



Message from the member of the board of directors



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Member of the Board of Directors,
Independent Director of Samruk-
Kazyna JSC

Dear Readers,

I am pleased to present the Fund's eighth Sustainability Report, which has become essential to information disclosure about our activities over the years. We are constantly improving our reporting to provide all stakeholders with high-quality and valuable information.

In 2023, the Government of the Republic of Kazakhstan - the Sole Shareholder of Samruk-Kazyna JSC - approved the Fund's Development Plan for 2023-2032. And sustainable development - implementation of ESG principles - remains a strategic work direction for us. The well-being of people, the preservation of ecosystems, and maintaining an effective and transparent corporate governance system are integral parts of our work to ensure long-term sustainable growth and development of assets [GRI 2-22](#)

2023 was marked by significant financial and operational results that allowed us to contribute to the country's economy. In 2023, we allocated more than KZT 1,469 billion to the Government. This included a record dividend payment of KZT 1,269 billion. KZT 133 billion was allocated to support state social and infrastructure projects. In particular, starting in 2023, the Fund allocates funds of at least seven percent of net income to the Public Fund Kazakhstan Khalkyna. The PF Kazakhstan Khalkyna implements charitable programs and projects aimed at solving the urgent problems of Kazakhstani citizens in health care, education, culture, sports, and other social issues. In 2023, KZT 67 billion was allocated to the Public Fund.

Ensuring a solid corporate governance system

We work closely with the international community and Kazakhstani government agencies in developing our Corporate Governance system. In 2023, the Government of the Republic of Kazakhstan and the Organization for Economic Cooperation and Development (OECD) completed a major review of corporate governance in Kazakhstan's quasi-state sector, which provided recommendations for improving the corporate governance system applicable to Kazakhstan's state-owned enterprises. With the assistance of OECD experts, the Fund's Corporate Governance Code was updated and brought in line with the strictest requirements of the listing rules in the Premium segment of the leading stock exchanges (OECD and the UK Corporate Governance Code). The new version of the Code is the foundation for attracting investments into the Fund's group.

Our portfolio includes companies that have already launched IPOs or are planning to do so in the future. This provides citizens an opportunity to receive additional income through reliable financial instruments. At the same time, the presence of a professional Board of Directors can protect the interests of investors.

Therefore, we systematically work on strengthening and qualitatively renewing the composition of the Boards of Directors and Supervisory Boards in all Fund portfolio companies. The Fund brings together leading professionals in the country. For example, I would like to note with pleasure that at the forum on corporate governance, organised under the auspices of the National Council on Corporate Governance under the Presidium of the National Chamber of Entrepreneurs «Atameken», two members of the Board of Directors of JSC NC KazMunayGas were recognised as the best in their field: Mynsharipova Saya Naimanbaykyzy in the nomination "Independent Director 2023" and Argazin Arman Anuarbekovich in the nomination "Chairman of the Board of Directors 2023".

We promote gender equality and increase the presence of women in the governing bodies of companies. The Corporate Governance Code recommends including at least 30% of women in the Boards of Directors and executive bodies of the Fund Group. Our goal is to double the share of women in decision-making bodies within seven years. In particular, together with the National Commission on Women's Affairs and Family and Demographic Policy, we implemented a program to increase the share of women in the governing bodies of companies with state participation called «Gender Equality.» The project was aimed at developing managerial skills and training women leaders. As a result, a pool of 71 women leaders was formed.

Transparency of operations and open dialogue

Building a mutually beneficial, continuous, and direct dialogue with the Society is a priority area of the Fund's Public Council activity. In 2023, 12 meetings of the Public Council were held, at which the results of the work of the Fund and portfolio companies were heard, and the Fund's management responded to topical issues of concern to citizens. Significant topics raised by the public included the Fund's procurement issues, transfer of companies to a competitive environment, development plan, portfolio companies' activities in industrial safety, the status of investment projects implementation, and changes in corporate governance.

The new public status of portfolio companies gives additional impetus to increase transparency and improve the corporate governance system by global standards.

In particular, we have introduced the practice of preparing annual reports that comply with the best international sustainability standards (GRI, SASB, TCFD, CDP), and we obtain independent assurance of our sustainability performance. Following international corporate governance best practices, a self-assessment report on the Fund's compliance with the Santiago Principles has been prepared and sent to the International Forum of Sovereign Wealth Funds (IF-SWF). The commitment to the Santiago Principles contributes to the fact that the Fund is configured with efficient management and investment mechanisms by the standards of the international financial markets.

We strive to integrate the best international sustainable development practices into the management system across the Fund Group. For this purpose, among other things, we are expanding the practice of obtaining ESG ratings by companies. In 2023, seven of the largest portfolio companies received ESG ratings from the world's leading analytical agencies: Sustainalytics, S&P Global, and/or CDP (Carbon Disclosure Project). This included five companies receiving them for the first time. The results of the assessments show that while there are always areas for development, the companies' current level of corporate governance and sustainability management is at a high level.

We will continue to work on further developing the corporate governance system and implementing relevant global changes. Our future priorities are ensuring the best international governance standards across the Fund Group, maintaining transparency and productive communication with the Society, and implementing sustainable development practices in the Fund Group of Companies.