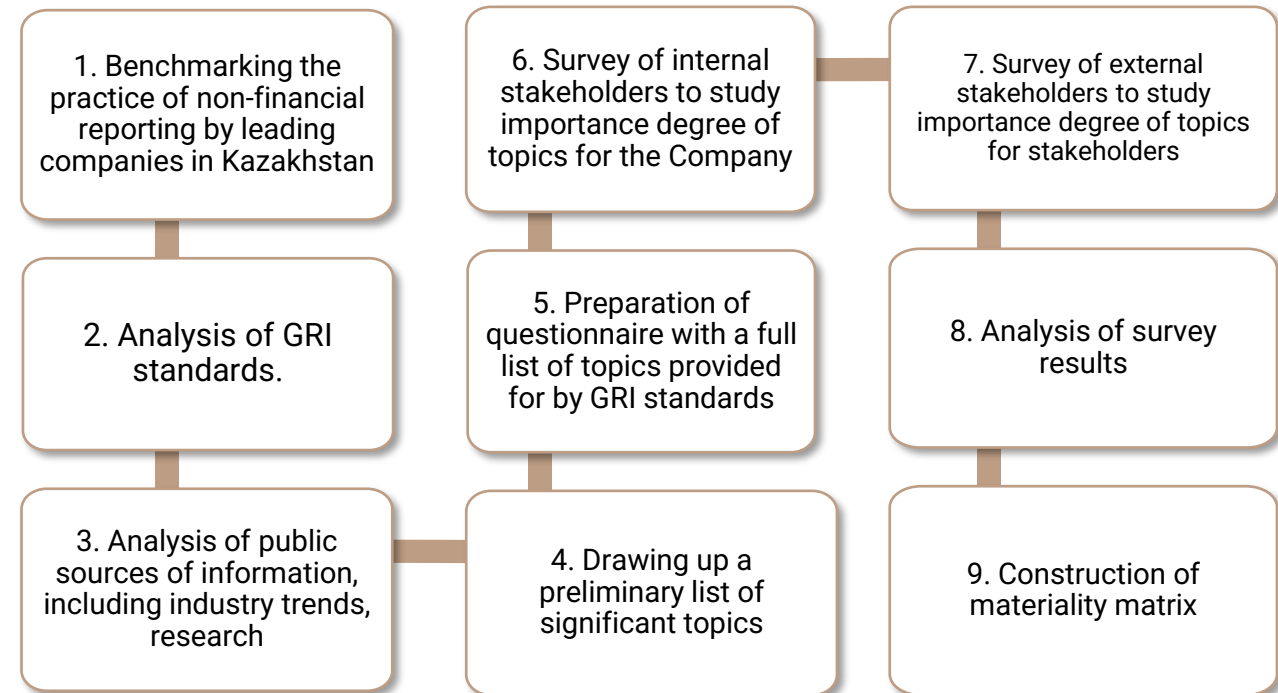
It is important for us that our goals and objectives reflect not only a movement towards achieving high financial results, but also take into account the issues of global environmental agenda, changing the needs of society as a whole, as well as individual interests of customers and partners of the Company.

For this purpose, we consider it necessary to ensure the most complete and high-quality disclosure of information in accordance with the interests and expectations of stakeholders.

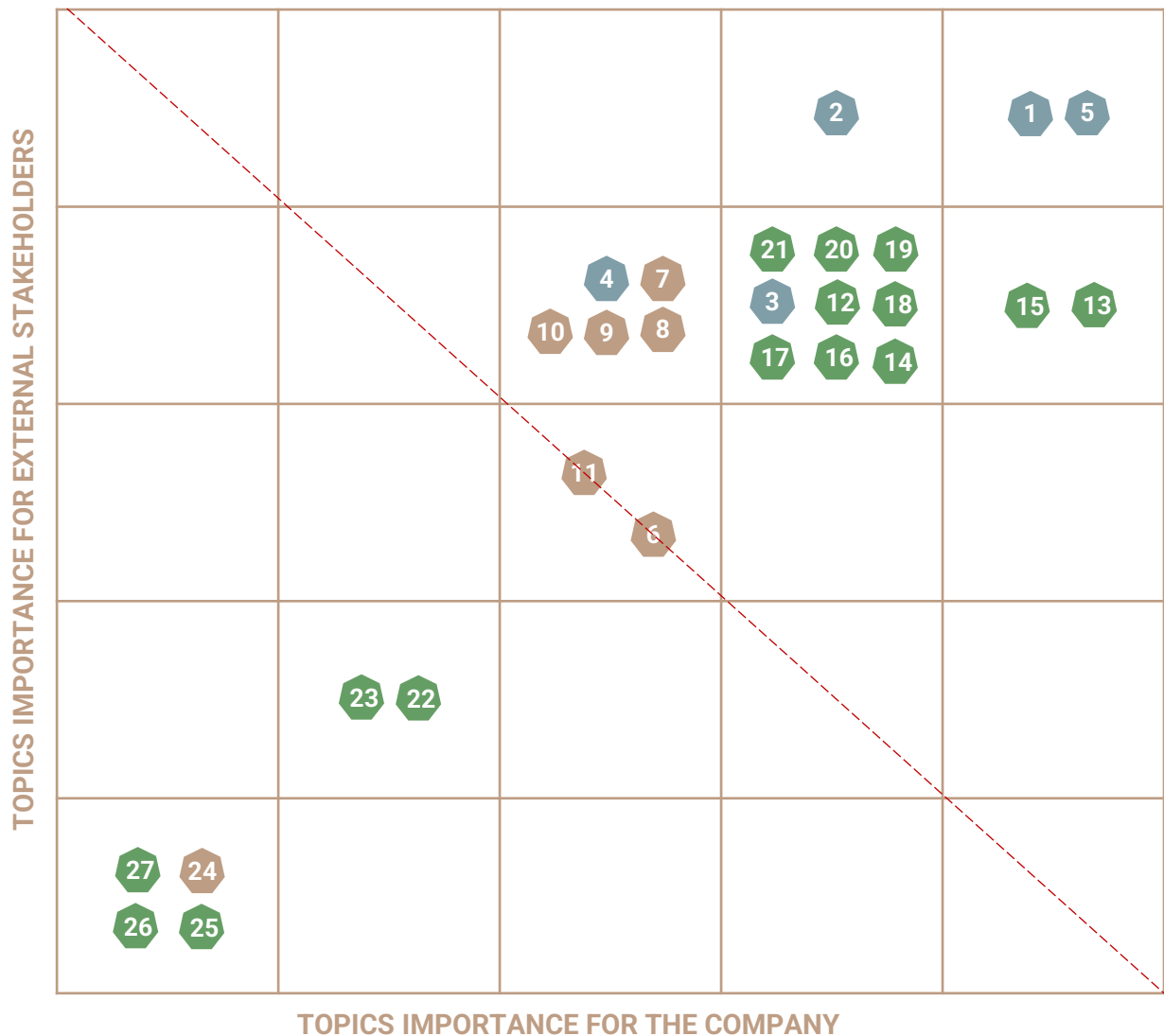
To identify the most relevant topics of the Report that require detailed disclosure, a procedure was performed to identify significant topics in accordance with GRI Standards.

As a result, a list of significant topics has been obtained, the disclosure of which provides the most complete description of SEC activities in the field of sustainable development.

APPROACH TO DEFINING ESSENTIAL TOPICS



MATERIALITY MATRIX



- ① Economic performance
- ② Market presence
- ③ Indirect economic impacts
- ④ Procurement practices
- ⑤ Anti-corruption
- ⑥ Materials
- ⑦ Energy
- ⑧ Water
- ⑨ Emissions
- ⑩ Wastes
- ⑪ Environmental assessment of suppliers
- ⑫ Mechanisms for filing complaints about environmental problems, labor practices, and human rights violations
- ⑬ Employment
- ⑭ Relationship between employees and management
- ⑮ Workplace health and safety
- ⑯ Training and education
- ⑰ Diversity and equal opportunities
- ⑱ Non-discrimination
- ⑲ Security practices
- ⑳ Obstacle to competition
- ㉑ Compliance with requirements
- ㉒ Local communities
- ㉓ Marketing communications
- ㉔ Child labor
- ㉕ Forced or compulsory labor
- ㉖ Rights of indigenous and small populations
- ㉗ Biodiversity

STAKEHOLDERS

THE MOST IMPORTANT WAYS OF INTERACTION

SOLE SHAREHOLDER

- Coordination of main areas of activity, as well as issues related to general management of the Company.
- Ensuring the exercise of rights of the Sole Shareholder within the framework of corporate governance principles aimed at effective key decision-making in accordance with legislation of the Republic of Kazakhstan and the Company's Charter.
- Providing reliable information on the results of financial and economic activities in accordance with the requirements of legislation of the Republic of Kazakhstan, the Charter, and internal documents of the Company.
- Providing information about plans, achievements, and problems of the Company's activities

CUSTOMERS

- Ensuring compliance with expectations of consumers of the Company's products and services.
- Conclusion of contracts, control over the execution of contractual relations.
- Customer satisfaction analysis

EMPLOYEES

- Exercise of official powers aimed at implementation of tasks and functions of the Company.
- Maintaining an open, transparent personnel policy aimed at formation of qualified and motivated personnel.
- Ensuring equal opportunities for all employees to realize their potential in the course of their work, impartial and fair assessment of their results, selection and career growth of employees solely on the basis of professional abilities, knowledge and skills.
- Employee surveys, including engagement and satisfaction measurements
- Anonymous channel for reporting violations
- Training, professional development and improvement of qualifications Formation of corporate culture and values.

PARTNERS AND SUPPLIERS

- Interaction on procurement procedures, information on tenders and procurement plans
- Contractual relations, interaction in process of performing work or providing services, Holding conferences, meetings, conference calls
- Business correspondence
- Corporate announcements (press releases, website), notifications
- Disclosure of financial results and significant non-financial information

STAKEHOLDERS

THE MOST IMPORTANT WAYS OF INTERACTION

GOVERNMENT AGENCIES

- Invitation to participate in working groups, forums, conferences organized by the Company.
- Preparation and implementation of all necessary procedures provided for by legislation of the Republic of Kazakhstan for the Company's participation in public procurement.
- Coordination of the Company's main activities.
- Participation in development and implementation of government programs to support entrepreneurship.
- Providing reliable information on issues of interest in accordance with the requirements of legislation of the Republic of Kazakhstan, the Charter, internal documents of the Company

PUBLIC ORGANIZATIONS

- Compliance with the norms of legislation.
- Conclusion of agreements on cooperation and mutual understanding.
- Implementation of charity and sponsorship.
- Conducting joint events (meetings, forums, conferences, etc.).

MASS MEDIA

- Implementation of PR events;
- Communicating the Company's strengths and capabilities of to target audience;
- Creating a positive public opinion;
- Ensuring transparency of the Company's activities through reliable, regular, continuous and timely disclosure of information;
- Maintaining the Company's brand awareness;
- Presentation of results of the Company's activities to the public.

INTERNATIONAL ORGANIZATIONS

- Raising investments for implementation of the Company's projects and programs.
- Conclusion of contracts and agreements on mutually beneficial cooperation and mutual understanding.
- Improvement of business processes and their automation.
- Control over the execution of contractual relations

COMPANY

- Reputation audit, public opinion polls.
- Publication of the Company's financial and non-financial statements.
- Charitable activities
- Communication via social networks
- Corporate announcements (press releases, website), press conferences, interviews



2. ABOUT THE COMPANY

General information

Key indicators for 2023

Company ratings

Priority UN SDGs
for the Company

Company's business
model

Direct economic value

Important developments in ESG,
initiatives and membership

Contribution to achievement of
UN Sustainable Development
Goals

Almaty SEC JSC was established on March 31, 2010 in accordance with the Resolution of the Government of the Republic of Kazakhstan No. 266 "On Issues of Social and Entrepreneurial Corporations".

Sole Shareholder of the Company is the Department of Entrepreneurship and Investment of Almaty (hereinafter – DEI) Municipal Public Institution, being, in turn, state body of the Republic of Kazakhstan, which performs management in the fields of entrepreneurship, industrial and innovative development, agro-industrial complex and veterinary and sanitary safety in territory of Almaty.

Ultimate regulatory party of the Company is the Almaty Akimat.

Key function of the Company is to support business initiatives and stimulate economic activity in growth points of the region.

As of December 31, 2023, authorized capital of the Company amounted to KZT 193.4 billion.

STRUCTURE OF THE COMPANY'S AUTHORIZED CAPITAL

Security type	Ordinary shares
TIN	KZ1C00009679
Number of authorized shares	193,351,569
Number of outstanding shares	193,351,569
Number of shares repurchased by the Company	21,051,538
Cost of one share, KZT	1000
Shareholder's share in voting shares	100%
Shareholder's share in outstanding shares	89,1%
Company's share in outstanding shares	10,9%

The Company issues ordinary shares. An ordinary share grants the Sole Shareholder the right to take decisions on all issues submitted for its review. An ordinary share also grants the Sole Shareholder the right to receive dividends if the Company has net income as well as to receive part of the Company's property upon its liquidation in accordance with the procedure established by legislation of the Republic of Kazakhstan.

The Company's functionality includes:

- ❖ **management component** (management of transferred assets, management of enterprises);
- ❖ **organizational component** (review, advisory support and organization of project financing);
- ❖ **investment component** (investing internal funds, attracting investors);
- ❖ **stimulating component** (financial and infrastructural support for entrepreneurial activity in the region);
- ❖ **analytical component** (formation of regional databases on promising and current projects in Almaty, monitoring prices for socially significant types of food products);
- ❖ **administrative component** (implementation of strategically important state and regional programs).



SUBSIDIARIES AND AFFILIATES OF THE COMPANY



Industrial Zone – Almaty LLP - administration of Almaty industrial zone, created to support investments in industrial projects by providing entrepreneurs with territory and infrastructure (participation share -100%);



Almaty Finance LLP - provision of concessional financing for implementation of priority projects. (participation share - 100%);



Almaty Finance LLP has a subsidiary, Almaty Microfinance Organization LLP, which provides preferential financing for small business projects.



Capital Construction Company of the Akimat of Almaty LLP - Project management for modernization of the housing sector by demolishing dilapidated houses and organizing construction of modern buildings and structures in their place (participation share - 100%).

GENERAL INFORMATION

On May 4, 2023, the Company Board of Directors approved the Development Program of Almaty SEC JSC for 2023-2025 (hereinafter - the Development Program).

The Company's Development Program was developed taking into account long-term vision and key priorities of the country and the region, set out in such strategic documents as:

- Kazakhstan 2050 Strategy;
- Strategic Development Plan of the Republic of Kazakhstan until 2025;
- Almaty-2050 Development Strategy;
- Almaty Business - 2025 Regional Entrepreneurship Development Program (hereinafter - Almaty Business – 2025);
- National Entrepreneurship Development Project for 2021-2025;
- Almaty City Development Program until 2025 and Medium-Term Prospects until 2030 (hereinafter - the Almaty City Development Program until 2025);
- Renovation Program of Residential Stock in Almaty for 2021-2025 (hereinafter - the Renovation Program of Residential Stock);
- and others.

According to the Company's Development Program:

MISSION OF THE COMPANY - to promote sustainable socio-economic development of Almaty;

VISION OF THE COMPANY - a key institution for development of the city, providing support to business, implementing priority socially significant and investment projects of the city.



CORPORATE KPI	2023	2024	2025
Net profit consolidated indicator, KZT bln	1.7	2	2.4
Volume of raised investments, KZT bln	100	250	500
Level of satisfaction of entrepreneurs and investors, %	60	70	80

STRATEGIC KPI SCORECARD FOR 2023-2025

N O.	GOAL	INDICATOR	2023	2024	2025
Strategic direction 1: Providing a comfortable business environment and supporting entrepreneurship					
1	Effective project portfolio management	Share of timely completed projects (in %)	80	90	100
2	Entrepreneurship development through financial and infrastructural support	Amount of funds allocated to support entrepreneurs (KZT bln)	25	28	33
3	Effective management of Subsidiaries and Affiliates	EBITDA (KZT bln)	0.8	0.9	1.2
Strategic direction 2: Providing a comfortable urban environment and implementing socially significant projects					
1	Implementation of socially significant and investment projects in priority areas	Number of projects	2	5	9
2	Improvement of the city's housing stock through implementation of the Renovation Program of Residential Stock and construction of social housing	Ensuring demolition of houses/relocation of residents (number of houses) Construction of social housing (number of apartments)	90 1371	168 2800	262 4400
3	Assistance in ensuring food security and support for the infrastructure of SSFP market	Disbursement of funds aimed at stabilizing prices for SSFP (in %)	70	80	90
Strategic direction 3: Sustainable institutional development					
1	Improving the level of corporate governance	Level of personnel satisfaction and involvement (in %) Level of corporate development (in %)	60 60	65 65	70 70
2	Implementation of effective digital infrastructure	Level of business processes automation (in %)	80	90	100
3	Implementation and compliance with principles of ESG sustainable development.	ESG Rating	D	-	C



KEY PARTNERS

- State represented by LEB;
- Investors;
- Development institutions;
- SSFP manufacturers;
- Large retail chains;
- Subsidiaries and affiliates of the Company.



KEY ACTIVITIES

- Investment activities
- Infrastructure support;
- Financial support;
- Demolition of dilapidated housing/construction of social housing;
- Stabilization of prices for SSFP.



RESOURCES

- Land plots;
- Rental premises;
- Non-stationary trade facilities;
- Places at weekend markets;
- Trade pavilions;
- Preferential loans/borrowings



VALUE PROPOSITIONS

- Provision of plots on territory of the Industrial Zone and industrial parks for placement of production facilities;
- Provision of loans/borrowings on preferential terms by Company subsidiaries, such as Almaty Finance LLP and Almaty Microfinance Organization LLP;
- Co-financing of projects at the expense of the Company's own funds;
- Providing a corporate guarantee;
- Organization and holding of weekend markets;
- Provision of places in trade pavilions;
- Provision of non-stationary trade facilities;
- Conclusion of forward contracts for the supply of socially significant food products;
- Providing the population with opportunity to move from dilapidated to new housing.



CUSTOMER RELATIONS

Customer relations are built on the basis of contractual relations and relations within the framework of agreements and memoranda of cooperation



SALES CHANNELS

Customers can receive the service by submitting applications, participating in contests and auctions.



CUSTOMERS

- SME entities;
- Manufacturers/entrepreneurs of priority industry sectors for the region (food, construction, engineering, chemical, medical, etc.);
- SSFP manufacturers/suppliers



COSTS

- General and administrative expenses
- Asset disposal expenses
- Expenses for fairs
- Remuneration expenses
- Expenses for changes in the fair value of loan
- Taxes



INCOME

- Income from implementation of investment projects
- Rental payments
- Interest on loans/borrowings

KEY INDICATORS FOR 2023

BUSINESS SUPPORT		FINANCIAL PERFORMANCE		SUSTAINABLE DEVELOPMENT		RATINGS/SCORES	
1.2 KZT TRLN	Total amount of raised investments	11.1 KZT BLN	Net profit	67 PER.	Actual number of personnel	77,66%	Corporate governance rating
31.6 KZT BLN	Amount of funds allocated to support SMEs	15.5 KZT BLN	EBITDA	43%	Proportion of women in top and middle management	94%	Satisfaction of investors and entrepreneurs
105	Investment projects (incl. IZA)	1,28%	Return on assets	91%	of employees covered by voluntary health insurance system	71%	Employee engagement and satisfaction
388	Weekend markets	1,8%	Return on equity	16	Average number of training hours per 1 employee	BBB-	Long-term international rating (Fitch Ratings)
199 THOUS. TONS	Contracted SSFP supplies	8.4 KZT BLN	Taxes paid	1145 GJ	Energy consumed	9%	ESG Rating

DIRECT ECONOMIC VALUE

Created and distributed direct economic value demonstrates the value that the Company creates and subsequently distributes to key stakeholders (consolidated data)

ARTICLE	UOM	GROUPS OF STAKEHOLDERS	2021	2022	2023**
Direct economic value created					
Income	KZT mln	Broad group of stakeholders	9,448	12,994	43,028
Distributed economic value	KZT mln		9,233	21,574	31,900
Expenses, including	KZT mln	Broad group of stakeholders	8,391	21,046	23,983
<i>Wages</i>	<i>KZT mln</i>	<i>Employees</i>	<i>1,795</i>	<i>1,812</i>	<i>2,547</i>
<i>Interest and dividend expenses*</i>	<i>KZT mln</i>	<i>Shareholders, creditors, government agencies</i>	<i>2,750</i>	<i>1,893</i>	<i>16,291</i>
<i>Taxes other than income tax</i>	<i>KZT mln</i>	<i>Government agencies</i>	<i>396</i>	<i>564</i>	<i>599</i>
<i>Sponsorship and charitable assistance</i>		<i>Socially vulnerable segments of the population</i>	<i>62</i>	<i>382</i>	<i>0</i>
Income tax expenses	KZT mln	Government agencies	842	527	7,916
Retained economic value (direct created economic value minus distributed economic value)	KZT mln		215	-8,580	11,128

* - In 2021, 2022, the Company did not declare or pay dividends.

** - operational data

Fitch Ratings

February 28, 2024 Fitch Ratings has confirmed the default ratings of issuer Almaty SEC in foreign and national currency at the level of **BBB-** with **Stable** outlook.

 **Russell Bedford**
taking you further

In 2023, Russel Bedford international company assessed the compliance of the Company's corporate governance level with requirements of best practice by **77.66%**

S&P Global
Ratings

S&P Global has assigned the Company ESG rating (2023) of **9%**.
In terms of ESG factors, the rating structure is as follows:
6% – on Environmental Dimension;
12% – on Social Dimension;
9% - on Governance & Economic Dimension.

AUGUST 2023

The **Sustainable Development Action Plan of Almaty SEC JSC for 2023** has been developed

SEPTEMBER 2023

The Company has joined the **UN Global Compact**.

OCTOBER 2023

The Corporate Governance Code has been updated;
The **Code of Business Ethics** has been developed and approved;
The **Stakeholder Map** has been developed and approved;
The Corporate and Social Responsibility Policy has been developed and approved;
The Sustainable Development Policy has been developed and approved;
Application for ESG rating has been submitted for the first time;
The Company's employees have started **training under the Accelerator program** within the framework of UN Global Compact;
The service agreement was signed between Almaty SEC JSC and Russel Bedford ICF LLP for **independent assessment of corporate governance system (CGS)** of the Company. According to the Russel Bedford report, the Company's CGS score accounted for **77.66%**.

NOVEMBER 2023

The **Sustainable Development section** has been created on website <https://spkalmaty.kz/>, which provides information on blocks – Sustainable Development Goals, Green and Social Projects, Personnel Policy, Reporting on Sustainable Development;
Within the framework of compliance with principles of environmental friendliness of the Company's activities, **recycling activities** were held in accordance with the required ESG standards;
An **information stand containing 17 global SDGs has been created** in order to raise awareness among the Company's employees, as well as demonstrate the Company's commitment to the Sustainable Development Goals (SDGs);
A survey of investors and entrepreneurs was conducted on the subject of satisfaction with Almaty SEC JSC's activities. Satisfaction level was **94.3%**.

DECEMBER 2023

The Report on Sustainable Development Action Plan for 2023 has been prepared and Sustainable Development Action Plan for 2024 has been developed.

PRIORITY UN SDGS FOR THE COMPANY

The Company fully shares the values of UN Sustainable Development Agenda. The Company recognizes importance of all 17 UN SDGs and strives to make every possible contribution to their achievement.

Due to specifics of its activities, the Company has identified for itself 6 priority UN SDGs, to which the Company makes the most significant contribution



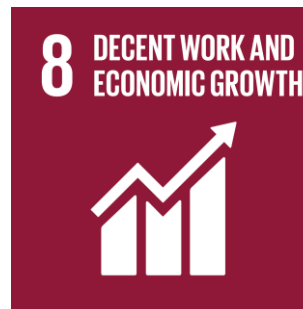
Eliminating hunger, ensuring food security and improving nutrition and promoting sustainable agricultural development



Ensuring a healthy lifestyle and promoting well-being for everyone at any age



Ensuring inclusive and equitable quality education and promoting lifelong learning opportunities for all



Promoting steady, inclusive and sustainable economic growth, full and productive employment and decent work for all



Building resilient infrastructure, promoting inclusive and sustainable industrialization and innovation



Ensuring openness, security, resilience and environmental sustainability of cities and human settlements

UN SDGS

OBJECTIVES OF THE COMPANY

COMPANY'S CONTRIBUTION TO ACHIEVING SDGS

2

ZERO HUNGER



- ❖ Stabilization of prices for socially significant food products

As part of ensuring stabilization of prices for socially significant food products (SSFP) the Company finances supply of SSFP at fixed prices by providing loans and concluding forward contracts with business entities engaged in production and sale of necessary products. In 2023, 7 contracts worth KZT 7.5 billion were signed for the supply of 28.2 thousand tons of SSFP. In general, over the period of four years, purchase and supply of more than 199 thousand tons of SSFP in the amount of KZT 32.2 billion was ensured starting in 2019. For example, to stabilize prices for vegetable products (potatoes, carrots, onions and cabbage) from September 1, 2023 to April 30, 2024, a loan agreement was signed with Magnum retail chain for a total volume of 19,880 tons with direct participation of producers of Almaty, Akmola, Zhambyl and Pavlodar regions (funds were sent to the farms of Aktogay Agro LLP, Pakhar PH LLP, Koyandy PH, Timur PH, Pan V.S. SP, Andas PH and others). To stabilize prices for flour and flour products (elbow products), cereals (rice, buckwheat), salt, dairy (milk, kefir, cottage cheese, butter), meat products (beef and chicken meat) and other SSFP at fixed prices. From October 2023 to January 2024, Agreement was signed (without financing) for the sale of 3.1 tons of goods in Magnum retail chain. Work has been conducted to stabilize prices for category 1 chicken eggs within the framework of a revolving loan with Koger and Alsad poultry farms through retail chains and convenience stores. Beef meat (shoulder-breast part) was sold through Asyl Et manufacturer's stores until February 2024 at a fixed selling price of KZT 2210/kg (the average market price is KZT 2601/kg). Since October 2023, commodity intervention of granulated sugar and milled rice has been launched at selling prices of KZT 380/kg and KZT 450/kg, respectively, through retail chains in Almaty. The marginal trade mark-up for SSFP will not exceed 10% of selling price.

Thanks to the measures taken to stabilize prices for SSFP, prices were reduced by the end of 2023: for buckwheat - 41.7%, for sunflower oil – by 24.1%, for sugar – by 12.1%, for potatoes – by 8.9%, for onions – by 4.5%, for flour – by 2%.

In addition to the mechanisms for stabilizing prices for SSFP, the Company implements a number of measures to ensure food security in the city. For example, the Company has 28 social trade pavilions where agricultural products are sold at recommended prices (provided by the Department of Entrepreneurship and Investments of Almaty), which are 10-15% lower than the average market prices.

Also, regional weekend markets are held on a weekly basis in 4 city districts (Medeu, Almaly, Bostandyk, Auezov), where residents of the city can buy fresh farm products at discounted prices. These fairs are in great demand among the population, as there is an opportunity to purchase high-quality, fresh and homemade products that are not available in supermarkets.

In addition, the Company, together with the city akimat, as well as with representatives of retail chains, holds meetings on an ongoing basis with representatives of peasant/farm enterprises, workshops, factories engaged in growing vegetables, producing rice, sugar, buckwheat, pasta, meat and dairy products, and etc. Within the framework of these working visits, the Company contributes to establishment of interregional relations between entrepreneurs by signing Memoranda/Agreement on Mutual Cooperation (without financing). For example, memoranda have been signed with Pavlodar, Almaty and Turkestan regions on direct supplies of agricultural products to Almaty.

UN SDGS

OBJECTIVES OF THE COMPANY

COMPANY'S CONTRIBUTION TO ACHIEVING SDGS

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



- ❖ Provision of land plots on territory of the Industrial Zone and industrial parks for placement of large-scale industries

The Company provides infrastructural support by providing land plots on territory of the Industrial Zone of Almaty, as well as by developing small industrial parks and providing space under preferential rental terms (within the framework of the Law of RK "On Special Economic and Industrial Zones").

Infrastructural support is provided by subsidiary of the Company, Industrial Zone of Almaty LLP, which manages Industrial Zone of the city.

- ❖ As of December 31, 2023, 93 projects worth KZT 546 billion are being implemented in IZA territory with a creation of more than 11 thousand jobs.
- ❖ In 2023, 32 projects worth KZT 353.3 billion were involved as well.
- ❖ The largest projects are: Astana Motors Manufacturing LLP (project "Construction of the Plant for Production of Passenger Cars of Chinese Brands"), KNAUF INSULATION KAZAKHSTAN LLP (project "Production of Thermal Insulation Materials"), Orbis Manufacturing LLP (project "Construction and Operation of Full-Cycle Automobile Plant").
- ❖ Construction of factories for production of interior doors, thermal insulation materials, cable and wire products, raw materials and ingredients for various branches of food industry, for disposal of automobile tires and production of rubber products, for manufacture of confectionery, bakery products of a wide range, and many others has also begun.
- ❖ The program of small industrial parks (SIP) is being actively implemented, where entrepreneurs are provided with premises on preferential terms. SIP residents are provided with preferential financing at 2% per annum, 6% per annum for construction of an industrial park. It is also possible to buy out premises at a low cost. 5 SIPs are already operating in Almaty (BM Estate LLP, AlaEstate LLP, SamrukGroup LLP, Asia Prom Textile and CityBus LLP). They have expanded production of furniture, small ware, beverages, coffee roasting, and building materials. 6 small industrial parks have been created on IZA territory (ALAESTATE LLP 1 project, KazStroyTrade LLP, ADS Industries LLP stage 1, ALAESTATE LLP project 2, QazaqPlast LLP and Alatau Industrial Park LLP), which house the production of food, packaging, and construction industries. It is planned to launch 18 SIPs by 2025.

In the future, enterprises located in the industrial zone should become leaders of their industries, an example of technical modernization of industrial production in Almaty.

UN SDGS

OBJECTIVES OF THE COMPANY

COMPANY'S CONTRIBUTION TO ACHIEVING SDGS

11 SUSTAINABLE CITIES AND COMMUNITIES



- ❖ Providing the population with opportunity to move from dilapidated housing to a new one

The Company is an Authorized Organization for implementation of the Renovation Program of Residential Stock for 2021-2025. This direction is implemented by the Company subsidiary - Capital Construction Company of the Akimat of Almaty LLP (CCC). As part of the Renovation Program of CCC (from 2021):

- ❖ 48 dilapidated houses were demolished;
- ❖ 23 new houses have been built;
- ❖ Settlement of 504 families in new apartments has been ensured.

The Company, together with the Almaty City Planning and Urbanism Department, Almatygenplan Scientific Research Institute LLP, with involvement of industry experts and public of the city, is working on an updated version of the Renovation Program of Residential Stock in Almaty until 2030.

The new Program will be aimed at ensuring safety of residents of dilapidated housing, guaranteed provision of new apartments and providing them with comfortable and safe living conditions, as well as formation of aesthetic architectural appearance of the city. The document will specify the role, rights and responsibilities of each participant in renovation process in detail: a private investor, renovation facility owner and operator of the Program. The Program provides not only for renovation of housing and land, but also for improvement of human lifestyle and economic systems.

3 GOOD HEALTH AND WELL-BEING



- ❖ Implementation of projects in medicine and healthcare;
- ❖ Support for charitable funds

- ❖ A project for production of diagnostic tests for medical purposes, PCR tests, ELISA tests, and nutrient medium was launched on territory of the Industrial Zone of Almaty. Cost of investments amounted to KZT 4.8 billion.

- ❖ In addition to implementation of production projects, the Company supports healthcare organizations, public organizations and charitable funds by leasing real estate objects, among them the Zhauynger Veterans and Disabled of the War in Afghanistan NGO, City Polyclinic No. 4 REM, Zhurek Guli PF, An-Nisa Disabled Persons NGO, Center for Adaptation, Rehabilitation and habilitation - RUKH Private Institution, Almaty Center for Active Longevity MPI under the Shynga Orleu project, Karkyn Charitable Fund, Sabi Tilegy PF, Assyl Zhurek Center for Support of Education, Health, Culture and Sports PF.

4 QUALITY EDUCATION



- ❖ Implementation of social projects aimed at creation of training centers

- ❖ As part of implementation of budget and investment projects, the Company accompanies implementation of projects "Simulation Educational and Methodological Center for Public Education and Training of Rescuers in Almaty", "Construction of World-Class College to Train Competitive Professionals of the Highest Class to Meet the Needs of the Labor Market and Development of Network of World-Class Colleges".

- ❖ The Company supports social projects aimed at talent development and training/retraining. For example, the project "Dance School", "Training Center (Sewing Courses) and Tailoring", "School of Arts"

UN SDGS

OBJECTIVES OF THE COMPANY

COMPANY'S CONTRIBUTION TO ACHIEVING SDGS

8 DECENT WORK AND ECONOMIC GROWTH



- ❖ Creation of new jobs within the framework of ongoing commercial, social and budgetary investment projects

- ❖ Industrial Zone of Almaty: over 11 thousand jobs have been created. By 2025, it is planned to implement 51 projects totaling more than KZT 315 billion with creation of 6,276 jobs.
- ❖ In 2023, 523 jobs were created as part of implementation of the Almaty Business-2025 Program.
- ❖ Number of jobs created during implementation of the largest investment project "Eastern Gate Polycenter" will amount to 11,000 temporary and 1,600 permanent jobs.



3. CORPORATE GOVERNANCE

Corporate governance
overview

Sole Shareholder

Board of Directors

Committees of the Board
of Directors

Management Board

Remuneration for
members of BD and the
Management Board

Organizational structure

Sustainable development
management

Business ethics

Anti-corruption

Conflict of interest
management

Know Your Customer
policy

Procurement
management

Feedback mechanism

Risk management

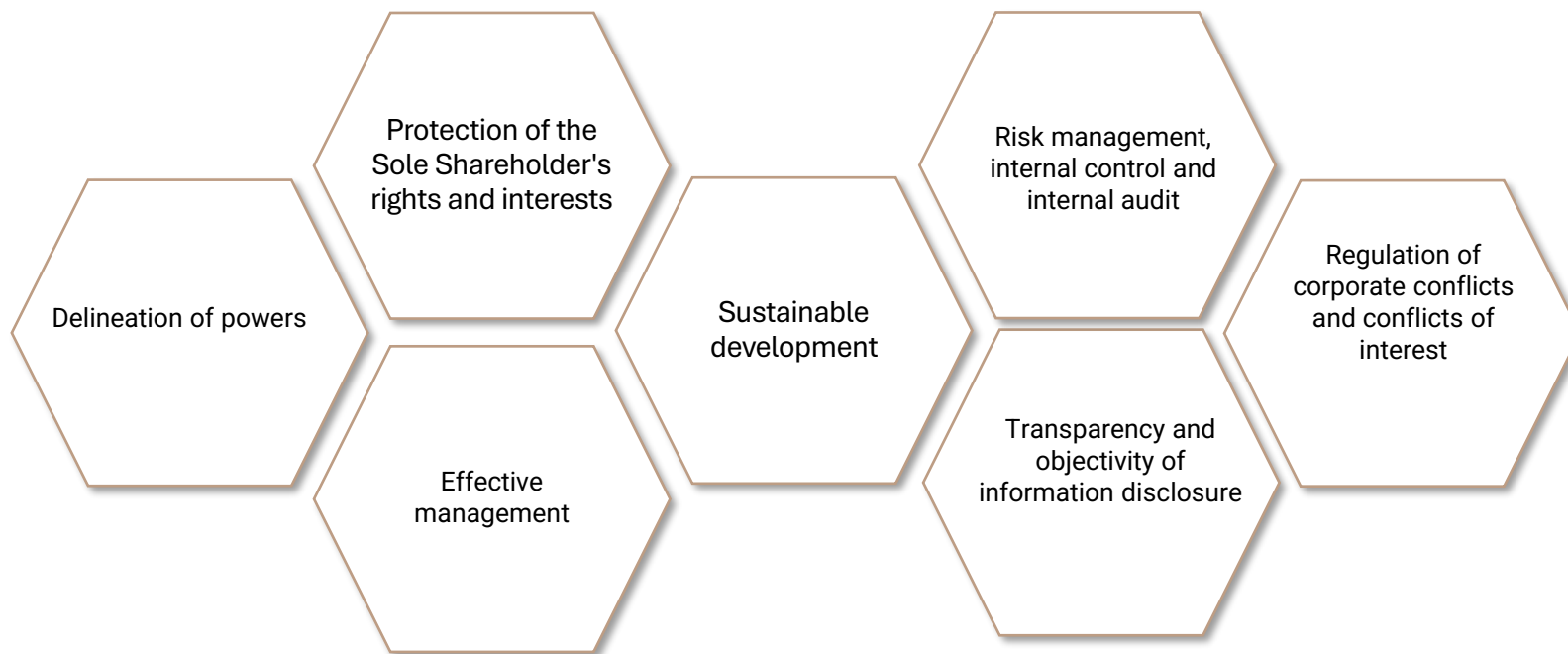
Tax policy

Statutory compliance

Corporate governance is aimed at improving efficiency of the Company and its subsidiaries and affiliates, ensuring transparency and accountability, strengthening its reputation and reducing capital raising costs.

The Company considers an appropriate corporate governance system as its contribution to ensuring the rule of law in the Republic of Kazakhstan and a factor determining the Company's place in modern economy and society as a whole.

FUNDAMENTAL PRINCIPLES OF CORPORATE GOVERNANCE



Main internal documents of the Company in corporate governance:

- ❖ Charter
- ❖ Corporate Governance Code
- ❖ Code of Business Conduct
- ❖ Stakeholder Map
- ❖ Corporate Social Responsibility Policy
- ❖ Sustainable Development Policy
- ❖ Risk Management Policy
- ❖ Information Security Policy
- ❖ Anti-Corruption Policy
- ❖ Personnel Policy
- ❖ Regulations on the Board of Directors
- ❖ Regulations on the Management Board and other IRD

Separation of powers principle:

- Observed, but it is recommended to ensure independence of members of the Board of Directors
- It is recommended to monitor decisions of the Sole Shareholder to maintain non-interference in operational matters and corporate governance structures

Protection of the rights and interests of shareholders principle:

- Observed, but it is proposed to consider the protection of minority shareholders' rights in internal regulations in the medium term

Effective management of the Company by BoD and Executive Board principle:

Observed, but it is recommended to ensure gender equality and independence of directors

- It is recommended to assess the BoD and use stress testing techniques for strategy development
- It is recommended to introduce a unified automated system to improve management processes

Sustainable development principle:

- Observed, but it is required to update information on the evaluation of projects and programs in the field of sustainable development
- It is recommended to update the Company's Internet resource in the Sustainable Development block

Principle of risk management, internal control and audit:

- Observed, but it is recommended to approve the risk appetite and review the informativeness of risk limits
- It is recommended to regularly assess the effectiveness of the CRMS, harmonise the categories and regularly familiarise employees with the CRMS

Regulating corporate disputes and conflicts of interest principle:

- Observed, but it is recommended to record information on conflicts of interest and obtain consent from employees
- It is recommended to clarify the documents related to sending information on conflicts of interest

Principle of transparency and objectivity:

- Observed, but it is recommended to supplement annual reports with information on the BoD activities and the results of the work of the BoD committees
- It is recommended to publish the required IRD, corporate resolutions, and form reports of the committees of the Board of Directors.



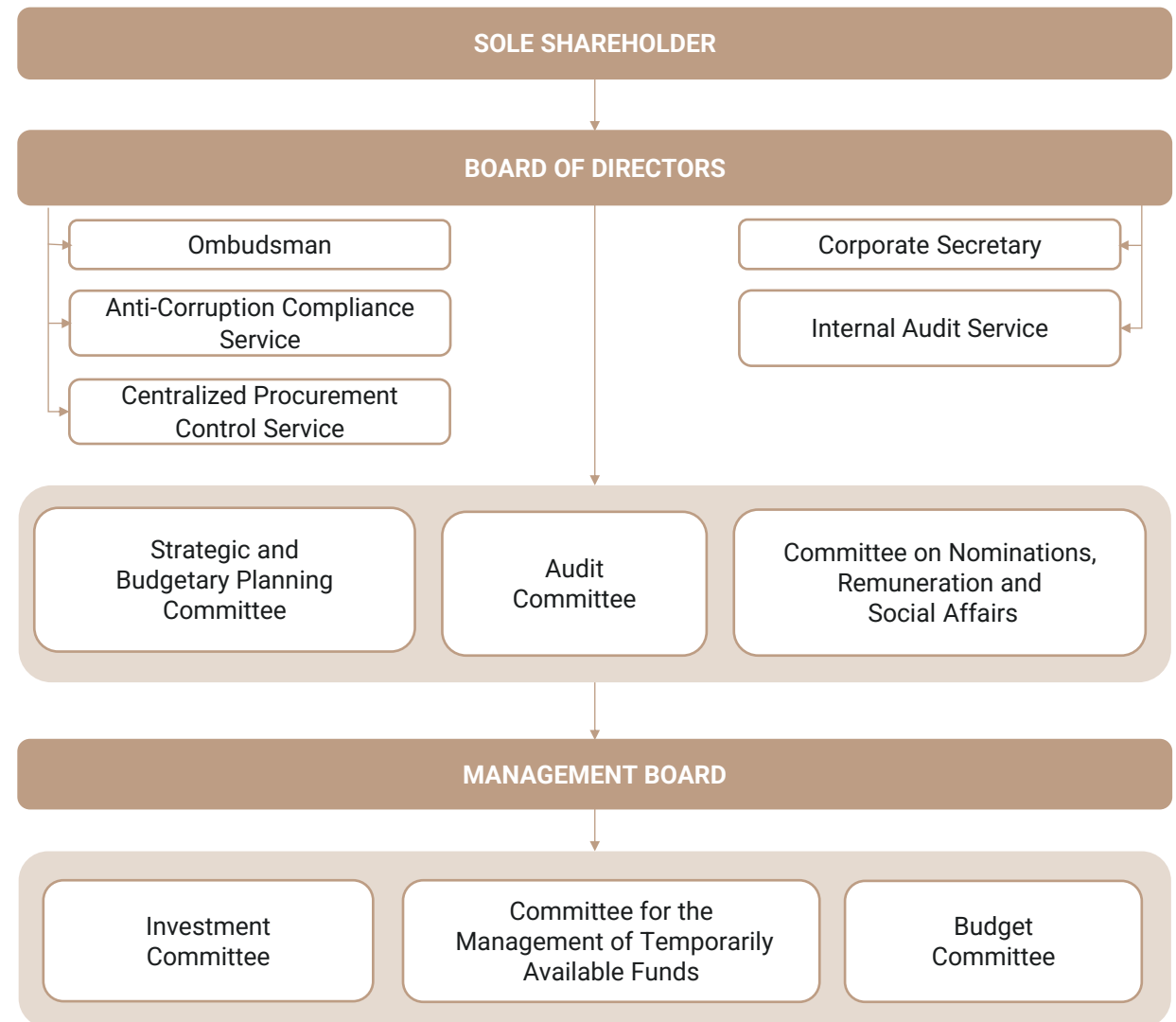
Main management bodies of the Company are:

- ❖ Sole Shareholder – a supreme body;
- ❖ Board of Directors – a governing body
- ❖ Management Board – an executive body.

The Company's corporate governance structure ensures effectiveness of a decision-making system, compliance with interests of the Sole Shareholder, high standards of information disclosure, and functioning of an effective risk management and internal control system.

According to results of the Russel Bedford diagnostics, the Company shows a high level of compliance with corporate governance standards and strives for effective functioning, relying on active participation of the state.

Management structure has a clear organization, defined competencies and transparent procedures, which guarantees consistency and efficiency in management. Society strives for gender balance, diversity and improved decision-making processes.



Department of Entrepreneurship and Investment of Almaty MPI performs functions of the Company's Sole Shareholder in order to ensure profitability of the Company's activities and implementation of state and government programs in which the Company participates.

The Sole Shareholder participates in management of the Company solely through exercise of the Sole Shareholder's powers provided for in legislative acts of the Republic of Kazakhstan, the Company's Charter and representation in the Company Board of Directors.

Sole Shareholder of the Company provides the Company with full operational independence and does not interfere in operational (current) and investment activities of the Company, except in cases provided for by legislation of the Republic of Kazakhstan, acts and instructions of the President of the Republic of Kazakhstan and the Government of the Republic of Kazakhstan.

Transactions and relations between the Company, the Sole Shareholder and interested parties are conducted on an ordinary commercial basis within the framework of current legislation of the Republic of Kazakhstan, except in cases when one of the Company's main tasks is to implement or assist in implementation of state policy on development of certain sectors of the Republic of Kazakhstan.

The Company informs the Sole Shareholder in a timely and complete manner about its activities affecting interests of the Sole Shareholder in accordance with the procedure provided for by the Charter and internal documents of the Company.

The Company provides the Sole Shareholder with reliable information about its financial and economic activities and its results in accordance with the requirements of legislation of the Republic of Kazakhstan. In case of combining the tasks of implementing state policy within the Company's activities with main commercial activity, these goals are disclosed and brought to attention of interested parties.

THE COMPANY ENSURES EXERCISE OF RIGHTS OF THE SOLE SHAREHOLDER:

- ❖ right to own, use and dispose of shares;
- ❖ right to participate in the Company's management and to elect the Board of Directors in accordance with the procedure provided for by the Law of the Republic of Kazakhstan "On Joint Stock Companies" and/or the Company Charter;
- ❖ right to receive a share of the Company's profits (dividends);
- ❖ right to receive a share in the Company's assets upon its liquidation;
- ❖ right to receive information about the Company's activities, including to get acquainted with financial statements of the Company, in accordance with the procedure determined by the Sole Shareholder or the Company Charter;
- ❖ right to apply to the Company with written requests regarding its activities and to receive motivated and comprehensive answers within the time limits established by the Company Charter;
- ❖ right to receive an extract from the Company's registrar or nominee confirming its ownership of securities;
- ❖ right to challenge decisions taken by the Company's bodies in court;
- ❖ right to apply to judicial authorities on its own behalf in cases provided for in Articles 63 and 74 of the Law of the Republic of Kazakhstan "On Joint-Stock Companies", demanding compensation to the Company by Company officials for losses caused to the Company and return of profit (income) to the Company by Company officials and/or their affiliates received as a result of adoption of decisions on conclusion (proposals for conclusion) of large transactions and/or interested party transactions;
- ❖ pre-emptive right for shares or other securities of the Company convertible into its shares in accordance with the procedure established by the Law of the Republic of Kazakhstan "On Joint-Stock Companies", except for cases provided for by legislative acts of the Republic of Kazakhstan;
- ❖ right to take a decision on changing number of the Company's shares or changing their type in accordance with procedure provided for by the Law of the Republic of Kazakhstan "On Joint-Stock Companies".

The Board of Directors is a management body that provides strategic management of the Company and controls activities of the Management Board.

The Board of Directors performs its functions in accordance with legislation of the Republic of Kazakhstan, the Company Charter, Corporate Governance Code of the Company, Regulations on the Board of Directors and other documents of the Company.

Number of members of the Board of Directors is determined by the Sole Shareholder. Members of the Board of Directors are determined individually, taking into account the scope of activities, current tasks, development program and/or development plan and financial capabilities.

The Board of Directors should be balanced, which means an appropriate combination of members of the Board of Directors (representatives of the Sole Shareholder, independent directors, Chairman of the Management Board), ensuring decision-making in the Company's interests and economic development tasks assigned to it.

Term of office of the Board of Directors is set by the Sole Shareholder. Term of office of members of the Board of Directors coincides with the term of office of the entire Board of Directors and expires at the time when the Sole Shareholder decides to elect a new Board of Directors. The Sole Shareholder has the right to terminate prematurely the powers of all or individual members of the Board of Directors.

Members of the Company's Board of Directors are selected and elected with resolution of the Sole Shareholder in accordance with the Law of the Republic of Kazakhstan "On Joint-Stock Companies", the Company's Charter and Regulations on the Board of Directors, which also defines criteria for election of independent directors.

When selecting candidates for the Board of Directors, the following is taken into account:

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

Independent directors are required to participate in the Board of Directors.

Independent director is a person who has sufficient professionalism and independence to take independent and objective decisions free from influence of the Sole Shareholder, the Management Board and other interested parties.

Requirements for independent directors are established in accordance with the legislation of the Republic of Kazakhstan.

Number of members of the Board of Directors must be at least five (5) people.

Number of independent directors who are members of the Board of Directors may not be less than thirty percent of the Board of Directors. At the same time, number of independent directors should be sufficient to ensure independence of the decisions taken. The recommended number of independent directors in the Board of Directors is up to fifty percent of total number of members of the Board of Directors.



Independent directors are elected for a term of no more than three years, and subsequently, subject to satisfactory performance, they may be re-elected for up to three more years.

Any term for election of independent directors to the Board of Directors for a period of more than six (6) consecutive years (for example, two three-year terms) is subject to special consideration, taking into account the need for qualitative renewal of the Board of Directors.




The same person is recommended not to be elected as independent director to the Board of Directors for more than nine consecutive years. In exceptional cases, election for a term of more than nine years is allowed, while the election of this independent director to the Board of Directors is implemented with a detailed explanation of the need to elect this member of the Board of Directors and impact of this fact on independence of decision-making.

Independent directors of the Board of Directors should be free from any material interests or relations with the Company, its management or its property that could jeopardize the exercise of objective judgment.



MEMBERS OF THE BOARD OF DIRECTORS

FULL NAME, POSITION	DATE OF BIRTH/ NATIONALITY	DATE OF ELECTION TO BD	EDUCATION	WORK EXPERIENCE
 <p>DOSSAYEV YERBOLAT Akim of Almaty, Chairman of BD</p>	<p>May 21, 1970/ Republic of Kazakhstan</p>	<p>February 3, 2022</p>	<ul style="list-style-type: none"> ▪ Almaty Energy Institute ▪ Bauman Moscow State Technical University 	<p>1997: Deputy Chairman of the Management Board of Bank TuranAlem JSC, Chairman of the Management Board of ATFBank JSC. 1997: Advisor to the Prime Minister of the Republic of Kazakhstan. 1998: Vice-Minister of Energy, Industry and Trade of the Republic of Kazakhstan. 2000: Vice-Minister of Finance of the Republic of Kazakhstan. 2001: Chairman of the Board of Directors of the Development Bank of Kazakhstan. 2001-2003: Chairman of the Agency of the Republic of Kazakhstan on Regulation of Natural Monopolies, Protection of Competition and Support of Small Businesses. 2003-2004: Minister of Finance of the Republic of Kazakhstan, Managing Director of the European Bank for Reconstruction and Development in Kazakhstan, Member of the Management Board of National Bank of the Republic of Kazakhstan. 2004-2006: Minister of Healthcare of the Republic of Kazakhstan. 2006-2012: Chairman of the Board of Directors of Kazinvestbank JSC. 2012: Minister of Economic Development and Trade of the Republic of Kazakhstan. 2013: Minister of Economy and Budget Planning of the Republic of Kazakhstan. 2014: Minister of National Economy of the Republic of Kazakhstan. 2016-2017: Chairman of the Management Board of Baiterek National Managing Holding JSC. 2017-2019: Deputy Prime Minister of the Republic of Kazakhstan. 2019-2022: Chairman of the National Bank of the Republic of Kazakhstan. 2022: Akim of Almaty appointed with Decree of the Head of State.</p>
 <p>ABDYKADYROV ALISHER Deputy Akim of Almaty Member of BD</p>	<p>April 6, 1986/ Republic of Kazakhstan</p>	<p>March 2, 2022</p>	<ul style="list-style-type: none"> ▪ Lomonosov Moscow State University, Bachelor of Economics, Master of Economics 	<p>2009: Expert of the Investment Projects Office, Investment Activity Department under the Ministry of Industry and Trade of RK 2010 – 2014: Chief Expert, Head of the Investment Projects Office of the Investment Committee, Deputy Director of the Strategic Planning Department under the Ministry of Industry and New Technologies of RK. 2014-2015: Deputy Chairman of the Investment Committee under the Ministry of Investment and Development of RK. 2015-2016: Head of the Department of Industrial and Innovative Development of Pavlodar region 2016-2019: Head of the Astana Department for Investments and Entrepreneurship Development. 2019: Chairman of the Management Board of Kazakhstan Industry and Export Center "QazIndustry" JSC. 2020-2021: Deputy Akim of Karagandy region. 2021-2022: Vice-Minister of National Economy of the Republic of Kazakhstan. 2022: Deputy Akim of Almaty.</p>

MEMBERS OF THE BOARD OF DIRECTORS

FULL NAME, POSITION	DATE OF BIRTH/ NATIONALITY	DATE OF ELECTION TO BD	EDUCATION	WORK EXPERIENCE
 <p>SHAMSHIN ARMAN Chairman of the Management Board Member of BD</p>	<p>December 5, 1986/ Republic of Kazakhstan</p>	<p>August 25, 2022</p>	<ul style="list-style-type: none"> • Beijing University majoring in Sociology • Master of Business Administration for Executives (Executive MBA), Nazarbayev University Graduate School of Business 	<p>2011: Beineu-Shymkent Gas Pipeline LLP. 2014-2016: Ministry of National Economy of the Republic of Kazakhstan. 2016-2022: Senior positions in Baiterek National Managing Holding JSC. 2023 - present time: Chairman of the Management Board of Almaty Social-Entrepreneurial Corporation JSC. He was awarded the Medal for Distinguished Labor and Jubilee Medal in honor of the 20th anniversary of Constitution Day.</p>
 <p>SOLTANBAYEV BERIK Head of Almaty DEI Member of BD</p>	<p>April 28, 1990/ Republic of Kazakhstan</p>	<p>June 24, 2022</p>	<ul style="list-style-type: none"> • Kazakhstan Multidisciplinary Institute Parasat • Kazakh National Agrarian University • Narxoz University 	<p>2013: consultant at the Almaty branch of Nur Otan PDPD. 2014-2017: specialist at "Kogamdyk Kelisim" MPI 2017-2018: Head of the Department for Development of Entrepreneurship and Industry of Akim's Office of the Medeu district of Almaty. 2018: Deputy Akim of Medeu district of Almaty, 2022: Head of the Almaty Department of Entrepreneurship and Investment.</p>
 <p>Independent Director Member of BD</p>	<p>January 15, 1984/ Republic of Kazakhstan</p>	<p>July 11, 2018</p>	<ul style="list-style-type: none"> ▪ Kazakh State Law Academy, majoring in Jurisprudence, then Kazakh Humanitarian Law University (2001-2006), T.Ryskulov Kazakh Economic University, majoring in Economics (2006-2008), Russian Academy of National Economy and Public Administration under the President of RF, Moscow, majoring in Innovation and Project Management MBA (2012-2014) ▪ Chartered Director (qualification of the British Institute of Directors, The Diploma in Company Direction) 	<p>2016: Deputy Chairman of the Management Board/ Chairman of the Management Board of the Republican Union of Fintech Industry. 2015: Advisor to the Chairman of Management Board of the Union of Machine Builders of Kazakhstan. 2014-2017: Independent Director, Chairman of the Internal Audit, Strategic Planning and Risk Committee of Kazagromarketing JSC. 2011-2015: Managing Director at Kazakhstan Engineering JSC. 2011: Director of the Corporate Development Department of Damu Entrepreneurship Development Fund JSC.</p>

MEMBERS OF THE BOARD OF DIRECTORS

FULL NAME, POSITION	DATE OF BIRTH/ NATIONALITY	DATE OF ELECTION TO BD	EDUCATION	WORK EXPERIENCE
 <p>SARKULOV ABAY Independent Director Member of BD</p>	August 13, 1981/ Republic of Kazakhstan	August 19, 2022	<ul style="list-style-type: none"> K. Zhubanov Aktobe State University, majoring in Banking 	<p>2003-2006: Currency Operations Manager at International Bank Alma-Ata JSC. 2006-2007: Acting Deputy Director in the branch of International Bank Alma-Ata JSC. 2007: Manager, in subsequent years held the positions of Chief Manager, Head of Department, Deputy Head of the Project Directorate, DBK JSC. 2015: Managing Director - member of the Management Board of DBK JSC, Deputy Chairman of the Management Board of DBK JSC. 2017-2019: Chairman of the Management Board of Damu Entrepreneurship Development Fund JSC. 2019-2022: Chairman of the Management Board of Development Bank of Kazakhstan JSC. 2022 – present Time: FINHUB co-founder, Business Development Officer of FINHUB.kz digital platform.</p>
 <p>KHUDAIBERGENOV MURAT Independent Director Member of BD</p>	April 7, 1961/ Republic of Kazakhstan	August 19, 2022	<ul style="list-style-type: none"> Alma-Ata Institute of National Economy, specialty of Economist 	<p>2022-present: Advisor to the Chairman of the Management Board of Almaty Development Centre JSC. 2020-2022: Advisor to the Chairman of the National Bank of RK. 2016-2020: with resolution of the Management Board of Baiterek NMH JSC, he was appointed Chairman of the Management Board of Baiterek Development JSC, elected a member of the Board of Directors. 2008-2012: Advisor to the Director of the Nursultan Nazarbayev Educational Foundation. 2004-2008: member of the Board of Directors of KBTU JSC. 2001-2008: First Deputy Director of the Nursultan Nazarbayev Educational Foundation. 2000 -2001: Director of Adani LLP. 1998-1999: Chairman of the Committee on State Control over the Production and Turnover of Alcoholic Beverages under the Ministry of Finance of RK. 1997-1998: Director of Akcept LLP. 1992-1997: Head of the Production Department of Alkom LLP. 1988-1992: Economist, Deputy Head of the Planning and Production Department of Kazhydromet of Kazakh SSR. 1986-1988: Intern researcher at the Economic Planning Department of Alma-Ata Institute of National Economy. 1984-1986: worked in Komsomol Committee of the Alma-Ata Institute of National Economy. 1982-1984: technician, engineer at the Scientific Research Institute for Automation of Processes and Improvement of Management Structures under the State Planning Committee of Kazakh SSR.</p>

Members of the Company Board of Directors are citizens of the Republic of Kazakhstan, do not own the Company shares, shares of suppliers and Company's competitors.

There were no changes in the Board of Directors in 2023.

AGE OF MEMBERS OF THE BOARD OF DIRECTORS, %

30-50 years old	71%
50 and more	29%

GENDER COMPOSITION OF THE BOARD OF DIRECTORS, %

Men	100%
Women	0%

ACTIVITIES OF THE BOARD OF DIRECTORS

In 2023, the Board of Directors held 11 meetings, including 5 meetings in presentia and 6 meetings in absentia. 71 items were reviewed. Attendance of meetings by the members of the Board of Directors averaged 99%.

THE MOST IMPORTANT ISSUES REVIEWED BY THE BOARD OF DIRECTORS IN 2023

TOPIC	QUESTIONS
Strategic, financial, economic and investment issues	<ul style="list-style-type: none"> ❖ On conclusion of a transaction for purchase of sugar through commodity exchange with subsequent conclusion of a supply and response storage agreement (forward agreement); ❖ On certain issues of Industrial Zone – Almaty LLP (transfer of Company's property in the form of water supply networks and structures - Stormwater (rain) sewerage, connection of access railway, street and road network of an industrial zone (intersectoral roads) and built utility networks of power supply and equipment due to increase in authorized capital of Industrial Zone – Almaty LLP; ❖ On conclusion of a loan agreement with Magnum Cash&Carry LLP in the amount of KZT 3,152 billion to stabilize prices for vegetable products in Almaty; ❖ On conclusion of a loan agreement with Magnum Cash&Carry LLP in the amount of KZT 1,512 billion to stabilize prices for 13 items of socially significant food products in Almaty; ❖ On approval of the Development Program of Almaty SEC JSC for 2025; ❖ On approval of the redrafted Investment Policy of Almaty SEC JSC; ❖ On approval of the report on implementation of the Development Plan of Almaty SEC JSC for 2022; ❖ On sale of 49% stake of Almaty SEC JSC in authorized capital of Innovation Safety Centre LLP as part of the Comprehensive Privatization Plan for 2021-2025.
Issues of corporate governance and sustainable development, as well as risk management, internal control and audit	<ul style="list-style-type: none"> ❖ On approval of the Accounting Policy of Almaty SEC JSC; ❖ On approval of the Tax Accounting Policy of Almaty SEC JSC; ❖ On approval of Corporate Accounting Policy of the Group of Companies of Almaty SEC JSC; ❖ On approval of the Methodology for Corporate Governance Diagnostics of Almaty SEC JSC; ❖ On approval of the Rules for Internal Audit Organization in Almaty SEC JSC; ❖ On approval of the Policy on Cash Management and Setting Limits for Counterparty Banks of Almaty SEC JSC; ❖ On approval of the Rules for Determining Business Processes, Their Inherent Risks and Key Risk Indicators of Almaty SEC JSC; ❖ On approval of the Risk Register, Risk Management Action Plan and the Risk Map of Almaty SEC JSC for 2023;

THE MOST IMPORTANT ISSUES REVIEWED BY THE BOARD OF DIRECTORS IN 2023

TOPIC	QUESTIONS
<p>Issues of corporate governance and sustainable development, as well as risk management, internal control and audit</p>	<ul style="list-style-type: none"> ❖ On review of the Report on Internal Audit Service Activities of Almaty SEC JSC for 2022; ❖ On review of the Report on the Centralized Procurement Control Service Activities of Almaty SEC JSC; ❖ On approval of amendments and additions to the Regulations on Transfer of Real Estate to Property Lease (Rent) of Almaty SEC JSC; ❖ On approval of the Regulations for Projects Review by the Risk Management Department of Almaty SEC JSC; ❖ On approval of the Matrix of Business Processes, Risks and Controls of Almaty SEC JSC for 2023; ❖ On approval of the Passport of Key Risk Indicators of Almaty SEC JSC for 2023; ❖ On approval of the Rules of Business Continuity Management in Almaty SEC JSC; ❖ On preliminary approval of the consolidated and separate audited financial statements of Almaty SEC JSC for 2022, on preliminary approval of the procedure for distributing net income of Almaty SEC JSC for 2022 and amount of the dividend per ordinary share of Almaty SEC JSC; ❖ On approval of the Risk Management Report of Almaty SEC JSC ❖ On approval of the Sustainable Development Policy of Almaty SEC JSC; ❖ On approval of the Corporate Social Responsibility Policy of Almaty SEC JSC; ❖ On approval of the Code of Business Conduct of Almaty SEC JSC; ❖ On approval of the Map of Stakeholders of Almaty SEC JSC; ❖ On approval of the Methodology for Evaluating Efficiency of the Risk Management System of Almaty SEC JSC;
<p>Personnel policy issues</p>	<ul style="list-style-type: none"> ❖ On approval of organizational structure and staffing of Almaty SEC JSC; ❖ On approval of organizational structure and total number of Industrial Zone-Almaty LLP; ❖ On approval of the key performance indicators scorecards of senior employees of Almaty SEC JSC for 2023; ❖ On appointment of the Ombudsman of Almaty SEC JSC and determination of his/her term of office.

In accordance with Regulations on the Company Board of Directors, Work Plan of the Board of Directors is approved with resolution of the Board of Directors no later than December 25 of the year preceding the planned one.

According to the Work Plan, 21 issues are planned to be reviewed in 2024, including:

- ❖ reports on the Company's activities, reports on corporate and strategic KPIs, as well as reports on performance of services accountable to the Board of Directors;
- ❖ quarterly report on the Company's risks;
- ❖ preliminary approval of the Company's annual financial statements for 2023;
- ❖ report on implementation of the Company's Development Plan;
- ❖ report on implementation of the Company's Development Program for 2023;
- ❖ achievement of KPIs of members of the Company Management Board for 2023 and approval of KPIs for 2024.

COMMITTEES OF THE BOARD OF DIRECTORS

The Company has established three Committees under the Board of Directors:

- ❖ Strategic and Budgetary Planning Committee
- ❖ Audit Committee
- ❖ Committee on Nominations, Remuneration and Social Affairs

Committees are accountable to the Board of Directors in accordance with the powers provided to them by the Board of Directors and relevant Regulations on the Committees.

Members of Committees are elected with resolution of the Board of Directors, in accordance with the Law "On Joint Stock Companies", Corporate Governance Code and Charter of the Company.

	Number of Committee members	Number of meetings in 2023	Number of items reviewed
Strategic and Budgetary Planning Committee	4	10	35
Audit Committee	4	7	29
Committee on Nominations, Remuneration and Social Affairs	4	7	9
Total		24	73

STRATEGIC AND BUDGETARY PLANNING COMMITTEE

Full name	Attendance of meetings, %	Reason for absence
A.S. Sarkulov	100	
D.S. Suyentayev	90	Work leave
M.E. Khudaibergenov	90	Work leave
B.B. Soltanbayev	100	

Main functions of the Committee

Development and submission of recommendations to the Board of Directors on the following issues:

- ❖ activities of the Company Management Board to determine mission and goals of the Company;
- ❖ activities of the Company Management Board to develop the Company's development strategy and determine its long-term objectives;
- ❖ control over the implementation of strategic and budgetary planning by the Company Management Board;
- ❖ preliminary approval of the Company's financial plan and budget for the next year;
- ❖ preliminary approval of the Company's Development Plan (Strategy) for the next year;
- ❖ preliminary review of Reports on Implementation of the Company's Development Plan (Strategy) for the corresponding year;
- ❖ the Company's investment activities and control over improving the efficiency of investment decision-making.

AUDIT COMMITTEE

Full name	Attendance of meetings, %	Reason for absence
A.S. Sarkulov	100	
D.S. Suyentayev	86	Work leave
M.E. Khudaibergenov	86	Work leave
B.B. Soltanbayev	100	

Main functions of the Committee

Development and submission of recommendations to the Board of Directors on the following issues:

- ❖ establishment of an effective system of control over the Company's financial and economic activities (including completeness and reliability of financial statements);
- ❖ control over the reliability and effectiveness of internal control and risk management systems, as well as over the execution of documents in corporate governance;
- ❖ control over the independence of external and internal audits, as well as the process of ensuring compliance with legislation of the Republic of Kazakhstan

COMMITTEE ON NOMINATIONS, REMUNERATION AND SOCIAL AFFAIRS

Full name	Attendance of meetings, %	Reason for absence
D.S. Suyentayev	100	
A.S. Sarkulov	100	
M.E. Khudaibergenov	86	Work leave
B.B. Soltanbayev	100	

Main functions of the Committee

Development and submission of recommendations to the Board of Directors on the following issues:

- ❖ personnel policy;
- ❖ appointments;
- ❖ evaluations and rewards;
- ❖ social policy (issues of corporate social responsibility).

The Board of Directors, committees and members of the Board of Directors are assessed on an annual basis in accordance with the Company's internal documents. At the same time, assessment is conducted at least once every three years with involvement of independent professional organization.

Assessment makes it possible to determine contribution of the Board of Directors and each of its members to achieving strategic objectives of the Company's development, as well as to identify areas and recommend measures for improvement. Results of assessment are taken into account when re-electing or early termination of powers of members of the Board of Directors.

Assessment is one of the main tools for improving professionalism of the Board of Directors and its individual members. Assessment is mandatory for both independent directors and representatives of the Sole Shareholder.

Assessment is conducted according to principles such as regularity, complexity, continuity, realism, confidentiality.

Process, timing and procedure for evaluating activities of the Board of Directors, its committees and members of the Board of Directors should be regulated clearly in the Company's internal documents and should meet the criteria of regularity, complexity, continuity, realism and confidentiality.

Results of assessment may serve as a basis for re-election of the entire Board of Directors or individual member, review of members of the Board of Directors and amount of remuneration to members of the Board of Directors. In case of serious deficiencies in performance of individual members of the Board of Directors, the Chairman of the Board of Directors shall consult with the Sole Shareholder.

In annual report, the Board of Directors reflects the way the Board of Directors is evaluated and the measures taken based on its results. In view of the results of assessment, the Board of Directors has the right to petition the Sole Shareholder for specific measures to improve its efficiency, including directions for improving activities of the Board of Directors, adjusting work plans of the Board of Directors, training members of the Board of Directors and taking into account the results of assessment of the Board of Directors

FROM THE RUSSEL BEDFORD REPORT: "On results of corporate governance diagnostics"

Corporate governance analysis: summary by components

Compliance of the corporate governance level with the best practice requirements is 77.66%

Sections of the analysis by level of compliance:

Structure - 87.2% - High level of compliance with best practice requirements in the area of corporate governance structure

Corporate governance processes - 70.4% - Moderate level of compliance with best practice requirements in the area of corporate governance processes

Corporate governance transparency, audit - 75.6% - Average level of compliance with best practice requirements in the area of corporate governance transparency and audit

Russel Bedford Kazakhstan

Approved by
General Director
Sholpanay Kudaibergenova
Russell Bedford A+ Partners International Consulting Firm LLP

The Management Board is a collegial executive body of the Company, accountable to the Board of Directors and the Sole Shareholder, formed in accordance with the Company Charter and managing the Company's current activities in the interests of the Company and its Sole Shareholder.

The Management Board has the right to take decisions on any issues of the Company's activities that are not attributed to competence of other bodies and officials of the Company by legislative acts of RK and the Company Charter, including on issues attributed to its competence by legislation and the Company Charter.

Members of the Company Management Board are citizens of the Republic of Kazakhstan, do not own the Company shares, shares of suppliers and Company's competitors.

Rights and obligations of members of the Management Board are determined by the Company's Charter, Regulations on the Management Board and other internal regulatory documents of the Company.

Regulations on the Management Board defines procedure for formation and functioning of the Company's Management Board, rights and obligations of members of the Management Board, adoption and execution of its resolutions, as well as the control over their execution

MEMBERS OF THE MANAGEMENT BOARD AS OF DECEMBER 31, 2023:

- ❖ Shamshin Arman, Chairman of the Management Board. Date of election as Chairman of the Management Board - August 25, 2022. He chairs the Company's Management Board. Performs general control, coordination and management of activities of all structural units and employees of the Company.
- ❖ Gabdullin Anuar, Deputy Chairman of the Management Board. Oversees and coordinates the work of the following departments: asset management, food supply and trade, project management;
- ❖ Kassenova Zoya, Deputy Chairman of the Management Board. Oversees and coordinates the work of the following departments: strategy and corporate development, information technology and press services;
- ❖ Aldazharov Yerden, Deputy Chairman of the Management Board. Oversees and coordinates the work of the following departments: finance, accounting and reporting, risk management, administration and monitoring.

The Management Board, under guidance of the Board of Directors, develops a Development Program and/or development plan for the Company.

Gender composition of the Management Board

Men	75%
Women	25%

THE MANAGEMENT BOARD ENSURES:

- 1) implementation of activities in accordance with provisions of the legislation of the Republic of Kazakhstan, the Charter and internal documents of the Company, resolutions of the Sole Shareholder, the Board of Directors;
- 2) proper risk management and internal control;
- 3) allocation of resources for implementation of decisions of the Sole Shareholder, the Board of Directors;
- 4) safety of the Company's employees;
- 5) creation of an atmosphere of interest and loyalty of the Company's employees, development of corporate culture.

The Board of Directors exercises control over the activities of the Company's Management Board. Control can be implemented by providing the Board of Directors with regular reports by the Management Board and hearing the Management Board on implementation of medium-term development plans and achieved results at least once a year.

Age of the Management Board members, %

30-50 years old	100%
50 and more	0%

MEMBERS OF THE MANAGEMENT BOARD AS OF 31.12.2023

FULL NAME, POSITION	DATE OF BIRTH/ NATIONALITY	EDUCATION/ WORK EXPERIENCE
 <p>SHAMSHIN ARMAN Chairman of the Management Board Member of BD</p>	<p>Date of birth: December 5, 1986 (Republic of Kazakhstan)</p>	<ul style="list-style-type: none"> Beijing University majoring in Sociology Master of Business Administration for Executives (Executive MBA), Nazarbayev University Graduate School of Business <p>2011: Beineu-Shymkent Gas Pipeline LLP. 2014-2016: Ministry of National Economy of the Republic of Kazakhstan. 2016-2022: Senior positions in Baiterek National Managing Holding JSC. 2023 - present time: Chairman of the Management Board of Almaty Social-Entrepreneurial Corporation JSC. He was awarded the Medal for Distinguished Labor and Jubilee Medal in honor of the 20th anniversary of Constitution Day. He is fluent in Chinese, English and Turkish.</p>
 <p>GABDULLIN ANUAR Deputy Chairman of the Management Board</p>	<p>Date of birth: September 9, 1982 (Republic of Kazakhstan)</p>	<ul style="list-style-type: none"> Al-Farabi Kazakh National University with a degree in Finance and Credit (Banking) MBA degree from the International Business Academy in Management specialty. <p>More than 17 years of banking experience in the field of lending to legal entities. 2003-2020: held senior positions in Bank CenterCredit JSC, Alliance Bank JSC and SB Sberbank JSC, Almaty Finance LLP.</p> <p>Since June 2023, he has held position of Deputy Chairman of the Management Board of Almaty SEC JSC.</p>

FULL NAME, POSITION	DATE OF BIRTH/ NATIONALITY	EDUCATION/ WORK EXPERIENCE
 <p>KASANOVA ZOYA Deputy Chairman of the Management Board</p>	<p>Date of birth: July 16, 1981 (Republic of Kazakhstan)</p>	<ul style="list-style-type: none"> T. Ryskulov Kazakh Economic University, majored in Management in Social Sphere and Industries International Taraz Innovation Institute specializing in Jurisprudence <p>In various years, she held senior positions in OAPF - Otan JSC, Kazakhstan Mortgage Company MO JSC (later KHC JSC) and second-tier banks. Total work experience is over 20 years.</p> <p>Since June 2023, he has held position of Deputy Chairman of the Management Board of Almaty SEC JSC.</p>
 <p>ALDAZHAROV YERDEN Deputy Chairman of the Management Board</p>	<p>Date of birth: February 21, 1985 (Republic of Kazakhstan)</p>	<ul style="list-style-type: none"> T. Ryskulov Kazakh Economic University , Beijing Language and Culture University <p>He started his career in 2006 at AstanaEnergSbyt LLP. From March 2012 to June 2019, he held senior positions in Kazakhstan-China Pipeline LLP, Beineu-Shymkent Gas Pipeline LLP, Northwestern Pipeline Company MunaiTas LLP and Stroy Project KZ LLP.</p> <p>Since June 2023, he has held position of Deputy Chairman of the Management Board of Almaty SEC JSC.</p>

In 2023, the Management Board held **62** meetings in presentia, at which **290** items were reviewed. Attendance of meetings by the Management Board members averaged **100%**

MAIN ISSUES REVIEWED BY THE MANAGEMENT BOARD

48%

Issues related to IRD approval or introduction of amendments and additions to IRD, including:

- ❖ Standard Rules of Remuneration and Bonuses for Members of the Management Board and Employees of Subsidiaries and Affiliates of Almaty Social-Entrepreneurial Corporation JSC, Standard Rules of Social Support for Members of the Management Board and Employees of Subsidiaries and Affiliates of Almaty Social-Entrepreneurial Corporation JSC, Regulations on the Administration and Monitoring Department of Almaty SEC JSC, Structure Grades and Salary Schemes of Employees, KPI Scorecards of Employees of Almaty SEC JSC, Rules for Secondment of Employees of Almaty SEC JSC and Reimbursement of Expenses for Business Trips, Changes in Structure of Grades, Rules for Evaluating Positions of Almaty SEC JSC, Rules of Almaty Social-Entrepreneurial Corporation JSC's Interaction with Media, Rules for Issuing Guarantees of Almaty SEC JSC and many others.

28%

Issues addressed to the Board of Directors:

- ❖ Documents in the field of risk management (Risk Register, Matrix of Business Processes, Risks and Controls, KRI Passport), the Company's Development Strategy and performance reports, investment agreements and additional agreements to them, loan approval, debt restructuring and/or termination of agreements, SUB management issues, etc.

17%

Issues addressed to the Sole Shareholder:

- ❖ On members or change in the Supervisory Board of subsidiaries, on amendments to the articles of association of subsidiaries, on the appointment or termination of powers of members of the Management Board of subsidiaries, etc.

8%

Issues of the Company's operational activities:

- ❖ On taking into consideration the results of activities, results of anti-corruption monitoring, results of project implementation, on making adjustments to the Procurement Plan, Development Plan (budget) and many others

In 2023, there was no conflict of interest among the Management Board members.

Chairman and members of the Management Board are evaluated by the Board of Directors. Main evaluation criterion is an achievement of corporate and functional KPIs.

KPI scorecards of the Chairman and members of the Management Board are approved annually by the Company Board of Directors and include financial indicators, core business indicators, as well as indicators of corporate governance and improvement of internal business processes.

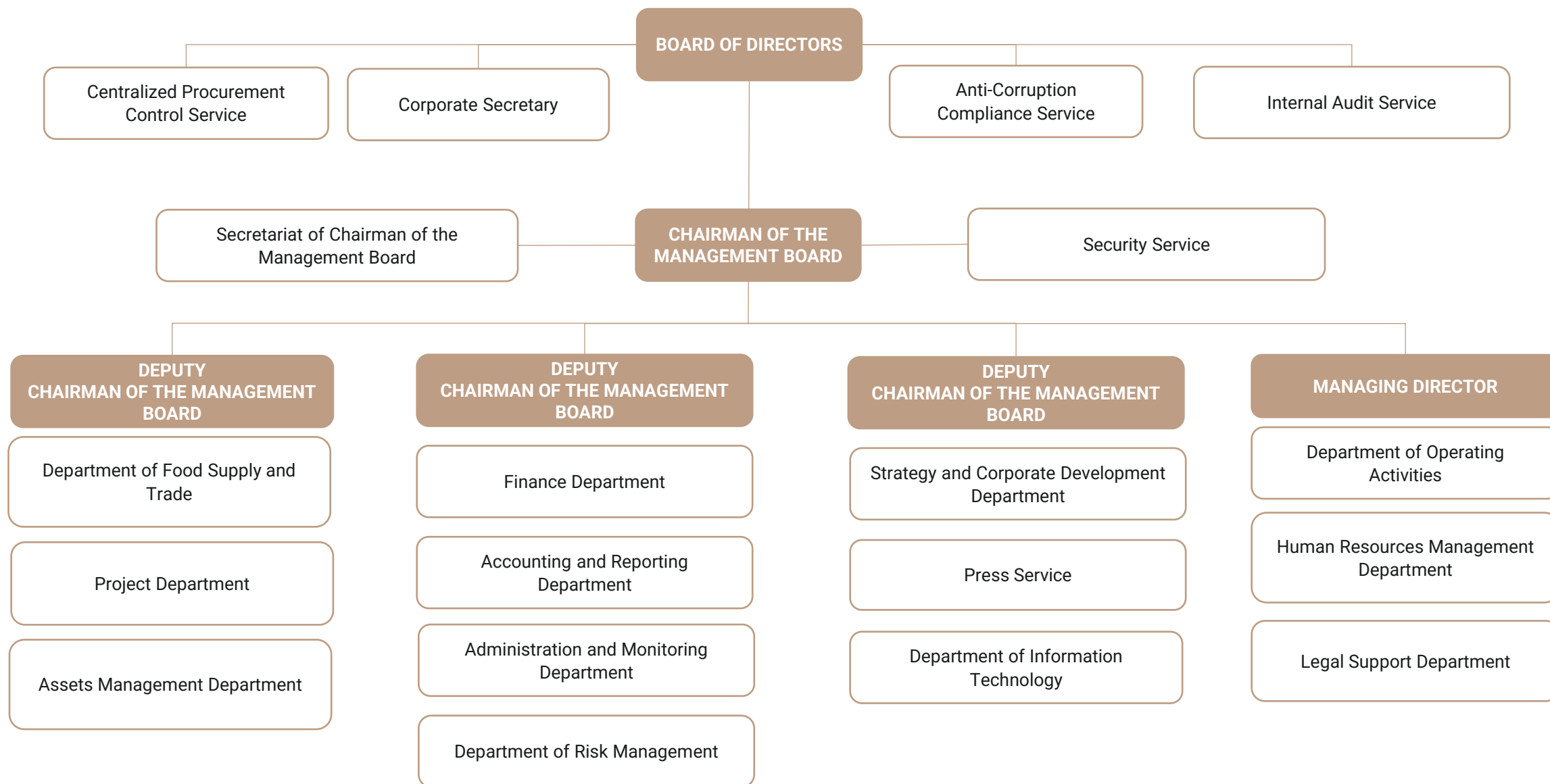
Results of assessment have an impact on the amount of remuneration, incentive, re-election (appointment) or early termination of powers.

Remuneration of the Chairman and members of the Management Board consists of a constant and variable part. Complexity of the tasks performed, personal competencies of employee and his/her competitiveness in the market, the contribution made by this person to development of the Company, level of official salaries in similar companies, economic situation in the Company are taken into account when setting an official salary.

In case of early termination of employment contract, remuneration is provided in accordance with internal documents approved by the Company Board of Directors

Main condition for payment of remuneration based on the results of work for the year is an availability of consolidated final profit for the reporting year.

ORGANIZATIONAL STRUCTURE



On 12.10.2023, the Company adopted the Sustainable Development Policy, which reveals goals, objectives and principles of the Company in the field of sustainable development, as well as mechanisms for managing activities in this area.

Management of sustainable development in the Company is performed within the framework of general management system of the Company's activities and is its integral part.

The Company Board of Directors performs strategic management and control over the implementation of sustainable development. The Company Management Board approves an appropriate action plan in the field of sustainable development.

Strategic and Budgetary Planning Committee of the Company is responsible for coordinating activities in the field of sustainable development.

Director of the Strategy and Corporate Development Department oversees a direction of activities in the field of sustainable development and is responsible for ensuring implementation of the Sustainable Development Policy.

Structural units of the Company implement measures in the field of sustainable development, ensuring achievement of KPIs in the field of sustainable development, established in the Company's Development Program.

Heads of relevant structural units of the Company bear personal responsibility for implementation of measures and achievement of KPIs in the field of sustainable development within their competencies.

Structural units of the Company provide information on the results of implementation of measures in the field of sustainable development, as well as information for inclusion in the Company's annual report at the request of a department in charge of activities in the field of sustainable development of the Company, if necessary, make proposals to improve the Company's activities in this area.

Structural unit in charge of activity in the field of Company's sustainable development performs the following functions:

- 1) plans activities in the field of sustainable development – analysis of internal and external situation, definition of goals, as well as targets in the field of sustainable development, measures to develop and improve activities on three components of sustainable development, responsible persons, necessary resources and deadlines;
- 2) coordinates activities of the Company's structural units aimed at achieving goals and objectives of this Policy;
- 3) prepares a report on implementation of action plan and KPIs in the field of sustainable development;

- 4) prepares annual report of the Company with inclusion of a section on sustainable development;
- 5) conducts training seminars for employees of the Company/subsidiaries in order to improve skills of officials and employees of the Company/subsidiaries in the field of sustainable development with involvement of external trainers or independently;
- 6) interacts with the Company's SA on issues of sustainable development, including coordination of internal regulatory documents and action plans of SA in the field of sustainable development;
- 7) interacts with international organizations, institutions, and agencies on sustainable development issues.

On September 29, 2023, the Company joined UN Global Compact, which means that the Company has a large-scale work to implement SDGs in strategic and operational planning processes.

The Company pays special attention to implementation of ESG principles, result of effective work in this area is to obtain and improve international ESG rating.

SD ACTION PLAN FOR 2024

NO	EVENTS	COMPLETION FORM	DUE DATE	RESPONSIBLE UNIT
1. Interaction with stakeholders				
1.1	Determination of the degree of stakeholders' interest in the Company's activities, including in issues of sustainable development and involvement of stakeholders in discussion of essential aspects: - Development of questionnaire forms for stakeholders; - Survey of stakeholders; - Compilation of materiality matrix.	Aspects materiality matrix	Q2 2024	SCDD
1.2.	Analysis (benchmarking) of research methods and assessment of the degree of stakeholders' loyalty towards the Company, development of appropriate recommendations	Recommendations for conducting research and assessing the degree of stakeholders' loyalty	Q4 2024	SCDD
2. Integration of Sustainable Development Goals into the Company's strategy				
2.1.	Analysis of the Company's contribution to achievement of UN SDGs by the end of 2023	Analytical reference	Q1 2024	SCDD, SU within the framework of competencies
3. Social component: building sustainable development competencies				
3.1.	Training of the Company's employees on sustainable development	Corporate training	During the year	SCDD, HRMD
3.2.	Participation in external conferences on sustainable development and exchange of experience	Participation in conferences	During the year	SCDD
3.3.	Raising awareness and employee engagement in discussion of sustainable development initiative topics	Round tables, presentations, discussions	During the year	SCDD
3.4.	Joining and/or membership in SD/ESG clubs and unions	Memorandum of Cooperation/ Mutual Understanding	During the year	SCDD
4. Environmental component				
4.1.	Development of criteria for green projects	Brainstorming protocol involving SU employees (List of criteria for green projects)	Q4 2024	SCDD

SD ACTION PLAN FOR 2024

NO	EVENTS	COMPLETION FORM	DUE DATE	RESPONSIBLE UNIT
4.2.	Benchmarking of support mechanisms for green projects: prioritization, development of financial instruments for concessional financing, etc.	Recommendations for introduction of new products aimed at supporting green projects	Q4 2024	SCDD, SU within the framework of competencies
4.3.	Assessment of consumption of energy resources, water and other materials by the Company in 2023, analysis of feasibility of switching to energy- and material-saving technologies, recommendations for introduction of resource- and energy-saving technologies	Analytical reference	Q1-Q2 2024	DOA
4.4.	Organizing the purchase of services for climate report preparation and posting the report results on official website of the Company	Climate Report	Q2-Q3 2024	SCDD
5. Improving ESG rating				
5.1.	Applying for ESG rating for 2024	Notice (letter), registration	Q1-Q2 2024	SCDD
5.2.	High-quality study and ensuring maximum completion of S&P questionnaire sections	Completed S&P questionnaire	Q2,Q3,Q4 2024	SCDD
5.3.	Getting ESG rating for 2024	Current ESG rating is 8%. Target = 13%	Q1 2025	SCDD
6. Ensuring transparency and openness of the Company's financial and non-financial activities				
6.1.	Preparation and publication of the Annual Report for 2023 on the Company's corporate website	Annual report	Q2-Q3 2024	SCDD, Press Service
6.2.	Preparation of non-financial statements in accordance with GRI standards for 2023	Non-financial reporting	Q2-Q3 2024	SCDD
6.3.	Participation in the Annual Reports competition	Application for participation	Q4 2024	SCDD, Press Service
6.4.	Updating information in the field of sustainable development on the Company's website	Website materials in the field of SD	During the year	SCDD, Press Service

SD – sustainable development

SCDD – Strategy and Corporate Development Department

HRMD – Human Resources Management Department

PD – Project Department

DFST – Department of Food Supply and Trade

SU – structural units

S&P – international rating agency S&P Global, which assigns international ESG rating

ESG - Environmental, Social, Governance

GRI - Global Reporting Initiative

On 12.10.2023, the Company approved the Code of Business Conduct and Corporate Social Responsibility Policy.

According to the Code of Business Conduct, the Company's officials and employees are obliged to adhere to the following ethical standards:

- 1) respect the state symbols – the National Flag, National Emblem, and the National Anthem;
- 2) respect corporate symbols;
- 3) observe generally accepted moral and ethical norms, respect the state language and other languages, traditions and customs of peoples;
- 4) be polite and tactful;
- 5) be intolerant of indifference and rudeness;
- 6) provide support and assistance to colleagues;
- 7) always be grateful for assistance, even if it is not provided fully;
- 8) be attentive to other people's opinions;
- 9) to ensure the unity of word and deed, to keep promises;
- 10) do not hide/admit own mistakes;
- 11) be honest, fair, humble;
- 12) to ensure legality and fairness of the decisions taken;
- 13) to resist actions that harm the Company's interests, hinder or reduce efficiency of the Company's functioning;
- 14) to improve own professional level and qualifications for effective performance of official duties, to comply with the restrictions and prohibitions established by laws of the Republic of Kazakhstan, if any;
- 15) by their actions and behavior, do not give rise to criticism from society, do not allow persecution for criticism, use constructive criticism to eliminate shortcomings and improve own performance;
- 16) do not distribute information that does not correspond to reality;
- 17) strictly observe labor and performance discipline, conscientiously, impartially and efficiently perform own official duties, rationally and effectively use own working time;
- 18) observe business etiquette and rules of business conduct.

Officials and Employees of the Company are obliged to strictly adhere to requirements of the Code and report any violations of the Code's requirements.

Officials and employees of the Company, as well as business partners and interested persons, have the right to contact the Ombudsman on issues related to requirements of the Code and/or ethical issues that arose during work, as well as on labor conflicts; to anti-corruption compliance service on violations of anti-corruption requirements and other illegal actions (violations of principles of business ethics and rules of conduct by officials are reviewed by the Company Board of Directors).

In case of detection of circumstances of a violation by Employees of the Company, approved requirements of business ethics, materials for decision-making are sent for review to Disciplinary Commission of the Company. Results of a review and the decisions taken are communicated to applicant within 5 (five) business days from the date of decision taken by Disciplinary Commission of the Company.

In 2023, violations of requirements of the Code of Business Code and Corporate Social Responsibility Code were not detected.

In compliance with requirements of the Law of the Republic of Kazakhstan N2410-V "On Combating Corruption" dated November 18, 2015, the Company is constantly working to prevent corruption offenses (administrative and criminal).

In accordance with clause 3, Article 16 of the Law "On Combating Corruption" in Almaty SEC JSC, the Regulations on Anti-Corruption Compliance Service of Almaty SEC JSC and job description of the Head of Anti-Corruption Compliance Service of the Company were approved with resolution of the Company Board of Directors (minutes No. 9 dated 26.09.2022).

On May 12, 2023, Head of the Company's Anti-Corruption Compliance Service received a Certificate for completed training program in the course "Anti-Corruption Management and Compliance in Accordance with International Standard ISO 37001".

Resolution of the Company Board of Directors approved the Anti-Corruption Policy in Almaty SEC JSC (minutes No. 9 dated 26.09.2022).

Anti-Corruption Compliance Service of the Company has developed and approved the Anti-Corruption Compliance Program of Almaty SEC JSC for 2023, approved with resolution of the Company Board of Directors (minutes No. 13 dated December 20, 2022).

Developed and approved:

- ❖ Instructions on Combating Corruption for Employees of Almaty SEC JSC (minutes No. 54 dated 08.09.2022) with resolution of the Company Management Board.
- ❖ Policy on Identification and Settlement of Conflicts of Interest in Almaty SEC JSC (minutes No. 9 dated 26.09.2022) with resolution of the Company Board of Directors.

All employees of the Company are familiar with these documents.

Facts of a conflict of interest were not established (constant monitoring) during the preliminary check.

Measures to introduce the anti-corruption standard ISO 37001 or ST RK 3049-2017 will be implemented after approval of all necessary internal regulatory documents regulating the Company's activities with simultaneous training of the Company's employees.

As part of quarterly explanatory and training events on compliance with the requirements of anti-corruption legislation, Anti-Corruption Compliance Service of the Company conducted classes on topic: Main Provisions of the Law "On Combating Corruption" and International Foundations for Combating Corruption, Administrative Responsibility for Corruption Offenses.

In July 2023, a test was conducted on knowledge of anti-corruption legislation and formation of anti-corruption worldview of the Company's employees.

Test results showed that the vast majority of the Company's employees are well versed in anti-corruption legislation.

To date, provision of a certificate of no criminal record issued by the Committee of Legal Statistics and Special Accounts at the Prosecutor General's Office of the Republic of Kazakhstan is a prerequisite for hiring new employees.

The Company's officials have signed obligations to accept restrictions related to their stay in public service.

There are no facts of non-compliance by officials with anti-corruption restrictions, bringing employees to criminal responsibility for committing corruption offenses.

There have been no complaints from individuals and legal entities, including in the media, against the Company's employees about illegal actions of a corrupt nature.

The Company does not implement licensing functions.

To exclude and prevent situations related to conflicts of interest in the Company, the Policy on Identification and Settlement of Conflicts of Interest in Almaty SEC JSC was developed, approved with resolution of the Company Board of Directors dated 26.09.2022 (minutes No. 9).

Each employee and official of the Company, performing their official duties, is obliged to put the interests of the Company above their private interests. At the same time, the Company respects the rights of its employees and officials as individuals and recognizes their right to engage in legitimate scientific, educational, political and other activities in their free time from their main job, if it does not affect their ability to perform official duties in the Company.

Maximum respect for the balance of interests of the Company and private interests of employees and officials is one of the conditions for stability of relations between the above-mentioned persons and the Company.

Employees and officials of the Company have no right to participate in or influence, directly or indirectly, a decision, process or transaction in the course of the Company's activities in the event of a real or potential conflict of their private interests with the Company's interests.

The Company and its employees/officials are equally interested in absence of a conflict between their interests.

The Company establishes a conflict of interest management system based on the following principles:

- ❖ mandatory disclosure of information about a real or potential conflict of interest or even the appearance of such conflict;
- ❖ individual review, assessment of reputational risks for the Company of each conflict of interest and its settlement;
- ❖ confidentiality of the disclosure of information about conflict of interest and settlement process (at the request of employee, official);
- ❖ maintaining a balance of interests of the Company and employee, official in settlement of conflicts of interest;
- ❖ protecting an employee from harassment in connection with reporting a conflict of interest that was disclosed promptly by employee and settled (prevented) by the Company.

Responsible department maintains a log for registering and maintaining information on conflicts of interest in accordance with Annex No. 1 to this Policy (hereinafter - registration log) and sends information on conflicts of interest to top executive officer of the Company on a quarterly basis. Commission is being formed to resolve the conflict of interests. Members of commission are determined by top executive officer

In each specific case of conflict of interest settlement, various conflict resolution measures may be determined by agreement of the Company and employee and/or official who disclosed information about the conflict of interest:

- ❖ suspension (permanently or temporarily) from participation in discussion and decision-making process on issues that are or may be influenced by a conflict of interest;
- ❖ revision and modification of the scope of duties and labor functions of employee and/or official;
- ❖ transfer/re-election of employee and/or official to a position providing for the performance of labor functions not related to a conflict of interest (with consent of employee/official);
- ❖ refusal of employee from a private interest that generates a conflict with the Company's interests;
- ❖ termination of an employment contract with employee and/or termination of an agreement with official.

The Company takes all necessary measures to prevent and prohibit situations related to conflicts of interest.

In 2023, to prevent conflicts of interest, two training events were held, during which the requirements of internal regulatory documents on identification and settlement of conflicts of interest were clarified, and practical situations of conflict of interest were discussed.

Coverage of training activities for employees – 100%.

In accordance with requirements of the Law of the Republic of Kazakhstan No. 191-IV "On Counteraction of Legitimization (Laundering) of Incomes Received by Illegal Means, and Financing of Terrorism" dated August 28, 2009, the Company voluntarily undertakes to organize an internal system for countering legalization (laundering) of proceeds from crime and financing of terrorism (hereinafter – AML/FT) and active participation in implementation of state AML/FT policy.

On December 28, 2023, the Company Management Board approved AML/FT Policy.

PURPOSE of this Policy is to ensure compliance with the requirements of legislation of the Republic of Kazakhstan, as well as recommendations of international organizations in the field of AML/FT by implementing measures of due diligence of applicants (counterparties).

AML/FT CHALLENGES :

- 1) conducting proper verification (identification) of applicant, its representative, and beneficial owner before establishing business relations with it;
- 2) implementation of necessary measures to verify authenticity/reliability of identity of the applicant, its representative, beneficial owner, on the basis of the documents provided by them and exclusion of transactions before identification of applicant;
- 3) prohibition on accepting transactions from/to anonymous owners;

4) refusal to establish business relations with applicants (counterparties) that do not take appropriate measures to prevent legalization (laundering) of proceeds from crime, or do not have actual presence in the states in which they are registered;

5) monitoring the counterparty's activities for compliance with objectives stated in agreements, contracts and other documents concluded between counterparty and the Company.

Due diligence measures for applicants (counterparties) and their beneficial owners are conducted by the Company's security service and the unit initiating conclusion of business relations with counterparties within its competence before establishing business relations (concluding a transaction) with counterparties (in particular, project management unit, food supply and trade unit).

At the stage of submitting applications by applicants (counterparties), project management unit, as well as food supply and trade unit, ensure that applicants fill out the Know Your Customer questionnaire and send the completed questionnaire for verification to security service along with a package of documents subject to examination during review and approval of applications.

If counterparty is included in the List of Organizations and Persons Related to Financing of Terrorism and Extremism compiled by authorized body, the Company takes measures to terminate business relations with such counterparty.

The Company does not establish business relations with applicants (counterparties) if they and their beneficial owners are registered in foreign countries:

- 1) included in the list of states (territories) that do not comply or insufficiently comply with FATF recommendations, compiled by authorized financial monitoring body in accordance with AML/FT Law;
- 2) which are subject to international sanctions (embargoes) adopted by UN Security Council resolutions;
- 3) included in the list of offshore zones in accordance with Order No. 52 of the Acting Minister of Finance of the Republic of Kazakhstan dated February 10, 2010 and Resolution No. 145 of Management Board of the Agency of the Republic of Kazakhstan for Regulation and Supervision of the Financial Market and Financial Organizations "On Approval of the List of Offshore Zones for the Purposes of Banking and Insurance Activities, Activities of Professional Participants in the Securities Market and Other Licensed Activities in the Securities Market, Activities of Accumulative Pension Funds and Joint-Stock Investment Funds" dated October 2, 2008.

According to results of inspections of applicants (counterparties), organizations and persons associated with financing of terrorism and extremism registered in foreign countries have not been identified.

The Company conducts procurement procedures for goods, works and services in accordance with the Law of the Republic of Kazakhstan "On Procurement by Certain Quasi-Public Sector Entities", Rules for Procurement by Individual Quasi-Public Sector Entities, with exception of the Sovereign Wealth Fund and organizations of the Sovereign Wealth Fund, approved with Order of the Minister of Finance of the Republic of Kazakhstan N2 1253 dated November 30, 2021 (hereinafter - the Rules).

Internal processes of organizing and conducting purchases of goods, works and services are regulated by Regulations for Organizing and Conducting Purchases of Goods, Works and Services of Almaty SEC JSC, approved with resolution of the Company Management Board dated November 29, 2023, minutes No. 56.

In accordance with the Order of the Minister of Finance of the Republic of Kazakhstan No. 1231 "On Definition of Procurement Web Portals for Certain Quasi-Public Sector Entities and Operators of Electronic Procurement Information Systems, with Exception of the Sovereign Wealth Fund and Organizations of the Sovereign Wealth Fund" dated November 29, 2021, the Company conducts procurement procedures on procurement web portal – the Eurasian Electronic Portal: eep.mitwork.kz.

Position of the Centralized Procurement Control Service, accountable to the Company Board of Directors (CPCS), has been introduced into organizational structure in compliance with the Law of the Republic of Kazakhstan "On Procurement by Certain Quasi-Public Sector Entities" and in order to exercise control over the Company's purchases.

Main task of CPCS is to monitor the Company's compliance with requirements of regulatory legal acts of the Republic of Kazakhstan in the field of procurement. To increase efficiency, CPCS has authority to suspend and cancel purchases in case of violations of procurement procedures.

According to results of purchases, 244 contracts were concluded in 2023, including:

- ❖ in a competitive way (request for price proposals, tender) - 176 (72%);
- ❖ from one source for failed procurement procedures – 20 (8%);
- ❖ from one source by direct contract conclusion – 48 (20%).

On the facts of violations of labor legislation by any employee and official of Almaty SEC JSC, internal procedures and provisions of the Code of Business Conduct of Almaty SEC JSC, as well as on facts and situations that may lead to corporate conflict and conflict of interests, you may contact the following communication channels:

- Corporate mail: info@spkalmaty.kz ;
- e-mail and contact phone number of the Company's Anti-Corruption Compliance Service: aks@spkalmaty.kz , +7(727)225-18-91 (ext. 530).
- The Company's Ombudsman's email address: ombudsmen@spkalmaty.kz .

On 30.07.2021, the Board of Directors of Almaty SEC JSC approved the Risk Management Policy.

POLICY GOALS:

- 1) building an effective integrated system and creating an integrated risk management process as element of the Company's management, as well as continuous improvement of activities based on the best practices and a standardized approach to risk management methods and procedures to ensure stability of its activities and protect the Company's value from risks;
- 2) ensuring that the Company accepts acceptable risks adequate to the scale of its activities;
- 3) determining risk appetite and ensuring effective management of accepted risks.

POLICY OBJECTIVES:

- ❖ creating a full-fledged base for decision-making and planning process;
- ❖ ensuring a continuous coordinated risk management process based on timely identification, assessment, analysis, monitoring, and control to ensure the achievement of set goals;
- ❖ introduction and improvement of a management system to prevent and minimize potentially negative events;
- ❖ improving efficiency of resource use and allocation;
- ❖ prevention of losses and damages by increasing efficiency of the Company's activities, ensuring protection of the Company's assets and share capital;
- ❖ ensuring efficiency of business processes, reliability of internal and external reporting and promoting compliance with legal norms.

❖ Risk management in the Company is a constant, dynamic and continuous process.

PRINCIPLES OF THE RISK MANAGEMENT PROCESS:

- ❖ integrity – consideration of elements of total risk of the Company's group in the context of the corporate risk management system;
- ❖ openness – a ban on considering a corporate risk management system as autonomous or separate;
- ❖ structurality – comprehensive risk management system has a clear structure;
- ❖ awareness – risk management is accompanied by availability of objective, reliable and up-to-date information;
- ❖ continuity – risk management process is implemented on an ongoing basis;
- ❖ cyclicity – risk management process is a constantly recurring structured cycle of its main components.

Structure of risk management system in the Company is represented by risk management at several levels involving the following bodies and units of the Company: the Board of Directors, Management Board, employee of the Company responsible for risk management, and other structural units.

After defining strategic goals (strategic directions of development) the Company identifies risks that may prevent the Company from achieving its goals. The Company also determines the risk appetite – amount of risk that is acceptable to the Company in achieving its goals.

To identify risks, a combination of various techniques and tools is used, such as risk identification based on set goals and objectives, industry and international comparisons, seminars and discussions, interviews, databases of losses, etc.

Identified events and risks are systematized in the form of a risk register. The Company's Risk Register is a list of risks that the Company faces in its activities, which also includes various scenarios of possible risk realization. Owners of the risk are identified for each risk, i.e. departments that deal with this risk by virtue of their functional responsibilities. The Risk Register is supplemented by structural units of the Company on an ongoing basis as new risks are identified.

All identified and assessed risks are reflected on the risk map. Risk map allows to assess the relative importance of each risk (compared to other risks), as well as identify risks that are critical and require development of measures to manage them.

Results of risk identification and assessment are provided to the Management Board and Board of Directors of the Company in the form of a Risk Report, which includes information on critical risks and action plans for managing critical risks.

Risk management is a process of developing and implementing measures to reduce negative effect and probability of losses or to receive financial compensation in the event of losses related to risks of the Company's activities.

To ensure process efficiency and reduce the costs of its implementation, the Company should focus on the risks that may have the most significant impact on its financial condition and achievement of goals and objectives. The Company's critical risk management action plans are reviewed annually, approved by the Company's Board of Directors and are mandatory for all structural units.

RISK MAP FOR 2023

To ensure process efficiency and reduce the costs of its implementation, the Company should focus on the risks that may have the most significant impact on its financial condition and achievement of goals and objectives.

The Company's critical risk management action plans are reviewed annually, approved by the Company's Board of Directors and are mandatory for all structural units.

RISK MAP AS OF 31.12.2023

Последствия	Очень высокий									
	Высокий					6				
				16		1, 8, 9, 29, 39, 15				
	Средний		14	4, 5, 11, 37	32	2, 19, 22, 40, 41	26, 31, 35, 36	10, 12		
			13	30	3, 20, 33	18, 23				21
	Низкий					7, 24, 34				
				38	27	28				
	Очень низкий									
					25					17
		Очень низкий	Низкий	Средний	Высокий	Очень высокий				
		Вероятность								

Green zone

1. Risk of violations of the Company's requirements in assessing solvency of a borrower/project participant (13);
2. Lack of liquid funds to perform activities, as well as lack of access to capital markets to raise funds (14);
3. Risks of disruption of the procurement system process (25);
4. Late/ poor-quality reporting/information to the Founder/ other government agencies (27);
5. Late review of complaints/appeals in the Company (28);
6. Information security risks and non-compliance with information security requirements (30);
7. Non-compliance with prudential standards of regulator (38).

Red zone

1. Risk of late implementation of the Renovation Program of Residential Stock in Almaty (6);
2. Risk of late realization/unrealization of projects (budget investment projects, investment projects) (10);
3. Risk of non-repayment or late repayment of loans by companies financed under the programs (withdrawal from a project) (12);
4. Risks of ineffective internal control (21).

Yellow zone

1. Corporate governance risks (1);
2. Reputational risk (2);
3. Risk of non-fulfillment of the Company's development strategy (3);
4. Political and geopolitical risks (4);
5. Audit risks (5);
6. Risk of disruption of implementation of the program to stabilize prices for SSSP (7);
7. Inefficient use of funds received under FFS (8);
8. Inefficient use of entrusted property (9);
9. Credit risk in part of deterioration of financial condition of counterparty banks' issuers to which the Company has claims (11);
10. Credit risk in part of the Company's inability to fulfill its loan obligations (16);
11. Risk of incorrect valuation of collateral/balance sheet assets (15);
12. Risks of unforeseen circumstances (external influences leading to impossibility of the Company's activities) (17);
13. Incorrect/untimely planning of the Company's Development Plan/Budget (18);
14. Fraud and/or corruption by employees and third parties (19);
15. Risk of providing false information to responsible SU (20);
16. Incorrect accounting and tax accounting (22);
17. Incorrect accounting of loans/investments in project (23);
18. Personnel risks related to selection and personnel development (24);
19. Errors and incorrect execution of operations during business processes or performance of official duties (26);
20. Risks of document flow and document management, archiving (29);
21. Disruption of current activities as a result of failure of information systems and/or unavailability of IT service (31);
22. Lack of backups of key information systems/key information (32);
23. Violation and improper application of legislation/Emergence of financial and other obligations within the framework of the Company's claim work (33);
24. Adverse legislative amendments. Lack of necessary regulation of SEC activities (34);
25. Non-compliance of internal documents with the requirements of legislation of RK (35);
26. Violation/non-fulfillment by the Company of legislation of the Republic of Kazakhstan on countering the legalization (laundering) of proceeds from crime and financing of terrorism (36);
27. Violations of legal requirements for transactions with entities related to the Company by special relations/affiliates (37);
28. Risk of incorrect execution of collateral/guarantee agreements (encumbrances) for a loan/project (39);
29. Risk of revocation of the right to use land plots involved in various projects (40);
30. Risk of inefficient provision of the Company's operational activities (41).

RISKS AND MEASURES TO REDUCE THEM

NO.	RISKS	EVENTS
1	Risk of late implementation of the Renovation Program of Residential Stock in Almaty	<ul style="list-style-type: none"> • It was decided to entrust CCC LLP functions for implementation of the Renovation Program for 2021-2025, with resolution of the Company Management Board dated 26.07.2023, minutes No. 38, from the moment of increasing AC of CCC LLP by transferring investment projects for renovation and real estate for implementation of the Renovation Program. This resolution is valid until approval of the new Renovation Program until 2030 by authorized state bodies; • Standard internal regulatory documents regulating activities of CCC LLP were approved with resolution of the Company Management Board (minutes No. 37 dated July 19, 2023); • Draft of a new Renovation Program of Residential Stock in Almaty until 2030 is under discussion with deputies of the Maslikhat; • Renovation projects were assigned to CCC LLP in connection with transfer of functions for implementation of the Renovation Program for 2021-2025 (rights and obligations under contracts).
2	Risk of late realization/unrealization of projects (budget investment projects, investment projects)	<ul style="list-style-type: none"> • Choice of a partner for implementation of projects is made through a proper analysis of a project by structural units before financing; • The Department of Risk Management approved IRD Regulations for Projects Review by the Risk Management Department and the Methodology for Determining Rating of Almaty SEC JSC's Customers; • Rules for project monitoring have been approved, project monitoring is conducted on an ongoing basis according to the approved schedule; • Financial analysis training activities for employees accepting investment projects are planned.
3	Risk of non-repayment or late repayment of loans by companies financed under the programs (withdrawal from a project)	<ul style="list-style-type: none"> • Project support is provided on the basis of payment, security and repayment of the received resources for project. At the stage of reviewing projects, an analysis of creditworthiness and solvency of potential customers is conducted when contacting the Company. • On existing problematic issues, measures are being taken within the framework of legislation and appeals to the courts.
4	Risks of ineffective internal control	<ul style="list-style-type: none"> • IRD has been developed and approved regulating a definition of business processes, their inherent risks and key risk indicators of Almaty SEC JSC, which defines the Company's business processes, control procedures for minimizing inherent risks to business processes; • The Company performs activities on an ongoing basis to update the existing IRD; • The Risk Register and risk management action plan of Almaty SEC JSC for 2023 have been developed and approved, which identifies the Company's risks, responsible persons and activities performed and aimed at minimizing risks; • The Company has formed a register of business processes, on the basis of which a Matrix of Business Processes, Risks and Controls has been approved; • The Company is working to improve a matrix of business processes, risks and controls in accordance with the Company's strategic goals, which will identify risks and controls with an assessment of their effectiveness;

RISKS AND MEASURES TO REDUCE THEM

NO.	RISKS	EVENTS
		<ul style="list-style-type: none"> • According to the approved annual audit plan, an audit of the Company's corporate governance diagnostics was provided for in Q3 2023. According to audit results, actual efficiency of the corporate governance system, according to the model provided by methodology, amounted to 72.65%; • Job descriptions of Security Service employees have been developed with a clear definition of functionality. IRD Rules for Delimitation of Access Rights to Information Resources of Almaty SEC JSC have been developed and approved; • The Risk Management System of the Company was assessed in 2023, it accounted for 79.7% according to the report for 2023.
5	Risk of incorrect execution of collateral/guarantee agreements (encumbrances) for a loan/project	<ul style="list-style-type: none"> • Unit has been established in the Company, which job responsibilities include development and approval of standard forms of contracts, templates for loan and lease agreements and other related agreements have been developed and approved; • IRD also approved the Rules for Formation, Maintenance and Storage of Dossiers on Almaty SEC JSC's Projects.
6	Risk of incorrect valuation of collateral/balance sheet assets	<ul style="list-style-type: none"> • A staff unit has been established in Almaty SEC JSC, which conducts internal examination of IAQ reports to determine the objective market value of objects, for the purpose of subsequent internal use; • Collateral items are monitored on an ongoing basis in order to determine the current market value and condition of collateral items; • IRD for working with collateral items has been approved.

On January 27, 2023, the Board of Directors of Almaty SEC JSC approved the Tax Accounting Policy.

The Tax Accounting Policy has been developed in accordance with the requirements of legislation of the Republic of Kazakhstan, including the following:

- ❖ Code of the Republic of Kazakhstan No. 120-VI "On Taxes and Other Obligatory Payments to the Budget" dated December 25, 2017, put into effect by the Law of the Republic of Kazakhstan No. 121-VI "On Enactment of the Code of the Republic of Kazakhstan "On Taxes and Other Obligatory Payments to the Budget" dated December 25, 2017;
- ❖ Order of the Minister of Finance of RK No. 388 "On Approval of the Rules for Forms of Tax Registers" dated March 19, 2018;
- ❖ Law of the Republic of Kazakhstan No. 234-III "On Accounting and Financial Reporting" dated February 28, 2007;
- ❖ Order of the Minister of Finance of RK No. 241 "On Approval of Accounting Rules" dated March 31, 2015;
- ❖ International Financial Reporting Standards;
- ❖ International treaties ratified by the Republic of Kazakhstan applicable to JSC activities
- ❖ Also, in accordance with the Accounting Policy of JSC and other internal policies and documents regulating JSC activities, application of the norms of which does not contradict tax legislation.

TAX POLICY IS DESIGNED TO ENSURE:

- ❖ implementation of fundamental principles of taxation, including: obligation, certainty, fairness of taxation, unity of the tax system and transparency of tax legislation of the Republic of Kazakhstan;
- ❖ compliance with tax accounting requirements established by tax legislation;
- ❖ unity of a methodology in organization and management of JSC's tax accounting as a whole and in the context of types of activities for which the Tax Code provides for separate accounting;
- ❖ correct, complete and timely calculation and payment of taxes and other mandatory payments to the state budget.

According to the General Classifier of Types of Economic Activities of CC RK 03-2007, approved with Order of the Technical Regulation and Metrology Committee under MTI RK No. 683-od (hereinafter – GCTEA) dated December 14, 2007, JSC conducts activities under GCTEA code 70221 (main) – Consulting on Commercial Activities and Management; additional type of activity: 64200-Activities of Holding Companies, 68203 – Lease and Operation of the Trading Market.

JSC's tax accounting is implemented by distributing responsibilities for calculating certain types of taxes among employees of JSC's accounting department or generating information necessary for calculating obligations for certain types of taxes. Accounting for taxes, social and other mandatory payments to the budget, which are subject to calculation and payment, is performed by JSC on a monthly basis.

JSC performs tax accounting according to accrual method in accordance with the procedure and conditions established by the Tax Code. According to accrual method, income and expenses of JSC are recognized upon their occurrence, regardless of the time of receipt or payment of funds or their equivalents.

JSC performs tax accounting in national currency of the Republic of Kazakhstan – tenge. In accordance with the Tax Code, accounting for exchange differences for tax purposes is conducted in accordance with IFRS and requirements of the legislation of the Republic of Kazakhstan on accounting and financial reporting using the market exchange rate. In this case, transaction in a foreign currency for tax purposes is converted into tenge using the market exchange rate at the date of transaction (payment).

The Chairman and Chief Accountant are responsible for completeness and correctness of tax accounting, as well as for payment of taxes and other mandatory payments that JSC is obliged to pay to the state budget.

During 2023, there were no fines and no violations of tax legislation.

The Company does not allow cases of gross violation of the law.

Activity is implemented in accordance with the legislation, if necessary, an explanation is requested from competent authorities.

- ❖ On February 27, 2023, the Almaty Department of Land Administration of Land Administration Committee under the Ministry of Agriculture of the Republic of Kazakhstan RSI issued the Notice to Eliminate Violations of Legislation and Other Regulatory Legal Acts of the Republic of Kazakhstan.
- ❖ On February 27, 2024, the Specialized Interdistrict Administrative Court of Almaty recognized the Notice to Eliminate Violations as illegal and canceled at the request of the Company.

Issues of the Company's activities are reviewed by bodies and officials strictly in accordance with the competence established by legislation of the Republic of Kazakhstan, the Company Charter and IRD.



4. SOCIAL IMPACT

Management approach

Personnel structure
and employment

Employee relations with
management

Remuneration and motivation
of employees

Employee training and
development

Occupational safety and
health

Corporate events

Charity and volunteering

Employees – main value and main resource, results of the Company's activities directly depend on the level of their professionalism and safety.

The Company builds labor relations with its employees based on the principle of legality and observance of generally recognized labor rights of employees.

In performing its activities, the Company is guided by principle of equal opportunities and does not discriminate against its employees when hiring, paying, providing access to training, promotion, dismissal on grounds such as gender, race, language, religious, political and other beliefs, citizenship, national or social origin, limited opportunities.

On November 18, 2020, the Personnel Policy of Almaty SEC JSC was approved.

Purpose of the Company's Personnel Policy – to form a highly professional workforce with unified team spirit and capable of efficiently and promptly solving the tasks facing the Company by maximizing potential of human resources and efficiency of corporate interaction mechanisms.

The Company's Personnel Policy includes the following **key areas**:

- ❖ effective employment of personnel, focused on building an organizational structure that will meet strategic goals and objectives of the Company, to determine the needs of the Company's structural units in human resources and timely selection of specialists with necessary business and personal qualities;
- ❖ improvement of corporate culture aimed at creating and maintaining a favorable moral and psychological climate in the workforce;
- ❖ personnel motivation, focused on improving the efficiency of personnel activities, attracting and retaining personnel, creating decent working conditions;
- ❖ introduction of gender quotas for senior positions for women and monitoring of indicators.

Key performance indicators of personnel policy:

- ❖ return on human capital/labor efficiency;
- ❖ personnel costs;
- ❖ employee turnover;
- ❖ personnel stability indicator;
- ❖ personnel satisfaction.

Along with the above, the Company is guided by the Labor Code of the Republic of Kazakhstan, international standards and internal documents:

- ❖ Rules for Selection of Candidates for Vacant Positions;
- ❖ Rules for Certification of Employees;
- ❖ Rules for Employees Secondment;
- ❖ Rules of Remuneration and Bonuses for Employees;
- ❖ Rules for Evaluating Efficiency of Employees' Performance;
- ❖ Internal Labor Regulations for Employees;
- ❖ Rules for Training and Professional Development of Employees;
- ❖ Rules for Adaptation and Probation of Joint-Stock Company;
- ❖ Rules for Providing Social Support to Employees;
- ❖ Rules for Application of Disciplinary Penalties

PERSONNEL STRUCTURE AND EMPLOYMENT

INDICATOR	AS OF 31.12.2022	AS OF 31.12.2023
List number of employees	70 (including 6 women on maternity leave)	73 (including 6 women on maternity leave)
Full-time employees	70	73
Part-time employees	-	-
Fixed-term employment contract	46	57
Indefinite employment contract	24	16
Number of employees by gender		
Women	35	36
Men	35	37
Number of employees by age		
Employees under 30 years of age	4	6
Employees 30-50 years old	61	60
Employees over the age of 50	5	7
Number of employees by position		
Board of Directors, Management Board	4	4
Other positions	66	69
Proportion of disabled people from total number of employees *		1

WOMEN REPRESENTATION

INDICATOR	AS OF 31.12.2023
Proportion of women in total number of employees	45%
Proportion of women in all senior positions in % of total number of senior positions	43%
Proportion of women in junior management positions, in % of total number of junior management positions	60%
Proportion of women in senior management positions, in % of total number of senior management positions	25%
Proportion of women in senior positions in the Company's income-generating activities, in % of all senior positions in the Company's income-generating activities	50%

PERSONNEL TURNOVER DURING THE REPORTING PERIOD

INDICATOR	AS OF 31.12.2023
Personnel turnover by age	
Employees under 30 years of age	5%
Employees 30-50 years old	25%
Employees over the age of 50	1%
Personnel turnover by gender	
Men	20%
Women	11%

TOTAL NUMBER OF NEW EMPLOYEES, HIRED DURING THE REPORTING PERIOD

INDICATOR	AS OF 31.12.2023
Total new employees	33
Number of new employees by age	
Employees under 30 years of age	4
Employees 30-50 years old	27
Employees over the age of 50	2
Number of new employees by gender	
Men	21
Women	12

PARENTAL LEAVE

INDICATOR	AS OF 31.12.2023
Number of employees went on parental leave, total	
Men	-
Women	3

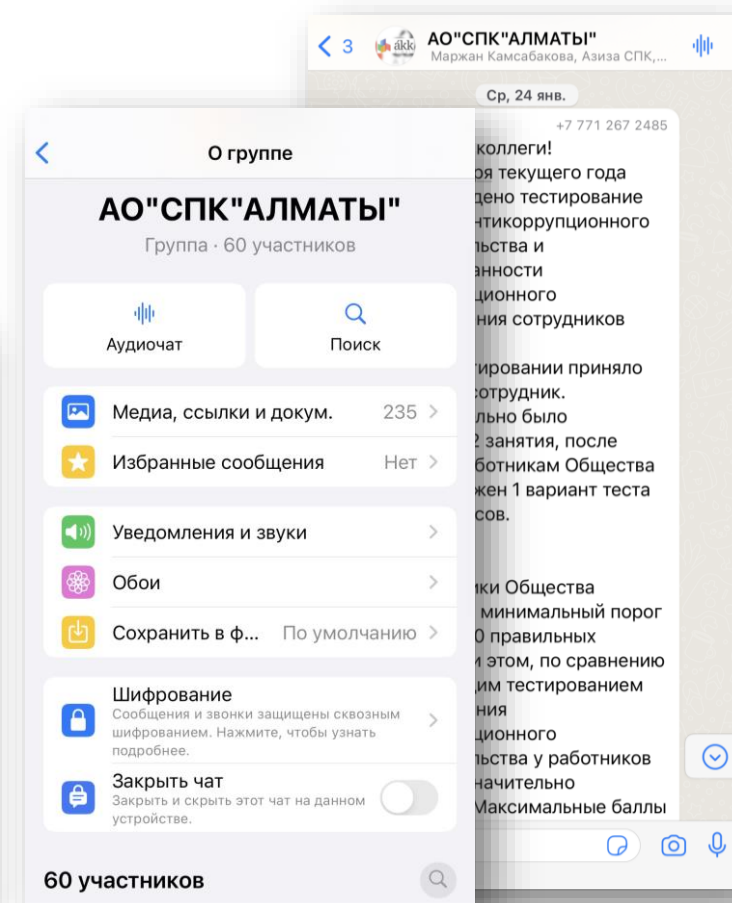
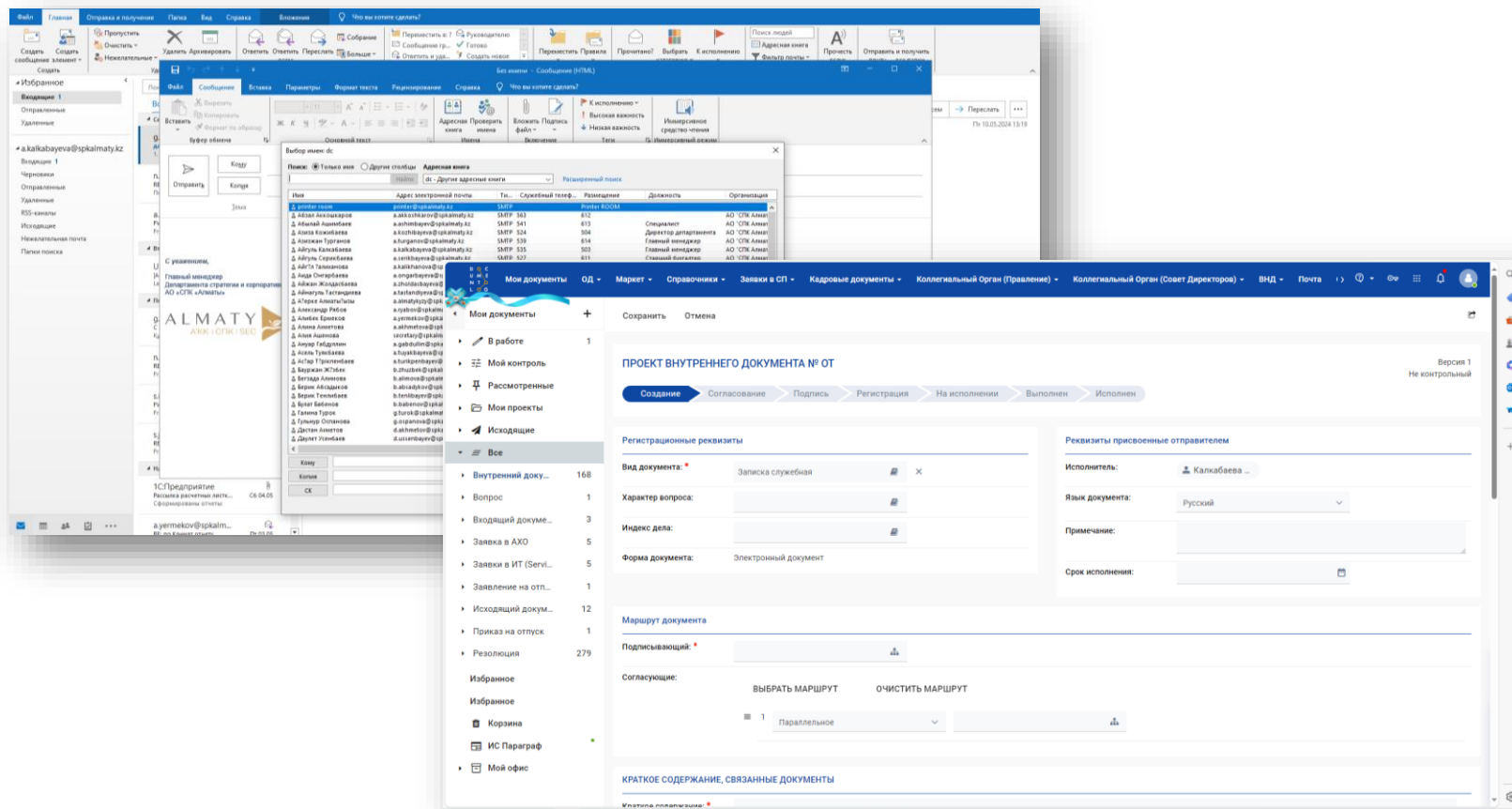
EMPLOYEE RELATIONS WITH MANAGEMENT

The Company's internal communication system is designed to inform employees about current events in a timely manner and promote development of corporate culture.

Main channels of the Company's internal communication include:

- ❖ corporate mail;
- ❖ electronic document management system;
- ❖ instant messaging and voice communication service – WhatsApp

On an ongoing basis, the Company holds management meetings with directors of structural units to discuss current issues, business breakfasts are held once a quarter with senior employees of the Company, heads of subsidiaries and affiliates.



The redrafted Rules of Remuneration and Bonuses for Employees of the Company were amended and approved on 21.04.2023. According to these Rules, remuneration system of the Company's employees consists of a permanent part of remuneration (official salary) and variable part of remuneration (bonus).

Amount of official salary is determined on the basis of grade structure and is established in accordance with the salary scheme and staffing table approved by the Company Management Board.

Employee's remuneration is paid in accordance with the employment contract and acts of employer, at the expense of funds provided for remuneration in the Company's budget for relevant financial year.

Funds for remuneration are planned by responsible department, based on calculation of the average amount of official salaries for each position provided for in the salary scheme and staffing table, as well as payments provided for in these Rules.

In employment contract, amount of employee's official salary is provided before withholding taxes and other mandatory deductions in accordance with the legislation of the Republic of Kazakhstan.

Salary is paid to employee for the time actually worked no later than the 10th day following the reporting month on the basis of the time sheet.

No later than the 15th day of each month, employees may be paid an advance in the amount of 50% of official salary based on the time sheet.

All payments to employee are made in national currency of the Republic of Kazakhstan by transfer to his/her bank account opened in second-tier banks. Remuneration to the bank with which the Company has concluded a card service agreement is paid by the Company.

Payment for work on weekends and holidays is made on the basis of an order of Chairman of the Company Management Board, or a person authorized by him/her.

Amount of employee's official salary is set in accordance with the staffing table and salary scheme under a grade corresponding to the position occupied by employee.

A five-step salary range is set for each grade, reflecting a value from the minimum to maximum value of salary level in grade.

Salary scheme is formed taking into account compliance with the principle of internal fairness (payment of positions of similar value to the Company in a given range) and external competitiveness (a sufficient level of basic remuneration to attract and retain employees of the Company). It is approved by the Company Management Board, and can be adjusted taking into account the economic situation, level of inflation, as well as in accordance with current situation on the labor market based on a review of salaries of last year or current calendar year.

To stimulate the interest of employees in improving performance efficiency and quality of work performed, employees may be paid a bonus based on the results of performance assessment according to results of the reporting period and a bonus for national and public holidays.

Amount of bonuses based on the results of performance assessment according to results of the reporting period is determined in accordance with the Rules for Evaluating Performance Efficiency of the Company's Employees and is calculated in proportion to the actual time worked in the reporting period.

The Rules for Training and Professional Development of Employees of Almaty SEC JSC were approved on 07.06.2023

Training and professional development of employees is implemented with the aim of updating and additional acquisition of theoretical and practical knowledge, competencies and skills in the field of professional and managerial activities of employees for effective performance of their official duties and solving tasks determined in accordance with the Company's development strategy.

Principles of training and professional development of employees:

- ❖ Relevance of a topic and content of training events to the needs determined in accordance with official duties of employees, results of their performance assessment, the goals and objectives set for employees.
- ❖ Focus of training activities is on solving specific tasks that ensure increase in efficiency of the Company's activities, studying the best corporate practices and standards.
- ❖ Systematic, applied, useful, meaningful and planned nature of training and professional development.

Process of organizing training and professional development of employees includes determining the needs of employees in training and professional development, forming an annual training and professional development plan, as well as cost estimates for subsequent inclusion in the Company's budget, organizing the process of obtaining training services and monitoring efficiency of training.

In 2023, 24 employees were trained in 9 areas (topics). Total training time of employees reached 384 man-hours.

INDICATOR	2022	2023
Turaining costs, KZT thous.	746	8,550
Average number of training hours per employee	16	16

AREAS OF TRAINING

Tax consultant
Procurement training for quasi-public sector entities
Public speaking skills
Information security
Working with Power BI
Conciliation Commission
Safety training at the enterprise
Amendments to legislation of RK
Sustainable development and ESG foundations. Ratings

On 15.03.2020, the Company approved an Occupational Safety and Health Instruction for office workers of Almaty SEC JSC.

Along with this instruction, the following internal documents have been developed and approved:

- ❖ Introductory briefing on occupational safety and health with the Company's employees (November 2023);
- ❖ Introductory briefing on occupational safety and health with the Company's employees (November 2023);
- ❖ Instructions on fire safety measures in premises and employees' actions in case of fire (2022).

Purpose of instructions – to explain to employees their tasks of observing labor discipline, introduce the nature of work to them, general conditions of labor safety, and main provisions of labor protection legislation.

Office workers are allowed to work after completing:

- ❖ Medical examination;
- ❖ Introductory briefing on occupational safety and health (OHS);
- ❖ OHS training and testing a knowledge of OHS requirements;
- ❖ Introductory fire safety briefing;
- ❖ Testing a knowledge of the above instructions.

INDICATOR	2023
Number of employees, who have been instructed on OHS in workplace	
Initial briefing	38
Refresher briefing	52
Number of employees, who have been instructed in fire safety	
Initial briefing	32
Refresher briefing	59
Number of employees who have completed OHS knowledge test	33

In 2023, the Company performed the following activities in OHS:

- ❖ Checking and clarifying evacuation routes;
- ❖ Identification and equipment of safe places for workers to gather when leaving a building;
- ❖ Checking for free access to evacuation exits;
- ❖ Conducting a seismic survey;
- ❖ Verification and control of provision of primary fire extinguishing means;
- ❖ Checking and monitoring availability of first aid supplies;
- ❖ And others.

Every year, the Company concludes health insurance contracts for employees. In 2023, 91% of employees, out of 73 average employees, were covered by the Voluntary Health Insurance Contract (Centras Insurance IC JSC).

EMPLOYEE HEALTH SUPPORT	2023
Number of health insurance contracts concluded, including	
Employees	66
Family members of employees	65
Amount insured under concluded insurance contracts (KZT million)	147
Amount insured per employee (KZT million)	2

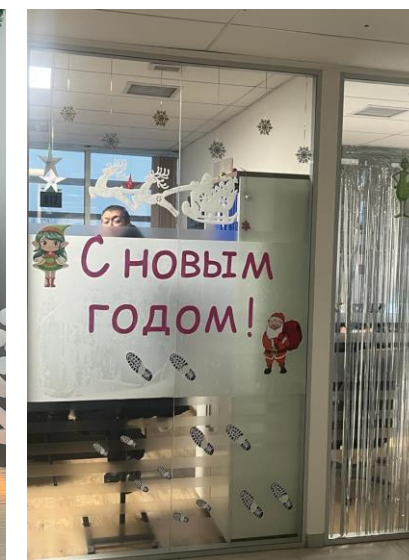
In 2023, no injuries, accidents and other incidents were registered in the Company.

Development of corporate culture is an essential element of building a highly effective organization and a necessary component for achieving strategic goals of the Company.

During 2023, activities were implemented to increase a level of satisfaction (personnel involvement). Medical examination of the Company's employees, the Company's participation in charity events, children's drawing contests, etc. are held on an ongoing basis.

In addition, the following tools are used to form a corporate culture in the Company:

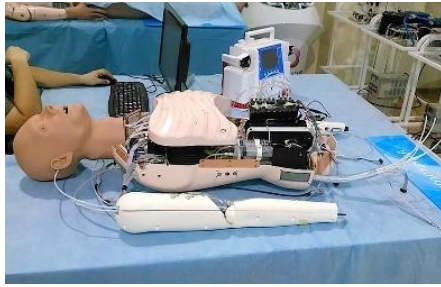
- ❖ confirmation of success (certificates, letters of appreciation);
- ❖ team building and development of corporate values;
- ❖ motivation (creating a favorable working mood in the team);
- ❖ increase employee satisfaction and awareness.



CHARITY AND VOLUNTEERING

Almaty SEC JSC supports employees through providing premises on terms of gratuitous use or social rental rate. In 2023, the Company supported 24 social projects.

On a voluntary basis, employees of Almaty SEC JSC have been exhilarating children from Children's Hospice for the second year by the New Year – "Good Deed Box" campaign





5. ENVIRONMENTAL IMPACT

Environmental
protection

Greenhouse gas
emissions

Climate risks

Climatic possibilities

Carbon-related assets

Consumption of fuel and
energy resources

Waste management and responsible
use of resources

Water consumption

Taking into account the specifics of business processes, the Company lacks significant environmental aspects accompanied by high environmental risks. Level of its own impact on the environment is insignificant. At the same time, the Company strives to effectively manage the environmental impact of its activities, including through step-by-step accounting and assessment of impact of its assets, internal operations, project and financial activities.

Key areas of work for the long term:

Reducing direct negative impacts through efficient use of resources, control over greenhouse gas emissions and waste generated.

Reducing the indirect impact through improving management of loan portfolio by taking into account environmental factors in the framework of working with borrowers.

The Company is based on strict compliance with the requirements of environmental legislation by introducing practice of responsible waste management, rational use of resources, and energy efficiency management.

In 2023, the Company did not violate environmental legislation of the Republic of Kazakhstan and was not fined by regulatory environmental authorities.

The Company is interested in expanding its contribution to low-carbon development of the Republic of Kazakhstan, including through digitalization, environmental assessment of borrowers, development of sustainable financial solutions and responsible investment.

The Company is gradually beginning to form elements of an environmental management system, gradually integrate environmental risk assessment into the current risk management system and identify areas potentially capable of reducing a negative impact on the environment.

Due to specifics of the Company's activities, it does not affect directly biodiversity and does not pose a threat to protected species of flora and fauna, as well as protected natural areas.

In the medium term, the Company intends to develop and approve a corporate Climate Strategy.

GREENHOUSE GAS EMISSIONS

Protection of atmospheric air is one of the main environmental tasks in implementation of the Company's activities.

The Company receives a timely permit for emissions from motor vehicles, pays a tax on atmospheric air pollution and takes measures to reduce emissions of pollutants into the atmosphere resulting from transport's operation.

Currently, most of the emissions of pollutants into the atmosphere are occurred during operation of gasoline-powered vehicles. There are no other sources of emissions. There are no emissions of ozone-depleting substances.

Over the period 2021-2023, Almaty SEC JSC and its subsidiaries have seen a decrease in greenhouse gas and pollutant emissions due to withdrawal of vehicles from fixed assets, a decrease in consumption of thermal, electric energy and water resources due to renewal of accounting funds by management companies and significant increase in financing projects that have a positive impact on adaptation to climate change

Years	Volume of direct greenhouse gas emissions (CO ₂), tons
2021	62.717
2022	42.761
2023	17.939

Emissions of pollutants into the atmosphere

	NO _x (as NO ₂)	NM VOC	SO _x (as SO ₂)	NH ₃	PM _{2.5}	PM ₁₀	CO	Pb	benzo(a) pyrene	benzo(b) fluoranthene	benzo(k) fluoranthene	Indeno (1,2,3-cd) pyrene	Total
	t	t	t	t	t	t	t	t	t	t	t	t	t
2021	2,01E-04	2,10E-04	1,97E-04	1,97E-05	1,31E-06	1,31E-06	1,74E-03	6,75E-10	1,07E-10	1,51E-10	7,58E-11	1,74E-10	2,37E-03
2022	1,83E-04	1,25E-04	1,26E-04	1,15E-05	2,64E-06	2,64E-06	1,02E-03	4,95E-10	7,27E-11	9,40E-11	5,03E-11	1,17E-10	1,47E-03
2023	7,78E-05	5,54E-05	5,32E-05	4,66E-06	1,04E-06	1,04E-06	4,71E-04	2,07E-10	2,98E-11	3,87E-11	2,06E-11	4,79E-11	6,64E-04

No.	Risk type	Identified risks	Processes at risk	Possible consequences
TRANSITION RISKS				
1	Policy and legal regulation	Increasing the likelihood of litigation (fines, business ban).	Penalties for providing false environmental information (by customers and possibly influencing IZA)	Increase in costs or decrease in demand for products and services as a result of legal disputes and decisions.
2	Market	Changing consumer preferences, uncertainty of market signals.	Decrease in demand for goods and services from customers due to change in consumer preferences for the purchase of goods with a lower carbon footprint.	Financial losses.
				Loss of profit from lending / insurance due to withdrawal of financed company from the market.
				Loss of profit due to customers leaving for other financial institutions.
3	Reputation	Changing consumer preferences, stigmatization of the field of activity.	Reduced demand for the goods and services provided in connection with a loss of reputation due to carbon-intensive projects in the Company's portfolio.	Loss of profit due to decrease in demand for customer goods and services, customer may leave the market
				Reduction of customer's production capacity due to disruption of supply chain, and due to negative impact in personnel management - customer's withdrawal from the market
				Decrease in number of potential customers of the Company due to loss of its own reputation
		Decrease in number of potential investors of the Company due to loss of its own reputation.		
		Increased concern and negative feedback from stakeholders.	Reduced investment attractiveness due to carbon-intensive projects in the Company's portfolio.	Reduced availability of capital, lack of funds for implementation of projects.
PHYSICAL RISKS				
4	Acute	Threat of hurricanes	Destruction of production facilities, interruptions in the supply of energy and water.	Early decommissioning of existing assets, including own assets and customer assets. Decrease in revenue due to negative impact on the workforce (threat to health). Problems with logistics.
5		Threat of mudslides and avalanches.		
6	Chronic	Changes in precipitation patterns and extreme changes in weather conditions.	Destruction of production facilities, interruptions in the supply of energy and water.	Increase in operating costs and capital costs for renting premises. Increase in the cost of insurance premiums.
7		Increase in the average temperature.	Shortage of water for domestic needs of the Company. Reduced efficiency, attention and health of personnel.	Loss of profit due to office shutdowns. Increase in probability of accidents and failures due to human factor.

NO.	OPPORTUNITY TYPE	IDENTIFIED OPPORTUNITIES	INTRODUCTION PROCESSES	EFFECTS
1	Resource efficiency	Use of recycling	Separate garbage collection in a group of companies.	Increase in rating, decrease in volume of garbage storage at landfills, resulting in a decrease in methane emissions.
		Using more energy efficient transport	Financing of carsharing projects, public electric transport, preferential lending to SMEs for the purchase of electric vehicles, creation of car charging stations.	Reducing emissions of pollutants into the atmosphere, reducing greenhouse gas emissions, improving rating among the population and principal shareholder.
		Conversion of old and construction of new, more energy efficient buildings	Use of energy efficiency BAT in housing renovation program.	Increase in the cost of fixed assets, decrease in electricity and heat consumption. Reducing the cost of buying electricity and heat and, as a result, greater attractiveness for investors and stakeholders.
		Reducing water consumption	Demolition of dilapidated housing that consumes a large amount of drinking water for household needs and relocation of residents to apartment buildings connected to centralized water supply.	Reducing water consumption, reducing the cost of buying water. Increase in the Company's profitability from lending, increasing rating among the population and principal shareholder.
2	Energy sources	Decentralization of electricity production	Recommend introduction of (and/or replacement of DPP) renewable energy sources.	Reducing emissions, reducing the cost of buying electricity. Possibility of selling excess energy to general network.
		Participation in the carbon market	Issuance of green bonds and green loans.	Return on investment in low-emission technologies, less sensitivity to changes in the cost of carbon, reputational benefits leading to increased demand for goods and services and increased customer resilience.
3	Goods and services	Development and expansion of production of low-emission goods and services	Increase in priority of financing low-emission projects.	Increase in revenue due to demand for lower-emission goods and services along the value chain.
		Changing consumer preferences	Advertising low carbon footprint products along the value chain.	Improving the competitive position, reflecting a change in consumer preferences for products with a low carbon and/or water footprint, which leads to increase in income and positive impact on the climate.
4	Markets	Access to new markets	Conclusion of financing agreements from green development banks.	Raising investments, diversifying financial assets.
5	Stability (Flexibility)	Resource substitution and diversification	Financing not one specific project, but the entire supply chain to create one specific product.	Improving overall energy efficiency and reducing the carbon footprint. Improving reliability of the supply chain and reliability of work in various conditions.

RESOURCE CONSUMPTION

In 2023, volume of energy consumption by the Company amounted to 1144.6 GJ.

Decline in consumption of energy resources in the Company over the period 2021-2023 is due to installation of modern metering devices.

Energy consumption outside the organization is not realized by the Company.

Fuel and energy resources, GJ	2021	2022	2023
Total fuel consumption from non-renewable sources (gasoline and diesel)	877.5	593.8	249.3
Total fuel consumption from renewable sources	0	0	0
Total electricity consumption	1160.8	856.2	723.1
Total thermal energy consumption	245.0	195.9	172.2
Total energy consumption for cooling	0	0	0
TOTAL	2283.3	1645.9	1144.6

* - Excluding IZA

Internal consumption of water resources as well as consumption of energy resources by the Company are not significant and are regulated by office lease agreements.

The Company does not produce water intake, water supply and sewerage are connected to a centralized urban water supply system.

Water consumption	Volume, thous. m ³		
	2021	2022	2023
from municipal and other water supply systems	3.68	2.69	2.61
Water discharge			
To a centralized sewer system	3.65	2.67	2.59

Domestic waste is generated in the course of the Company's production activities. The Company is developing and implementing a set of measures aimed at improving the waste management system.

The Company practices a system of separate garbage collection. Containers of different colors are installed on each floor: blue – waste paper, green – glass, orange – plastic, yellow - metal, in order to facilitate the subsequent sorting of solid domestic waste for recycling or reuse.

All waste is transferred to specialized organizations for disposal/burial.



ENVIRONMENTAL PROTECTION COSTS

Name of EP costs	Environmental protection costs, KZT thous.		
	2021	2022	2023
Regulatory payments for emissions into the environment	36.64	22.15	17.26
Excess payments for emissions into the environment	0	0	0
Fines on orders from external supervisory authorities	0	0	0
Costs of environmental protection measures	0	0	0
Financing of projects contributing to adaptation to climate change	0	0	2158000
TOTAL	36.64	22.15	2158017.26

According to environmental legislation of the Republic of Kazakhstan, the state provides for scheduled and unscheduled inspections, the results of which may lead to fines for violation of legal requirements.

In 2021-2023, there were no penalties from authorized body based on the results of inspections by authorized body in environmental protection.



CONTACT INFORMATION

Full name	Almaty Social-Entrepreneurial Corporation JSC
Address	303 Bayzakov str., Almaty, 050040, Republic of Kazakhstan
Phone	+7 (727) 225-18-91
Corporate website	https://spkalmaty.kz/
Email	info@spkalmaty.kz

INDEX OF GRI STANDARDS

GRI indicator	Disclosure	Report/comments section
2-1	Information about organization	ABOUT THE COMPANY
2-2	Entities included in the reporting of organization for sustainable development	ABOUT THE COMPANY
2-3	Reporting period, frequency and contact information	About the Report Contact Information
2-4	Revision of information	No revision of data and information
2-5	External assurance	No external assurance
2-6	Company activities, value chain and other business relations	General Information Business model
2-7	Employees	Social impact
2-8	Freelance workers	All employees are full-time employees with whom employment contracts have been concluded
2-9	Structure and members of management bodies	Corporate governance
2-10	Appointment and selection of the highest governing body	Corporate governance
2-11	Chairman of supreme governing body	Corporate governance
2-12	Role of supreme governing body in overseeing impact management	Sustainable development management
2-13	Delegation of responsibility for impact management	Sustainable development management
2-14	Role of supreme governing body in reporting on sustainable development	Sustainable development management
2-15	Conflicts of interest	Conflict of interest management
2-16	Informing senior management about the most important issues	Social impact
2-17	Collective knowledge of the highest governing body	Corporate governance
2-18	Assessment of activities of supreme governing body	Corporate governance
2-19	Remuneration Policy	Corporate governance

GRI indicator	Disclosure	Report/comments section
2-20	Process of determining remuneration	Corporate governance Remuneration and motivation
2-21	Annual total remuneration ratio	Information on employee remuneration is classified by the Holding as confidential information and is not subject to disclosure
2-22	Statement on the Sustainable Development Strategy	Sustainable development management
2-23	Commitment to policies	Sustainable development management
2-24	Fulfillment of the obligations assumed	Sustainable Development Management Contribution to achievement of UN Sustainable Development Goals
2-25	Elimination of negative effects	In 2023, there were no cases of direct negative impact on the environment and social environment
2-26	Mechanisms for obtaining advice and expressing concerns	Social impact
2-27	Statutory compliance	In 2023, there were no cases of violations of legislation and regulatory norms
2-28	Membership in associations	The Company is not a member of any associations or unions
2-29	Approach to stakeholder engagement	Interaction with stakeholders
2-30	Collective agreements	The Company does not apply practice of concluding collective labor agreements
3-1	Process of identifying significant topics	ABOUT THE REPORT
3-2	List of significant topics	ABOUT THE REPORT
3-3	Managing significant topics	Data on management of each significant topic can be found in relevant topic sections

INDEX OF GRI STANDARDS

GRI indicator	Disclosure	Report/comments section
201-1	Direct economic value created and distributed	ABOUT THE COMPANY
205-2	Information and training on anti-corruption policies and procedures	Anti-corruption
205-3	Confirmed cases of corruption and actions taken	In 2023, there were no cases of corruption offenses committed by employees of the Holding
302-1	Energy consumption within the organization	Environmental impact
303-5	Water consumption	Environmental impact
306-1	Waste generation and significant waste-related impacts	Environmental impact
401-1	Recruitment of new employees and personnel turnover	Social impact
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social impact
401-3	Parental leave (Maternity leave)	Social impact
402-1	Minimum time limits for notification of changes in working conditions	Changes in working conditions are notified in accordance with provisions of the Kazakhstan labor legislation
403-1	Occupational health and safety management system	Social impact
403-3	Employee participation, consultation and information on occupational health and safety	Social impact
403-5	Employee training on occupational health and safety	Social impact
403-8	Employees covered by occupational health and safety management system	Social impact

GRI indicator	Disclosure	Report/comments section
403-9	Work-related injuries	In 2023, there were no cases of injuries and deterioration in health of employees due to work
403-10	Poor health related to work	
404-1	Average number of training hours per employee per year	Social impact
404-2	Personnel development and transition assistance programs	Social impact
405-1	Diversity of governing bodies and employees	Social impact
406-1	Cases of discrimination and remedial measures taken	In 2023, there were no cases of discrimination
415-1	Political contribution	Sustainable development management system The Holding's contribution to achieving Sustainable Development Goals Activities within the framework of strategic directions Economic performance

ESG	- Environmental, Social, Governance	IAS	- Internal Audit Service
GRI	- Global Reporting Initiative	SSFP	- Socially significant food products
S&P CSA	- The S&P Global Corporate Sustainability Assessment (CSA); S&P Global international rating agency, which assigns international ESG rating	SU	- Structural units
TCFD	- Task Force on Climate-related Financial Disclosures (TCFD) – reporting standards that disclose information about possible impact of climate change on global economy	SEC	- Social-Entrepreneurial Corporation
OHS	- Occupational health and safety	SVSP	- Socially vulnerable segments of the population
BIP	- Budget and investment project	EDMS	- Electronic document management system
IRD	- Internal regulatory document	etc.	- et cetera
ha	- Hectare	incl.	- Including
SA	- Subsidiaries and affiliates	trln	- Trillion
DOA	- Department of Operating Activities	thous	- Thousand
PD	- Project Department	SD	- Sustainable development
SCDD	- Strategy and Corporate Development Department	UN SDGs	- United Nations Sustainable Development Goals
HRMD	- Human Resources Management Department	per.	- Person
UoM	- Unit of measurement		
IZA	- Industrial Zone of Almaty		
sq.m.	- Square meter		
kW	- Kilowatt		
KPI	- Key performance indicators		
cbm	- Cubic meter		
mIn	- Million		
bln	- Billion		
SIP	- Small Industrial Park		
SME	- Small and medium enterprise		
Company	- Almaty Social-Entrepreneurial Corporation JSC		
CCC	- Capital Construction Company of the Akimat of Almaty LLP		
p.p.	- Percentage point		
other	- Other		