



"SOCIO-ENTREPRENEURIAL
CORPORATION "AKTOBE" JOINT-STOCK
COMPANY

SUSTAINABLE DEVELOPMENT REPORT

of "Social and Entrepreneurial
Corporation "Aktobe" JSC for 2024

May 2025

CONTENTS



"SOCIO-ENTREPRENEURIAL
CORPORATION "AKTOBE" JOINT-STOCK
COMPANY

Address by the Chairman of the Board of Directors	3
---	---

About the Corporation

Key indicators for 2024	6
-------------------------------	---

Sustainable development management

The contribution of SEC "Aktobe" to the achievement of the UN Sustainable Development Goals	9
---	---

Interaction with stakeholders	11
-------------------------------------	----

Corporate governance

The corporate governance structure of SEC "Aktobe" JSC	16
--	----

Economic performance	23
----------------------------	----

Investments in the region's economy	24
---	----

Risk management	27
-----------------------	----

Business ethics	28
-----------------------	----

Anti-corruption measures	30
--------------------------------	----

Procurement	30
-------------------	----

Social aspect

Number of employees	33
---------------------------	----

Diversity and equal opportunity	36
---------------------------------------	----

Environmental aspect

Climate change	40
----------------------	----

Resource consumption	42
----------------------------	----

Appendix. About the Report

GRI content index	47
-------------------------	----

Glossary	54
----------------	----

Contact details	55
-----------------------	----

Address by the Chairman of the Board of Directors



"SOCIO-ENTREPRENEURIAL
CORPORATION "AKTOBE" JOINT-STOCK
COMPANY

GRI 2-22

DEAR PARTNERS AND COLLEAGUES!

We bring to your attention our first Sustainability Report for 2024. It is designed to increase the transparency of the work of SEC "Aktobe" and strengthen the trust on the part of partners, government agencies and residents of the region.

The main mission of SEC "Aktobe" is to create conditions for sustainable growth of the economy and human capital in Aktobe region through targeted investments in infrastructure, industry and small and medium-sized businesses. In 2024, the Board of Directors approved the Development Plan for 2025-2029, consolidating the role of SEC as a regional competence center implementing modern approaches to institutional development and corporate governance. The adopted Corporate Governance Code sets high standards of business ethics, risk management and sustainable development in relations within the company and with partners.

In order to promote green and social finance, we have developed and implemented a Sustainable Finance Policy, under which SEC selects and supports projects that meet the UN Sustainable Development Goals. In 2024, the implementation of projects aimed at modernizing the infrastructure, stimulating the development of agriculture and small business - "Auyl Amanaty" - was continued.

During 2024, SEC also plans to undergo the ESG rating procedure, which will be another confirmation of our readiness to follow the best international practices.

We are confident that a systematic approach to ESG risk management, the introduction of green and social tools, and the integration of sustainable practices into all business processes will ensure the long-term value of SEC "Aktobe" and contribute to further prosperity of the region.

I would like to thank all employees, partners and stakeholders for their contribution to our joint activity.

Sincerely yours,

SARKULOV A. S.

Chairman of the Board of Directors
of "Socio-Entrepreneurial
Corporation "Aktobe" JSC





GRI 2-1, 2-6

"Socio-Entrepreneurial Corporation "Aktobe" Joint-Stock Company was established in February 2010 through the reorganization of "National Company "Social and Entrepreneurial Corporation "Batys" JSC. The sole shareholder of the joint-stock company is "Finance Department of Aktobe Region" state institution. The Company owns the "Aktobe" industrial zone, where small and medium-sized enterprises operate on preferential terms.

Socio-Entrepreneurial Corporation "Aktobe" JSC is a key regional development institution, an effective institution for supporting state policy in the field of economic development, ensuring investment attraction in the region and stimulating the role of the private sector in increasing the well-being of the population in the region.

The activities of SEC "Aktobe" are aimed at creating favorable conditions for the development of entrepreneurial activity, creating new industries and modernizing the existing industries, attracting investment to the region, stimulating the role of the private sector in increasing the well-being of the region's population, and implementing governmental initiatives.



Mission of the Company:

- Creating conditions for sustainable growth of the region's economy and human capital.
- Providing businesses with access to financing in partnership with development institutions and financial organizations, including international ones.
- Increasing the investment attractiveness and competitiveness of the region.
- Stimulating innovation, export growth and improving the quality of life of the population.



In 2024, SEC "Aktobe" JSC adopted a **Development Plan for 2025-2029**. the following strategic directions have been identified:

1 SUSTAINABLE INSTITUTIONAL DEVELOPMENT

Goal 1 – Increasing the sustainability of the Company: optimizing business processes, improving corporate governance, building internal control and risk management systems.

Goal 2 – Increasing the efficiency and value of the Company: introducing project management practices, digitalization, and increasing employee and stakeholder engagement.

3 PROACTIVE PARTICIPATION IN GOVERNMENT PROGRAMS

Goal 1 – Participation in government programs with maximum direct and/or multiplier effect for the entities of the region and based on the principles of break-even operations of the Company.

Goal 2 – Proactive participation in the structuring of government programs: effective interaction with relevant ministries in the process of initiating and coordinating draft government programs with the participation of SEC, analyzing the effects on the region and SEC.

2 STIMULATING ENTREPRENEURIAL ACTIVITY AND ATTRACTING INVESTMENT TO THE REGION

Goal 1 – Effective investment and credit activities: nsupport for small businesses through MFOs, medium-sized businesses through direct participation, support for agro-industrial complex (AIC) projects, effective asset management.

Goal 2 – Attracting investments: obtaining a credit rating from international rating agencies; obtaining an ESG rating. Attracting alternative sources of financing.

4 DEVELOPMENT OF THE REGION'S INFRASTRUCTURE

Goal 1 – Development of urbanisation of human settlements: conducting research on international examples of sustainable urban development, interaction with akimats and potential investors.

Goal 2 – Development of industrial infrastructure: creation and development of FEZ in Aktobe region and agro-industrial hubs.



Key indicators for 2024

8.2 billion KZT

is the amount of funds allocated to support agriculture and small businesses ("Auyl Amanaty" program) for 1,166 loans



2,996

Jobs created ("Auyl Amanaty" program)

5.5 billion tenge

Aimed at modernizing residential buildings in the cities of Aktobe, Alga, Kromtau, and Kandyagash

3.25 billion tenge

Allocated for the expansion of a dairy farm under the "Agro-Industrial Complex" program

141 million KZT

Tax payments

98 people

Number of staff

54%

Proportion of women in the Company

2%

Staff turnover

736 GJ

Energy consumption



GRI 2-12, 2-13, 2-14, 2-24

SEC "Aktobe" builds a systematic approach to sustainable development management aimed at integrating ESG principles into all levels of the company's activities. Sustainability management is carried out in accordance with the UN Sustainable Development Goals (UN SDGs) and the national priorities of the Republic of Kazakhstan.

The following key areas are being implemented within the framework of the sustainable development management system in SEC:

- **Strategic commitment:** the principles of sustainable development are supported at the level of the Board of Directors, the executive body and employees of the organization.
- **Leadership and engagement:** Officials are actively involved in advancing the sustainable development agenda through internal processes and external interactions.
- **Context analysis:** a regular analysis of the internal and external environment is carried out in the context of the three components of sustainable development: economy, ecology and social issues.
- **Supply chain sustainability:** attention is paid to the assessment and management of risks in supply chains so that to ensure compliance with ESG standards.
- **Risk assessment:** social, economic and environmental risks are identified, and measures are being developed in order to minimize them.
- **Working with stakeholders:** a map of stakeholders is formed and a register of related parties is maintained for the purpose of effective interaction.
- **Communication with the state and the society:** The directions and formats of interaction with government agencies and the public in order to promote initiatives in the field of sustainable development have been identified.
- **Goals and KPIs:** goals and key performance indicators (KPIs) in the field of sustainable development are established, action plans are developed and those responsible for their implementation are identified.
- **Motivation system:** mechanisms are being introduced to motivate the executive body and employees, including linking a part of the remuneration to achievements in the field of sustainable development.
- **Integration into business processes:** sustainability principles are integrated into risk management, strategic and operational planning, human resources management, investment activities and reporting.
- **Training and development:** professional development programs are organized for officials and employees in the field of sustainable development.
- **Monitoring and improvement:** regular monitoring of the implementation of activities and the achievement of goals is carried out, effectiveness is assessed, corrective measures are taken and a culture of continuous improvement is introduced.



SUSTAINABLE DEVELOPMENT MANAGEMENT

2024

The Board of Directors provides strategic guidance and control over the implementation of sustainable development in the Company's activities, approves the policy in this area, key performance indicators in accordance with the approved development plan for 2025-2029, and annual reports on sustainable development. The Executive Body forms an appropriate action plan and submits it to the Board of Directors for consideration. The Management Board provides overall management of the implementation of the sustainable development strategy, coordinates the activities of the executive body regarding ESG and sustainable development issues. All employees and officials at all levels contribute to sustainable development through personal behavior and compliance with relevant policies and standards.

Officials of SEC "Aktobe" promote employee engagement in sustainable development based on understanding and commitment to the principles of sustainable development and changing the culture, behavior when conducting activities and performing duties.

Each of the Deputy Chairmen of the Management Board is responsible for implementing the principles of sustainable development in their respective functional areas:

- **Akdaulet A.M.** - oversees the unit of legal support for the Company's activities, construction and infrastructural development, as well as issues related to ensuring the functioning of the Industrial Zone.
- **Amanbekov B.G.** - oversees the issues of asset and liability management, project structuring analysis, as well as issues related to accounting and budget planning of the Company.
- **Suleimanov E.S.** - oversees areas related to human resource management, information technology, collateral, credit administration, and risk management of the Company.
- **Akimzhanova A.S.** – oversees the issues of coordination of work with investors and clients, subsistence support, formation of a regional stabilization fund, as well as coordination of work on the implementation of government programs.

At the current stage, no specialized ESG function or separate coordinator for sustainable development has been appointed. However, individual divisions implement practical tasks within their respective areas. Coordination between the divisions is carried out through the Deputy Chairmen of the Management Board.



Responsible divisions and employees

Responsible persons (ESG-coordinators) are appointed in all structural divisions of SEC "Aktobe" JSC, who:

- ▶ *participate in the development and implementation of sustainable development plans;*
- ▶ *carry out KPIs monitoring;*
- ▶ *participate in the preparation of non-financial statements;*
- ▶ *ensure interaction with stakeholders at the level of divisions.*

The Corporate Secretary provides methodological support to the management bodies on ESG issues, ensures documentation management, compliance with information disclosure procedures, as well as interaction with stakeholders regarding corporate governance issues.

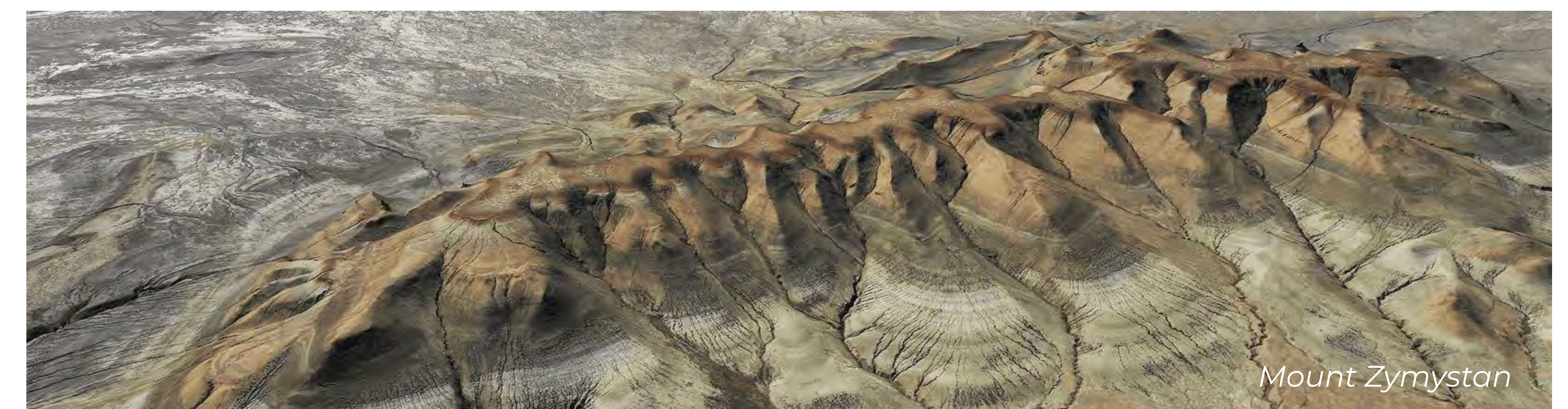
The Compliance Service is responsible for compliance with legislation, anti-corruption standards, internal control, risk management and business ethics.

In accordance with the Development Plan of SEC "Aktobe", sustainable development will be integrated into the organization's management

system, key processes, planning (long-term, medium- and short-term), reporting, risk management, human resource management, investments, as well as into decision-making processes at all levels, starting from management bodies (the sole shareholder, the Board of Directors, the executive body), and ending with ordinary employees. It is planned to introduce training and professional development programs on sustainable development.

The contribution of SEC "Aktobe" to the achievement of the UN Sustainable Development Goals

The activities of SEC "Aktobe" contribute to the achievement of the UN global Sustainable Development Goals (SDGs). The Corporation's investment projects, SME support, agricultural development, and infrastructure contribute to the integrated development of the region and the improvement of the quality of life of the population.



Mount Zymystan



UN SDGs

RELEVANT SDGs

PROJECTS AND EVENTS OF SEC "AKTOBE"

2
ZERO
HUNGER



End hunger, achieve food security and improved nutrition and promote sustainable agriculture

The Company ensures that food prices are affordable for residents of Aktobe region by providing loans to producers.

The "Auyl Amanaty" program is being implemented, aimed at supporting agrobusiness. It helps to improve the quality of agricultural products.

5
GENDER
EQUALITY



Achieve gender equality and empower all women and girls.

The proportion of women in the Company is 54%. In accordance with the Sustainable Finance Policy, it is planned to finance local initiatives with a positive social impact.

7
AFFORDABLE AND
CLEAN ENERGY



Ensure access to affordable, reliable, sustainable and modern energy for all

It is planned to finance "green" projects for the construction and operation of RES (renewable energy sources), including solar energy, wind energy and biomass energy from waste.

8
DECENT WORK AND
ECONOMIC GROWTH



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

SEC "Aktobe" stimulates the economic development of the region by attracting financing, issuing loans to representatives of SMEs, and the agricultural complex.

11
SUSTAINABLE CITIES
AND COMMUNITIES



Make cities and human settlements inclusive, safe, resilient and sustainable.

SEC "Aktobe" invests in the socio-economic development of Aktobe region, finances SMEs. A project is being implemented aimed at modernization of apartment buildings, which will contribute to improving the quality of life of the local population.

12
RESPONSIBLE
CONSUMPTION
AND PRODUCTION



Ensure sustainable consumption and production patterns.

In 2024, the Green Office concept was approved. Measures will be taken to reduce waste generation in the corporation, separate waste collection, switch to electronic document management, and reduce water consumption.

13
CLIMATE
ACTION



Take urgent action to combat climate change and its impacts.

SEC plans to finance projects with low greenhouse gas emissions. A Policy in the field of sustainable financing has been developed, which defines categories of "green" projects, including the construction and operation of RES and measures to create infrastructure resistant to climate change.



Interaction with stakeholders

GRI 2-29

An established dialogue and productive work with stakeholders are important for the successful functioning of SEC. In accordance with the Development Plan for 2025-2029, a scheme of relations between stakeholders and the Company was drawn up. SEC "Aktobe" adheres to transparency in its interaction with stakeholders. The Company strives to establish effective interaction with each group in order to ensure their support and participation in the implementation of priority areas of activity, as well as to ensure sustainable socio-economic development of the region.

When identifying stakeholders and interacting with them, the Company uses generally accepted international standards for identifying and interacting with stakeholders, such as the AA1000 Accountability Principles Standard (2008), the AA1000 Stakeholder Engagement Standard (2015), ISO 26000 Guidance on Social Responsibility, Global Reporting Initiative standards.





Approach to stakeholder engagement

	Stakeholders	Engagement strategy
Internal	Board of Directors	Regular meetings of the Board of Directors, where the main strategic directions and the development plan of the Company are determined.
	Management Board (Executive Body)	Interaction through workshops, internal acts of the Company.
	Heads of structural divisions	Project management and activities of the Company's structural divisions.
	Staff	Ensuring the rights and equal opportunities of employees in accordance with the Labor Code, employment contracts, and ensuring comfortable working conditions.
Related	Akimat (as a shareholder), relevant ministries	Holding meetings with the Board of Directors and the executive body in order to summarize the results of the Company's activities and make decisions on issues within its competence.
	Investors and other parties	SEC conducts presentations of investment projects, provides up-to-date information through meetings and business correspondence.
	STBs, development institutes	Partnership agreements, cooperation on financing and joint projects.
	Aktobe Industrial Zone	SEC coordinates management and tenant attraction issues and provides support in the implementation of investment projects.
	Borrowers, suppliers and buyers	Open procurement procedures are applied. Conclusion of contracts and monitoring of compliance with obligations, provision of financing.



SUSTAINABLE DEVELOPMENT MANAGEMENT

2024

External	Regional mass media	Transparency of activities is ensured through press releases, interviews, and public reports.
	Residents of the region	SEC considers the interests of the population when implementing projects. The interaction includes public hearings, feedback through hotlines and social media.
	Public organizations of the region	They participate in the development and monitoring of social initiatives, within the framework of project committees and public councils.
	Independent experts and auditors	They are involved in evaluating the effectiveness of projects and ensuring compliance with international standards.
	Maslikhat	Participates in the discussion of regional programs, budget formation and monitoring of the implementation of strategic initiatives of SEC. Cooperation takes place through official addresses, meetings and working groups.

CORPORATE GOVERNANCE

GRI 2-9, 2-10, 2-11, 2-12, 2-14, 2-15

IN SEC, CORPORATE GOVERNANCE IS ONE OF THE KEY ELEMENTS OF SUSTAINABLE DEVELOPMENT



"SOCIO-ENTREPRENEURIAL
CORPORATION "AKTOBE" JOINT-STOCK
COMPANY



An effective management system helps to increase transparency, accountability and sustainability of the Company's activities, strengthen trust on the part of stakeholders, as well as reduce capital raising costs and increase investment attractiveness.

Corporate governance in the Company is based on the principles of fairness, honesty, responsibility, transparency, professionalism and competence. The Corporate Governance Code defines the powers and responsibilities between management bodies, the management and employees, thereby creating an effective system of control and decision-making.

The fundamental principles of the Code are as follows:

- the principle of delineation of powers;
- the principle of protecting the rights and interests of shareholders;
- the principle of effective management of the Company by the Board of Directors and the Management Board;
- the principle of sustainable development;
- the principle of risk management, internal control and audit;
- the principle of regulating corporate conflicts and conflicts of interest;

- the principle of transparency and objectivity of disclosure of information about the Company's activities.

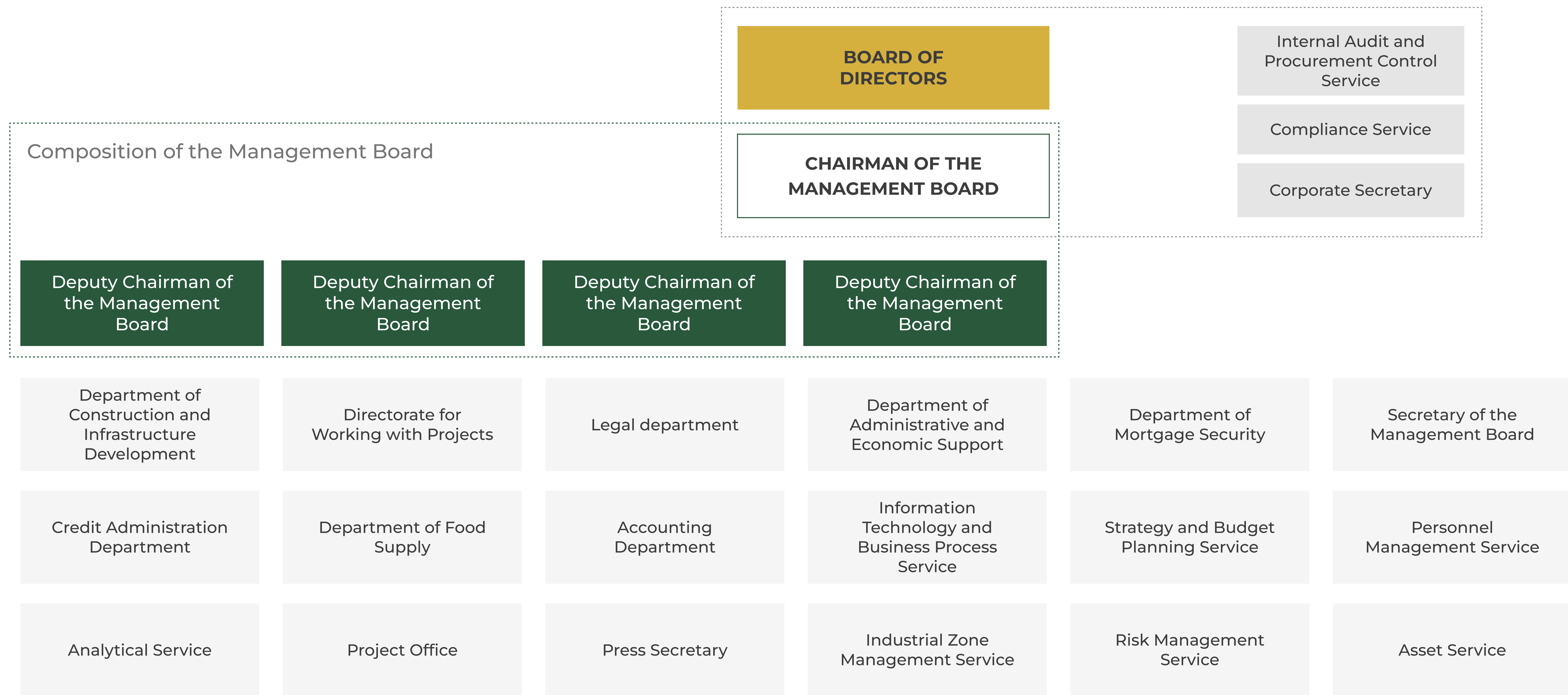
In 2024, active work began on building a corporate governance system in accordance with international standards and the principles of the standard Corporate Governance Code approved by the Ministry of Economy of the Republic of Kazakhstan. The organizational structure of the Company was revised, and collegial decision-making bodies were introduced. The Development Plan of "Social and Entrepreneurial Corporation "Aktobe" JSC for 2025-2029 was adopted.



The corporate governance structure of SEC "Aktobe" JSC

Number of staff

102 employees





The Board of Directors of SEC "Aktobe"

The Board of Directors is a management body that provides strategic guidance to the organization, especially in the following areas:

- Definition of the main objectives of SEC, approval of the development plan/action plan.
 - Formation and monitoring of key performance indicators (KPIs) provided for in the development plan and/or action plan.
 - Ensuring effective functioning of the risk management and internal control system, as well as identification of the key risks that may affect the Company's activities.
 - Approval and supervision of the implementation of major investment and strategically significant projects.
 - Decisions on appointment (re-election), motivation, performance evaluation and control over the activities of the head and members of the executive body.
 - Ensuring reliable, timely and transparent disclosure of information, including financial statements and sustainability reporting. The Board of Directors approves the sustainability reports.
- Control over compliance with the provisions of the Corporate Governance Code and corporate standards of the Company, including the Code of Business Ethics.

Composition of the Board of Directors of SEC "Aktobe" JSC



**Chairman of the Board of Directors
Independent Director**
SARKULOV ABAY SERIKOVICH



**Chairman of the Management Board of
SEC "Aktobe" JSC**
TAIMBETOV AUEZ BAGBANULY



Independent Director
KOILYBAEV KAIRAT ALIBIEVICH



Independent Director
OMAROV KAMBAR TATIBAEVICH



Representative of the Sole Shareholder
TURSYNGALIEV ERIK TEMIRZHANOVICH

The members of the Board of Directors are elected through a fair competition that considers the competencies, skills, achievements, education, business reputation and professional experience of candidates, and the presence of direct or potential conflicts of interest. Members of the Board of Directors are elected for a term of no more than 3 years. In case of positive performance results, re-election is possible for another 3 years. The Board of Directors and its committees maintain a balance of diverse skills, experience, and knowledge to ensure that independent, objective, and effective decisions are made in the best interests of the Company and in accordance with the principles

of sustainable development. Independent directors shall make up at least 30% of the Board of Directors. The Chairman of the Board of Directors is an independent director and is not a member of the Management Board. All members of the Company's management team are citizens of Kazakhstan.

60% are independent directors

Composition of the Board of Directors

GRI 2-9

Indicator	Unit of measurement	2022	2023	2024
Total directors, including:	people	7	8	5
Independent Directors	people	3	5	3
Number of women included	people	2	1	0
Proportion of women	%	29	12	0
By age:				
40-50 years old	people	3	5	4
Over 60 years old	people	4	3	1



Committees are established under the boards of directors, the competence of which includes consideration of issues related to audit, strategic planning, risk management, personnel and remuneration, and other issues. The committees consist of members of the Board of Directors who have the professional knowledge, competencies, and skills to work as part of the committee.

Committees under the Board of Directors.

Nomination and Remuneration Committee	Strategic Planning Committee	Audit Committee
<p>The Committee's competences and responsibilities include electing members of the Company's Management Board, determining their term of office, appointing a Corporate Secretary, approving the KPI of members of the Company's Management Board, approving the organizational structure, number of employees of the Company, approving employee salaries, and other issues related to personnel policy, remuneration, social benefits, and employee performance evaluation.</p>	<p>The functions of the Committee are to identify priority areas of activity and formulate a strategy for development of the Company. These include developing and updating a development plan and/or an action plan, monitoring their implementation, setting and tracking KPIs, and identifying key risks.</p>	<p>The functions of the Audit Committee include issues of internal and external audit, financial reporting, internal control and risk management, compliance with the legislation of the Republic of Kazakhstan, and internal documents. The committee consists only of independent directors.</p>

Independent directors are elected by the Chairmen of the Board of Directors' committees on strategic planning, personnel and remuneration, internal audit, social issues and others. They actively participate in discussing and avoiding conflicts of interest in matters of preparing financial and non-financial statements, concluding related-party transactions, nominating candidates to the Management Board, and setting remuneration for members of the Management Board.



Performance evaluation and remuneration

GRI 2-18, 2-19, 2-20

The amount and terms of remuneration of members of the Board of Directors are determined by the sole shareholder. When determining the amount of remuneration for a member of the Board of Directors, the responsibilities of members of the Board of Directors, the scope of the Company's activities, long-term goals and objectives determined by the development plan/action plan, the complexity of issues considered by the Board of Directors, and the level of remuneration in similar private sector companies (benchmarking, remuneration review) are taken into account. The Nomination and Remuneration Committee of the Board of Directors of the Company makes proposals on the amount of remuneration for potential independent directors. The amount of directors' remuneration is fair and reasonable.

The activities of the Board of Directors are assessed annually in order to determine the effectiveness of its work, identify areas and measures for improvement, ensure communication with the executive body, and increase the engagement of members of the Board of Directors in its work. The assessment is conducted in a self-assessment format or with the engagement of an independent external consultant. The decision on the need for an independent assessment is made by the Company's Board of Directors based on the recommendation of the Nomination

and Remuneration Committee of the Board of Directors. At the same time, an assessment is carried out at least once every three years with the engagement of an independent professional organization. The Chairman of the Board of Directors is responsible for the evaluation process and taking action based on its results.

The sole shareholder may make his own assessment, taking into account the results of the assessment conducted by the Board of Directors, the results of the Company's activities, and the implementation of KPIs.

The Board of Directors evaluates the effectiveness of work of members of the Management Board in achieving the set motivational KPIs. The results of the assessment affect the amount of remuneration, incentive, re-election (appointment) or early termination of powers.



Management Board

GRI 2-13

The Executive Body (Management Board) provides management of SEC's operational activities. Accountable to the Board of Directors, the Management Board is responsible for the implementation of decisions approved by the Board and the Sole Shareholder, as well as for the implementation of the development plan and key activities aimed at achieving the Company's strategic goals. The work of the executive body focuses on ensuring the effective functioning of the organization in its daily activities, integrating sustainability principles into operational processes and risk management. Through the coordination of divisions and the implementation of ESG initiatives, the Management Board contributes to the growth of the long-term value of SEC "Aktobe" and increased transparency for stakeholders.

The Management Board provides regular quarterly reports to the Board of Directors on the implementation of medium-term action plans and the results achieved.

Composition of the Management Board of SEC "Aktobe"

Indicator	Unit of measurement	2022	2023	2024
Number of members of the Management Board	people	8	12	9
Men	people	7	10	8
Women	people	1	2	1
Proportion of women in the Management Board	%	12.5	16.6	11.1
By age:				
30-40 years old	people	1	9	5
40-50 years old	people	6	3	4
50-60 years old	people	1	-	-



Composition of the Management Board of SEC "Aktobe"



CHAIRMAN OF THE MANAGEMENT BOARD OF SEC "AKTOBE" JSC TAIMBETOV AUEZ BAGBANULY



Member of the Management Board, Deputy Chairman of the Management Board of SEC "Aktobe" JSC

SULEIMANOV ERBOL SEITKASSYMOVICH

Oversees areas related to human resources management, information technology, collateral security, credit administration, and risk management for the Company.



Member of the Management Board, Deputy Chairman of the Management Board of SEC "Aktobe" JSC

AKDAULET AIDOS MEIRKHANOVICH

Oversees the legal support of the Company's activities, construction and infrastructure development, as well as issues related to ensuring the functioning of the Industrial Zone.



Member of the Management Board, Deputy Chairman of the Management Board of SEC "Aktobe" JSC

AMANBEKOV BAUYRZHAN GALYMOVICH

Oversees asset and liability management, project structuring analysis, and issues related to accounting and budget planning for the Company.



Member of the Management Board, Deputy Chairman of the Management Board of SEC "Aktobe" JSC

AKIMZHANOVA AKKUL SOVETTOLEUOVNA

Oversees the coordination of work with investors and clients, food security, the formation of a regional stabilization fund, as well as coordination of the work on the implementation of government programs.



The Management Board has committees established for the purpose of preparing proposals and recommendations on various areas of activity. The following Committees operate within the structure of the Company:

1. Change Management Committee
2. HR Policy Committee
3. Asset and Liability Management Committee
4. Budget Committee
5. Investment Committee
6. Credit Committee

Economic performance

GRI 201-1

Economic performance is a priority topic for SEC, as it directly affects the organization's ability to stimulate the development of the economy and infrastructure in the Aktobe region. SEC "Aktobe" performs the functions of an operator of government programs, including financing socially significant projects. The Company does not carry out independent activities based on commercial benefits. The Company receives income from the placement of allocated funds in deposits. Distributed economic value consists of operating expenses, employee benefits, and tax payments. SEC "Aktobe" does not receive payments from the state.

Direct economic value created and distributed, 2022-2024

Indicator	Unit of measurement	2022	2023	2024
Direct economic cost (operating income)				
Revenue	million KZT	95	277	1,841
Distributed economic value	million KZT	288	1,394	2,095
<i>Expenses, including:</i>				
Personnel costs	million KZT	207	608	508
Payments to suppliers and contractors	million KZT	-	276	1,299
Payments to the Sole Shareholder	million KZT	-	-	-
Tax payments	million KZT	81	303	256
Other payments	million KZT	-	207	32
Undistributed economic value	million KZT	-193	-1,117	-254

Note: The data in the table is provided in accordance with the Consolidated Financial Statements.



Investments in the region's economy

GRI 203-1, 203-2

The main objective of SEC "Aktobe" is development of the regional economy, support for entrepreneurship and sustainable socio-economic development. The Company implements affordable financing in the region by providing preferential loans and credits to small and medium-sized businesses. This helps to create new jobs, increase business activity and stimulate local production, especially in socially significant sectors. The Company's investment activities are conducted in accordance with the Investment Policy of SEC "Aktobe" JSC, approved in 2024. The priority areas of investment are the implementation of socially significant projects in Aktobe region and the development of SMEs.

In the Development Plan for 2025-2029, one of the strategic directions is highlighted: Stimulating entrepreneurial activity and attracting investment to the region. For this purpose, it is planned to carry out the following:

- **Small business support through MFOs** – delegate a portfolio of small business projects to microfinance organizations;
- **Support for medium-sized businesses** through direct participation in the framework of SEC's Investment Policy aimed at supporting medium-sized businesses and increasing the region's economic growth;

- **Support for agro-industrial complex** (agribusiness) projects that contribute to increasing the depth of processing and increasing the added value of products, which will directly affect the region's GRP;
- **Effective asset management.**

The implementation of projects is accompanied by an analysis of the potential multiplier effect, including an assessment of the contribution to employment, tax revenues and the development of the business environment. The responsibility for approving and implementing programs lies with the Project Management Directorate.

One of the major programs is "Auyl Amanaty", aimed at increasing the incomes of the rural population, developing rural entrepreneurship and expanding employment in rural areas. This project helps create jobs and raise incomes for rural families, as well as supports agribusiness, improves product quality and develops the region's export potential. The main tool is the provision of micro-loans and leasing for the implementation of projects in the fields of agriculture and small business. The program includes infrastructural improvements such as the construction and repair of roads, improved access to water, as well as training and



professional skills development for local residents. This increases the well-being of the population and contributes to sustainable economic growth in the rural regions of the region.

15 billion KZT

has been disbursed and 1.3 billion KZT has been issued within this program since 2023.

1,166 loans

were in the amount of 8.2 billion KZT.

Portfolio of loans issued under the "Auyl Amanaty" program (by type of activity)

598 
POULTRY FARMING



2.4 billion KZT

246 
CROP PRODUCTION



1.3 billion KZT

1,141 
OPENING OF SMEs

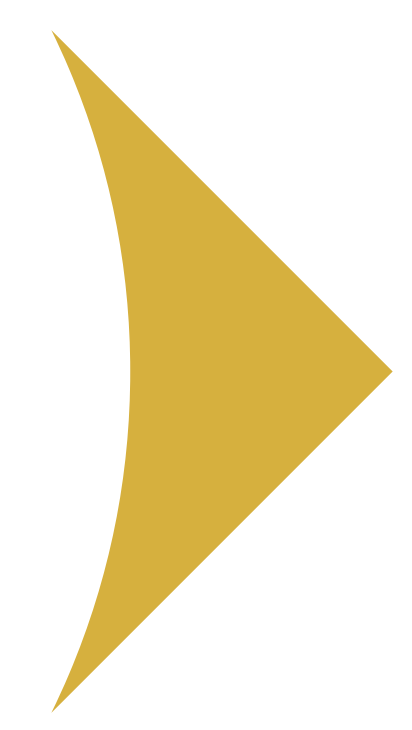


6.4 billion KZT

878 
ANIMAL HUSBANDRY



6.4 billion KZT



The total number of projects

2,864

The total amount

16.3

Effects of the program implementation:

- **Current sole proprietors: 2,801**
- **Agricultural cooperatives: 62**
- **Jobs created: 2,996**
- **Budget revenues for 2024: 93.3 million KZT.**

Investment projects worth 75 billion KZT were concluded with two residents of the Aktobe industrial zone. In 2024, 17 projects were implemented in the industrial zone, 9 are under implementation.

As part of the agricultural support program under the project "Expansion of a dairy farm for 800 head of cattle," a loan of 3.25 billion tenge was allocated. These funds made it possible to purchase modern equipment, carry out construction work, and acquire cattle.

A program is in place to modernize apartment buildings in the cities of Aktobe, Alga, Khromtau, and Kandyagash through a comprehensive approach to upgrading the housing and utilities system to create more comfortable and safe living conditions for citizens. **The total amount of funds allocated for modernization is 5.5 billion KZT.**

The main effects of this program are as follows:

- **energy saving** - modern technologies such as wall insulation, window replacement and installation of energy-saving systems can significantly reduce the cost of heating and cooling the houses. This reduces the carbon footprint and helps to save resources.



- **increased comfort** - improved interior decoration, modernization of plumbing and electrical systems, as well as improved lighting and ventilation create more comfortable living conditions.
- **resilience to climate change** - upgrading houses based on resilience to extreme weather conditions (for example, installing drainage systems, flood protection) makes houses safer and more durable in a changing climate.
- **increased property value** - upgrades, including interior renovation, facade improvements, or addition of new amenities, can increase the market value of a house. This is especially relevant when selling or renting out real estate.
- **aesthetic renovation** - modernization can make a house more attractive externally by improving its design and architectural style, which has a positive effect on the perception of its appearance;
- **stimulating the economy** - massive modernization of houses can create jobs in construction and related industries, as well as stimulate demand for building materials and new technologies.

The implementation of a program aimed at modernizing the mini-market in Aktobe has begun. The management of SEC "Aktobe" and representatives of the LEB (local executive body) identified the most problematic facility suitable for implementation of the modernization project. It is planned to install modular pavilions and modernize communication networks.

The modernization of the mini market is planned with the attraction of funds through bonds, which will provide the necessary financing for renovation of the infrastructure. These funds will be used to carry out construction and repair work, improve trading conditions, as well as to create comfortable conditions for buyers, tenants and residents of Aktobe city.

The modernization project has the following social advantages:

- **Support for small businesses and entrepreneurs:** mini-markets often provide affordable retail space for small and medium-sized entrepreneurs, including local manufacturers and sellers, which contributes to the development of the local economy. This allows small businesses to find a market, raise revenue, and create jobs.
- **Accessibility of goods to the public:** mini-markets make goods and services more accessible to the general population, including low-income groups. They can offer goods at prices below the market ones and sell locally produced products, which is especially important for people with limited financial resources.
- **Creation of convenient trading conditions:** mini-markets are located in places with high traffic, which makes them convenient for buying everyday goods. This is especially important for people who cannot afford buying in large shopping malls.



- **Social integration:** such projects can promote the integration of different segments of society, including people with disabilities or representatives of socially vulnerable groups, by offering them jobs or the opportunity to engage in entrepreneurial activities.

Development of the infrastructure of the Aktobe region is one of the strategic directions of the Development Plan of SEC "Aktobe" JSC for 2025-2029. The Aktobe Industrial Zone operates on the basis of SEC, where enterprises are located on preferential terms, which contributes to development of the industrial infrastructure of the region. It is also planned to create a free economic zone (FEZ) in Aktobe region to stimulate business development and create new jobs in the region.

The Corporation plans to expand its investment activities. The implementation of ESG principles can increase the attractiveness of the Corporation to investors in the long term. In accordance with this strategic direction, the goals for 2025-2029 were adopted:

- Development of urbanisation of settlements (allocate 10-12% of the investment loan portfolio for financing);
- Development of industrial infrastructure.

Risk management

SEC "Aktobe" is developing a comprehensive risk management and internal control system aimed at supporting strategic and operational goals, ensuring business sustainability and compliance with regulatory requirements.

This system is a set of corporate policies, procedures, behaviors, as well as management tools and mechanisms that are implemented at the initiative of the Board of Directors and the Management Board in order to achieve the following objectives:

- **ensuring a balance** between sustainable development, the growth of the company's value, its profitability and associated risks;
- **improving the efficiency** of financial and economic activities and ensuring long-term financial stability;
- **asset protection** and **rational use** of company resources;
- **ensuring the completeness, reliability** and **credibility** of financial and management reports;
- **compliance with the legislation** of the Republic of Kazakhstan and internal regulations;
- **minimizing fraud risks, improving the efficiency** of key and auxiliary business processes, as well as ensuring their stable functioning and control.



Organizational structure of the risk management system:

THE BOARD OF DIRECTORS approves internal documents defining the principles and approaches to the organization of the risk management and internal control system.

THE EXECUTIVE BODY is responsible for creation and maintenance of the effectiveness of the functioning of this system, monitors, distributes powers and responsibilities among the heads of business processes.

THE HEADS OF STRUCTURAL DIVISIONS are responsible for the creation, documenting, implementation, monitoring and development of the risk management and internal control system in the functional areas of the Company's activities entrusted to them.

The risk management and internal control system provides for the identification, assessment and monitoring of all significant risks, as well as the adoption of timely and adequate risk mitigation measures. The Risk Management Service is responsible for risk control and management.

Risk management procedures ensure rapid response to new risks, their clear identification and identification of risk owners. In case of significant

unforeseen changes in the competitive or economic environment of the Company, the impact of changes on the Company's activities is assessed, the risk map is reassessed and its compliance with risk appetite levels is carried out. The Board of Directors approves the general level of risk appetite and tolerance levels in relation to key risks, which are fixed in the Company's internal documents. Tolerance levels for key risks are reviewed in case of significant events. Limits are set that limit the risks in daily activities.

Business ethics

GRI 2-16, 2-25, 2-26

SEC "Aktobe" adheres to high ethical standards in its activities and implements the necessary procedures so that to ensure the continuous application of these standards by all employees and partners. In order to comply with the principles of business ethics and the optimal regulation of social and labor disputes arising in the Company, an Ombudsman is appointed and a "Code of Business Ethics" is adopted.

The role of the Ombudsman is to advise employees who have contacted him, participants in labor disputes, conflicts and assist them in developing a mutually acceptable, constructive solution, taking into account compliance with the legislation of the Republic of Kazakhstan (including confidentiality), and assist in solving problematic social and labor issues. The Ombudsman submits the problematic issues identified



by him, which are systemic in nature and require comprehensive measures, for consideration by the relevant bodies and officials of the Company, and also puts forward proposals for solution thereof.

The reception and consideration of complaints from the local population is carried out in a Single platform for receiving and processing all citizens' appeals, E-otinish. The appeal is registered in this system, then it is sent to the Chairman of the Management Board of SEC "Aktobe" JSC, who in turn determines the Contractor, then the response is sent to the Applicant within the time limits established by law. The supervision of timeliness, completeness and legality is carried out by the Prosecutor's Office.





Anti-corruption measures

GRI 2-17, 205-2, 205-3

The principle of intolerance to corruption is an integral part of approach of SEC "Aktobe" to sustainable development. Corruption undermines trust in institutions, distorts decision-making processes, reduces resource efficiency, and destroys the value that an entity creates for shareholders, investors, partners, and the society as a whole.

To prevent corruption and improve the legal literacy of SEC "Aktobe" employees, there is an anti-corruption standard and Instructions on combating corruption. They contain rules and algorithms for avoiding conflicts of interest and timely detection of corruption. Basic principles of the Company:

- *legality;*
- *transparency;*
- *ethics;*
- *avoiding conflicts of interest;*
- *respect for the rights and legitimate interests of individuals and legal entities and their protection from corrupt practices.*

Anti-corruption issues, compliance with legislative requirements, and anti-corruption standards are monitored by the Compliance Service.

All employees of SEC "Aktobe" were familiarized with the standard and instructions. The Company conducted anti-corruption trainings, which were attended by all employees, including the Board of Directors and the Management Board. In 2024, there were no confirmed cases of corruption in the Company. In 2023, there was 1 case of litigation regarding corruption which was related to the corporation.

Procurement

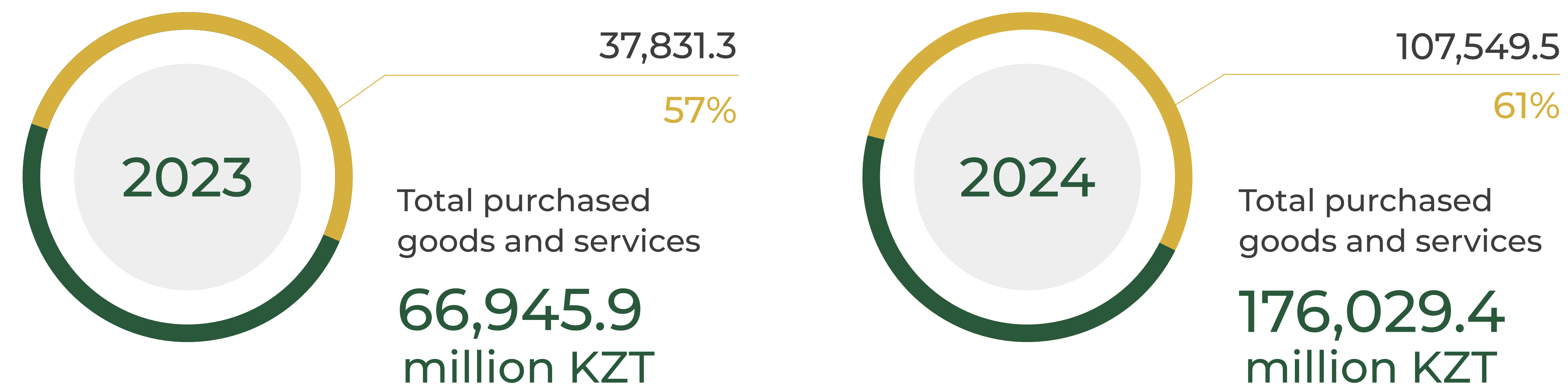
In conducting procurement, SEC "Aktobe" strives to ensure transparency, fair competition and non-discrimination. Procurement is conducted in accordance with the requirements of the Law of the Republic of Kazakhstan "On procurement by certain entities of the quasi-public sector" (dated June 8, 2021 No. 47-VII ZRK) and "Rules for procurement by certain entities of the quasi-public sector, with the exception of the National Welfare Fund and organizations of the National Welfare Fund" (dated November 30, 2021 No. 1253). The regulations for procurement in SEC "Aktobe" Joint Stock Company regulate procurement in the corporation. Procurement is carried out by means of a tender, auction, request for price proposals and from a single source through the direct conclusion of a contract. Procurement procedures are carried out by the Department of Administrative and Economic Support.



Procurement of SEC "Aktobe" from local suppliers for 2023-2024

GRI 204-1

● Procurement from local suppliers, million KZT



SEC "Aktobe" strives to use its procurement practices as a tool to promote sustainable development in the region by way of supporting local suppliers, implementing innovative solutions, and encouraging partners to adhere to high standards of responsibility.

If the Company identifies a risk associated with the partners' negative impact on the economy, environment and the society, SEC "Aktobe" takes measures aimed at stopping or preventing such an impact.

SOCIAL ASPECT

HUMAN CAPITAL IS A KEY
RESOURCE IN FULFILLING THE
MISSION OF SEC "AKTOBE"



"SOCIO-ENTREPRENEURIAL
CORPORATION "AKTOBE" JOINT-STOCK
COMPANY



Personnel management

The Company strives to ensure comfortable working conditions, development of professional competencies of employees, fair remuneration, and engagement of the best specialists. The HR Department is responsible for all personnel issues.

These regulations and norms regulate the management, recruitment, adaptation, training, performance evaluation and motivation of personnel, ensuring compliance with the national legislation:

- *Labor Code of the Republic of Kazakhstan dated November 23, 2015 No. 414-V ZRK;*
- *The Code of Business Ethics of "Social and Entrepreneurial Corporation "Aktobe" JSC;*
- *Regulations on the HR Policy Committee of SEC "Aktobe" JSC;*
- *Regulations on remuneration and bonuses for employees of SEC "Aktobe" JSC;*
- *Regulations on the Ombudsman of "Social and Entrepreneurial Corporation "Aktobe" JSC;*
- *Rules of competitive selection of candidates for vacant positions in SEC "Aktobe" JSC;*
- *Regulations on the collection, processing, storage and protection of personal data of employees of SEC "Aktobe" JSC.*

In 2024, the HR Policy Committee of SEC "Aktobe" JSC was established, the competence of which includes consideration of issues related to the admission, transfer and reduction of probation of employees, extension of employment contracts, approval of maps of key performance indicators and employee performance assessment, initiation of bonuses, as well as bringing an employee to disciplinary responsibility and others.

Number of employees

SEC "Aktobe" JSC has 98 employees as of December 31, 2024. The proportion of women among them is 54.1%. 78% of the employees are administrative staff, the top management – the Management Board consists of 6 people.

SEC "Aktobe" supports its employees, provides financial assistance in connection with the birth of a child, adoption, marriage, death of close relatives, and financial assistance in payment for medical treatment/surgery.



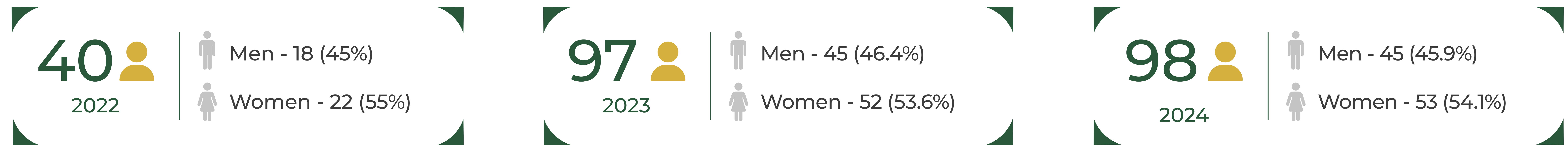
SOCIAL ASPECT

2024

Number of employees of SEC "Aktobe"

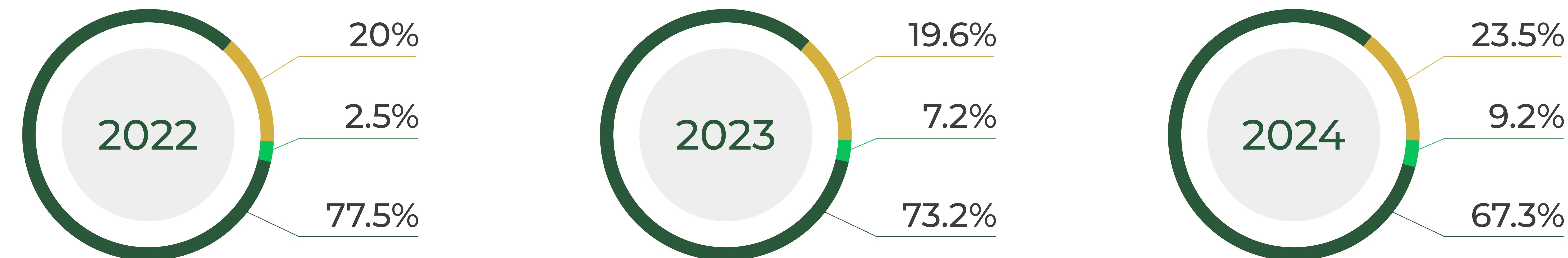
GRI 2-7, 405-1

ESTIMATED NUMBER OF EMPLOYEES AT THE END OF THE YEAR, PEOPLE



LISTED NUMBER OF EMPLOYEES BY AGE, %

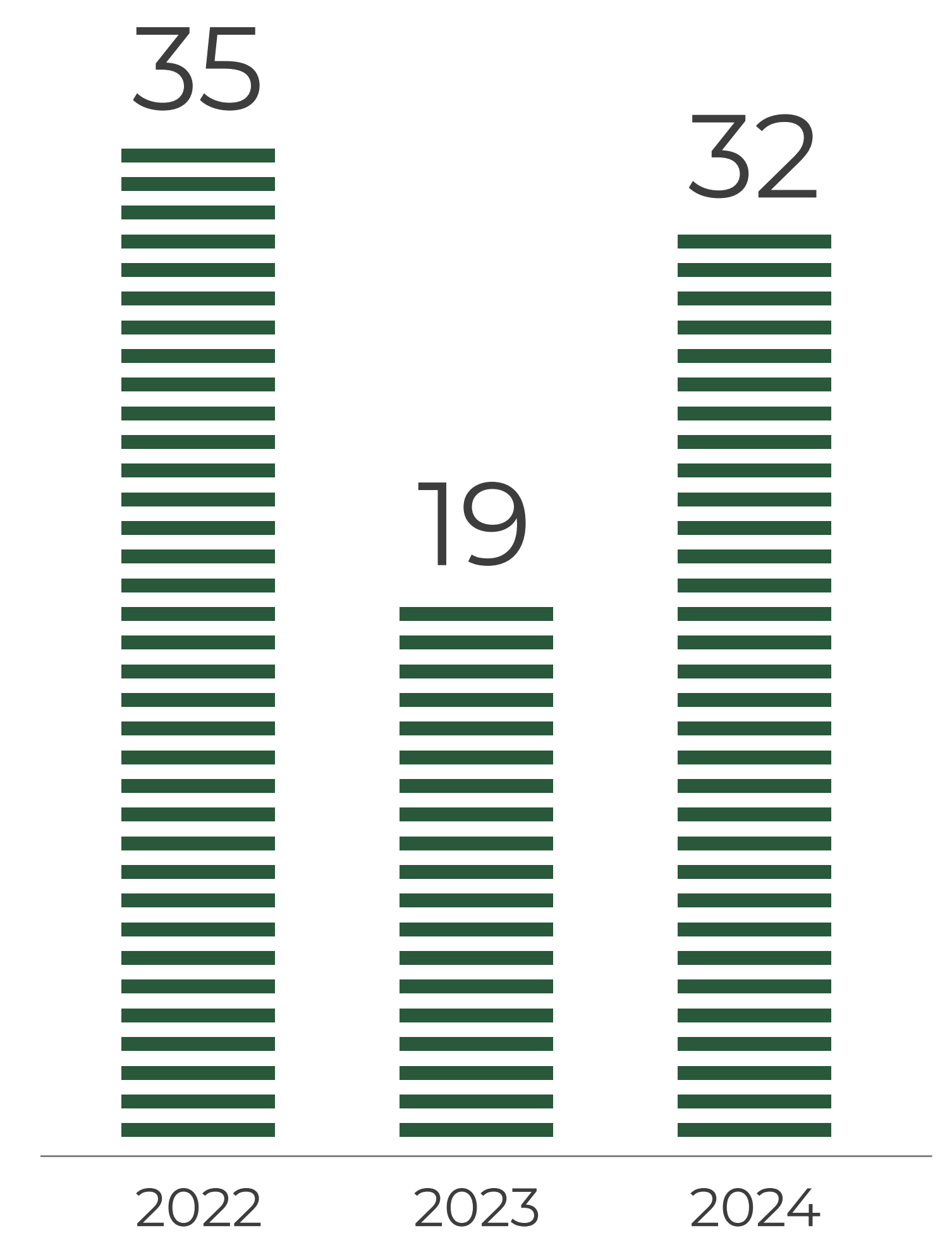
● Under 30 y.o. ● 30-50 y.o. ● Over 50 y.o.



NUMBER OF EMPLOYEES WITH DISABILITIES



NON-EMPLOYEE WORKERS (CONTRACTS OF CIVIL LEGAL NATURE)





List of employees by category for 2022-2024

GRI 401-1

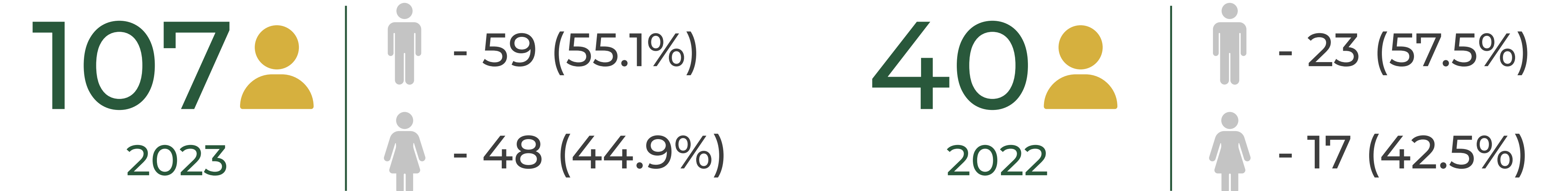
Indicator	Unit of measurement	2022	2023	2024
Senior management	people	4	7	6
Percentage of the total number of employees	%	10%	7%	6%
Middle managers	people	7	13	16
Percentage of the total number of employees	%	18%	13%	16%
Specialists	people	29	77	76
Percentage of the total number of employees	%	73%	79%	78%

SEC "Aktobe" employs employees based on a competitive selection process that takes into account their knowledge, skills, and level of education. Discrimination in employment based on gender, age, and other factors is prohibited. In 2024, 35 employees were hired, 66% of them are men. Staff turnover decreased by 2 times compared to the previous year and amounted to 2.1%.

New employees hired in 2022-2024

GRI 401-1

New employees hired in the reporting year



By age, people

2022 8 p. - under 30 y.o. | 30 p. - 30-50 y.o. | 2 p. - over 50 y.o.

● Under 30 y.o. ● 30-50 y.o. ● Over 50 y.o.



Employees who took a parental leave in 2022-2024

GRI 401-3

Indicator	Unit of measurement	2022	2023	2024
The number of employees who took maternity and parental leave	people	2	3	2
Women	people	2	3	2
The number of employees who returned to work in the reporting period after the end of parental leave	people	0	1	0



Staff turnover in 2022-2024

GRI 401-1

Indicator	Unit of measurement	2022	2023	2024
Staff turnover	%	7.2	5.4	2.1
Men	%	4.6	3.2	1.2
Women	%	2.6	2.2	0.9
by age				
Under 30 y.o.	%	1.5	1.8	0.6
30-50 y.o.	%	3.2	2.9	1.2
Over 50 y.o.	%	2.5	0.7	0.3

As part of the second goal of the Development Plan of SEC "Aktobe" JSC for 2025-2029, the focus is on training and stimulating staff development.

The KEI of the Personnel Management Service provide for a training program that will be implemented in the second quarter of 2025, covering 11 structural divisions.

Staff training for 2022-2024

GRI 404-1

Indicator	Unit of measurement	2022	2023	2024
Total number of hours of study per year	hours		176	208
Men	hours			88
Women	hours	120	176	120
Average number of hours of training per employee per year	hours	3	1.8	2.1

Diversity and equal opportunity

SEC "Aktobe" is committed to the principles of equal opportunities and non-discrimination based on gender, age and other grounds when forming personnel policy, hiring, promotion and remuneration. In accordance with the Code of Business Ethics of SEC "Aktobe" JSC, any form of discrimination based on beliefs, age, and gender is prohibited. In 2024, there were no recorded cases of discrimination in the Company.

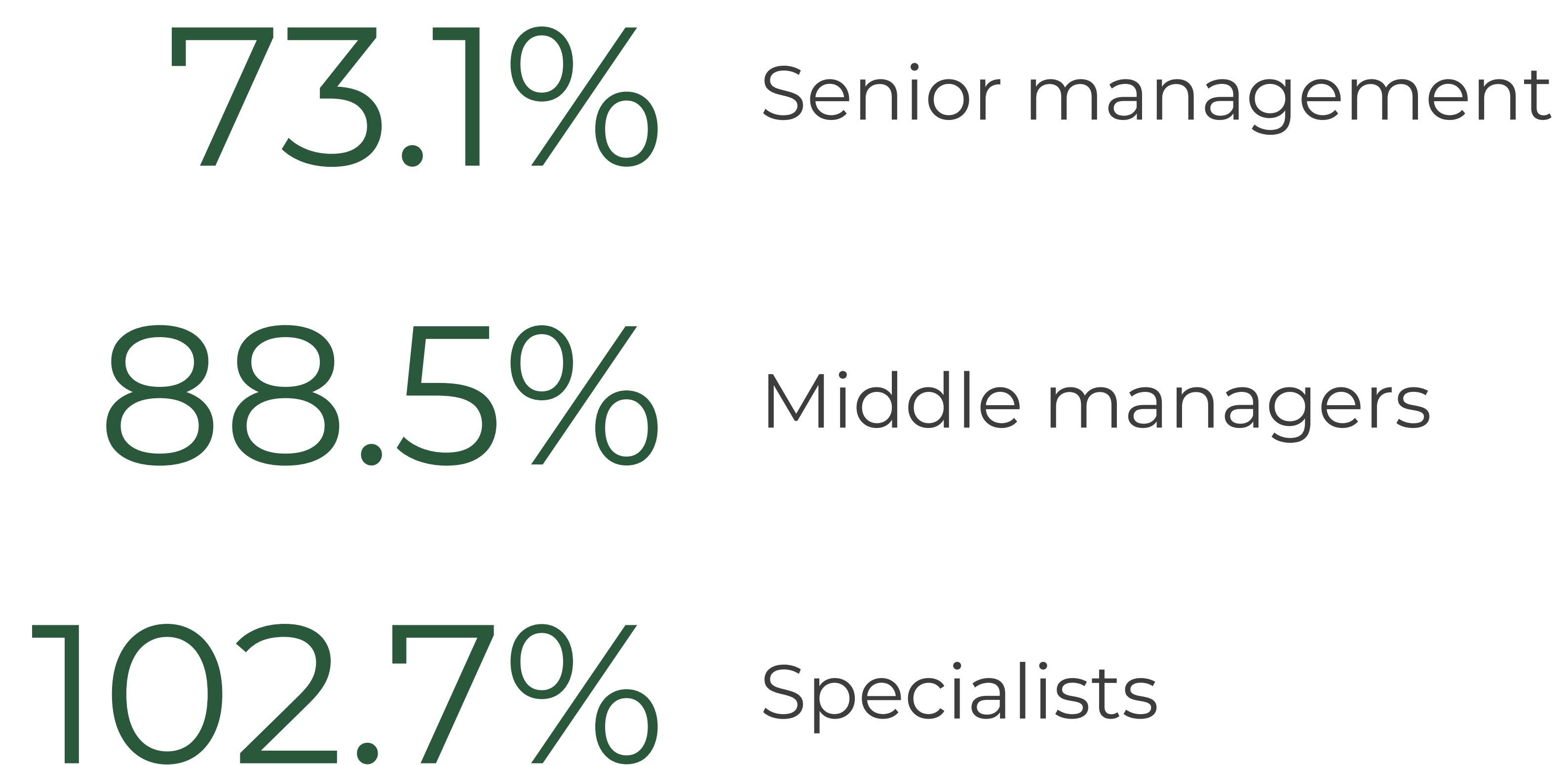
The equal participation of women and men at all levels of management contributes to more balanced decision-making and the sustainability of the business model. In this regard, SEC "Aktobe" strives to achieve gender



balance, especially on senior and managerial levels. Out of the 20 structural divisions, 10 are headed by men and 8 by women. The proportion of women in the management board is 11%. In accordance with the Corporate Governance Code, it is planned to increase the proportion of women in the Management Board up to 30%.

The ratio of women's base remuneration to men's remuneration

GRI 405-1



Staff assessment

As part of the second goal of the Development Plan of SEC "Aktobe" JSC for 2025-2029, an employee performance assessment will be conducted from 2025, and quarterly targets for KEI maps have been set. By the

decision of the Board of Directors of SEC "Aktobe" JSC No. 2 dated March 17, 2025, maps of key performance indicators of the executives of SEC "Aktobe" JSC for 2025 have been approved, the goals are further cascaded to the Company's employees, with preliminary consideration by the HR Policy Committee, after which they are approved by order of the Chairman of the Company's Management Board.

In accordance with the Company's goal of improving efficiency, it is planned to build an effective human resource management and remuneration system in order to increase employee engagement. This system involves the implementation of the following practices:

- *transparent competitive selection of candidates;*
- *training and stimulating the improvement of employee competencies, drawing up individual training plans;*
- *implementation of grading of functional responsibilities and salary determination;*
- *KPIs based on SMART principles;*
- *a 9-cell matrix system for evaluating soft skills,*
- *– assessment of professional competencies, "360 degrees", level of engagement;*
- *attracting highly qualified employees outside the region for knowledge transfer;*
- *introduction and encouragement of mentoring practices;*



- *talent search and support;*
- *improving corporate culture;*
- *team-building activities;*
- *encouraging innovation and ideas;*
- *appointment of personal HR managers*

Labor protection

Employees of SEC "Aktobe" work in offices, which does not pose risks to health and life. Every new employee of the Corporation passes fire safety training. In October 2024, three employees of the city emergency department held a lecture on civil protection for employees of SEC "Aktobe".

In 2025, it is planned to prepare rules and regulations for occupational safety and health.

ENVIRONMENTAL ASPECT

SEC "AKTOBE" IS AWARE OF THE IMPORTANCE OF RATIONAL USE OF NATURAL RESOURCES, THE USE OF ENERGY-EFFICIENT TECHNOLOGIES AND MINIMIZING THE NEGATIVE IMPACT ON THE ENVIRONMENT



Chalk plateau Aktolagay



"SOCIO-ENTREPRENEURIAL
CORPORATION "AKTOBE" JOINT-STOCK
COMPANY



SEC "Aktobe" is aware of the importance of rational use of natural resources, the use of energy-efficient technologies and minimizing the negative impact on the environment. Due to the lack of direct industrial production, the Company's activities have an indirect impact on the environmental situation in the region through the implementation of investment projects, participation in infrastructure development, support for business entities and support for "green" initiatives. SEC "Aktobe" does not have a direct negative impact on environment components.

As part of the Sustainable Financing Policy of SEC "Aktobe" JSC, it is planned to finance projects to increase energy efficiency, develop, operate and build renewable energy sources, wastewater treatment projects, technologies to reduce water consumption, access to clean water, and the introduction of waste recycling.

The Department of Administrative and Economic Support and the management service of the Industrial Zone are responsible for the control and management of energy consumption, water consumption, and waste management.

In 2024, the Company did not violate the environmental legislation of the Republic of Kazakhstan and was not fined by the environmental regulatory authorities.

Climate change

In the context of the growing global demands for decarbonization and the transition to a low-carbon economy, SEC "Aktobe" recognizes the need to reduce the carbon footprint of its investment portfolio, identify and adapt to climate risks. The impact of climate factors on the Corporation's operations is limited, but in the long term it is necessary to take climate aspects into account in strategic and operational planning.

The main sources of greenhouse gas (GHG) emissions in SEC "Aktobe" are vehicles owned by the corporation and electricity consumption (Scope 2). The amount of direct greenhouse gas emissions for 2024 is 23.6 tons of CO₂-eq. Indirect emissions from electricity consumption by SEC administrative and household complex leave 27.4 tons of CO₂-eq. Data on electricity consumption is not available for 2022 and 2023. Indirect emissions of Scope 3 are generated from the electricity consumption of companies renting space in the industrial zone owned by SEC "Aktobe". These emissions belong to Category 13 – Leased assets for finished products in accordance with the [GHG Protocol](#).



Greenhouse gas emissions¹ of SEC "Aktobe" for 2022-2023

GRI 305-1, 305-2, 305-3

Indicator	Unit of measurement	2022	2023	2024
Direct greenhouse gas emissions (Scope 1)	tons of CO2-eq	6,37	10.43	23.61
Indirect greenhouse gas emissions (Scope 2)	tons of CO2-eq			27.41
Other indirect greenhouse gas emissions (Scope 3)	tons of CO2-eq			13,650.69

¹The methodologies used to calculate emissions are based on:

1) GHG Protocol Corporate Standard¹⁴³;

2) IPCC Guidelines for National Greenhouse Gas Inventories¹⁴⁴;

3) Order of the Acting Minister of Ecology, Geology and Natural Resources of the Republic of Kazakhstan dated July 19, 2021 No. 260: "On approval of the list of benchmarks in regulated sectors of the economy."

In accordance with the Sustainable Financing Policy of SEC "Aktobe" JSC, GHG emissions from funded projects are accounted for, and investments are being made to reduce them, including within the framework of funded projects.

Taxonomy rules will be developed when considering financing projects. Subject to the criteria of the taxonomy, these projects will be encouraged with the use of more preferential terms. Within the framework of the Sustainable Financing Policy of SEC "Aktobe" JSC, the following areas will be supported:

- Projects for the rational use of energy and resources, including technical modernization, contributing to the reduction of GHG emissions.
- Measures for energy-efficient reconstruction of buildings: modernization of heating systems, refrigeration and lighting equipment and other energy-intensive systems.
- Switching to alternative energy sources and fuel substitution (for example, switching from solid fossil fuels to gas or electrification), which also leads to lower emissions.
- Support for projects providing at least 20% energy savings or GHG emissions reductions compared to the baseline, or the introduction of equipment with the highest energy efficiency label.
- Projects that ensure their reduction of losses of electric and thermal energy in the networks by at least 10%.
- In the production of electricity and heat using natural gas, GHG emissions are less than 270 gCO2-eq/kWh of energy released, and when replacing fuel, emissions are reduced by at least 20%.



ENVIRONMENTAL ASPECT

2024

At the current stage, the company does not identify the risks and opportunities associated with climate change. In order to reduce climate risks in the Aktobe region, SEC "Aktobe" plans to invest in projects aimed at creating a more sustainable infrastructure. This includes the development of climate monitoring systems, early warning systems, and other technologies that enable timely response to changes in climatic conditions and minimize possible negative impacts on business and the environment.

Resource consumption

SEC "Aktobe" recognizes the importance of careful consumption of resources. Due to the specifics of the Corporation's activities, consumption amounts are insignificant. The total energy consumption of SEC "Aktobe" JSC is 736.1 GJ. The Corporation's offices consume electricity from the city's power supply systems. The company owns vehicles that consume gasoline, diesel fuel and gas. Data on electricity consumption is not available for 2023. SEC "Aktobe" also owns an industrial zone, it is leased to small and medium-sized enterprises that cover their utility costs. The electricity consumption of the industrial zone is 79,134.5 GJ.

⚡ 736.1 GJ total energy consumption of SEC "Aktobe" JSC

Energy consumption of SEC "Aktobe" JSC for 2023-2024

GRI 302-1, 302-2

Indicator	Unit of measurement	2023	2024
Fuel consumption from non-renewable sources	GJ	149.7	577.2
Diesel fuel	GJ	0	159.1
Gasoline	GJ	149.6	418.0
Natural gas	GJ	0.1	0.1
Consumption of electric and thermal energy	GJ		158.9
Electric energy	GJ		158.9
Total energy consumption	GJ	149.7	736.1
Energy consumption outside the organization (industrial zone)	GJ		79,134.5

Водные ресурсы

GRI 303-1, 303-3, 303-5

The water consumption by SEC "Aktobe" is 0.727 MI (727 m³). The administrative and household complex consumes water from urban



water supply systems. According to the [WRI Aqueduct](#) Water stress atlas, Aktobe city is in the region of low to medium water stress (10-20%). However, the northeastern and southern parts of Aktobe region are areas with a high risk of water scarcity.

As part of the Sustainable Financing Policy of SEC "Aktobe" JSC, the company provides for the implementation of initiatives aimed at reducing water consumption and sustainable management of water resources. Within this area, it is planned to finance projects related to the development, construction, acquisition, installation, operation and modernization of facilities that provide:

- *Introduction of technologies aimed at reducing the overall demand for water, especially in regions with water scarcity;*
- *Creation and development of sustainable infrastructure to ensure access to clean water;*
- *Wastewater treatment and reuse;*
- *Development of freshwater and wastewater infrastructure.*

These measures help increase the efficiency of water use and minimize the impact on the environment.



Waste

GRI 306-1, 306-3

The amount of waste generated by SEC "Aktobe" in 2024 is 2 tons. These wastes are classified as non-hazardous: solid household waste, food waste, waste paper, plastic, etc.

In accordance with the Sustainable Financing Policy of SEC "Aktobe" JSC, it is planned to finance "green" projects, including waste prevention, waste reduction, waste recycling and waste use for energy generation, development, production of environmentally friendly, reusable products, technologies and services (including eco-labeling, eco-packaging, certification, etc.).

In order to save resources, reduce the negative impact on the environment and create a healthy working environment, SEC "Aktobe" has adopted the concept of a "Green Office". Within the framework of this concept, it is planned to:



ENVIRONMENTAL ASPECT

2024

-  **Reduce electricity consumption:**
install LED lamps and motion sensors, turn on energy-saving mode on appliances, and use alternative energy sources (solar panels).
-  **Introduce separate waste collection**
with further transfer for recycling.
-  **Reducing paper consumption,**
switching to electronic document management, and using recycled paper.
-  **Rational water consumption:**
control of leaks and water consumption, the use of sensor taps and aerators, the use of filtered water instead of bottled water.
-  **Improved air quality:**
placement of live plants, improved ventilation, use of natural air fresheners.
-  **Encouraging the use of eco-friendly transport,**
installing parking lots for bicycles and scooters, and development of remote work.



APPENDIX. ABOUT THE REPORT

GRI 2-2, 2-3

This Report on Sustainable Development for 2024 (hereinafter referred to as the Report) is the first report of "Social and Entrepreneurial Corporation "Aktobe" JSC, revealing the Company's activities and achievements in ESG aspects. The Report covers the Company's activities for the period from January 1, 2024 to December 31, 2024. The report was prepared in accordance with the International Reporting Standards in the field of Sustainable Development under the Global Reporting Initiative. The UN Sustainable Development Goals for the period up to 2030, the AA1000SE Stakeholder Engagement Standard, and the Law of the Republic of Kazakhstan "On Joint Stock Companies" dated May 13, 2003 No. 415-II were also taken into account. The report is addressed to a wide range of stakeholders: government agencies, mass media, local communities, public organizations, experts, and others. This report was approved by the Board of Directors on May 21, 2025.

The Sustainable Development Report is approved by the Board of Directors and communicated to stakeholders by way of posting it on a corporate Internet resource or on paper.

The Report covers the following topics:

- *corporate governance structure of the Company;*
- *the Corporation's contribution to achieving the UN SDGs;*
- *approaches to stakeholder engagement;*
- *development strategy of SEC "Aktobe"*
- *procurement;*

- *anti-corruption measures;*
- *investments in the economy of Aktobe region;*
- *personnel management;*
- *ensuring safe working conditions;*
- *caring for the environment.*

Defining material topics

In order to fully reflect the current issues of sustainable development in the Report, a process was carried out to identify material topics. Material topics are those topics that reflect the significant impact of an organization on the economy, environment and the society, as well as influence the assessments and decisions of stakeholders.

7 DEFINING A LIST OF POTENTIALLY MATERIAL TOPICS

An analysis of the Company's activities and its impacts on various stakeholders was carried out. A preliminary list of material topics has been formed based on:

- *review of the requirements of international standards and initiatives (GRI, UN SDGs);*
- *industry benchmark analysis (development funds, social and entrepreneurial corporations);*
- *analysis of the internal documentation of SEC "Aktobe" (strategies, goals).*

2 IDENTIFICATION AND ANALYSIS OF IMPACTS

An analysis of the potential and actual impacts of SEC on sustainable development was conducted for each topic. The analysis included:

- *nature and scale of the impact,*
- *spheres of influence (internal and external),*
- *positive and negative aspects of the impact.*

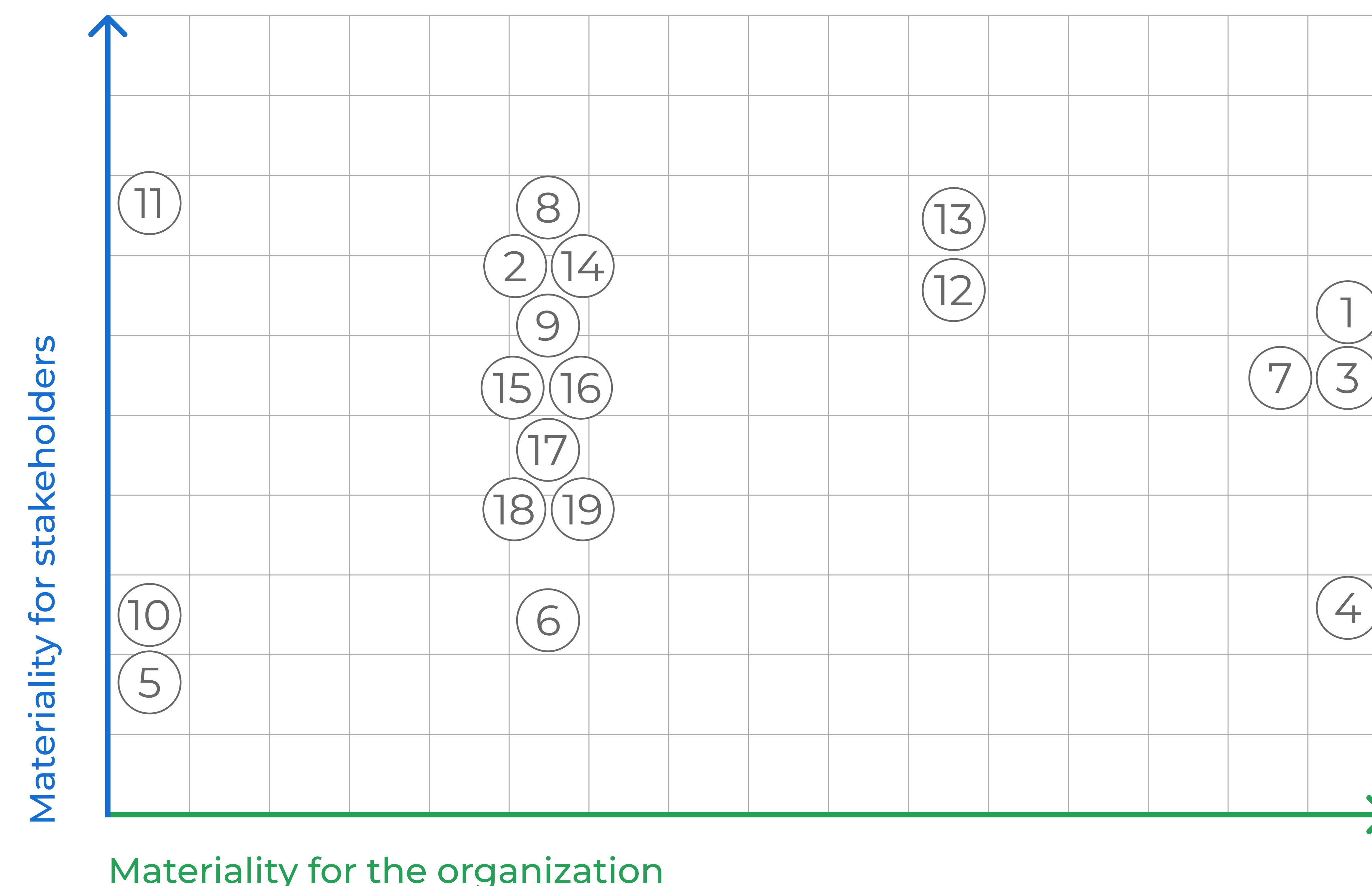
3 ASSESSMENT OF THE MATERIALITY OF TOPICS

As part of the next stage, interviews were conducted with key internal and external stakeholders (including representatives of SMEs, government authorities, mass media, SEC employees, etc.). Participants were asked to rate the materiality of each topic on a 5-point scale, where a higher score indicated a more material topic.

In parallel with the external assessment, an internal prioritization of topics was carried out based on an analysis of strategic goals, operational priorities and corporate values. This analysis allowed us to assess how much each topic affects the creation of long-term value of SEC "Aktobe" and the achievement of sustainable development.

Based on the data obtained, a materiality matrix has been compiled that reflects the topics in terms of their importance to stakeholders and to the Corporation. All topics are reflected in the Report.

Materiality matrix



- | | |
|--|--|
| 1. Corporate governance | 11. Human rights |
| 2. Anti-corruption measures | 12. Employee education and development |
| 3. Economic performance | 13. Non-discrimination and equal opportunities |
| 4. Indirect economic impacts | 14. Employee health and safety |
| 5. Procurement practices | 15. Compliance with environmental legislation requirements |
| 6. Government policy | 16. Climate change (greenhouse gas emissions) |
| 7. Sustainable financing (environmental and social projects) | 17. Energy consumption |
| 8. Employment | 18. Water consumption |
| 9. Creation of new jobs | 19. Waste |
| 10. Local communities | |

GRI content index

GRI indicator	Disclosure	Report Section/Comments
General Disclosures		
2-1	Organizational details	About the Corporation, Contact details
2-2	Entities included in the organization's sustainability reporting	SEC "Aktobe" has no subsidiaries or affiliated companies.
2-3	Reporting period, frequency and contact point	About the Report, Contact details
2-4	Restatements of information	Not applicable. There were no restatements of data and information.
2-5	External assurance	There was no external assurance.
2-6	Activities, value chain and other business relationships	About the Corporation
2-7	Employees	Number of employees
2-8	Workers who are not employees	Number of employees
2-9	Governance structure and composition	Corporate governance structure
2-10	Nomination and selection of the highest governance body	Corporate governance structure
2-11	Chair of the highest governance body	Corporate governance structure
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainable development management

2-13	Delegation of responsibility for managing impacts	Sustainable development management
2-14	Role of the highest governance body in sustainability reporting	Sustainable development management
2-15	Conflicts of interest	Business ethics
2-16	Communication of critical concerns	Sustainable development management
2-17	Collective knowledge of the highest governance body	Corporate governance structure
2-18	Evaluation of the performance of the highest governance body	Corporate governance structure
2-19	Remuneration policies	Corporate governance structure
2-20	Process to determine remuneration	Corporate governance structure, Social aspect
2-21	Annual total compensation ratio	The data is confidential.
2-22	Statement on sustainable development strategy	Address by the Chairman of the Board of Directors
2-23	Policy commitments	Sustainable development management, Investments in the region's economy, Environmental aspect
2-24	Embedding policy commitments	Sustainable development management, Investments in the region's economy, Environmental aspect
2-25	Processes to remediate negative impacts	Business ethics
2-26	Mechanisms for seeking advice and raising concerns	Business ethics
2-27	Compliance with laws and regulations	Anti-corruption, Environmental aspect

2-28	Membership associations	SEC "Aktobe" is not a member of any associations.
2-29	Approach to stakeholder engagement	Interaction with stakeholders
2-30	Collective bargaining agreements	There are no collective bargaining agreements in the company.
Material Topics		
3-1	Process to determine material topics	About the Report
3-2	List of material topics	About the Report
Economic Performance		
3-3	Management of material topics	Economic performance
201-1	Direct economic value generated and distributed	Economic performance
201-2	Financial implications and other risks and opportunities due to climate change	Climate change
201-4	Financial assistance received from government	The Company does not receive financial assistance from the state.
Indirect Economic Impacts		
3-3	Management of material topics	Investments in the region's economy
203-1	Infrastructure investments and services supported	Investments in the region's economy
203-2	Significant indirect economic impacts	Investments in the region's economy
Procurement Practices		
3-3	Management of material topics	Procurement

204-1	Proportion of spending on local suppliers	Procurement
Anti-Corruption		
3-3	Management of material topics	Business ethics, Anti-corruption
205-2	Communication and training about anti-corruption policies and procedures	Anti-corruption
205-3	Confirmed incidents of corruption and actions taken	Anti-corruption
Energy		
3-3	Management of material topics	Environmental aspect
302-1	Energy consumption within the organization	Resource consumption
302-2	Energy consumption outside of the organization	Resource consumption
Water and Effluents		
3-3	Management of material topics	Environmental aspect
303-1	Interactions with water as a shared resource	Resource consumption
303-3	Water withdrawal	Resource consumption
303-4	Water discharge	The Company does not discharge into water bodies, all water is sent to the sewer after use.
303-5	Water consumption	Resource consumption
Emissions		
3-3	Management of material topics	Climate change

305-1	Direct (Scope 1) GHG emissions	Climate change
305-2	Energy indirect (Scope 2) GHG emissions)	Climate change
305-3	Other indirect (Scope 3) GHG emissions	Climate change
305-5	Reduction of GHG emissions	SEC "Aktobe" plans to finance projects aimed at reducing greenhouse gas emissions, introducing RES, energy conservation and energy efficiency, as well as the development of "green" technologies.
Waste		
3-3	Management of material topics	Environmental aspect
306-1	Waste generation and significant waste-related impacts	Resource consumption
306-3	Waste generated	Resource consumption
306-4	Waste diverted from disposal	Not disclosed. SEC "Aktobe" does not keep records of waste aimed at neutralization and burial.
Employment		
3-3	Management of material topics	Social aspect
401-1	New employee hires and employee turnover	Number of employees
401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	Number of employees

401-3	Parental leave	Number of employees
Occupational Health and Safety		
403-5	Worker training on occupational health and safety	Labor protection
403-9	Work-related injuries	In 2024, there were no work-related cases of injuries and deterioration of workers' health.
403-10	Work-related ill health	
Training and Education		
3-3	Management of material topics	Social aspect
404-1	Average hours of training per year per employee	Number of employees
404-2	Programs for upgrading employee skills and transition assistance programs	Training programs are planned for 2025.
Diversity and Equal Opportunity		
405-1	Diversity of governance bodies and employees	Diversity and equal opportunity
405-2	Ratio of basic salary and remuneration of women to men	Diversity and equal opportunity
Non-Discrimination		
406-1	Incidents of discrimination and corrective actions taken	In 2024, there were no employee complaints related to discrimination in any form.
Local Communities		
3-3	Management of material topics	Investments in the region's economy

413-1	Operations with local community engagement, impact assessments, and development programs	Investments in the region's economy Partially disclosed. The main goal and mission of the Company is socio-economic development of the Aktobe region, creation of new enterprises, new jobs, and support for SMEs.
413-2	Operations with significant actual and potential negative impacts on local communities	Not applicable. The activities of SEC "Aktobe" do not have a negative impact on local communities.

GLOSSARY

GRI – International Standards of Reporting in the Field of Sustainable Development (Global Reporting Initiative)

ESG – environmental, social, and governance aspects of sustainable development

ISO – International Organization for Standardization

SMART – goal setting methodology

AIC – agro-industrial complex

RES – renewable energy sources

GJ – giga Joule

HUS – housing and utilities sector

kWh – kilowatt per hour

KEI – key efficiency indicators

KPI – key performance indicators

LEB – a collegial executive body headed by the akim of a region or district, which carries out, within its competence, local government and self-government in the relevant territory.

MI – mega liter

SMEs – small and medium-sized enterprises

MFO – microfinance organization

GHG – greenhouse gases

MM – mass media

SEC – social and entrepreneurial corporation

FEZ – free economic zone

UN SDGs – UN Sustainable Development Goals

CONTACT DETAILS

GRI 2-1, 2-3

ADDRESS:

Kazakhstan, Aktobe region, Aktobe city,
Astana district, Maresyeva Street, building 103A

EMAIL:

info@spk-aktobe.kz

WEBSITE:

<https://spk-aktobe.kz/>

TELEPHONE NUMBER:

8 (7132) 97-24-95

REGARDING THE ISSUES OF THE SUSTAINABLE DEVELOPMENT REPORT:

Asset Management Service

Email:

e.tazhniyazova@spk-aktobe.kz

Telephone number:

8 (702) 226-43-37

