

Appendix No. 1
to the Resolution of the Board
of Directors of "Zhasyl Damu"
Joint-Stock Company dated
November 24, 2023 (Protocol
No. 14/11/2023)

Approved by the Resolution of
the Board of Directors of
"Zhasyl Damu" Joint-Stock
Company dated November 24,
2023 (Protocol No.
14/11/2023)

**Strategy for the Development of "Zhasyl Damu" Joint-Stock Company for
2023–2027**

Introduction

This Strategy for the Development of "Zhasyl Damu" Joint-Stock Company for 2023–2027 defines the mission, vision, strategic directions, goals, and performance indicators of The Company for the medium term. It has been developed taking into account the provisions of the Environmental Code of the Republic of Kazakhstan (EC RK), the Concept for the Transition of the RK to a "Green Economy" approved by the Decree of the President of the RK No. 577 of May 30, and the Development Plan of the MENR RK for 2023–2027, approved by the order of the MENR RK No. 27-p of January 31, 2023.

According to The Company's Charter, its purpose is to create conditions for the preservation, restoration, and improvement of the quality of the environment, to ensure the Republic of Kazakhstan's transition to low-carbon development, including through the implementation of the principle of Extended Producer Responsibility (EPR) in the manner prescribed by the EC RK and other regulatory legal acts of the RK.

The Company was established by the Resolution of the Government of the RK No. 978 of July 26, 2012, "On the Reorganization of the Republican State Enterprise on the Right of Economic Management 'Kazakh Scientific and Research Institute of Ecology and Climate' of the Ministry of Environmental Protection of the Republic of Kazakhstan."

Until January 18, 2022, The Company's subject matter included:

- Technical and consultative support for the activities of the authorized body for the coordination and implementation of the Kyoto Protocol to the UN Framework Convention on Climate Change;
- Scientific research activities in the field of climate change and greenhouse gas emissions regulated by a number of international conventions and protocols;
- Management of Ownerless Hazardous Waste (OHW) transferred to republican ownership.

In fulfillment of the instruction of the Head of State K. K. Tokayev, given on January 11, 2022, at a meeting of the Mazhilis of the Parliament of the RK, and in accordance with the Resolution of the Government of the RK No. 20 of January 18, 2022, The Company was designated as the EPR operator, in addition to its former functions.

EPR is an environmental policy approach in which the responsibility for the entire life cycle of a product, from the development stage to disposal after the loss of its consumer properties, is extended to its producers (importers).

In the RK, the EPR principle was legally introduced in 2015 and began to be applied in 2016. From December 30, 2015, to January 18, 2022, the organization responsible for implementing the EPR principle was "EPR Operator" LLP.¹

¹ "Here and further, the term 'EPR operator' or 'operator' refers to the organization responsible for implementing the EPR principle (currently - The Company [JSC "Zhasyl Damu"]). Whereas 'EPR Operator' LLP is the name of the specific private company upon which these powers were vested for six years."

In accordance with Article 387 of the EC RK, the EPR Operator has the exclusive right regarding the collection of the disposal fee and must dispose of and manage these payments in the manner prescribed by the EC RK and other legislative acts of the RK.

According to Article 389 of the EC RK, the powers of the EPR Operator include directing funds received into its bank account in the form of a disposal fee for organizing the collection, transportation, preparation for reuse, sorting, processing, treatment, neutralization, and/or utilization of waste, in accordance with the directions stipulated by Article 388 of the EC RK.

According to paragraph 2 of Article 389 of the EC RK, the EPR Operator spends the disposal fee in accordance with Article 388 of the EC RK, as well as the development Strategy of the extended producer (importer) responsibility operator, agreed upon with the authorized body in the field of environmental protection. This Strategy includes the priority of using disposal fee funds for purposes that are not covered by the funds paid by individuals and legal entities according to tariffs for the collection, transportation, sorting, and disposal of Municipal Solid Waste (HSW) in settlements.

Mission and Vision

- **Mission** – To facilitate the implementation of the state environmental policy aimed at creating conditions for improving the quality of the environment and developing a comprehensive waste management system, including that related to the development of the circular economy.

- **Vision** – An organization open to society, ensuring an accelerated transition to production, distribution, and consumption methods that preserve the environment.

1. Analysis of World Experience

The EPR concept was first proposed in Sweden in 1990 and has since become widespread in many countries. According to the OECD, there are currently about 400 similar systems applied globally, most of which are mandatory rather than voluntary. EPR principles are applied to small consumer electronics, packaging, tires, End-of-Life Vehicles (ELV), lead-acid batteries, and other products.

The implementation of EPR in developed countries relies mostly on the use of key approaches: the circular economy, the "polluter pays" principle, and emphasizes the introduction of the principle of minimizing environmental pollution at the product design stage, in addition to implementing waste processing technologies based on the three R's principle (reduce, reuse, and recycle resources).

In EU countries, EPR principles are implemented at the level of several directives that regulate batteries and accumulators, packaging and packaging waste, end-of-life Vehicles, and waste electrical and electronic equipment. According to EU legislation, the responsibility for fulfilling EPR lies entirely with producers/importers. Member States provide producers/importers with two methods of fulfilling their obligations:

- 1) On an individual basis – by organizing waste management;

2) On a collective basis – by establishing a Producer Responsibility Organisation (PRO) and/or joining such an organization and mandating the organization to manage the waste.

Thus, several EPR organizations can exist in one country. For example, most EPR organizations in Sweden operate as non-profit companies owned by individual producers or trade organizations within the framework of their respective EPR obligations. None of the organizations has a legislative monopoly; they all operate in an open market. Thus, for some product groups, there is competition between different producers, namely for packaging waste and waste electrical and electronic equipment. Depending on the product group, EPR schemes are financed by a product fee, which is added to the retail price and/or revenue from the sale of recycled material. These financial transactions are managed by separate EPR organizations in most EPR schemes.

At the same time, producers/importers are legislatively responsible for the costs of informing the public (namely, product holders) about ways to return the products to the producers/importers and for the PR of separate waste collection.

Some EU countries also practice additional EPR implementation measures. For example, Lithuania has introduced an environmental pollution tax from which producers/importers are exempt when fulfilling extended obligations. Belgium has introduced large taxes on incineration and landfilling, which help motivate producers/importers to switch to the circular economy. The EU aims to recycle at least 55% of its Household Solid Waste (HSW) by 2025, 60% by 2030, and 65% by 2035.

In Japan, the functions of the EPR operator are implemented by a state institution (The Japan Container and Packaging Recycling Association). Legislatively, the Japanese government requires producers/importers to produce easily recyclable products, as well as to make payments according to the actual costs and recycling volumes. In fact, producers/importers in this country are not offered different methods for EPR implementation. Municipalities and the EPR Organization popularize separate collection using the collected funds. According to Japan's goals, the fluorocarbon recycling rate should reach 70% by the end of 2030.

In South Korea, the EPR implementation system is hybrid, where both producer responsibility organizations and a state institution controlling the fulfillment of EPR (Korean Environmental Corporation) coexist. In this system, producers/importers are given a choice of two EPR implementation methods:

1) Waste disposal fee system – collects the fee required for waste management from producers and importers of goods;

2) Voluntary agreement on the collection and recycling of plastic waste – a system under which a producer/importer may be exempt from the waste disposal fee. South Korea aims to reduce plastic waste by 50% and recycle 70% of plastic waste by 2030.

In Russia, there is a public law company "Russian Environmental Operator," which oversees the Municipal Solid Waste management system, as well as the implementation of EPR principles. To implement the EPR concept, the organization forms a registry of

recycling enterprises, a registry of packaging, and a registry of goods producers and goods in packaging. According to the EPR mechanism introduced in Russia, producers and importers are responsible for the utilization of the goods they produced and the packaging they used when putting goods on the market. The mechanism provides two methods for EPR implementation for producers/importers:

- 1) Independent utilization of waste, by creating their own infrastructure for the collection, accumulation, treatment, and utilization of waste from the use of goods, or by concluding a contract with a legal entity or individual entrepreneur included in the Registry of Recycling Enterprises;

- 2) Producers and importers of goods who do not ensure waste utilization pay an environmental fee. The organization also provides EPR funds to organizations carrying out waste utilization and listed in the registry of recyclers.

In Belarus, the implementation of EPR principles is assigned to the state institution "Operator of Secondary Material Resources," whose main goal is to coordinate activities in the field of secondary material resources management. Producers/importers in Belarus are fully responsible for the collection, neutralization, and use of goods and packaging waste and can fulfill their obligations by one of the following methods:

- 1) Application of their own system for the collection, neutralization, and use of goods and packaging waste, with the submission of reports to the EPR organization;

- 2) Conclusion of a contract with the EPR organization on organizing the collection, neutralization, and use of goods and packaging waste, with a fee for organizing these activities. The revenue is directed to compensate for the costs of collecting goods and packaging waste. In addition to its main functions, the EPR organization in Belarus maintains a registry of organizations engaged in the collection, sorting, and preparation of waste, conducts information work among the population on municipal waste and secondary material resources management issues, and also participates in work on attracting investment in the field of secondary material resources and goods and packaging waste management.

Thus, international experience in implementing EPR principles demonstrates the use of both private forms of EPR organizations in a competitive environment and monopoly state institutions, as well as hybrid systems with the presence of both organizational forms.

The analysis of the most common EPR models globally shows that each of these models has its own features and advantages.

1. Single EPR Operator.

The State appoints a single EPR operator responsible for the collection, sorting, and recycling of packaging waste. This operator usually has a monopoly position in the market and receives funding from product producers.

- Advantages: Standardization of norms, simplification of administration, possibility of state control.

- Disadvantages: Lack of competition.

- Examples: Denmark (Dansk Retursystem), Belgium (Fost Plus).

2. Competitive EPR Operators.

Different companies can operate the EPR system in a competitive environment.

- Advantages: More competition, which can stimulate efficiency and innovation.
- Disadvantages: Risk of monopolization, price collusion, and inconsistency in the system.

- Examples: Germany, France.

3. Non-Governmental EPR Operators.

EPR system operators are created by private companies, sometimes jointly with product producers.

- Advantages: Flexibility and innovation, cooperation with industry.
- Disadvantages: Limited state control, potential conflict of interest.
- Examples: Serbia (Sekopak), Romania (Eco-Rom Ambalaje).

4. Mixed EPR Models.

Some countries use a mixed approach, where both state and private operators work within the EPR system.

- Advantages: Allows for diversity in local conditions and resources.
- Disadvantages: Division of responsibility for different types of packaging complicates the system.
- Examples: Sweden (for consumer packaging), Netherlands.

General Conclusions:

1. In countries where the state designates a single operator, a higher degree of control and standardization in the EPR system is possible.
2. Competitive models may be accompanied by the risk of price collusion and a lack of coordination.
3. Key components of a successful EPR system, regardless of the model, are transparency and control.

Each EPR operator model has its advantages and disadvantages, and the choice depends on local conditions, environmental policy goals, and the level of development of the waste recycling system in a particular country.

2. Analysis of the Current Situation

2.1. Waste Management

Economic growth and an improved standard of living are inextricably linked to increased consumption of food and non-food products. The flip side of this process is the increase in waste generation volumes, which poses a serious environmental problem.

Despite the state's efforts, the generation and accumulation of waste are outpacing the pace and opportunities for its recycling. Annually, approximately 4.5-5 million tons

of HSW are generated. The HSW recycling and utilization rate increased from 2.6% in 2016 to 21.1% in 2021, 24% in 2022, and shows a stable growth dynamic.

The bulk of HSW, without separation (sorting) into components, is transported and stored in open dumps and landfills, most of which do not comply with the requirements of environmental and sanitary legislation of the RK. According to the MEGNR (former Ministry of Ecology, Geology and Natural Resources of the RK), there are about 3 thousand HSW landfills operating in the republic, accumulating 125 million tons of waste. Only 20% of the existing landfills comply with environmental and sanitary requirements.

To cover part of the costs for the collection, transportation, preparation for reuse, sorting, processing, treatment, neutralization and/or utilization of waste, the EPR implementation mechanism was introduced into the EC RK in 2015. Individuals and legal entities that manufacture in the RK and/or import into the RK certain types of products (goods) according to the list approved by the authorized body in the field of environmental protection, are obliged to ensure the collection, transportation, preparation for reuse, sorting, processing, treatment, neutralization and/or utilization of waste generated after the loss of consumer properties of such products (goods).

The legislation of the RK provides for the fulfillment of EPR by the producer (importer) through one of two methods:

- 1) Application of their own system for the collection, transportation, preparation for reuse, sorting, processing, treatment, neutralization and/or utilization of waste;
- 2) Conclusion of a contract with the EPR operator for organizing the collection, transportation, preparation for reuse, sorting, processing, treatment, neutralization and/or utilization of waste.

Funds received into the EPR operator's bank account as a disposal fee are spent according to the directions established by paragraph 1 of Article 388 of the EC RK. These directions ensure the direct fulfillment of EPR obligations assumed by the operator, as well as the solution of other tasks aimed at improving the state of the environment.

EPR was introduced in phases: in 2016 for V and their components; in 2017 for packaging (at a zero rate until 2020); in 2020 for SPAM, as well as for electric V at a "zero" rate; and in 2022 for electrical and electronic equipment.

Vehicles, Agricultural Machinery, and Components

End-of-Life Vehicles (ELV) and End-of-Life Self-Propelled Agricultural Machinery (EL SPAM) have a significant impact on environmental pollution.

As of July 1, 2023, the number of registered V amounted to 4,951,901 units, an increase compared to the beginning of 2023 of 502,610 units or 11%.

Table No 1

Comparison of the Number of Registered Vehicles²

Category	01.01.2023	01.07.2023	Deviation (Units)	Deviation (%)
Passenger Cars	3,909,559	4,351,768	442,209	111%
Trucks	446,510	497,807	51,297	111%
Buses	93,222	102,326	9,104	110%
Total	4,449,291	4,951,901	502,610	111%

One of the main reasons for the significant growth in the number of V was the legalization of foreign cars imported into the RK before September 1, 2022, which took place in the first half of 2023. According to the Ministry of Internal Affairs of the RK, 219 thousand foreign cars were registered in Kazakhstan during the legalization period.

The lifecycle of a car often does not have a completed form: decommissioned cars are dismantled in auto workshops, usable assemblies and components are sold in car markets, and the rest, including body parts, are placed in HSW landfills or unauthorized locations.

For the period from 2016, obligations for organizing the collection, transportation, preparation for reuse, sorting, processing, neutralization and/or utilization of V for produced and imported cars were undertaken for a total of approximately 560 thousand V. For SPAM, obligations were undertaken for 11.5 thousand units.

In fulfillment of obligations from 2016 to 2021, "EPR Operator" LLP collected and utilized 216 thousand ELV, as well as 3.5 thousand EL SPAM, including 5.6 thousand ELV in 2016; 41.4 thousand ELV in 2017; 40.8 thousand ELV in 2018; 36.7 thousand ELV in 2019; 41.2 thousand ELV and 120 EL SPAM in 2020; and 50.0 thousand ELV and 3,380 EL SPAM in 2021.

Environmental pollution from V does not only occur at the end of the lifecycle. During operation, certain assemblies and components, such as tires, oils, accumulators, etc., are worn out. The growth in the number of cars entails a proportional increase in the generation of auto component waste, which also requires collection, transportation, preparation for reuse, sorting, processing, treatment, neutralization and/or utilization.

In fulfillment of obligations from 2016 to 2021, "EPR Operator" LLP collected and utilized 81.8 thousand tons of used battery packs, 5 thousand tons of other chemical products (antifreeze, deicers), 62.373 thousand tons of used oils, and over 120 thousand tons of used tires.

² Source: Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan (BNS ASPR RK)

Electrical and Electronic Equipment

Electronic and electrical equipment is a hazardous and rapidly growing waste group. This type of waste poses a particular threat due to the high levels of toxic substances such as brominated flame retardants, organic bromine compounds, phthalates, plasticizers, etc. Both landfilling and incineration of electronic waste are dangerous for the environment.

Table No 2

Collection and Utilization of Auto Component and Electronics Waste, in tons

Waste Type	Operation	2016	2017	2018	2019	2020	2021
Battery Packs	Collection	7,000.0	13,653.5	20,000.0	16,244.3	17,493.3	7,650.2
	Utilization	7,000.0	13,653.5	20,000.0	16,244.3	17,493.3	7,650.2
Antifreeze	Collection	0.0	2,300.0	2,600.0	0.0	0.0	138.7
	Utilization	0.0	2,300.0	2,600.0	0.0	0.0	138.7
Oil	Collection	1,705.0	1,530.9	2,581.4	17,618.5	23,162.5	15,774.5
	Utilization	1,705.0	1,530.9	2,500.1	15,634.7	23,162.5	15,774.5
Tires	Collection	19,366.5	15,739.8	24,608.2	25,095.9	23,674.1	23,676.9
	Utilization	19,366.5	14,847.4	24,990.3	23,019.7	23,674.1	23,676.9
Electronics	Collection	0.0	2,461.3	4,665.9	0.0	0.0	0.0
	Utilization	0.0	2,461.3	4,665.9	0.0	0.0	0.0
TOTAL	Collection	28,071.5	35,685.5	54,455.5	58,958.7	64,329.9	47,240.3
	Utilization	28,071.5	34,793.1	54,756.3	54,898.7	64,329.9	47,240.3

Packaging

One of the most common and valuable types of HSW from a recycling perspective is "packaging." Structurally, the Kazakhstan packaging market is represented by polymer packaging, paper and cardboard, glass, metal containers, and closures. The most environmentally friendly types of packaging are paper-cardboard and aluminum packaging. Paper-cardboard packaging mainly consists of cellulose obtained from renewable raw materials—wood. Aluminum and glass packaging are fully suitable for reuse, an infinite number of times.

Table No 3

Collection and Utilization of Packaging Waste, in tons³

Waste Type	Operation	2017	2018	2019	2020	2021
Plastic	Collection	5,716.04	8,994.94	9,799.40	7,501.45	9,009.45
	Utilization	5,017.08	8,486.08	8,825.53	5,278.83	4,922.87
Paper	Collection	33,200.74	31,475.69	14,946.10	18,471.27	89,702.78
	Utilization	40,134.98	31,594.67	10,706.55	27,971.94	75,465.25
Glass	Collection	14,872.45	14,793.73	25,343.58	7,758.28	21,924.98
	Utilization	2,700.00	22,771.87	22,377.17	11,403.10	12,859.51
RGP	Collection	0	12,070.94	0	-	-
	Utilization	0	12,070.94	0	-	-
Tin/Metal	Collection	0	279.24	193.79	-	-
	Utilization	0	279.24	193.79	-	-
Total	Collection	53,789.23	67,614.54	50,282.87	33,731.00	120,637.21
	Utilization	47,852.06	75,202.80	42,103.04	44,653.87	93,247.63

A major problem for the Kazakhstan packaging industry is the dependence on imported raw materials and high customs duties. Thus, the recycling of used packaging waste not only solves the waste disposal problem but also provides the industry with in-demand secondary raw materials, reducing production costs.

Ownerless Hazardous Waste containing Persistent Organic Pollutants , transferred to the republican ownership pursuant to a court ruling

One of the important environmental problems in the RK is the sites of historical pollution, formed during the Soviet Union period. Such sites are recognized as ownerless by the court and transferred to republican ownership. During surveys of such sites, the presence of Persistent Organic Pollutants (POPs), regulated by the Stockholm Convention, was detected in pesticides in Turgenevka village, Kostanay region, and in PCB-containing waste from the Daryal-U Radar Station. The operator carried out work on the packaging, transportation, and temporary storage of this waste at specialized warehouses.

Given the importance of the problem, the EC RK provides for the possibility of directing disposal fee funds to organize the collection, transportation, preparation for reuse, sorting, processing, neutralization, utilization, and destruction of waste containing POPs, in the manner and on the terms determined by the authorized body in the field of environmental protection.

³ Source: "EPR Operator" LLP Information

In order to determine the sizes of monetary payments for the activity of collection, transportation, processing, use, and/or utilization of products (goods) and packaging waste, to determine the capacities of existing facilities (enterprises) for the processing, use, and/or utilization of products (goods) and packaging waste, as well as the types of products manufactured from waste, research work was conducted in 2020. Based on this research work, "EPR Operator" LLP, as a private organization, made payments to counterparties (collectors, transporters, processors-utilizers of packaging). However, for The Company, as a state organization, the issue is the approval of payment rates by the Government of the RK and the regulation of corresponding procedures by the MENR RK.

The EPR system is based on the "Polluter Pays" principle, according to which the producer/importer (polluter) must cover all expenses necessary for the collection, transportation, preparation for reuse, sorting, processing, neutralization and/or utilization of their product (goods) waste, as well as for the operation of the EPR operator and other expenses in accordance with EPR legislation. With this approach, the financial resources received from producers/importers and directed towards waste management remain balanced.

In the 2020 research work, the sizes of payments for the collection, transportation, preparation for reuse, sorting, processing, and/or utilization of packaging waste exceed the disposal fee amounts several times. This leads to an EPR system imbalance. For certain types of products (goods), producers/importers do not pay the disposal fee because a "zero" coefficient is provided, while the waste arising from these products (goods) is subject to collection, transportation, preparation for reuse, sorting, processing, neutralization and/or utilization. Also, with the reduction of disposal fees for V by 50%, there is an imbalance in the cash flows received from producers (importers) and directed in accordance with Article 388 of the EC RK. Such a situation may pose a threat to the functioning of the EPR system in Kazakhstan.

In connection with the above, there is a need for:

- Calculation of payment sizes for the activity of collection, transportation, preparation for reuse, sorting, processing and/or utilization of product (goods) waste by procuring marketing services to calculate payments for organizing the collection, transportation, preparation for reuse, sorting, processing and/or utilization of waste generated after the loss of consumer properties of products (goods) covered by EPR;
- Actualization of disposal fee sizes for the types of products (goods) covered by EPR, taking into account the costs for the activity of collection, transportation, preparation for reuse, sorting, processing and/or utilization of product (goods) waste.

Improving the Material and Technical Base (MTB)

Effective waste recycling is impossible without its preliminary separation by type, which requires providing an infrastructure for separate collection and sorting of HSW. Within this direction, "EPR Operator" LLP worked on improving the Material and Technical Base (MTB) by acquiring and delivering containers for separate waste

collection, garbage trucks for their service, and HSW sorting lines to Local Executive Bodies (LEB).

According to the MENR RK, as of the beginning of 2023, separate waste collection at different stages has been introduced in 133 out of 207 cities and districts in the republic, and sorting in 103 cities and districts.

The existing sorting lines in Kazakhstan currently use manual collection technologies. In 2020, "EPR Operator" LLP proposed the introduction of separate HSW collection and automatic sorting lines in the regions, which can significantly reduce manual labor, optimize labor costs, and increase sorting efficiency overall. The result of separate collection and quality sorting of waste is the receipt of secondary raw materials and, accordingly, their involvement in repeated economic circulation.

Work on improving the MTB was carried out within the framework of roadmaps for the introduction of separate HSW collection and sorting (hereinafter - roadmaps) signed by the MEGNR (former Ministry), LEB, and the EPR operator.

Thus, in 2020, the following types of machinery and equipment were supplied to the LEB of Ust-Kamenogorsk, Semey, Aktobe, and Almaty region under four roadmaps:

Table No 4

Information on the Execution of Roadmaps for the Introduction of Separate HSW Collection and Sorting

City/Region	Separate HSW Collection	HSW Sorting
Ust-Kamenogorsk	- Bell-type containers for heavy fraction (glass) – 514 units – 171.83 million KZT; - Euro-containers for light fraction (plastic/paper) – 760 units – 56.66 million KZT; - Rear-loading garbage trucks (for Euro-containers) – 4 units – 142.56 million KZT; - Garbage trucks with a crane-manipulator (for bell-type containers) – 2 units – 78.40 million KZT.	2,660,000 Euros for an automated HSW sorting line with a capacity of 100 thousand tons. Delivery and transfer of equipment to the Akimat were fully completed on December 20, 2021.
Semey	- Mesh containers for light fraction (plastic/paper) – 1,050 units – 70.21 million KZT; - Bell-type containers for heavy fraction (glass) – 532 units – 177.85 million KZT; - Rear-loading garbage trucks (for mesh containers) – 4 units – 177.28 million KZT; - Garbage trucks with a crane-	2,660,000 Euros for an automated HSW sorting line with a capacity of 100 thousand tons. Delivery and transfer of equipment to the Akimat were fully completed on January 22, 2022.

City/Region	Separate HSW Collection	HSW Sorting
	manipulator (for bell-type containers) – 2 units – 78.40 million KZT.	
Aktobe	- Iron containers for light fraction (plastic/paper) – 200 units – 22.4 million KZT (delivery was incomplete, 200 containers were delivered out of 962 requested); - Bell-type containers for heavy fraction (glass) – 481 units – 160.80 million KZT; - Rear-loading garbage trucks (for mesh containers) – 4 units – 185.92 million KZT; - Garbage trucks with a crane-manipulator (for bell-type containers) – 2 units – 78.40 million KZT.	1,680,000 Euros for a semi-automatic HSW sorting line with a capacity of 60 thousand tons. Delivery and transfer of equipment to the Akimat were fully completed on January 22, 2022.
Almaty Region	- 902 units of bell-type containers for heavy fraction – 375 million KZT.	-

As part of the development of the separate HSW collection infrastructure in Ust-Kamenogorsk, a waste sorting complex with a capacity of up to 100 thousand tons of waste per year has been launched. The equipment cost 2.66 million Euros. Based on a tripartite agreement, the equipment supplier was the company "SABO S.A." (Greece), the financing organization was the EPR Operator, and the recipient was the Akimat of Ust-Kamenogorsk. Also, within the framework of the Roadmap for the project to introduce a separate HSW collection system in Ust-Kamenogorsk, 1,274 Euro-containers and 6 units of specialized equipment for their removal were purchased.

In 2022, a food waste recycling project was launched in the Akköl district of the Akmola region with the support of Syctom and Biotech companies (France). As part of the project, 5 electric organic waste composters were installed and launched in the social facilities of the district, with a processing capacity of up to 125 tons per year.

The LEB of Semey and Aktobe are not fulfilling their obligations to allocate land plots, develop design and estimate documents, and construct buildings for the waste sorting complex (where the HSW sorting lines supplied by the EPR Operator are mounted) and connect the necessary utility networks, due to which the launch of the waste sorting complexes is postponed indefinitely.

Moreover, during 2020-2021, the MEGNR (former Ministry) and the EPR Operator also signed roadmaps with the LEB of Pavlodar region (Pavlodar, Ekibastuz) and Akmola region (Kosshy, Shchuchinsk with Burabay village, Akköl).

However, due to the LEB's failure to perform the initial roadmap activities—development and approval by the LEB of the MTD program, which indicates the current

situation in HSW management and the need for MTD, as well as its coordination with the MEGNR and the EPR Operator—the implementation of further roadmap activities, such as the purchase and supply of machinery and equipment by the EPR Operator, have not been started.

The most significant problems in waste management are:

1. Underdeveloped infrastructure for the separate collection, transportation, preparation for reuse, sorting, processing, and/or utilization of HSW.
2. Complexity and heterogeneity of the morphological composition of HSW, which complicates the choice of the optimal technology for its collection, transportation, preparation for reuse, sorting, processing, neutralization and/or utilization.
3. Insufficient support for the actions of the EPR Operator by the LEB, as well as the lack of a comprehensive approach (vision) to the development of the waste management industry at the LEB level.

2.2. Stimulating the Production and Operation of Environmentally Friendly V and SPAM in the RK

In order to develop the production in the RK of environmentally friendly Vehicles (V) (corresponding to the ecological class established by the technical regulations of the Eurasian Economic Union; with electric motors) and their components, as well as Self-Propelled Agricultural Machinery (SPAM) corresponding to environmental requirements determined by technical regulations, work has been carried out to stimulate the production of approximately 257.9 thousand units of V and SPAM.

The compliance of V with the ecological class and SPAM with technical regulations determines the degree of negative impact of the objects on the environment, but it does not imply the absence of an impact.

However, currently, there is no mechanism to assess the ecological effect of this stimulation direction, which makes it impossible to analyze its effectiveness.

Assisting the renewal of the V and SPAM fleet is also carried out through financing projects in the manufacturing industry by stimulating consumer demand. According to the Resolution of the Government of the RK No. 604 of September 2, 2021, the financing volume in 2022 amounted to 160 billion KZT for financing projects in the manufacturing industry aimed at improving the state of the environment, including by stimulating consumer demand and renewal of:

- Vehicles in the Republic of Kazakhstan, within the framework of conditional financing of second-tier banks for financing individuals buying domestically produced passenger V, totaling 100 billion KZT;
- SPAM in the Republic of Kazakhstan, totaling 30 billion KZT;
- Vehicles in the Republic of Kazakhstan, within the framework of conditional financing of socio-entrepreneurial corporations under Local Executive Bodies (LEB) and/or carriers acquiring domestically produced buses, totaling 30 billion KZT.

Also, in accordance with the Resolution of the Government of the RK No. 813 of September 19, 2023, the EPR Operator is expected to finance projects in the manufacturing industry in 2023 related to the renewal of machinery by stimulating

consumer demand in the RK for domestically produced SPAM in the amount of 20 billion KZT.

1. Preferential Financing for the Purchase of Passenger Vehicles

Number of Vehicles. In 2022, the total number of passenger V produced reached 103,399 units, of which the purchase of 12,592 units was financed under the preferential car loan program, representing 12% of the total volume. In the first half of 2023, the total number of passenger V produced was 66,316 units, of which the purchase of 751 units was financed under the preferential car loan program, representing 1.1% of the total volume.

Number of Jobs. Before the start of the preferential car loan program at the beginning of 2022, the total number of jobs at passenger V production enterprises was 2,584 units. By the end of 2022, the number of jobs increased by 956 units and reached 3,540 jobs at the beginning of 2023. Thus, the job creation growth reached 37%. In accordance with the share of the preferential car loan program in the total volume of passenger V production, it can be concluded that 115 jobs were created within this program.

Taxes Paid. In 2022, the total volume of taxes and other mandatory payments to the budget from passenger V production enterprises amounted to 23,297 million KZT. For the first half of 2023, the volume of taxes paid was 19,335 million KZT.

Other Information. The total number of dealership centers selling domestic passenger V reached approximately 115 across Kazakhstan.

2. Preferential Leasing Financing for the Purchase of Agricultural Machinery (SPAM)

Number of SPAM. In 2022, the total number of tractors and combines produced was 5,351 units, of which the purchase of 1,072 units was financed under the preferential SPAM financing program, representing 20% of the total volume. In the first half of 2023, the total number of tractors and combines produced was 3,567 units, of which the purchase of 22 units was financed under the preferential SPAM financing program, representing 0.6% of the total volume.

Number of Jobs. Before the launch of the preferential leasing financing program at the beginning of 2022, the total number of jobs at SPAM production enterprises was 1,588 units. By the end of 2022, the number of jobs increased by 72 units and reached 1,660 jobs at the beginning of 2023. Thus, the job creation growth reached approximately 5%. The creation of 72 new jobs is attributed to the launch of the preferential leasing financing program.

Taxes Paid. In 2022, the total volume of taxes and other mandatory payments to the budget from agricultural machinery production enterprises amounted to 8,044 million KZT. For the first half of 2023, the volume of taxes paid was 6,553 million KZT.

Other Information. The total number of dealership centers selling domestic tractors and combines reached approximately 81 across Kazakhstan.

3. Preferential Leasing Financing for the Purchase of Buses

The actual implementation of preferential leasing financing for the purchase of domestically produced buses began in the second quarter of 2023. Therefore, it was not possible to assess the economic and multiplier effect of its implementation on the economy of Kazakhstan at this time.

The incentive for the production of environmentally friendly V and SPAM is important not only from the perspective of environmental improvement but also from the perspective of solving social problems. As a result of the implementation of the preferential car loan program, the population gained the opportunity to purchase new V under favorable conditions. However, despite the obvious positive effect for the population, financing at a rate lower than the market rate has a negative impact on the financial performance of the EPR Operator in accordance with IFRS requirements.

Financing of Discount Certificates

318 unused discount certificates were transferred from "EPR Operator" LLP to The Company, the redemption of which began in October 2022. By the end of the reporting year, 192 discount certificate owners were provided with a discount for the purchase of a new environmentally friendly V and SPAM of domestic production.

Also, in the reporting year, monetary compensation was paid to the population for handing over End-of-Life Vehicles (ELV) for utilization under 378 applications.

Creation of an Electric Charging Stations (ECS) Network

In addition to stimulating the production of environmentally friendly V and SPAM, one of the Operator's activities aimed at reducing the negative impact of V on the environment is the creation and development of an ECS network, which is necessary for the widespread adoption of electric transport. Thus, in 2017, the Operator began implementing a pilot project for the development of ECS infrastructure in the RK.

In 2018, to develop the pilot project, "ECS Operator" LLP was created with the allocation of targeted funds for the creation of an ECS network based on three key indicators: service maintenance, infrastructure development, and ECS marketing. In 2018-2019, "ECS Operator" installed and commissioned 102 ECS units across the RK, including 50 in Astana and 52 in Almaty. The installed charging stations were F4-51 models (slow) in the amount of 100 units and TG50/100 models (fast) in the amount of 2 units.

Personnel Policy

In order to ensure proper working conditions for employees, relevant internal regulatory documents were approved, which regulate: work schedule, remuneration, performance evaluation, the procedure and conditions for bonuses, social support for employees and Management Board members, personnel selection and HR administration, coordination and appointment (election) of personnel to key positions in The Company, conducting competitive selection for vacant positions and staff

adaptation, imposing disciplinary sanctions on employees, and improving the qualifications, professional training, and development of The Company's employees.

The Personnel Policy was approved by The Company's Board of Directors on December 23, 2022 (Protocol No. 14). The policy establishes the principles and key directions in the field of human resource management in The Company. The Personnel Policy is aimed at forming personnel potential as the most important intellectual and professional resource, ensuring the achievement of The Company's strategic goals through an effective corporate culture focused on achieving high performance results and observing the principles of meritocracy.

The Company constantly carries out measures to develop corporate culture and maintain corporate values. Upon hiring, employees of The Company are required to study the Personnel Policy, which reflects the guidelines for professional activity and corporate culture.

Upon the recommendations of the Ministry of Ecology and Natural Resources of the RK, proposals are submitted for awarding employees with honorary certificates and letters of gratitude for the "Day of the Ecologist" and the "Independence Day of the Republic of Kazakhstan."

In order to implement a market remuneration system, effective personnel performance management, and create a motivation and remuneration system for The Company's employees, work began in 2022 to implement a grade-based remuneration system.

The result of the work carried out was the establishment of a transparent, fair, and effective remuneration system that contributes to the achievement of The Company's strategic goals, increased potential, and personnel loyalty.

The main principle of the remuneration system, based on job grading, is to ensure internal fairness and external competitiveness.

Digitalization and Automation of Business Processes

In 2021, "EPR Operator" LLP introduced a digital financing model for specialized enterprises through the Automated Information System (AIS) "EcoQolday," which served as a platform for both existing entrepreneurs and those wishing to start their business in the direction of collection, transportation, processing, and utilization of product (goods) waste covered by Extended Producer Responsibility (EPR).

The introduction of the digital model for interaction among "EcoQolday" project participants allowed for the expansion of the geography of secondary raw material collection across Kazakhstan and an increase in their recycling volumes.

Over the 11 months of the AIS's operation, over 110 thousand tons of secondary raw materials were collected and delivered for processing, of which 73% were cardboard and paper waste, 18% were container glass cullet and returnable glass bottles, and 9% were plastic packaging waste.

With the transfer of the functions of the EPR Operator to The Company, The Company will continue to interact with counterparties for the collection, transportation, preparation for reuse, sorting, processing, and/or utilization of packaging waste, auto

components (used tires, oils, and batteries), and electronic and electrical equipment through the AIS. In this regard, The Company is working to improve the Automated Information System by expanding its functionality – automating the processes for accepting documents and reporting through the system. The automation of these business processes will help increase efficiency, reduce errors, and facilitate more prompt interaction between The Company and counterparties.

2.3. Environmental Culture of the Population

One of the most important conditions for the development of a comprehensive waste management system is the established separate collection of household waste at the sources of generation. However, the measures being taken to develop the infrastructure for separate waste collection will not be effective without a proper level of environmental education and upbringing of the population. A significant part of the population continues to collect household waste without separation, not realizing the necessity of separate collection. At the same time, the state lacks effective control tools for the "correctness" of household waste collection by the population.

Current realities determine the need for large-scale work in the area of environmental education, forming a responsible and rational attitude towards natural resources among Kazakhstanis, and understanding the need for introducing separate collection of household waste for its further recycling.

Increasing public awareness in waste management lays the foundation for environmental well-being. The environmental consciousness and culture of the population play an important role in the successful implementation of separate HSW collection. Worldwide, environmental education is an important stage on the path to sustainable development and the "green growth" of the country's economy. Therefore, it is important to form the habit of separate waste collection in children from an early age.

Forming an environmental culture in society, promoting environmental knowledge at all levels of education, and developing environmental education and enlightenment to ensure sustainable development is one of the tasks of environmental legislation.

Environmental education is understood as a continuous integrated process of training, upbringing, and personal development, aimed at forming an active life position for everyone and raising the environmental culture in society as a whole, based on the principles of sustainable development.

2.4. SWOT-Analysis

Table No 5

SWOT-Analysis

Strengths	Weaknesses
• Status of a single state EPR operator • Mandatory disposal fees for producers and importers • Legislative definition of tools for solving the set tasks	• Weak administration of disposal fee receipts due to insufficient integration of the EPR Operator's information systems with other state information systems • Need to improve the legislative base in order to effectively carry out the functions of the single state EPR operator
Opportunities	Threats

- Development of the single state EPR operator taking into account advanced international experience
- Stimulating the development of domestic business in the field of waste management
- Creation of infrastructure in the field of waste management
- Creation of conditions for attracting direct investments in the field of waste processing and utilization
- Creation of conditions for the transfer of the latest foreign technologies to the field of waste processing and utilization
- Availability of demand for secondary raw materials from domestic producers
- Lack of a clear model of interaction with the definition of roles and functions among central state bodies, LEB, the Operator, and its counterparties
- Absence of scientific and analytical research and modeling to establish fair disposal fee rates and determine financial and non-financial support measures for the waste management sector
- Lengthy process of introducing critically necessary changes to the legislation
- Low level of environmental consciousness and culture of the population regarding separate HSW collection
- Projection of the negative reputation of "EPR Operator" LLP onto The Company
- Disunity, distortion, or absence of statistical information
- Imbalance between Disposal Fee (DF) rates and corresponding payment expenses

3.Strategic Directions and Goals

3.1. Strategic Direction 1. Improving the Waste Management System for Products Covered by EPR

Strategic Goal 1.1. Organizing an Accessible, Comprehensive, and Effective System for Managing Waste from Products Covered by EPR

In order to increase the attractiveness of waste management activities among businesses and the public, work will continue on making payments to enterprises, collectors, and processors-utilizers of waste from products covered by EPR and its packaging, organizing the collection, transportation, preparation for reuse, sorting, processing, recovery, neutralization, and/or utilization of waste generated after the loss of consumer properties of products (goods).

For the purpose of digitalizing business processes and simplifying the work of counterparties with the EPR Operator, an Automated Information System (AIS) will be launched for organizing the collection, transportation, preparation for reuse, sorting, processing, and/or utilization of packaging waste. New types of waste will also be introduced into it: auto component waste, and electronic and electrical equipment waste.

The implementation of an AIS for tracking V involved in waste removal, its integration with intelligent Internet of Things devices on the roads, as well as the acquisition of geo-data, will allow for real-time tracking of V registration, trip start, route, travel time, stops, waste unloading locations, and other components. If necessary, the initiation of amendments to the notification form for the start or cessation of activities for the collection, sorting, and/or transportation of waste, recovery, and/or destruction of non-hazardous waste, approved by the Order of the Minister of National Economy of the RK dated January 6, 2015, No. 4, will be pursued. These amendments will concern the mandatory indication of the state registration license plates of the vehicle carrying the waste and information about motion tracking devices installed on it. These measures will increase the transparency of the waste transportation sector and provide an effective tool for preventing the formation of unauthorized landfills.

The increase in the share of HSW fractions potentially suitable for processing and reuse will be achieved by ensuring the possibility of separate waste collection at the source of generation and the development of the Material and Technical Base (MTB).

Furthermore, work will be organized to analyze the needs for waste processing, attract investments, and transfer technologies in this area. Primary attention will be paid to the processing of those types of waste for which processing capacities are currently absent or insufficient in Kazakhstan.

Investment attraction will be carried out, including through the use of mechanisms provided for in the Law of the Republic of Kazakhstan "On Public-Private Partnership."

In accordance with Article 365 of the Environmental Code of the RK (EC RK) and the Order of the Minister of Ecology and Natural Resources of the RK No. 154-P dated May 18, 2023, "On Approving Methodological Recommendations for Local Executive Bodies (LEB) on the Development of the Communal Waste Management Program," LEB develop, and local representative bodies approve, communal waste management programs (hereinafter - Programs).

The Company has developed and submitted the Rules on Financing by "Zhasyl Damu" Joint Stock Company of financial institutions for the introduction in the Republic of Kazakhstan of technologies for the collection, transportation, preparation for reuse, processing, sorting, recovery, and/or utilization of waste, the construction of plants (production facilities) for the preparation for reuse, processing, recovery, sorting, and/or utilization of waste, the improvement of the MTB of organizations engaged in the collection, transportation, preparation for reuse, sorting, processing, recovery, and/or utilization of waste, and the organization of waste-to-energy recovery (hereinafter - the Rules), for approval by the Ministry of Ecology and Natural Resources (MENR) and the Agency for the Protection and Development of Competition of the RK.

Specifically, within the framework of the Programs agreed upon with the authorized body in the field of environmental protection, it is assumed that organizations involved in the waste management sector, identified by the Akimats (local administrative bodies), will develop Projects aimed at improving the waste management sector (hereinafter - Projects) to achieve the goals specified in the Program.

The goal of Project financing is to develop the waste management infrastructure and implement a system for separate collection and sorting of HSW, through the procurement of specialized machinery and equipment (containers for separate waste collection and garbage trucks for servicing them), the construction of waste sorting complexes and waste processing plants, resulting in finished products.

Control over the implementation of Projects developed within the framework of the Programs is entrusted to the Akimats.

Control over the target use of funds allocated for the implementation of the Projects is entrusted to the financial institutions.

Following the approval of the Rules, it is planned to conclude Memoranda with the Akimats to define their actions and obligations, and coordinate their actions for the implementation of the Projects, as well as agreements with the Financial Institutions for subsequent financing.

The loan rate for the final borrower is no more than 5.01% (five point zero one percent) per annum. This rate was determined based on the responses sent by second-tier banks (attached), as well as based on the terms offered by small and medium business support programs presented by the "DAMU" fund (no more than 6% (six percent) per annum for the final borrower).

After the Rules are agreed upon by the interested state bodies, this document will be submitted for approval by the Board of Directors of The Company and subsequent approval by the MENR.

Expected Results:

- 1) Ensuring a collection and processing share of packaging waste from the mass of imported and domestically produced packaging for which disposal fees have been paid, at 17.3% in 2024;
- 2) Ensuring the annual growth in the mass of collected and transferred for processing packaging waste, calculated according to the acts of acceptance and transfer of waste from Collectors to Processors in the AIS EcoQolday;
- 3) Ensuring a collection and processing share of auto component waste (Batteries, tires, oils) from the mass of imported and domestically produced auto components for which disposal fees have been paid, at 14.3% in 2024;
- 4) Ensuring the annual growth in the mass of collected and written off for processing auto component waste (Batteries, tires, oils), calculated according to the inventory write-off acts of full-cycle enterprises in the AIS EcoQolday;
- 5) Ensuring the full fulfillment of contractual obligations in the manner of implementation of sub-paragraph 10) of paragraph 1 of Article 388 of the EC RK;
- 6) The volume of financing for the organization, fifty percent or more of the voting shares (stakes in the authorized capital) of which is directly or indirectly owned

by the state and/or a national managing holding, for the further financing of projects in the manufacturing industry aimed at improving the state of the environment, in the manner and on the terms determined by the Government of the RK, in 2023 – 20,000 million KZT, and for 2024-2027 the total financing volume will be approximately 200,000 million KZT.

Strategic Goal 1.2. *Organizing an Effective System for Managing POPs-Containing Waste*

In accordance with the requirements of the EC RK, the authorized body in the field of environmental protection approves the procedure and conditions for directing money received in the bank account of the EPR operator from producers and importers in the form of a disposal fee, towards organizing the collection, transportation, preparation for reuse, sorting, processing, recovery, neutralization, utilization, and destruction of Persistent Organic Pollutants (POPs)-containing waste. However, according to the requirements of the Stockholm Convention, such waste is subject only to destruction, and must not be disposed of in a way that may lead to the recovery, recycling, utilization, direct reuse, or alternative uses of POPs. Thus, the norm for the management of POPs-containing waste, stipulated in sub-paragraph 14) of paragraph 1 of Article 388 of the Code, contradicts the requirements of the Stockholm Convention, which makes its application impossible.

To enable the financing of measures for the destruction of POPs-containing waste using disposal fee funds, work will be carried out to eliminate the contradiction between the norm for the management of POPs-containing waste, stipulated in sub-paragraph 14) of paragraph 1 of Article 388 of the EC RK, and the requirements of the Stockholm Convention. After the adoption of the corresponding amendments to the legislation of the RK, The Company will take measures for the destruction of POPs-containing waste using disposal fee funds at the following sites:

- PCB-containing waste located in Stepnogorsk, Akmola region (waste from the "Daryal-U" Radar Station in Balkhash, Karaganda region);
- POPs-containing agrochemical residues located in Kostanay (pesticides from Turgenevka village, Zhitikara district, Kostanay region);
- POPs-containing waste located on the territory of the former Aktau Plastics Plant in Aktau, Mangistau region.

Expected Results: The number of measures carried out for the transportation and/or destruction of POPs-containing waste will be 1 unit in 2026 and 2 units in 2027.

Strategic Goal 1.3. *Stimulating the Production in the RK of Environmentally Friendly V and SPAM*

In accordance with sub-paragraph 3) of paragraph 1 of Article 388 of the EC RK, the activities of The Company to stimulate the production in the RK of environmentally friendly V (corresponding to the ecological class established by the technical regulations of the Eurasian Economic Union; with electric motors) and their components, as well as SPAM that comply with environmental requirements determined by technical

regulations, are carried out by financing their producers in the following areas: job maintenance; use of energy resources; implementation of research and development (R&D); conducting tests related to product output; support for warranty obligations.

Furthermore, the financing procedure is regulated by the Rules for Stimulating Production in the RK of environmentally friendly V (corresponding to the ecological class established by the technical regulations of the Eurasian Economic Union; with electric motors) and their components, as well as SPAM that comply with environmental requirements determined by technical regulations, approved by the joint order of the Acting Minister of Ecology, Geology and Natural Resources of the RK No. 263 dated July 21, 2021, and the Minister of Industry and Infrastructure Development of the RK No. 400 dated July 29, 2021.

Expected Results: Stimulating the production in the RK of environmentally friendly V (corresponding to the ecological class established by the technical regulations of the Eurasian Economic Union; with electric motors) and their components, as well as Self-Propelled Agricultural Machinery (SPAM) that comply with environmental requirements determined by technical regulations, in volumes determined by the procedure established by the legislation of the RK.

3.2. Strategic Direction

2. Forming an Environmental Culture in Society

Strategic Goal 2.1. *Forming an Effective System of Interaction with Society for the Purpose of Implementing Separate Collection and Reuse of Secondary Resources, and Reducing Waste Generation Volumes*

The measures taken by The Company in this direction will be aimed at raising the culture of HSW management through the comprehensive integration of a continuous environmental education and enlightenment model into Kazakhstan's educational system. The proposed model aims to foster a responsible attitude towards the environment in children, youth, and the adult population, encourage interest in using information and communication technologies in environmental activities, and an conscious understanding of the necessity for safe waste management, particularly separate waste collection.

Thus, large-scale work in this direction includes the implementation of the following initiatives:

1. Creation of Legal Frameworks for the integration of environmental education and enlightenment activities, within the scope of popularizing separate HSW collection, into the state educational system of the RK (preschool, primary, secondary, vocational-technical, higher, supplementary, and postgraduate education systems).

An analysis of the current legislation of the RK needs to be conducted for the sufficiency of legal regulation concerning the formation of environmental culture, and the availability of incentives and conditions for its development. As a result, recommendations for improving the legal framework for environmental education will be prepared and submitted as draft regulatory legal acts to the Ministry of Education of

the RK and the Ministry of Science and Higher Education of the RK, and also proposed for inclusion in the new action plan for the implementation of the Concept for the Transition of the RK to a "Green Economy."

A study on the state of environmental culture among Kazakhstanis will also be conducted regarding the understanding and practical skills of separate HSW collection in Kazakhstan, specifically: the perception of environmental HSW problems of varying scales (global, regional, national, and local) by different social groups, the skill and readiness to switch to separate HSW collection at individual and collective levels, the correct portrayal of the HSW problem and the transformation of Kazakhstanis' consciousness through mass media, editorial positions, social networks, etc.

2. Development and Implementation of a Comprehensive Model of continuous environmental education and enlightenment into the state educational system of the RK, where separate HSW collection and recycling production will be considered as the most important component in forming practical competencies for implementing a low-carbon development strategy.

Based on the analysis of international and domestic experience and best practices in environmental education and public awareness about the principles of separate HSW collection, it is planned to develop, test, and pilot a model aimed at forming the basis of a habit of living ecologically and economically, and understanding that recycling production is one of the foundations for the country's transition to sustainable green development.

Taking into account the results of testing and pilot implementation, the model will be submitted for inclusion in the state educational standard as an ideology integrated into the existing educational standard without additional hourly load.

3. Expansion of the "Birge! Taza Qazaqstan" movement as a civic component of every Kazakhstani, conducting a series of educational contests among all types of formal and non-formal education organizations, with the systematic formation of practical skills to sort HSW at home and outside, to keep recreation areas, reservoirs, forest, and park zones clean, through the conscious refusal to use plastic bags and disposable tableware.

This initiative also includes the creation of a network of regional education centers – knowledge hubs – which will be selected from among preschool education organizations, secondary education organizations in urban and rural areas, vocational-technical education organizations, supplementary education organizations, and universities.

These centers will unite educational organizations on a cluster basis and be thematically focused on practical resource conservation, educating the public on the basics of ecological living, and the correct attitude towards HSW as the country's most important resource.

4. Provision of Information and Organizational Support for the process of developing and implementing a comprehensive model of continuous environmental education and enlightenment to promote separate HSW collection, the refusal to use plastic bags, and keeping social facilities clean.

Communication channels are planned to include social networks, the company's own website, republican and local TV and radio channels, etc.

Information and educational materials (for lecturers, teachers, parents, students, etc.) will be available in both printed and electronic format.

Expected Results:

1. Annual implementation of the project to popularize separate collection and reuse of secondary resources, and reduction of waste generation volumes in educational organizations;
2. The Company will annually increase the number of advertising, educational, and marketing events conducted in the field of waste management.

3.3. Strategic Direction

3. Improving the Operational Activities of The Company

Strategic Goal 3.1. *Improving the Personnel Policy System*

The development of human potential is one of the key factors for the successful implementation of the strategic goals and objectives of this Strategy.

The Company's Personnel Policy will be aimed at attracting, unlocking the potential of, and retaining promising, talented specialists, as well as forming a corresponding environment in which employees strive for self-development, adherence to corporate values, and the acquisition of new competencies required by The Company for successful operation.

The Company strives to create the most adequate and safe working conditions for its employees, as well as a favorable corporate culture. By corporate culture, The Company understands the totality of employee activities, business processes, and the work environment focused on achieving The Company's strategic goals, as well as the methods of The Company's interaction with employees, clients, stakeholders, and the public, and their perception of The Company.

The Company plans to consistently support efforts to improve HR processes. In this direction, The Company's efforts will be aimed at: – Ensuring adherence to the principles of meritocracy, including search and selection, training and development, performance appraisal of employees, and compensation management; – Developing corporate culture; – Improving the talent management system (personnel reserve); – Regulating socio-labor relations that contribute to the successful operation of The Company.

The Company's achievement of strategic goals will be linked to the personal effectiveness of each employee. Human capital development will be carried out through training and development, and advanced training of The Company's employees, including through placement in internships and experience exchange. The automation of HR procedures with other core processes will ensure the full synchronization of personnel development tasks with the achievement of The Company's strategic goals.

Expected Results: In the period from 2023 to 2027, The Company will conduct an assessment of the level of personnel engagement. The Company will strive to ensure an annual growth of this indicator by at least 5%.

Strategic Goal 3.2. *Improving the Corporate Governance System*

The implementation of this strategic goal will be monitored through the execution of The Company's Development Strategy and Development Plan.

Corporate governance is a means of enhancing The Company's operational efficiency, ensuring the implementation of the principle of transparency and accountability, strengthening business reputation, and optimizing costs.

The Company will strive to build a market-oriented corporate governance system, based on the principles of fairness, honesty, responsibility, transparency, professionalism, and competence.

The Company's corporate governance structure is based on respect for the rights and interests of all persons interested in The Company's activities and contributes to The Company's successful operation, including growth in its value, maintenance of financial stability, and profitability.

Within the framework of this strategic goal, work will continue to improve the corporate governance system in accordance with the best world practice, global trends in corporate governance, and the decisions of the Sole Shareholder and the Board of Directors. The trend in corporate governance shows that the demand for the quality, effectiveness, and accountability of the Board of Directors to shareholders, and debureaucratization continues to grow. In this regard, The Company sets goals for improving the effectiveness of the Board of Directors and the Management Board, and ensuring the corporate governance system complies with generally accepted corporate governance standards.

In order to improve the corporate governance system, The Company strives to adhere to the following governance principles:

- The principle of delimitation of powers;
- The principle of protecting the rights and interests of the sole shareholder;
- 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 disclosing information about The Company's activities.

The Company recognizes the importance of improving the corporate governance system and strives to ensure the openness and transparency of its activities, as well as the practical implementation of the main principles of the Corporate Governance Code. Thus, paragraph 3 of the Model Corporate Governance Code in state-controlled joint-stock companies, excluding the National Welfare Fund, approved by the Order of the Minister of National Economy of the RK No. 21 dated October 5, 2018, establishes the

frequency of conducting an independent corporate governance assessment at least once every three years.

Expected Results: Conducting an independent corporate governance assessment in 2025.

Strategic Goal 3.3. *Improving the Administration of Disposal Fees*

In order to exercise control over the correctness of calculation, completeness, and timeliness of transfer of the disposal fee by producers (importers), the integration of The Company's information systems with the information systems of state bodies, second-tier banks, and the national operator (national administrator) of the Vehicle Electronic Passport System is necessary. Control will be carried out by comparing information from state bodies, second-tier banks, and organizations with the data in the EPR Operator's information systems.

Expected Results:

1. Ensuring the launch in 2024 of the Automated Information System for organizing the collection, transportation, preparation for reuse, sorting, processing, recovery, neutralization, and/or utilization of waste generated after the loss of consumer properties of products covered by EPR, allowing for the tracking of the movement of packaging waste, auto components, and electronic and electrical equipment;
2. Integration of The Company's information systems with the Vehicle Electronic Passport System in 2023;
3. Ensuring the integration of The Company's information systems with the information systems of state bodies, quasi-public organizations, and second-tier banks from 2024 to 2027.

Glossary

V - Vehicles

BNS ASPR RK - National Bureau of Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan

OHW - Ownerless Hazardous Waste

EL SPAM - End-of-Life Self-Propelled Agricultural Machinery

ELV - End-of-Life Vehicles

LEB - Local Executive Bodies

GRP - Reusable Glass Packaging

MTB - Material and Technical Base (regional infrastructure for separate MSW collection)

MEGNR - Ministry of Ecology, Geology and Natural Resources of the Republic of Kazakhstan

MENR - Ministry of Ecology and Natural Resources of the Republic of Kazakhstan

R&D -Research and Development work: "Assessment and analysis of cost and income indicators related to the collection, transportation, processing, use and/or utilization of waste tires, oils, batteries, electronic and electrical equipment, packaging, agricultural machinery, vehicles for calculating the size of monetary payments for organizing the management of waste from these products (goods) and disposal fees for these groups of products (goods), as well as the development of a concept and financial model for a deposit (collateral) system for consumer packaging"

The Company - Joint Stock Company "Zhasyl Damu"

RK - Republic of Kazakhstan

EPR - Extended Producer Responsibility

POPs - Persistent Organic Pollutants

Stockholm Convention - Stockholm Convention on POPs (Stockholm, May 22, 2001), ratified by the Law of the RK No. 259 dated June 7, 2007

Strategy - Strategy for the Development of JSC “Zhasyl Damu” for 2023–2027

SPAM - Self-Propelled Agricultural Machinery

HSW - Household Solid Waste

ECS - Electric Charging Station

EC RK - Environmental Code of the Republic of Kazakhstan