



APPROACH TO SUSTAINABILITY MANAGEMENT

GRI 2-12, 2-13

The Board of Directors and the Management Board ensure the formation of an appropriate system in the field of sustainable development and its implementation. All employees and officials at all levels contribute to sustainable development. A consulting and advisory body has been formed under the Management Board of the Company – the Sustainable Development Committee, the main task of which is to develop policies and procedures in the field of sustainable development, as well as to submit proposals for consideration by the Management Board concerning the implementation of the sustainable development system. The Chairman of the Committee is an executive employee responsible for sustainable development. In this annual report, we seek to disclose our impact (both positive and negative) on the environment, society and the economy. Measures taken in these directions have the greatest positive effect in terms of achieving

long-term sustainability, ensuring economic efficiency and social stability of the Company. Implementing the Sustainable Development Policy, within the framework of the ESG Implementation Plan, the Company provides for the activities in the field of sustainable development. Issues related to the sustainable development activities were discussed on a quarterly basis at the meetings of the Board of Directors. On 21 February 2023, by resolution of the Board of Directors of the Company (Minutes No. 200), the updated ESG Implementation Plan of Samruk-Kazyna Construction JSC for 2024–2025 was approved.

Realizing the importance of compliance with ESG principles when building relationships with investors and financial institutions, the Company strives to improve its approaches to managing environmental, social and corporate aspects of its activities and reporting to stakeholders.

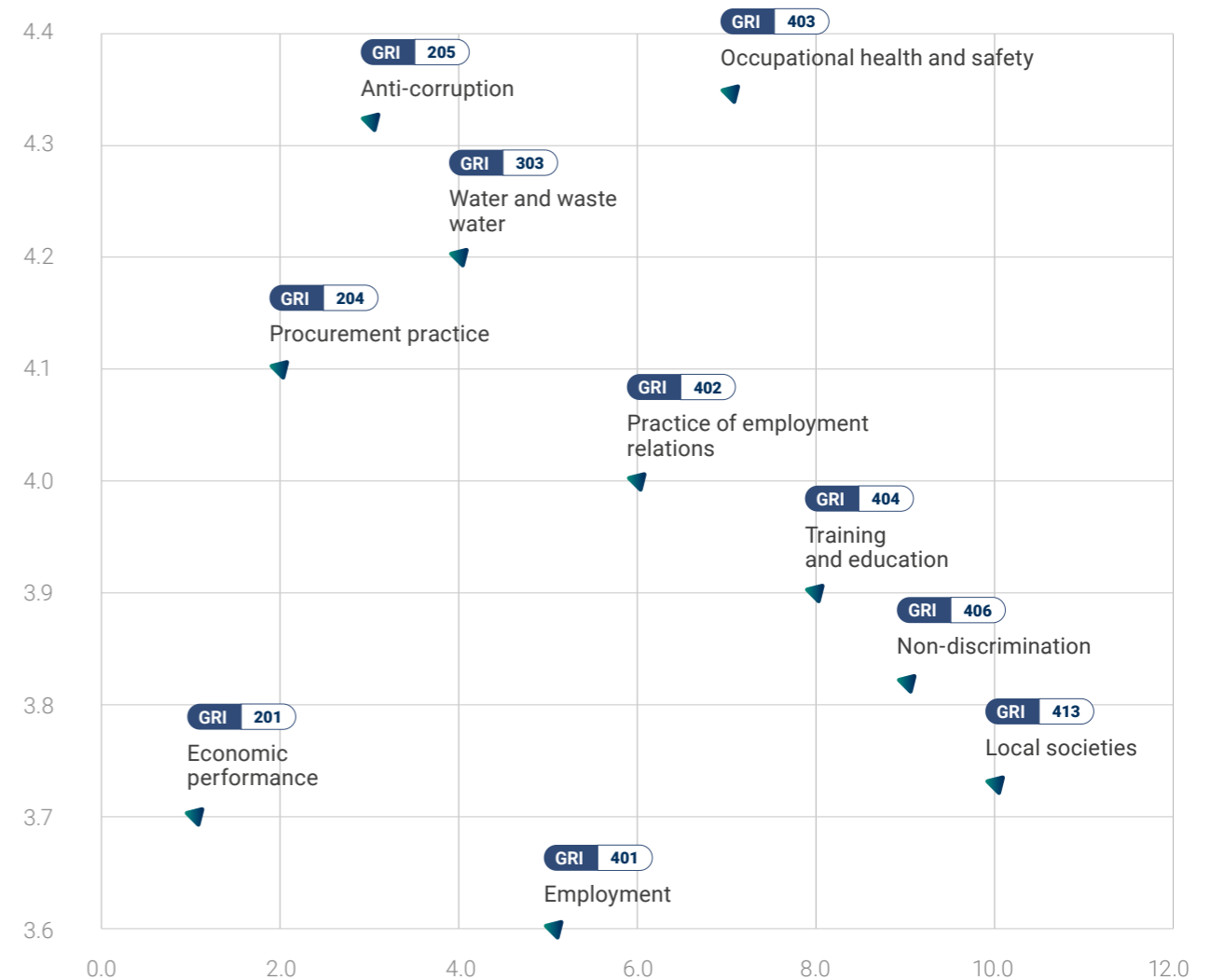
DETERMINATION OF MATERIAL TOPICS

GRI 3-1, 3-2, 3-3

A sustainability stakeholder survey is conducted annually to determine the content of the sustainability report. In 2023, a stakeholders survey was conducted through a questionnaire in accordance with GRI Standards with the result that a Matrix of materiality of identified aspects was developed, which illustrates the relationship between the importance of aspects for the Company

and stakeholders. Along the horizontal axis of the Matrix, aspects are ranked based on the degree of their significance for the Company, and along the vertical axis – based on the assessment of stakeholders. Ranking of material aspects allows constructive communication with stakeholders based on a clear understanding of their priorities.

MATERIAL TOPIC MATRIX





EFFECTIVE COMMUNICATION WITH STAKEHOLDERS

GRI 2-29

The Company strives to create an effective system of communication with stakeholders, which is based on respect and cooperation.

The Company determines a full list of stakeholders with whom it communicates in the course of its activities, with a description of the contributions of stakeholders and their interests. When assessing the importance of stakeholders, stakeholders are ranked according to their importance for the Company based on two factors: the strength of influence of the stakeholder on the Company and the degree of interest of the stakeholder in the Company's activities.

The parties involved (stakeholders) of the Company are buyers and lessees of the Company's residential

premises, the Company's employees, the Sole Shareholder and the Board of Directors, subsidiaries and dependent organizations, general contractors and developers, enterprises in trust management, customers, local executive authorities and government authorities, financial institutions, mass media and social network users.

The principles, mechanisms and procedures for communication with stakeholders are enshrined in the Code of Conduct, Sustainable Development Policy and Stakeholder Map posted on the corporate website. The strategy for communication with stakeholders is presented in Annex 3.



CORRUPTION PREVENTION AND COUNTERACTING

GRI 2-15, 2-16, 2-25, 205, 406-1

The Company strictly observes human rights in its activities. The Company does not allow discrimination based on nationality, gender, origin, age or other grounds, and recognizes the right of employees to create public associations and organizations to protect their rights and interests.

During the reporting period, no cases of discrimination on any grounds were registered in the Company.

GRI 406-1

The strategic goals of the Company and the conduct of its business are incompatible with any manifestations of corruption. The Company adheres to honest business practices, including counteracting corruption and fraud, preventing corporate conflicts and conflicts of interest as necessary factors for ensuring communication with stakeholders and building trusting intra-corporate relationships.

In accordance with the legislation of the Republic of Kazakhstan, all companies of the Fund Group have a compliance service the task of which is to build an effective compliance system that provides reasonable assurance

that the Company's significant compliance and corruption risks are properly managed.

The Company has the Compliance Controller, who is appointed by resolution of the Board of Directors; he/she is designed to ensure compliance with the anti-corruption laws of the Republic of Kazakhstan, the adoption of policies on compliance issues, as well as the formation of an internal corporate culture based on the principles of transparency and reliability in accordance with the law and best international practices.

Every year, work continues to create an anti-corruption culture of the Company through compliance training, testing for knowledge of the Law of the Republic of Kazakhstan On Counteracting Corruption, the Code of Conduct, and explanatory work is also carried out on an ongoing basis among the Company's employees on the operation of the hotline and on anti-corruption events.

Compliance training was conducted on compliance with the Anti-Fraud and Anti-Corruption Policy, which was

attended by 118 employees of the Company. A meeting was held concerning universal declaration of income and property.

In order to comply with anti-corruption restrictions and to prevent conflicts of interest, control is ensured, the need to disclose information is brought to the attention of persons, a list of affiliates is prepared in accordance with the legislation of the Republic of Kazakhstan, control is carried out on the timeliness of posting the list of affiliates on the Financial Statement Depository, checks are carried out for affiliation and existence/absence of a conflict of interests in relation to CEO-1; consultations are held with the Company's employees on an ongoing basis in order to avoid conflicts of interest.

Compliance with the requirements of the Law of the Republic of Kazakhstan On Counteracting Corruption and approved compliance policies is monitored on an ongoing basis. In 2023, the Compliance Controller of the Company did not record any confirmed facts of violation.



PROCUREMENT PRACTICE

GRI 3-3, 308

The main goal of the Company in the field of procurement activities is timely, effective and complete provision of resource requirements for the stable operation of all divisions, with optimal conditions for their acquisition. The Company has established an effective procurement system based on the principles of information openness, transparency, equality and the development of fair competition. Procurement procedures are public, transparent, standardized and simple. The priorities of the Company's procurement activities are: purchase of goods, works, services from organizations of disabled people included in the Register of organizations of disabled people of the Group of Companies of Samruk-Kazyna JSC; purchase of goods from producers of the purchased goods that are entered in the Register of Producers of the Group of Companies of Samruk-Kazyna JSC. A supplier in the Company is selected in the following ways: holding an open tender (including using reverse auction); request

for price quotations (including using reverse auction); from a single source, as well as procurement using a special order, and an electronic store.

In 2023, in order to extend the principles of sustainable development to potential suppliers, the Company approved the Code of Conduct for Counterparties, which is a binding annex to the purchase contract and agreements for investment in construction, covering the requirements for hiring workers and ensuring working conditions, compliance with business ethics, environmental protection, and social responsibility.

GRI 308

Procurement indicators are presented in Annex 4.

GRI 204-1



E-COMPONENT. ENVIRONMENTAL ASPECT

MANAGEMENT OF EFFECT ON ENVIRONMENT PROTECTION

GRI 3-3, 303

The Company considers environmental protection activities as an important part of its current work, with recognizing the need to maintain ecological balance and care for the environment.

As part of the implementation of housing construction investment projects, the environmental protection activities of the Company are carried out by controlling the quality of construction carried out by the developer/contractor. At the same time, the Company, together with the developer, monitors indirect environmental emissions generated at contractors' construction sites. The air is experiencing a great negative impact from the construction site. The situation is aggravated often by the fact that construction sites are located in close proximity to residential buildings, thereby forming the centres of negative impact on the atmosphere of built-up areas and public health. Pollution emissions into the atmosphere are generated at all stages of the construction process, from engineering preparation of the construction site to creation of living environment and landscaping of the area. Sources of air pollution at construction sites are construction machines and mechanisms – truck cranes, excavators, graders, dump trucks, high sided trucks, concrete pumps and concrete mixers, rollers, asphalt pavers, asphalt spreaders, diesel generators, welding machines, cutting machines, grinding machines, etc. Construction projects Companies have a negative impact on the atmosphere to varying degrees, and primarily this depends on the volume of construction

and mounting work performed. The legislation of the Republic of Kazakhstan regulates emissions of harmful substances into the environment. According to the provisions of the Code of the Republic of Kazakhstan On Taxes and Other Compulsory Payments to Budget (Tax Code), a fee is charged for emissions into the environment. The taxable item is the actual volume of emissions into the environment within and (or) in excess of the established standards for emissions into the environment: emissions of pollutants; discharges of pollutants; disposed production and consumption waste. The Company monitors that the developers shall mandatorily make a comprehensive assessment of pollution during the construction of a facility and the fulfilment of their obligations and standards.

In addition, an inspection is carried out to ensure that developers have received permits for environmental emissions from the regional departments of natural resources and environmental regulation when developing a working draft environmental expertise, as well as in the process of construction and installation work.

In order to manage its own impact on the environment, the Company takes measures to use sparingly paper, consumables and energy resources, introduces and improves electronic document management and electronic reporting systems, and applies measures to reduce energy consumption and increase energy efficiency.

Energy resources consumption	Green Quarter BC		Kazyna Tower BC*	
	2022	2023	2022	2023
Electric power consumption, thousand kilowatt-hour	3,697	4,169	1,355	659
Water consumption, m ³ GRI 303-5	20,836	19,580	6,042	3,854
Heat supply, Gcal	4,519	3,406	2,727	1,497

* On 27 July 2023, the ownership of Kazyna Tower Business Centre was transferred to the State.



S-COMPONENT. SOCIAL ASPECT

HUMAN RESOURCES MANAGEMENT

GRI 2-7, 3-3, 401-1

Personnel are the key asset of the Company, its strategic partner in achieving sustainable development goals. Based on the Corporate Standard for Human Resource Management approved by the Sole Shareholder of the Company, the main business processes in terms of human resource management are updated in portfolio companies. Personnel engagement assessments are carried out annually. In 2023, based on the results of the analysis of the work performed, PE Centre for Social Interaction and Communications expanded this indicator and assessed the well-being index of the Company's employees, which includes physical and mental well-being index, social well-being index, financial well-being index and personnel engagement. In 2023, the well-being index was 55%, which corresponds to the "conditionally favourable" range. Respondents generally demonstrate a high level of satisfaction with various aspects of life, are involved in the company's activities and are motivated to work. There are some shortcomings that require a targeted solution.

The Company's priority areas in terms of human resource management are to meet the Company's need for specialists with appropriate professional competencies to implement the Company's tasks, develop competencies in the field of project management in construction and design, attract and implement investment projects, and increase the profitability of the Company's activities. One of the important directions of the Company's personnel policy is the development of employees and providing them with opportunities for professional and career growth, increasing the motivation of employees to introduce a corporate culture of high labour productivity. Taking into account the development of digital technologies, training methods such as distance learning courses, webinars and on-the-job training are actively used.

In order to attract specialists with the necessary skills and competencies, the Company conducts open competitive procedures for searching and recruiting personnel. Additionally, social media and the Company's corporate website are used to post information about announced competitions in order to reach more applicants.

In 2023, 277 employees were hired through competitive procedures, including manufacturing personnel for the implementation of the national project "Comfortable School". All candidates for vacant positions of administrative and managerial personnel undergo procedures for testing professional knowledge and assessing potential for further development through the provider – PE Samruk Business Academy.

In order to effectively and efficiently select and hire qualified personnel for the timely implementation of the national project, competitive procedures for filling vacant positions of manufacturing personnel have been simplified. Candidates' professional knowledge and necessary skills were assessed through interviews with members of the Personnel Commission of the Department for Implementation of the National Project and Regional Development formed by the order of the Chairman of the Management Board of the Company.

In 2024, it is necessary to improve the adaptation of hired employees, increase the level of involvement, satisfaction and motivation of personnel to increase the efficiency and team spirit of the employees.

ASSESSMENT OF EMPLOYEES' PERFORMANCE

For executive employees (members of the Management Board), key performance indicators (KPIs) for the year are approved by the Board of Directors, and KPI performance is also assessed at the end of the year. The performance of employees accountable to the Board of Directors (3 employees) is assessed by the Board of Directors on the basis of KPIs approved at the beginning of the year.

Key performance indicators are cascaded to employees through each employee's approval of a goal card for the year. The effectiveness of performance assessment is reviewed by monitoring the implementation of the goal

map for the half-year and a comprehensive assessment of employee performance for the year.

In accordance with the Procedure for assessing the performance of employees, a comprehensive assessment of administrative and managerial employees is carried out annually before December 31 of the reporting year. Thus, in 2023, regular review of performance and career development made up 63%, of which 58% were men, 77% were women.

GRI 404-3

PERSONNEL TRAINING

The requirements for the professional training process are regulated in the Rules for the training and development of the Company's employees.

To meet the need for training and development of the Company's employees, in accordance with the approved Individual Development Plans for employees, a Training Calendar Plan was approved; throughout the year, employees were provided with opportunities to take online and offline advanced training courses, seminars, trainings,

participation in exams and tests for the compliance of knowledge and qualifications offered by training organizations of the Republic of Kazakhstan.

In 2023, based on the results of training, the knowledge and competencies of employees were confirmed (diploma of professional financial manager – 1 person and diploma of completion of the HR-Professional advanced training course – 1 person).

RELATIONSHIP BETWEEN EMPLOYEES AND MANAGEMENT

GRI 2-26

Thus, in 2023, the appeal to the Company's employees concerned the implementation of the pilot national project "Comfortable School" and awareness of anti-corruption issues. At the same time, as part of the relationship between employees and management, the Company regularly conducts:

- weekly staff meetings with the participation of executive employees and heads of business units on operational issues;
- semi-annual meetings of the Chairman of the Management Board with all employees of business units on the implementation of functional tasks and the achievement of approved goal maps for the reporting period;
- quarterly meetings of management with the personnel in the "Casual Meeting" format to discuss issues,

problems and suggestions of employees in an informal setting. Hours have been set for management to meet with employees on personal matters on a weekly basis.

The Company has committees and working groups to discuss and make collegial decisions on current issues concerning the Company's activities.

The Company has an Ombudsman who receives and monitors responses to employees' complaints and appeals of a social and labour nature. 6 complaints were received through Nysana line of which 3 facts were confirmed, measures were taken to eliminate the identified violation in 2 facts, and 1 fact was left without consideration due to the consideration and settlement of the issue by representatives of the local executive authority.

MOTIVATION SYSTEM AND SOCIAL SUPPORT

GRI 401-2, 401-3

The Company's remuneration system is regulated by the Rules for remuneration and bonuses for the Company's employees the purpose of which is to assist in achieving the Company's strategic goals by establishing a remuneration system that allows rewarding employees for their performance in the reporting period and assessing the effectiveness of employees in achieving their goals. In 2023, 61 new positions were described, positions were graded and the salary market was analysed to assess the level of competitiveness of salaries for the Company's employees; a salary system was introduced taking into account the established grades for positions of executive and administrative employees. In accordance with the Rules for the provision of social support to the Company's employees, the following

types of social support are provided: financial assistance, compensation expenses, medical insurance for employees and members of their families, assistance in resolving housing issues. The Company provides equal remuneration for the work of men and women.

Based on the results of the performance assessment, employees are provided with remuneration in the form of bonus payments within the planned funds for payment of the variable part of wages.

In honour of the professional holiday – the Builder's Day – and the state holiday – the Republic Day, the Company's employees are nominated for awards with certificates of honour and badges, including proposals for state awards.

OCCUPATIONAL HEALTH AND SAFETY

GRI 403

The Company pays special attention to the health of employees, working conditions and ensuring safety at work place. To increase the personal health potential of employees and members of their families, the Company provides:

- access to health insurance services (sickness insurance), including a 24-hour consulting and dispatch service (call centre), ambulance services, inpatient treatment, outpatient care, preventive medical examination for an employee, family doctor and medical services home health nurses, dental services, flu vaccinations, etc.;
- financial support is provided in the form of a health benefit for a leave.

The Company also carries out organized work to ensure the safety of employees at work place:

- training of employees on production processes is carried out through mandatory instruction and testing of knowledge on issues of safety and labour protection of employees, instructions are given concerning fire safety and labour protection, primarily for newly hired employees;
- regulated preventive repairs of equipment and utility networks in the office premises of the administrative building, computers and office equipment at employees' work places are carried out.

The Company's employees are located on floors 6, 8, 11, 14, and 15 of Green Quarter Business Centre, block T4 (hereinafter referred to as the Building). Each workplace is equipped with office equipment that meets their functionality and occupational safety and health requirements. Emergency routes and exits from the premises of the Building are marked with signs. The functionality of the Building's fire automatics and the fire safety of employees while at work is ensured by a specialized service organization under a service contract. The inspection is carried out in accordance with technical regulations once every six months.

Training of technical personnel's response skills in case of accidents and fires is carried out in accordance with the approved Training Plan. Newly hired employees are given induction training on fire safety. During working hours, the temperature, lighting, as well as the microclimate in the premises of the Building where the workplaces are located comply with sanitary and epidemiological requirements and are ensured by regulated periodic maintenance and scheduled preventative repairs and inspections of the Building's engineering systems and equipment.

The Company's employees were trained at PE Samruk Business Academy in the following courses: behavioural safety audits, hygiene and compliance with sanitary standards at a work place, safety in managing contractors. Also, PE Samruk Business Academy provided training in the Vision Zero concept with the issuance of an international level certificate for excellence in leadership in occupational health and safety.

The Company's person authorized in the field of occupational health and safety, in accordance with the Regulations for inspections of construction projects of Samruk-Kazyna Construction JSC, inspects at construction sites the developers, contractors (subcontractors) compliance with labour protection, industrial, fire safety and environmental protection. In 2023, based on the results of the audit, 198 inconsistencies in the field of industrial safety in contracting organizations were identified, which were eliminated.

Construction of a power plant based on a combined cycle gas plant with a capacity of up to 1000 MW in Turkistan City will increase the energy security of the country, in particular, it will compensate for missing energy capacities, level out emergency voltage drops that are created by the power system of the Central Asia (Uzbekistan, Kyrgyzstan) and independently uninterruptedly supply energy to socially oriented life-supporting facilities. Moreover, this station will create favourable conditions for the integration of renewable energy sources into the national energy system. For the construction of the station, 2 thousand new jobs will be created.

- p. 5.1.10.20. "To purchase furniture from the legal entities entered in the Register of goods producers of Samruk-Kazyna JSC and/or the Register of domestic goods producers of NCE Atameken, as well as from other domestic goods producers";
- p. 10.13. "In case the Contractor violated the obligation to purchase furniture from domestic producers according to the register of domestic producers (industrial register based on the Industrial Certificate) of Republic of Kazakhstan NCE Atameken, the Contractor is responsible for failure to fulfil the obligation in accordance with the legislation of the Republic of Kazakhstan".

SPONSORSHIP AND CHARITY

In accordance with the Charity Policy and the Charity Program of Samruk-Kazyna JSC, sponsorship and charitable activities are carried out through a single operator of the Group of Companies of Samruk-Kazyna JSC – the Social Projects Development Fund – Samruk-Kazyna Trust JSC. Funds for activities in this area were not provided for in the Company's budget for 2023.

As part of the charity action plan in the Group of Companies of Samruk-Kazyna JSC, in accordance with clause 8 of the Roadmap for the development of corporate volunteering for 2021–2023 of the Group of Companies

of Samruk-Kazyna JSC (hereinafter – the Roadmap) as approved by the Chairman of the Management Board of Samruk-Kazyna JSC dated 05.08.2021, the Company's employees took part in:

- the "I am a Donor" campaign on 31 May;
- the "Road to School" campaign in August;
- they actively participated in December in the "Wish Tree" campaign, selecting and fulfilling more than 15 letters with children's wishes.

In order to strengthen its conscious environmental position, the Company organized a clean-up day to clean up the area.

As part of the implementation of the national project "Comfortable School", the participation of domestic producers is enshrined in law. In accordance with Resolution of the Government No. 963 dated 30 November 2022, the Directorate represented by Samruk-Kazyna Construction JSC ensures, within the framework of signed contracts for complex turnkey design and construction, the purchase of furniture exclusively from individuals and legal entities included in the register of commodity producers of Samruk-Kazyna JSC and/or the register of domestic manufacturers (industrial register based on the certificate of origin of goods of ST-KZ form and/or industrial certificate) NCE Atameken.

In addition, in accordance with the contract for purchase of complex work on the turnkey design and construction of a facility, the Contractor undertakes to:

- p. 5.1.7. "After receiving a, affirmative conclusion on comprehensive non-departmental examination of the design and estimate documentation, to conclude within 30 (thirty) business days the contracts for the supply of furniture, educational, engineering and interactive equipment with software to the Facility and provide the Customer with supporting documents confirming payment";

As part of the national project, a list of technological equipment and furniture for equipping schools has been determined as agreed upon with the Ministry of Education of the Republic of Kazakhstan and NCE Atameken for placing orders in domestic production. In addition, a decision was made on the use of facade materials broken down by regions from local production (the cities of Astana, Almaty, Shymkent – fibre cement panels (FCP), Akmola, Kyzylorda, Karaganda, Ulytau regions, East Kazakhstan and West Kazakhstan regions – linear panels, Almaty, Zhetysay regions – volcanic tuff, Pavlodar, Kostanay, Abay, Aktobe regions and North Kazakhstan region – facing brick, Turkistan, Zhambyl regions – combined facade of travertine and FCP, Mangistau, Atyrau regions – polished shell stone (LIMESTONE)).

In the reporting period, 207 contracts for purchase of complex work on the turnkey design and construction of facilities were signed with domestic contractors and 191 contracts – for the provision of engineering services (technical supervision), including 96 contracts signed with the subsidiary of the Company – Samruk-Kazyna Development LLP.

SUPPORT OF REGION DEVELOPMENT

GRI 203, 413-1

As part of the implementation of projects, the Company contributes to the development of the regions in which it operates by ensuring that contractors and partners of the Company pay taxes and fees to the budget, create new jobs, and purchase goods, works and services from local producers.

The socially oriented activities of the Company are expressed in increasing the affordability of housing for the population by introducing new residential facilities; creating favourable and comfortable living conditions for residents through the implementation of a program for the renovation of dilapidated and hazardous housing; updating the architectural appearance of the city; improving the investment climate in the field of housing construction and territorial development.

In addition, support for the construction segment in the regions promotes the increase of the affordability of housing for different categories of the population and revitalization of the real estate market.

As part of participation in the plant construction program aimed at import substitution of construction materials, in the year under review the Company completed construction on the project of the "Plant for the production of roofing and facing materials in Astana City".

On 26 December 2023, the plant was put into operation. In order to support the plant, the Company provides comprehensive assistance in the use of MetalFormer LLP products in the Company's projects and loading of the plant's production capacity.