



# Investments in economic and social development

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

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

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

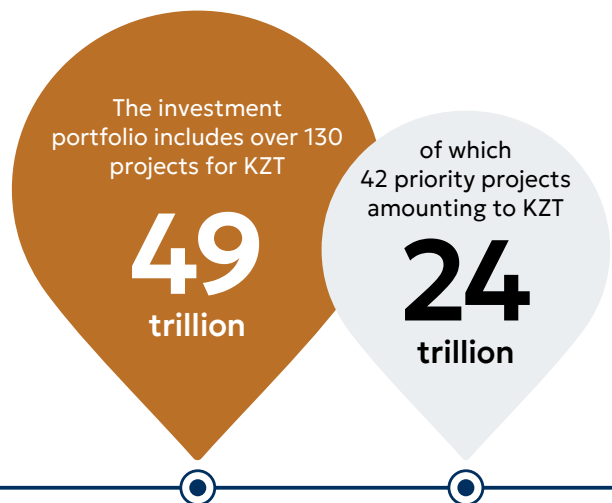
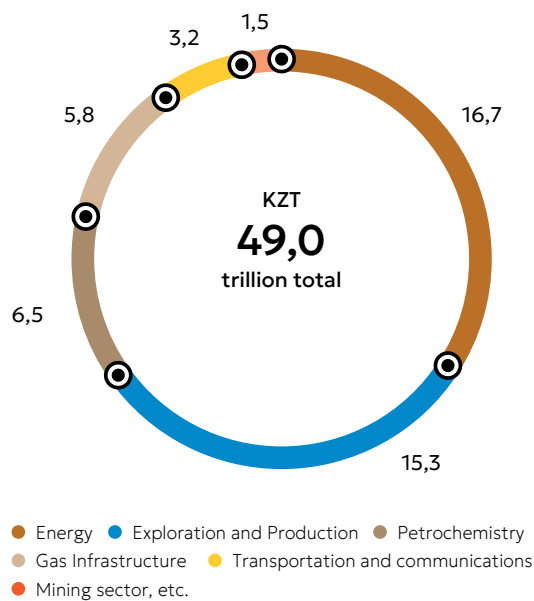
Our investment projects play an essential role in the regions where we operate, providing:

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

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

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

The Fund’s investment portfolio, KZT trillion





## Key areas of priority projects:

### 1 Expansion of critical infrastructure

Gained access to the gas

**213** thousand  
new consumers  
from 112 settlements

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

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

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

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

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

### 2 Construction of social infrastructure

For the period 2023-2024 it is planned to build

**208** Comfort Schools

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

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

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

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

### 3 Ensuring energy security

The gas resource base has been increased by

**19%** compared  
to 2022

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

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

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

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

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

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

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

### 4 Development of renewable energy sources

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

**~6** GW

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

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

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





**5 New product conversions**

The plant mastered 6 grades of polypropylene,

**58** companies became customers in the country

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

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

**6 Access to clean drinking water**

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

**60** thousand m<sup>3</sup> per day

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

In 2023, the project to reconstruct and expand the main water pipeline providing water to the Atyrau and Mangystau regions, as well as the city of Zhanaozen, was completed. 176 km of the pipeline was updated, and its capacity increased by 60 thousand m<sup>3</sup> per day (+54% compared to 2022), providing water to the population and businesses of the western regions.

A project to construct a desalination plant is being implemented to solve the water supply problem for the population and enterprises of Zhanaozen and reduce the burden on the social security sector of the Mangystau region. The plant will provide the city with an additional 50,000 m<sup>3</sup> of water per day.



**Results of 2023:**

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

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

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

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

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Project Name	Project effect	Timing of implementation
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**Construction of social infrastructure**

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1. Comfortable schools	Solving the problem of lack of school places. Domestic raw material producers will be involved in the project's implementation.	2023-2026
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**Ensuring energy security**

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

Construction of WPP up to 810 MW with Power China	Expansion of renewable energy generation from 60 MW to 810 MW. Creation of about 400 temporary jobs (construction period), 40 permanent jobs (operation period).	2023-2030
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Construction of a 1 GW WPP with an energy storage system in the south-east of Kazakhstan together with "Total Eren"	The generation of renewable energy and the prevention of carbon dioxide emissions (estimated at 3 million tonnes of CO <sub>2</sub> -eq). Creation of about 400 temporary jobs (construction period), 40 permanent jobs (operation period).	2022-2028
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Project Name	Project effect	Timing of implementation
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Construction of a 1 GW wind farm together with "ACWA Power"	Generation of renewable energy, prevention of carbon dioxide emissions. Creation of about 400 temporary jobs (construction period), 40 permanent jobs (operation period).	2023 — 2029
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Construction of 1 GW WPP with "Masdar"	Generation of renewable energy, prevention of carbon dioxide emissions. Creation of about 400 temporary jobs (construction period), 40 permanent jobs (operation period).	2023-2028
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Construction of a 1 GW WPP with "China Power International Holding Ltd"	Generation of renewable energy, prevention of carbon dioxide emissions. Creation of about 400 temporary jobs (construction period), 40 permanent jobs (operation period).	2023-2028
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Construction of SPP with "Unigreen Energy" for up to 1 GW capacity	Generation of renewable energy, prevention of carbon dioxide emissions. Creation of about 500 temporary jobs (construction period).	2025-2028
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**New product redesigns**

Polyethylene production project	Shifting away from the raw materials orientation of the economy by producing technological and high-margin products, expanding the portfolio of hydrocarbon products. Creation of about 8 thousand temporary jobs (construction period), more than 800 permanent jobs (operation period).	2022-2028
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Construction of a gas separation complex for the "Polyethylene" project	During the construction of the gas separation complex, the creation of about 4,000 temporary jobs (construction period) and more than 138 permanent jobs (operation period).	2018-2028
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Construction of a new gas processing plant in Zhanaozen city	Providing the population and industrial enterprises of Mangistau region with industrial and socially important fuel. About 400 new jobs will be created during the construction period, 171 during the operation period. Creation of about 400 temporary jobs (construction period), 171 permanent jobs (operation period).	2018-2026
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Construction of the "Kashagan" gas processing plant (stage 1)	Building up the resource base for further gasification of the country, development of the gas processing industry in Kazakhstan. Creation of about 2 thousand temporary jobs (construction period), 600 permanent jobs (operation period).	2021-2026
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Construction of a sulphuric acid plant with a capacity of 800 thousand tonnes per year	Import substitution (imports amounted to 2021 ≈ 10%, 2022 ≈ 38%). Associated generation of 30 MW. Clean electricity. Creation of about 700 temporary jobs (construction period), 121 permanent jobs (operation period).	2022-2026
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Exploration of the "Shalkiya" polymetallic ore deposit	Expansion of the resource base. Lead-zinc ore. Creation of about 1.1 thousand temporary jobs (construction period), 1.5 thousand permanent jobs (operation period).	2015-2026
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Exploration of the "Alaigyr" field	Development of technologically advanced sub-sector of non-ferrous metallurgy and import substitution of polymetallic ore processing products. Creation of about 250 temporary jobs (construction period), 500 permanent jobs (operation period).	2013-2026
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**Access to clean drinking water**

Construction of the "Kenderley" seawater desalination plant	Access to water for the population and enterprises of Zhanaozen and load reduction on the "Astrakhan-Mangyshlak" water pipeline. Creation of about 200 temporary jobs (construction period), 100 permanent jobs (operation period).	2021-2025
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