Joint-Stock Company “Zhasyl Damu”

REPORT
on the Implementation Progress of Extended Producer Responsibility (EPR) for 2023

Astana – 2024

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Introduction

This report has been prepared by Joint Stock Company «Zhasyl Damu» (hereinafter – the Company) in accordance with subparagraph 6) of paragraph 1 of Article 389 of the Environmental Code of the Republic of Kazakhstan and paragraphs 46 and 47 of the Rules for the Implementation of Extended Producer Responsibility (EPR), approved by the Resolution of the Government of the Republic of Kazakhstan dated October 25, 2021, No. 763 (hereinafter – the Rules).

In accordance with the Resolution of the Government of the Republic of Kazakhstan dated January 18, 2022, No. 20 "On Certain Issues of Subordinate Organizations of the Ministry of Ecology, Geology and Natural Resources of the Republic of Kazakhstan and on the Transfer of the Share in the Authorized Capital of the Limited Liability Partnership 'EPR Operator' from Private to State Ownership under a Gift Agreement," the Company was designated as the EPR operator, being an organization with 100% state ownership. Prior to January 18, 2022, the organization responsible for implementing the Extended Producer Responsibility (EPR) principle (hereinafter – EPR) was LLP «EPR Operator», a privately owned entity.

The transfer of EPR implementation functions to the Company involved a change in both the organizational and legal form and the ownership structure of the EPR operator. The requirements associated with the corporate form of a joint-stock company and state ownership rendered it impossible to fulfill certain obligations until the regulatory framework was aligned with the status of a state EPR operator. For the Company to operate fully in all areas of EPR activity, amendments to documents across all levels of the regulatory hierarchy, including laws and codes, were required, which entails a lengthy, multi-level approval process.

Following an analysis of the current regulatory legal acts (hereinafter – RLAs), in order to eliminate inconsistencies and obstacles in the exercise of the EPR operator's functions, proposals for amendments to the Environmental Code of the Republic of Kazakhstan and other RLAs were submitted to the authorized environmental authority.

The information presented in this report reflects the work carried out by the Company, taking into account operational limitations caused by the need for preliminary preparation of the regulatory and legal framework.

1. Data on Products and Their Packaging Released for Domestic Consumption within the Territory of the Republic of Kazakhstan

In accordance with paragraph 1 of the Order of the Minister of Ecology, Geology and Natural Resources of the Republic of Kazakhstan dated 9 November 2022 No. 689, the List of Certain Types of Products (Goods) Manufactured in the Territory of the Republic of Kazakhstan and/or Imported into the Territory of the Republic of Kazakhstan by Individuals and Legal Entities, for which the collection, transportation, preparation for reuse, sorting, processing, recycling, neutralization and/or disposal of waste generated after the loss of consumer properties of such products (goods) is ensured, was approved.

Pursuant to subparagraph 1) of paragraph 14 of the Rules, submission of an application for the payment of the disposal fee and obtaining a certificate of disposal payment (hereinafter – the application) by producers and importers is carried out via the ROP Operator's online resource or in paper form.

During 2023, all applications were submitted through the information system app.recycle.kz. From 1 January to 31 December 2023, the ROP Operator issued 292,043 certificates of disposal payment (hereinafter – CDP) for vehicles (hereinafter – V) and self-propelled agricultural machinery (hereinafter – SPAM) imported and manufactured in the Republic of Kazakhstan.

Table No. 1

Number of units of imported and produced V and SPAM in 2024, units.

Category	Production	Import	Total
M1	128 102	111 750	239 852
M1G	238	11 848	12 086
M2	806	393	1 199
M2G	111	34	145
M3	2 458	1 156	3 614
M3G	131	20	151
N1	3 341	2 037	5 378
N1G	2 209	3 998	6 207
N2	770	850	1 620
N2G	64	80	144
N3	431	10 376	10 807
N3G	1 098	2 638	3 736
COMBAIN	744	249	993
TRACTOR	4 515	1 596	6 111

In addition, 26,258 certificates of disposal payment (CDP) were issued for products (goods) covered by EPR, encompassing 300,842 items with a total weight of approximately 368 thousand tons.

Table No. 2

Products (goods, packaging) for which disposal payments were made in 2024.

Product Groups	Mass, tons
Rubber, rubber products, and articles made thereof	91 247,49
Electric accumulators, including separators for them	7 882,60
Oil and petroleum products (excluding crude), obtained from bituminous rocks, and products not elsewhere specified or included, containing 70 percent by mass or more of oil or petroleum products derived from bituminous rocks, provided that these petroleum products constitute the main components of the products, except for those containing biodiesel and used petroleum products.	85 276,42
Other chemical products	15 206,13
Polymer, glass, paper, cardboard, metal packaging, and packaging made of combined materials	136 229,41
Tableware and kitchenware, cutlery and other household items, hygiene or toilet items made of plastics	952,84
Newspapers, magazines, and other periodicals, illustrated or unillustrated, containing or not containing advertising material	0,06
Handmade, uncoated paper and cardboard used for writing, printing, or other graphic purposes	960,15
Primary cells and primary batteries	5,49
Incandescent or gas-discharge lamps, including sealed directional lamps, as well as ultraviolet or infrared lamps; mercury-containing arc lamps	12,47
Medical or veterinary thermometers containing mercury	2,77
Large-sized electrical and electronic equipment	8 617,43
Electrical and electronic equipment containing heat transfer fluids	10 553,66
Electrical and electronic equipment equipped with screens and monitors	3 202,82
Smal-sized electrical and electronic equipment	7 648,96
Small electrical and electronic information equipment	191,45
TOTAL	**367 990,15**

Disposal Payment Receipts amounted to:

- 238,689 million tenge from the production and import of vehicles (V);
- 16,041 million tenge from the production and import of agricultural machinery (AM);
- 14,330 million tenge from other products covered by EPR (including auto components, packaging, electrical and electronic equipment, etc.).

2. Information on the volume of waste subject to recycling (broken down by each component in the waste composition) and the indicator of the actual volume fulfilled

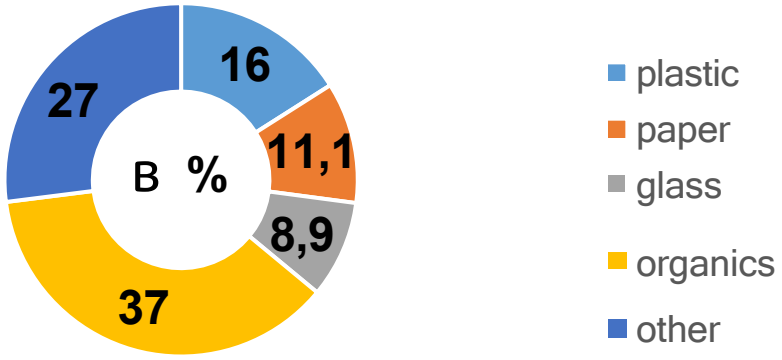
In accordance with paragraph 4 of Article 323 of the Code, waste disposal is understood as the process of using waste for purposes other than recycling, including as a secondary energy resource for extracting thermal or electrical energy, producing various types of fuel, as well as a secondary material resource for construction purposes, filling (sealing, backfilling) of worked-out spaces (voids) in the earth or subsoil, or for engineering purposes in creating or modifying landscapes. Due to the lack of reliable data on enterprises engaged in the use of waste for purposes other than recycling, including as a secondary energy resource, as well as technologies and regulatory legal acts allowing the use of waste as various types of fuel, the presentation of information on the actually fulfilled volume of waste disposal is not possible.

On March 12, 2024, a meeting was held in the Government of the Republic of Kazakhstan, chaired by Prime Minister of the Republic of Kazakhstan Bektenov O.A., at which the MEPNR RK presented the presentation “On the Progress of the Implementation of the Head of State’s Instruction to Accelerate the Construction of MSW Processing Plants.” As part of this presentation, the following data for 2023 were provided:

- 1.7 million tons: the total maximum capacity of the 35 operating waste sorting lines and complexes;
- 234.7 thousand tons: the total maximum capacity of the operating waste processing enterprises;
- The total volume of waste collected in the Republic of Kazakhstan amounted to 4.1 million tons, of which 24% of the waste was sent for sorting and processing, and 76% of the waste was landfilled.

Diagram No.1

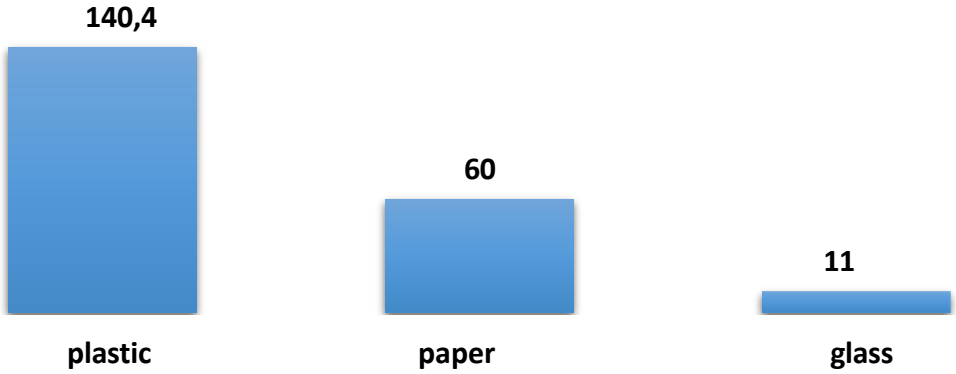
Average Composition of Municipal Waste in the Country in 2023



Data: MENR RK

Diagram No.2

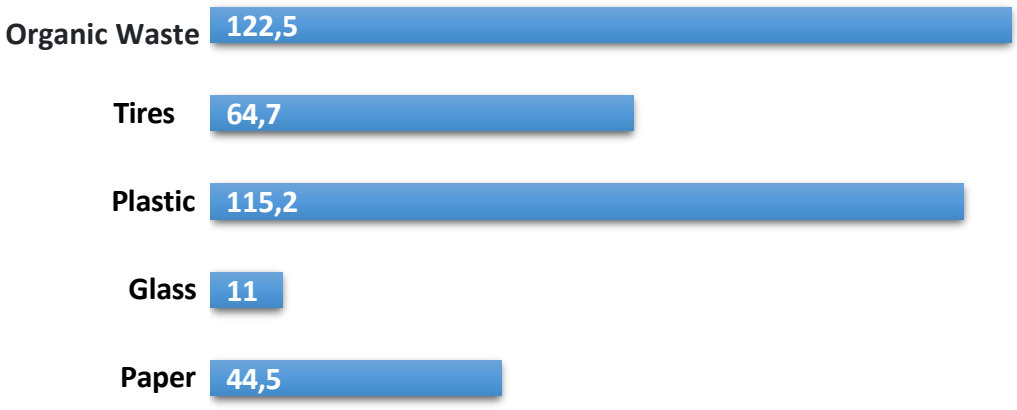
Volumes of Plastic, Paper, and Glass Generation and Processing in 2023, in thousands of tons per year.



Data: MENR RK

Diagram No.3

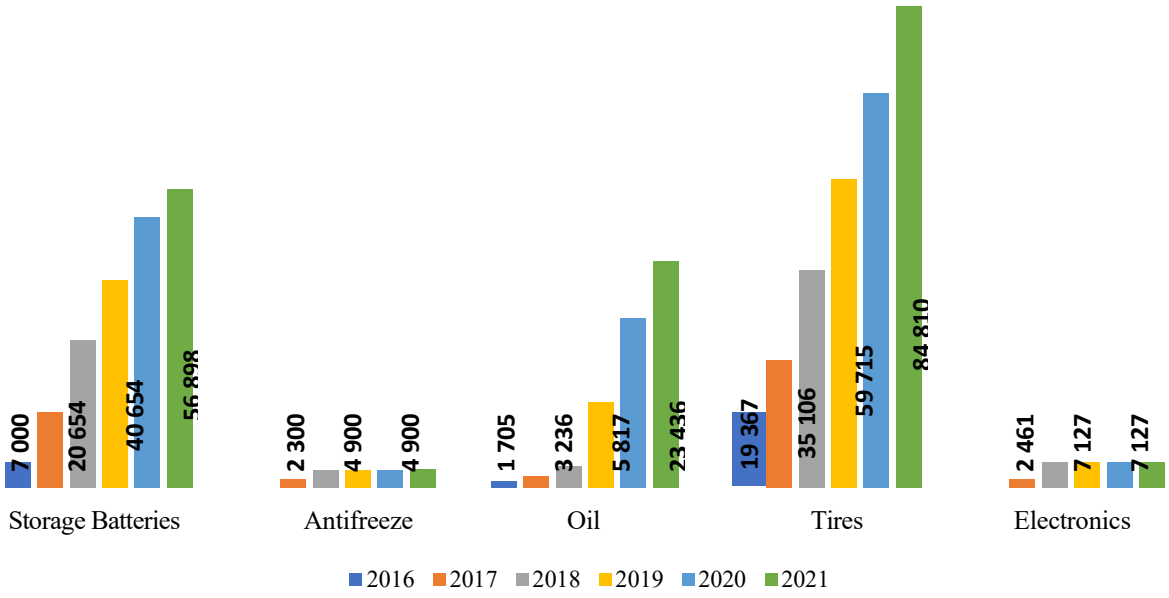
Main Waste Fractions in 2023, in thousands of tons



Data: MENR RK

Diagram No.4

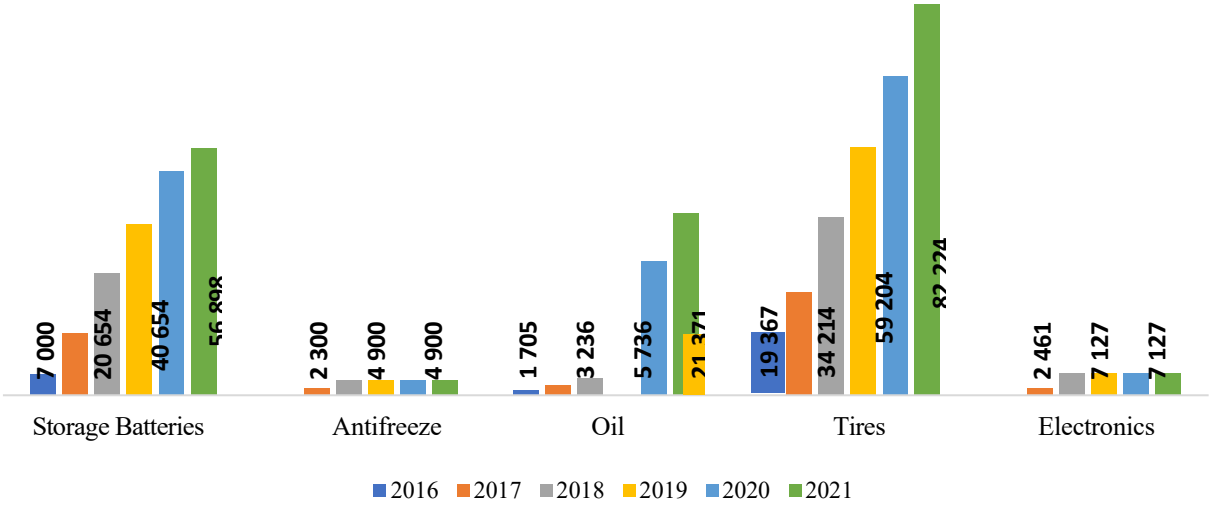
Collection of Auto Component and Electronics Waste, in tons (cumulative)



Data: LLP «EPR Operator»
SB – Storage Batteries

Diagram No.5

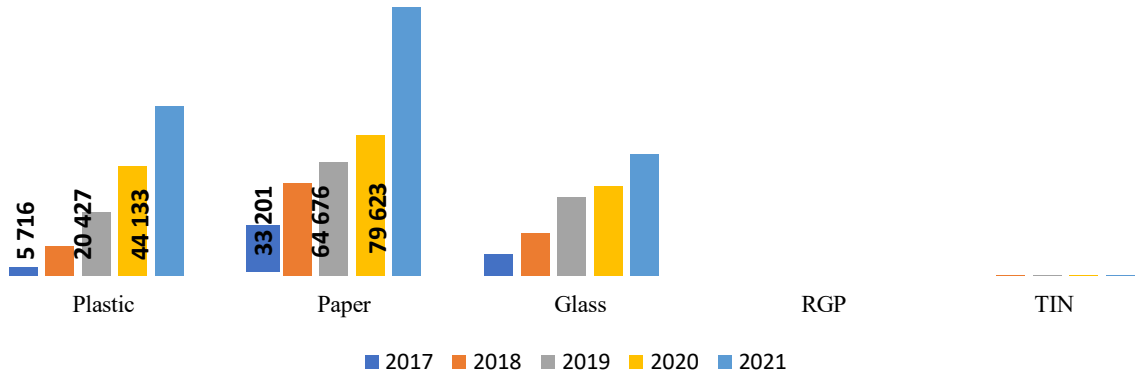
Disposal of Auto Component and Electronics Waste, in tons (cumulative)



Data: LLP «EPR Operator»
SB – Storage Batteries

Diagram No.6

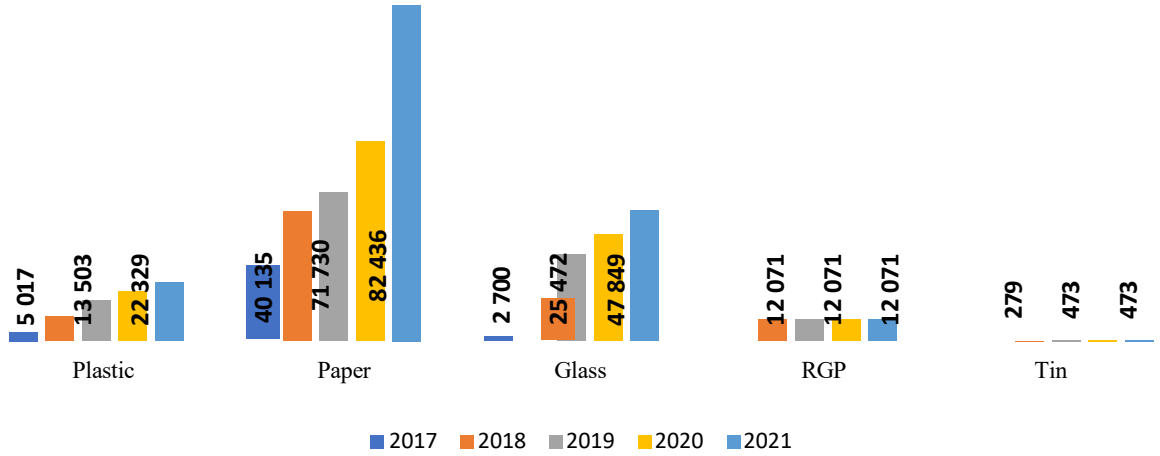
Collection of Packaging Waste, in tons (cumulative)



Data: LLP «EPR Operator»
** RGP - Reusable Glass Packaging*

Diagram No.7

Disposal of Packaging Waste, in tons (cumulative)



Data: LLP «EPR Operator»
** RGP - Reusable Glass Packaging*

During 2022–2023, work was carried out to introduce amendments to the Environmental Code of the Republic of Kazakhstan in order to confer on the authorized environmental protection body the competence to approve the procedure for payments by the Operator to business entities engaged in the collection, transportation and processing of wastes generated after the loss of consumer properties of products (goods) covered by extended producer responsibility (EPR), as well as to approve the relevant procedure.

Subsequently, by Order of the Minister of Ecology and Natural Resources of the Republic of Kazakhstan dated 27 November 2023 No. 332, the Rules for the Allocation of Funds by the Operator of Extended Producer Responsibility, received

in its bank account from producers and importers, for the organisation of collection, transportation, preparation for reuse, sorting, processing, recycling, neutralisation and/or disposal of wastes generated after the loss of consumer properties of products (goods) covered by extended producer responsibility through payments (hereinafter – the Rules), were approved.

The above-mentioned Rules entered into force on 5 February 2024, and business entities began submitting applications for registration in the EcoQolday information system.

Accordingly, starting from 5 February 2024, work commenced on receiving applications for the subsequent conclusion of agreements with business entities engaged in the collection, transportation and processing of wastes generated after the loss of consumer properties of products (goods) covered by extended producer responsibility.

In this regard, information for 2022–2023 cannot be provided due to the absence of concluded agreements with business entities.

3. Information on the work carried out to organize the collection, transportation, preparation for reuse, sorting, processing, recycling, neutralization, and/or disposal of waste generated after the loss of consumer properties of products and their packaging

In 2023, the Ministry of Ecology and Natural Resources of the Republic of Kazakhstan (hereinafter – MENR) together with the Operator carried out work on the development and approval of the regulatory and legal framework for organizing the collection, transportation, preparation for reuse, sorting, processing, recycling, neutralization and/or disposal of waste generated after the loss of consumer properties of products (goods) covered by extended producer responsibility (EPR).

The Operator developed and submitted to the MENR proposals for amending subparagraphs 5) and 6) of paragraph 1 of Article 388 of the Environmental Code of the Republic of Kazakhstan in order to grant:

- the authorized environmental protection body the competence to determine the procedure for payments;
- the Government of the Republic of Kazakhstan the competence to approve the amounts of payments.

These amendments were adopted within the Law of the Republic of Kazakhstan “On Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on Issues of the Semipalatinsk Nuclear Safety Zone, Ecology and Electric Power Industry” dated 5 July 2023 No. 17-VIII.

In pursuance of subparagraphs 5) and 6) of paragraph 1 of Article 388 of the Environmental Code of the Republic of Kazakhstan, the Operator developed proposals to regulate the procedure for directing funds by the EPR Operator, received in its bank account from producers and importers, towards the organization of collection, transportation, preparation for reuse, sorting, processing, recycling, neutralization and/or disposal of waste generated after the loss of consumer

properties of products (goods) covered by extended producer responsibility through payments, both within the territory of the Republic of Kazakhstan and abroad.

In turn, the MENR developed and agreed with state bodies and interested industry associations the following regulatory legal acts:

1) Order of the Minister of Ecology and Natural Resources of the Republic of Kazakhstan dated 27 November 2023 No. 332 “On Approval of the Rules for Directing Funds by the Operator of Extended Producer Responsibility, Received in its Bank Account from Producers and Importers, towards the Organization of Collection, Transportation, Preparation for Reuse, Sorting, Processing, Recycling, Neutralization and/or Disposal of Waste Generated after the Loss of Consumer Properties of Products (Goods) Covered by Extended Producer Responsibility through Payments”;

2) Order of the Minister of Ecology and Natural Resources of the Republic of Kazakhstan dated 26 December 2023 No. 375 “On Approval of the Rules for Directing Funds by the Operator of Extended Producer Responsibility, Received in its Bank Account from Producers and Importers, towards the Organization of Collection, Transportation, Preparation for Reuse, Sorting, Processing, Recycling, Neutralization and/or Disposal outside the Republic of Kazakhstan of Waste Generated after the Loss of Consumer Properties of Products (Goods) Covered by Extended Producer Responsibility, for which there are no Facilities for Neutralization, Processing and/or Disposal in the Territory of the Republic of Kazakhstan, through Payments”;

3) Resolution of the Government of the Republic of Kazakhstan dated 29 December 2023 No. 1250 “On Approval of the Amounts of Cash Payments of the Operator of Extended Producer Responsibility at the Expense of Funds Received in its Bank Account from Producers and Importers to Business Entities Engaged in the Collection, Transportation, Preparation for Reuse, Sorting, Processing, Recycling, Neutralization and/or Disposal of Waste Generated after the Loss of Consumer Properties of Products (Goods) Covered by Extended Producer Responsibility.”

The Operator carried out work to develop the EcoQolday information system in order to bring it in line with the current legislation of the Republic of Kazakhstan.

As part of the relaunch of the EcoQolday system, on 14 December 2023, representatives of the Operator conducted an explanatory session in a hybrid format at the platform of the Atameken National Chamber of Entrepreneurs in Almaty for business entities operating in the field of waste management covered by extended producer responsibility (EPR), regarding the application of Order of the Minister of Ecology and Natural Resources of the Republic of Kazakhstan dated 27 November 2023 No. 332 through the EcoQolday information system.

The event was attended by industry associations representing waste collectors and recyclers, representatives of regional and city akimats, as well as business entities engaged in the collection, transportation, preparation for reuse, sorting, processing, recycling, neutralization and/or disposal of waste generated after the loss of consumer properties of products (goods) covered by extended producer responsibility (EPR). During the above-mentioned session, issues were discussed

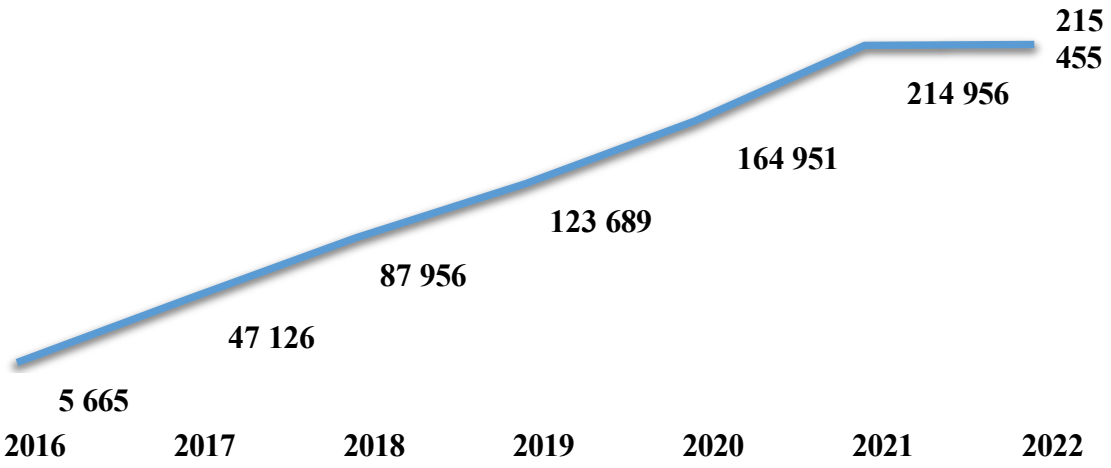
and answers were provided to frequently asked questions from business entities engaged in or intending to engage in the collection and recycling of waste, as well as representatives of industry associations.

End-of-life vehicles (ELVs) and end-of-life self-propelled agricultural machinery (ELSPAM)

The dynamics of recycling of ELVs and ELSPAM for the periods of activity since the introduction of extended producer responsibility, according to the automated information system, are presented in Charts 8 and 9.

Diagram No. 8

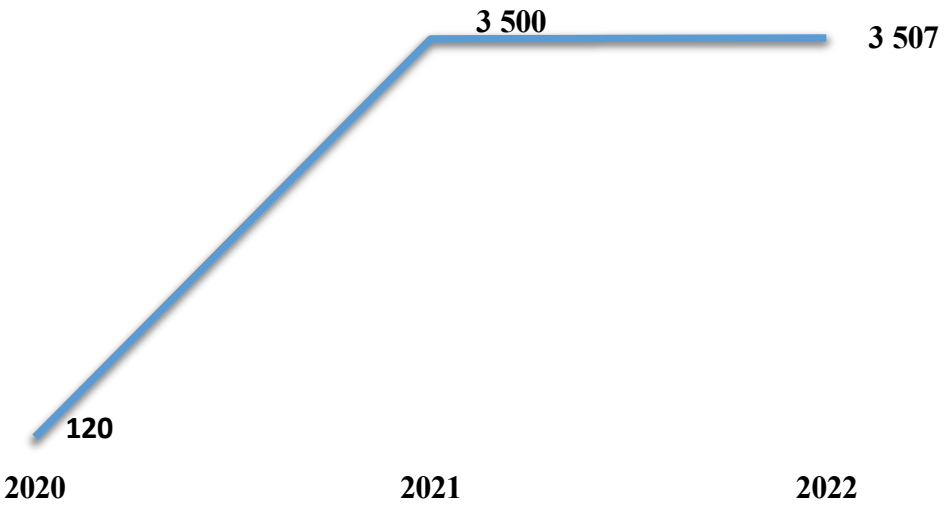
Dynamics of ELV (cumulative) in units.



Data: LLP «EPR Operator»

Diagram No. 9

Dynamics of ELSPAM (cumulative) in units.



Data: LLP «EPR Operator»

Since 2016, a total of 197,816 end-of-life vehicles (ELVs) and end-of-life self-propelled agricultural machinery (ELSPAM) accepted for disposal have been recycled in accordance with the signed certificates of completed works.

In order to resume the recycling programme, JSC "Zhasyl Damu" has developed a draft of new Rules for the disposal of vehicles and self-propelled agricultural machinery (ELVs/ELSPAM), which envisage the participation of all business entities engaged in the processing of ferrous metal, without the monopoly of a single enterprise.

4. Information on the work carried out to stimulate the production of environmentally friendly motor vehicles and SPAM in the Republic of Kazakhstan

Stimulation of the production of environmentally friendly vehicles and self-propelled agricultural machinery in Kazakhstan is carried out by the Operator in accordance with subparagraph 3) of paragraph 1 of Article 388 of the Environmental Code of the Republic of Kazakhstan.
Based on the results of 2023, the production of 140,697 units of vehicles and self-propelled agricultural machinery was stimulated under 3,248 applications.

The total amount allocated to stimulate the production of vehicles and agricultural machinery in 2023 amounted to 115.7 billion tenge.
It should be noted that, according to subparagraph 15) of paragraph 1 of Article 388 of the Environmental Code of the Republic of Kazakhstan, organisations that are more than fifty percent owned by the state or by a national managing holding may receive financing for projects in the manufacturing industry. These projects must be aimed at improving the environmental situation. The rules and conditions for granting such financing are established by Resolution of the Government of the Republic of Kazakhstan dated 2 September 2021 No. 604.

In order to implement this regulatory legal act, in 2022 the Company provided financing to JSC "Industrial Development Fund" in the amount of 160 billion tenge for the financing of manufacturing industry projects aimed at improving the environment, including through stimulating consumer demand and renewal of:

- vehicles in the Republic of Kazakhstan, through conditional financing of second-tier banks to finance individuals purchasing domestically produced passenger cars — in the amount of 100 billion tenge;
- self-propelled agricultural machinery in the Republic of Kazakhstan — in the amount of 30 billion tenge;
- vehicles in the Republic of Kazakhstan through conditional financing of social-entrepreneurial corporations under local executive bodies and/or carriers purchasing domestically produced buses — in the amount of 30 billion tenge.

According to JSC "Industrial Development Fund", as of the end of 2023, the following results were achieved with the loan funds of JSC "Zhasyl Damu":

- 13,347 loans in the amount of 105,789 million tenge were issued within the framework of preferential financing of individuals for the purchase of domestically produced vehicles;
- 1,425 loans in the amount of 51,600 million tenge were issued for the preferential leasing of self-propelled agricultural machinery;
- 140 loans in the amount of 8,667 million tenge were issued for the preferential leasing of buses.

In 2023, in accordance with the implementation of Government Resolution No. 813 dated 19 September 2023, the EPR Operator provided additional financing in the amount of 20 billion tenge for the implementation of manufacturing industry projects related to the renewal of machinery through stimulating consumer demand in the Republic of Kazakhstan for domestically produced self-propelled agricultural machinery (SPAM).

Regarding the transfer of obligations of LLP "EPR Operator" to vehicle producers

Since in 2022 LLP "HYUNDAI TRANS KAZAKHSTAN" did not sign an addendum to the contract transferred from LLP "EPR Operator", 237 redeemed discount certificates for this producer in the amount of 289.4 million tenge were financed only in 2023 after the corresponding addendum was signed.

Regarding the transfer and utilization of unredeemed discount certificates

In 2023, a total of 110 discount certificates were used amounting to 135.15 million tenge.

The remaining unused discount certificates as of the beginning of 2024 amounted to 16 certificates totaling 17.75 million tenge.

In addition, in 2023, under 112 applications for payment of monetary compensation to the population for the disposal of end-of-life vehicles (ELVs), payments were made in the amount of 30,599,370 tenge.

The balance at the beginning of 2024 for 9 unused applications amounted to 1,984,824 tenge.

5. Information on the implementation of new technologies for collecting and using waste as secondary raw materials, and the construction of plants (production facilities) for sorting and/or using municipal solid waste and secondary resources.

In January 2023, JSC "Zhasyl Damu" and JSC "Kazakhstan Center for Public-Private Partnership" signed a Memorandum of Mutual Cooperation, aimed at developing and implementing joint and coordinated actions to carry out a unified state policy in the field of investments and public-private partnership, contributing to an improvement in the standard of living of the population and enhancing the economic and investment potential of the Republic of Kazakhstan.

A decision was also made to disseminate knowledge and exchange experience on priority areas of cooperation in the public-private partnership sphere in the field of municipal solid waste management.

On 9 February 2023, a meeting was held with the German company AMK Global on the issue of landfill reclamation, construction of a municipal solid waste processing plant and carbon fiber production facility in Abai region.

On 26 March 2023, with the support of the Company, a roadmap was signed in the city of Semey for the implementation of a project with AMK Global (Germany) and the Akimat of Abai region.

On 20 June 2023, a Kazakh-German business forum was held with the participation of the heads of state. Within the framework of the forum, a Memorandum of Strategic Partnership was signed, placing emphasis on expanding cooperation in the trade-economic and investment spheres, and in the development of transport-logistics and energy interaction between the parties. *For reference: AMK Global GmbH is a united group of companies operating in the waste processing market. The company's main goal is to develop specific competencies required for the creation and operation of efficient waste processing facilities.*

In September 2023, together with regional akimats, a list of 11 projects was formed, consisting of:

- 7 waste-sorting complexes totaling 58.8 million tenge;
- 4 plants for the processing of waste and production of products from recycled materials totaling 2.2 billion tenge.

On 19 September 2023, the Chairman of the Management Board of JSC "Zhasyl Damu", Mr. Y.N. Sarsenbay, and the Chairman of the Management Board of JSC "MC SEZ 'Saryarka'", Mr. A.E. Baymuldinov, signed a Memorandum of Understanding. The signed document will become an important mechanism for development in the area of waste management, creating a basis for the development of close ties, increasing the volume of bilateral investment and the transfer of green technologies and expertise.

As part of the business trip, the management of JSC "Zhasyl Damu" became acquainted with the activities of manufacturing enterprises located on the territory of JSC "MC SEZ 'Saryarka'". Among them were the plant for the production of geomembranes and geosynthetic products in Kazakhstan — LLP "AltynArna Geosynthetics", as well as the plant for the production of rubber, rubber-metal, and steel liners made of chromium-molybdenum alloy, as well as monoblocs, for mills of any size ranging from 1.5 to 12.2 meters in diameter for various operating conditions — LLP "Polymet Solutions Corporation".

In October, at the invitation of the Turkish company "TC INVEST TRADING & CONSULTING AG TURKIYE" (hereinafter – ITC), a visit was made to the Republic of Türkiye to the following plants:

1. ITC (MSW processing, Ankara);
2. White Rose (EV charging station production plant, Karaman);
3. INEVA (MSW and sludge processing, Gaziantep).

For reference: ITC focuses on the rehabilitation of illegal dumps, the design and operation of sanitary landfills, biomethanization, energy production through

gasification-incineration, production of fuel from waste (RDF), separation of packaging waste, and the disposal of hazardous and medical waste.

From 17 to 18 October, a visit was carried out in the city of Ankara, Republic of Türkiye, at waste-sorting complexes located in the Sincan and Mamak districts. The purpose of the visit was to study MSW processing experience, experimental and new solutions in the field of MSW management. Issues were considered ranging from the collection of MSW to the disposal of hazardous medical waste. The ITC company prepared a presentation and a visual demonstration of the operation of their full-cycle complex. At the second location in the Mamak district, research activities, operating greenhouses, and a second complex in Ankara were presented. As a result of the visit, contacts were established with ITC, and the issue of signing a memorandum of understanding and cooperation was worked out.

On 19 October, a visit was organized to the "White Rose" plant for the production of electric vehicle charging stations in Karaman, Republic of Türkiye. *For reference: White Rose Motor Sanayi ve Otomasyon Tic. Ltd. Sti. is one of the leading companies in the field of automation and the production of EV charging stations.*

During the visit, the entire production line for the above-mentioned products was demonstrated.

During bilateral negotiations, the Turkish side expressed its interest in considering and studying the localization of this production in Kazakhstan at one of the Special Economic Zone sites, as well as its desire to visit our country in the near future. As a result of the visit, contacts were established with "White Rose", and the issue of signing a memorandum of understanding and cooperation during a visit to Kazakhstan was discussed.

On 20 October, a visit was organized to the city of Gaziantep, Republic of Türkiye, to the plant of INEVA Çevre Teknolojileri A.Ş. for the processing of sludge and MSW.

For reference: INEVA specializes in the development of waste disposal technologies using the experience of fluidized-bed treatment.

During the visit, the existing facility and the entire technological process for the processing of sludge and MSW were demonstrated.

Together with a Kazakh company, the Turkish side expressed its willingness to implement an investment project in Almaty region in the field of MSW management and localization of equipment production.

On 12 November 2023, the Chairman of the Management Board of JSC "Zhasyl Damu", Mr. Y.N. Sarsenbay, and the Chairman of the Management Board of the Turkish company "White Rose", Mr. Musa Akqul, signed a Memorandum of Understanding and Cooperation. The main goal of the document is to expand bilateral cooperation on the development of electric charging stations and the localization of their production in the Republic of Kazakhstan.

6. Information on improving the material and technical base of organizations engaged in the collection and/or use of secondary resources, the collection, sorting, and/or use of municipal solid waste

In order to carry out work in this area, the Company, as an entity of the quasi-public sector, requires a clear procedure for the allocation of funds. In this regard, the Company submitted proposals to the authorized body for introducing amendments and additions to the Environmental Code of the Republic of Kazakhstan. In particular, to ensure transparency in the use of disposal payments, it was proposed to grant the authorized environmental protection body the competence (power) to approve the procedure (rules) for directing funds to improve the material and technical base of organizations engaged in the collection and/or utilization of secondary raw materials, the collection, sorting and/or utilization of municipal solid waste.

At the time of preparation of this report, draft rules had been developed and were under approval by the MENR RK for the purposes of implementing:

- subparagraph 9) of paragraph 1 of Article 388 of the Environmental Code of the RK: *Rules for financing by JSC "Zhasyl Damu" of experimental, pilot, design and research works in the field of collection, transportation, preparation for reuse, sorting, processing, recycling, neutralization and/or disposal of waste*;
- subparagraph 10) of paragraph 1 of Article 388 of the Environmental Code of the RK: *Rules of JSC "Zhasyl Damu" for financing financial institutions for the introduction in the Republic of Kazakhstan of technologies for collection, transportation, preparation for reuse, processing, sorting, recycling and/or disposal of waste, construction of plants (production facilities) for preparation for reuse, processing, recycling, sorting and/or disposal of waste, and for improving the material and technical base of organizations engaged in collection, transportation, preparation for reuse, sorting, processing, recycling and/or disposal of waste, as well as the organization of waste-to-energy processing*.

In December 2023, a draft Resolution of the Government "On Amending Resolution of the Government of the Republic of Kazakhstan dated 2 September 2021 No. 604 'On Approval of the Rules for Financing by the EPR Operator an Organization in which fifty or more percent of the voting shares (participatory interests in the charter capital) are directly or indirectly owned by the state and/or a national managing holding, for the further financing of manufacturing industry projects aimed at improving the environmental situation'" was submitted to the Government of the RK.

The draft provides for the allocation by the Company of 200 billion tenge to JSC "Industrial Development Fund" for the further financing of projects for the introduction in the Republic of Kazakhstan of technologies for the collection, transportation and processing of waste, construction of waste-processing plants, and improvement of the material and technical base of waste-management organizations.

For reference: the amendments were approved by Resolution of the Government of the RK No. 156 dated 7 March 2024.

7. Information on the creation and development of the electric vehicle charging station (EVCS) network

In 2023, LLP “EVCS Operator” (hereinafter – the EVCS Operator) carried out work to identify an investment partner with the aim of modernizing existing electric vehicle charging station (EVCS) points. Throughout 2023, the EVCS Operator held a number of meetings with potential partners such as Huawei, China Power, Grasen, Sungrow, and Inspur. The interest of foreign companies was mainly focused on proposals to supply EVCS equipment.

In addition, in 2023 negotiations were conducted with representatives of domestic companies — LLP “Kaz Green Invest”, LLP “Three Energy”, and JSC “Passenger Transportation”. As a result of negotiations between the EVCS Operator and:

- JSC “Passenger Transportation”, a subsidiary of JSC “National Company Kazakhstan Temir Zholy”, a Memorandum of Cooperation and Interaction was signed in August 2023. Under the Memorandum, the EVCS Operator provided passenger transportation services using electric vehicles in the Burabay resort area;
- LLP “Three Energy”, in September 2023 LLP “Three Energy” modernized two EVCSs located in Astana (on the premises of the “Alau” sports complex) and at the “Rixos Burabay” Hotel. The EVCS modernization made it possible to increase their capacity and significantly reduce electric vehicle charging time.

Also, in December 2023, the EVCS Operator announced the search for a potential partner/investor for the purpose of modernizing existing charging stations located in Almaty, Astana and Burabay. As a result of the search and selection of potential candidates, preliminary agreements were reached with LLP “Kaz Green Invest”.