



2021-½2022 SUSTAINABILITY REPORT

JV INKAI LLP

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inkai.kazatomprom.kz

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KEY INDICATORS

SOCIAL INDICATORS

TOTAL HEADCOUNT

½2022 **741** employees

STAFF TURNOVER RATE

½2022 **5,8%**

ACCIDENTS

½2022 **0**

AVERAGE NUMBER OF TRAINED EMPLOYEES

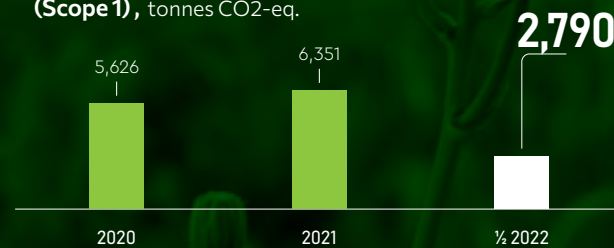
½2022 **186** people

AVERAGE WOMEN'S SALARY ON STARTING POSITIONS

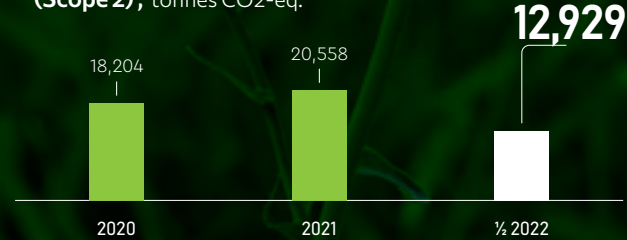
½2022 **186** thousand tenge

ENVIRONMENTAL INDICATORS

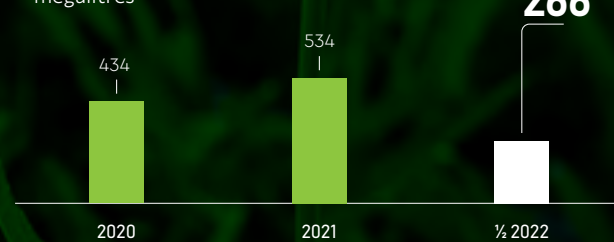
TOTAL GREENHOUSE GAS EMISSIONS (Scope 1), tonnes CO₂-eq.



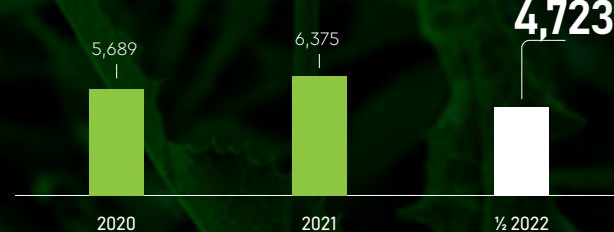
TOTAL GREENHOUSE GAS EMISSIONS (Scope 2), tonnes CO₂-eq.



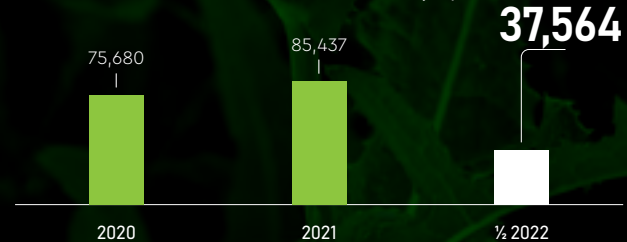
TOTAL WATER CONSUMPTION, megalitres



TOTAL WASTE GENERATED, tonnes



AMOUNT OF ENERGY CONSUMED FROM NON-RENEWABLE FUEL SOURCES, GJ



CORPORATE GOVERNANCE

GENERAL MEETING

½2022 **1**

RECEIVED COMPLAINTS AND ENQUIRIES

½2022 **4**

PROCUREMENT

½2022 **13,3** billion tenge

SHARE OF LOCAL SUPPLIERS IN PURCHASES OF "GOODS"

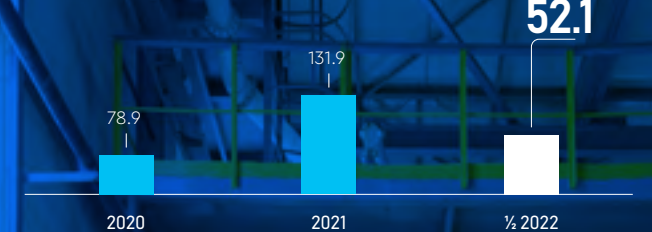
½2022 **100%**

SHARE OF LOCAL SUPPLIERS IN PURCHASES OF "SERVICES"

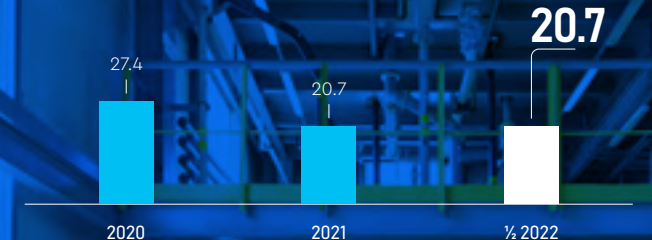
½2022 **100%**

ECONOMIC INDICATORS

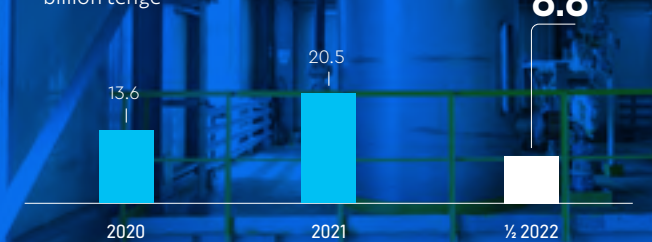
REVENUE, billion tenge



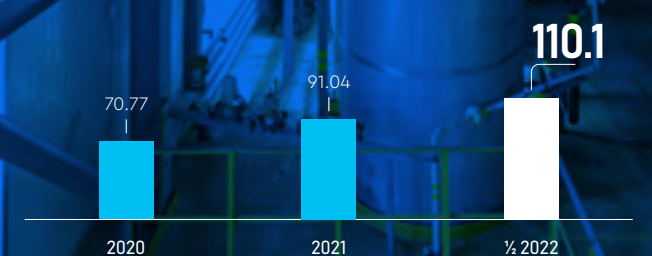
EFFECTIVE INCOME TAX RATE, %



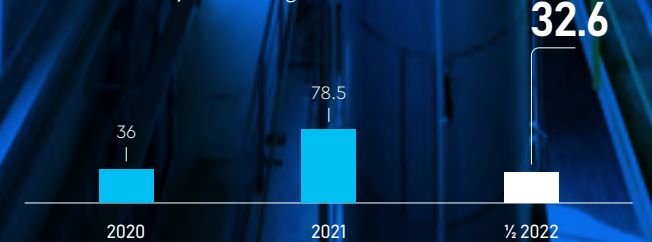
INCOME TAX EXPENSES AMOUNTED, billion tenge



SELLING PRICE OF PRODUCTS, \$/kg



NET PROFIT, billion tenge



GENERAL DIRECTOR'S STATEMENT

GRI 102-14



Yelnar Pernesh,
General Director

Dear reader!

JV Inkai LLP is committed to operating in an environmentally and socially responsible manner and works towards integrated sustainable development. The Company's corporate social responsibility policy provides for the implementation of a corporate strategy focused on a positive effect on the local population, the environment and the long-term plans of the enterprise.

In the beginning of 2022, Kazakhstan faced new challenges. The country was gripped by massive unrest over social issues. Given the tense social condition in Kazakhstan, we took a number of measures to ensure employee safety and increase social stability. In particular, we increased salaries for all employees by 10%, increased benefits and bonuses, transferred 66 employees to a new qualification grade as part of the grade update, and improved the terms of the collective agreement. We won the "Grand Prix" at the national competition on corporate social responsibility "Paryz 2022".

The Company supports the global Sustainable Development Goals adopted at the UN Summit and, for its part, strives to make a significant contribution to solving the main challenges of the modern world outlined therein. The Company has chosen 8 priority Goals for itself, where we believe we can provide the most significant results and benefits for society. These selected Sustainable Development Goals provide the foundation and framework for not only our environmental and social agenda but also our long-term corporate strategy. We are focused on further progress in all areas of sustainable development and make strategic decisions based on the interests and feedback from all our stakeholders.

Due to the current geopolitical situation in the region, we decided to change the route of our products. Thanks to timely decisions to ensure operational efficiency and personnel safety, neither the January events in Kazakhstan nor the conflict in Ukraine have had a significant impact on Inkai's performance. We closely monitor the political situation both inside and outside the country.

Economic Value

Increasing the operational and financial performance of Inkai plays a big role for the economy of the country and the regions where we operate, primarily in the Turkestan region, where we mine minerals. Therefore, the creation of economic value and its efficient and fair distribution in favour of the stakeholders – including the state, employees, capital providers, society and owners – are one of the key areas in our sustainable development programme. In 2021, the Company's revenue amounted to 131.9 billion tenge, which is 67% more than in 2020. The Company continues to show strong growth and rapid development. The distributed economic value of Inkai in 2021 reached 54 billion tenge. The main share is represented by operating expenses and income tax expenses, followed by salaries and other payments to the Company's employees and investments in the social sphere. Through its tax deductions, the Company makes a significant contribution to local socio-economic development. In 2021, the Company paid 20.5 billion tenge of income tax and 3.5 billion tenge of subsoil user taxes.

Personnel Management and Safety

The priority tasks for us are the creation and development of comfortable and safe working conditions, maintaining health, and increasing the motivation of the Company's employees.

The Company has implemented an integrated occupational health and safety management system (OHSMS), which covers 100% of employees. We are pleased to announce that there were no occupational accidents recorded in 2021. More than 1.5 thousand facility inspections were carried out. The cost of labour protection activities amounted to 98 million tenge.

In personnel management, we strive to ensure the rights of employees in practice, respect their values, interests, and to build relationships based on honesty and openness.

We value the contribution of employees and support their professional development and growth. More than 700 people work in Inkai today, ensuring the development of the Company and operational efficiency with their professionalism and responsible attitude to work.

At the Company, we implement initiatives to ensure the diversity of the workforce, attracting and promoting talented employees regardless of race, religion, age, gender, disability group, and other characteristics.

In 2021, a new Collective Agreement was implemented for the period of 2021–2026 between the Company and the Workforce represented by employee representatives elected and authorised at the general meeting of employees. The Collective Agreement helps us in improving working conditions, exercising the rights, duties and powers of the workforce and the interests of employees, and regulates social and labour relations. We are happy to announce that this year we won the 1 place in the category "Best Enterprise in Occupational Health and Safety occupational safety" and 2 place in the Best Collective Agreement category in the Paryz contest.

Social Work

The Company constantly works with representatives of society in the regions where it operates, including closely interacting with public organisations. We are interested in understanding the interests of the population, taking them into account in our development, creating strong mutually beneficial relationships, and also in making a real contribution to the development of communities and regions, providing the population with jobs, observing contractual obligations to maintain the local ecosystem and development of social environment.

In particular, Inkai assumes responsibility for providing social support to the local population of Taiqonyr village and implements a number of social projects. Expenses within mandatory payments for the socio-economic development of the regions of presence in 2021 amounted to 63.9 million

tenge. We are pleased to see positive feedback from the local population and local executive bodies regarding ongoing projects to improve people's lives.

Environmental Protection

The in-situ leaching method used by Inkai is the most environmentally friendly way to mine uranium with minimal environmental impact. We are committed to the conservation of ecosystems and the sustainable use of resources in all our operations. We have set out ourselves the task of being a world-class leader within the nuclear industry in the area of production and occupational safety, environmental protection and quality.

In the environmental protection area, 8 priority areas of work until 2030 have been identified: 1) protection of the air basin; 2) protection and rational use of water resources; 3) protection of land resources; 4) production and consumption waste management; 5) radiation, biological and chemical safety; 6) protection of flora and fauna; 7) research, survey and other developments and 8) environmental education.

In particular, much attention is paid to reducing greenhouse gas emissions, thereby the Company seeks to contribute to the strategy of the Republic of Kazakhstan to achieve carbon neutrality by 2060 and fulfil the country's obligations under the Paris Agreement. In 2021, in particular, a solution heating system was launched through the GA-75 compressor recuperator and the GA-315 compressor recuperator, a solar system was installed to heat the DHW line - these measures reduce the operating time of the boiler house, thereby reducing gas emissions into the atmosphere.

Another important priority is the rational use of energy resources. As part of our operations, we follow all the necessary energy saving requirements and intend to continue working on improving the relevant indicators. The Action Plan for Energy Saving and Energy Efficiency Improvement includes the use of renewable sources and measures for energy saving and efficiency of energy equipment.

The Company is working to ensure an efficient waste management system. Our Waste Management Programme regulates the organisation of a system for monitoring, collecting, processing, accumulating and transmitting environmental information.

Further Prospects

All of the above demonstrates that Inkai is growing and is headed in the right direction. I would like to thank all our stakeholders, especially our employees, shareholders, suppliers and partners. I am sure that thanks to our fruitful cooperation with all our stakeholders, efficient management and solid teamwork, we will be able to take up any challenge and move forward confidently.

I wish you a pleasant reading!
Regards,
Yelnar Pernesh

THE COMPANY'S REVENUE in 2021

131.9 billion
tenge





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CORPORATE PROFILE

GRI 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-9, 102-10, 102-13

JV INKAI Limited Liability Partnership (above and hereinafter – the “Company” or “Inkai”) is a joint venture founded in 1996 by the National Atomic Company Kazatomprom JSC (hereinafter – the “Kazatomprom”) and the Canadian CAMECO Corporation. Cameco’s ownership interest is 40%, Kazatomprom’s ownership interest is 60%, where the majority part belongs to the Republic of Kazakhstan. In 1999, the Company received a licence for the right to use subsoil, and in 2000 signed a subsoil use contract for the extraction of uranium at Site No. 1 and for exploration with subsequent production at Sites No. 2 and 3 at the Inkai deposit in the South Kazakhstan region.

As of December 31, 2021, the total volume of ore reserves of the deposits (including annual depletion) is 131.3 thousand tonnes of uranium. The total volume of mineral resources (including reserves) is 151.8 thousand tonnes of uranium.



Company’s Principal Activities:

The Company’s main activity is the exploration, development, production, processing, export and sale of uranium mined at the Inkai deposit. The Company is the holder of the Subsoil Use Contract until 2045 and operates in accordance with the terms of this Contract.

The Company mines uranium by in-situ leaching at the Inkai deposit in the Suzak district of the Turkestan region.

The in-situ leaching method involves circulating solutions through ore-bearing formations to dissolve uranium and pump it to the surface for subsequent extraction. As a result, this approach leads to minimal surface disturbance and does not lead to the formation of waste rock or enrichment tailings. The next step is the addition of chemicals, after which uranium is precipitated in special containers. The resulting mass is dried out and thereafter represents the finished product in the form of a yellow powder.

TYPES OF ACTIVITIES:



Geological study and exploration of uranium.



Uranium mining

Uranium mining by in-situ leaching at the Inkai deposit.



Wholesale trading and export of ferrous and non-ferrous metal ores

The Company supplies raw materials to consumers of the mining industry and the uranium sector. The top customers of the Company’s products are Kazatomprom and Cameco.

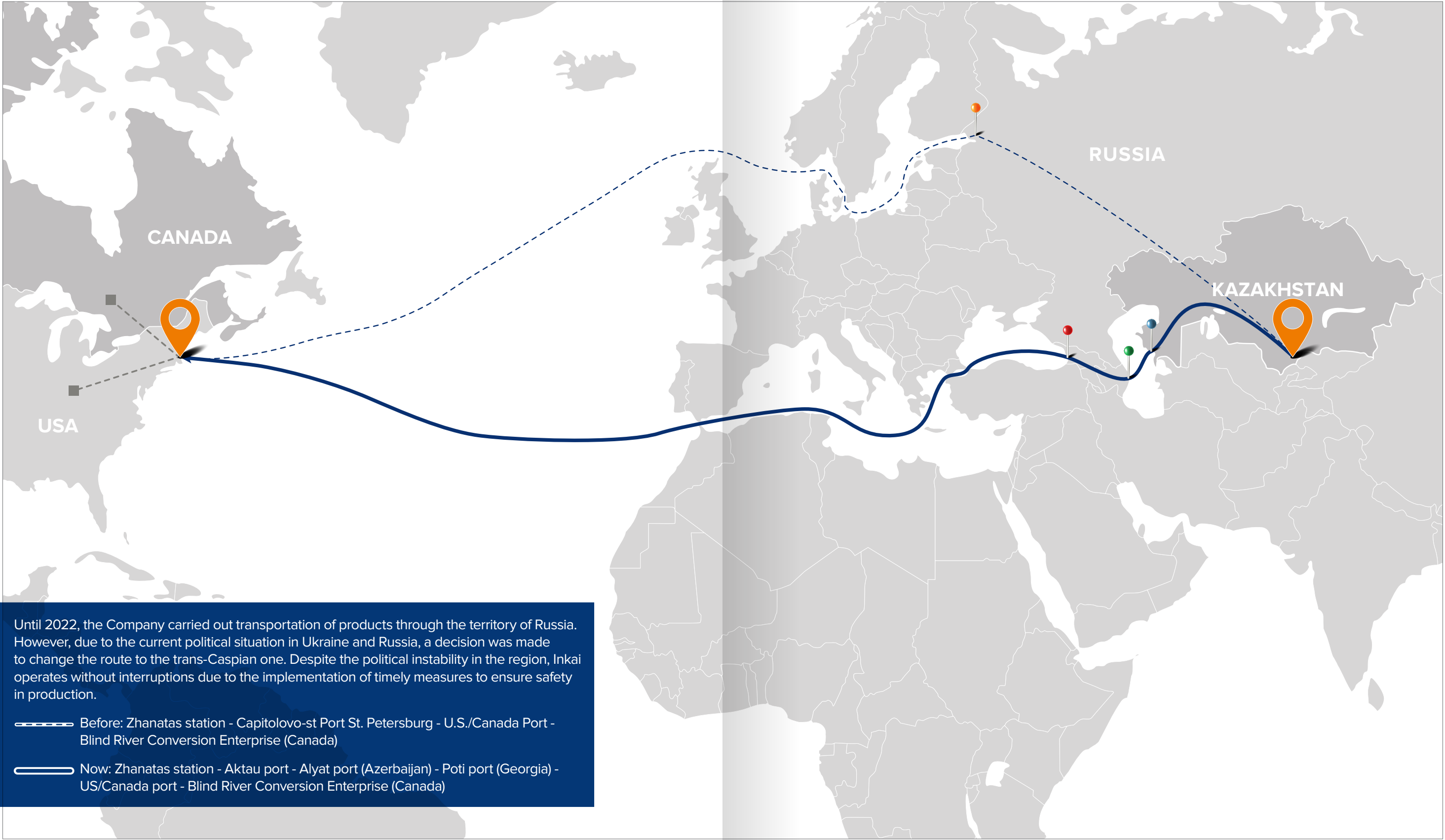


Production of other chemical products

Concentration of uranium on the process of sorption on an ion-exchange anion exchanger (sorbent). Desorption of uranium and production of finished products in the form of export quality uranium peroxide.

The Company’s uranium products are exported mainly to the North American continent and European countries. The Company supplies raw materials to consumers of the mining industry and the uranium sector. The top customers of the Company’s products are Kazatomprom and Cameco.

CHANGING THE PRODUCT TRANSPORTATION ROUTE





	½ 2022	2021	2020	2019
VOLUME OF URANIUM PRODUCTION (tons)	1,491	3,450	2,699	3,216
OUTPUT OF FINISHED PRODUCTS (tons)	1,371	3,448	2,693	3,209

The Company operates an Integrated Management System in accordance with international standards:




ISO 9001:2015 – Quality Management System
ISO 14001:2015 – Environmental Management System
ISO 45001:2018 – Occupational Health and Safety Management System



Company’s Partnerships and Membership in Associations

We are members of several business communities, such as the Chamber of Entrepreneurs of the Turkestan region, the Nuclear Society of Kazakhstan association, the International Atomic Energy Agency (IAEA).

The purpose of these interactions is to participate in international agreements and initiatives, the possibility of applying international standards, guidelines, methodology in the Company’s practice, the possibility of exchanging experience, as well as improving competence in cooperation with other enterprises and the business community.

ORGANISATION	WEBSITE
<div>International Atomic Energy Agency (IAEA)</div> <div></div> <div>Atameken National Chamber of Entrepreneurs of the Republic of Kazakhstan in Turkestan region</div> <div></div> <div>Nuclear Society of Kazakhstan</div> <div></div>	<div>IAEA, the International Atomic Energy Agency, is the world’s leading intergovernmental organisation for scientific and technical cooperation in the nuclear area.</div> <div>The activities of the Chamber of Entrepreneurs of Turkestan region are aimed at supporting and developing entrepreneurship, protecting the rights and legitimate interests of entrepreneurs, strengthening the negotiation process of business with the authorities, as well as involving entrepreneurs in the process of developing regulatory legal acts.</div> <div>NSK is an association of Kazakh enterprises of nuclear science and industry. The main goal of the association is to achieve more extensive knowledge in the use of atomic energy for peaceful purposes for the development of the productive forces of the Republic of Kazakhstan and improvement of the welfare of its citizens.</div> <div>https://www.iaea.org/ru</div> <div>https://turkestan.atameken.kz/</div> <div>http://www.nuclear.kz/</div>



Geography of Activities

Our production facilities are located in the western part of the Suzak district of Turkestan region in the central part of the Inkai deposit. There are no large settlements in the deposit area. The enterprise includes 5 sites:

Site No. 1 is the Main Processing Plant (MPP).
The MPP borders in all directions with the desert-steppe zone. The nearest settlement is the Taiqonyr village located at a distance of 10 km in the southern direction.

Site No. 2 is Satellite-1.
Satellite-1 for underground leaching of natural uranium is located in the north-western part of the Suzak district of the Turkestan region. MPP and Satellite-1 border in all directions with the desert-steppe zone. The nearest settlement is the Taiqonyr village located at a distance of 17.5 km.

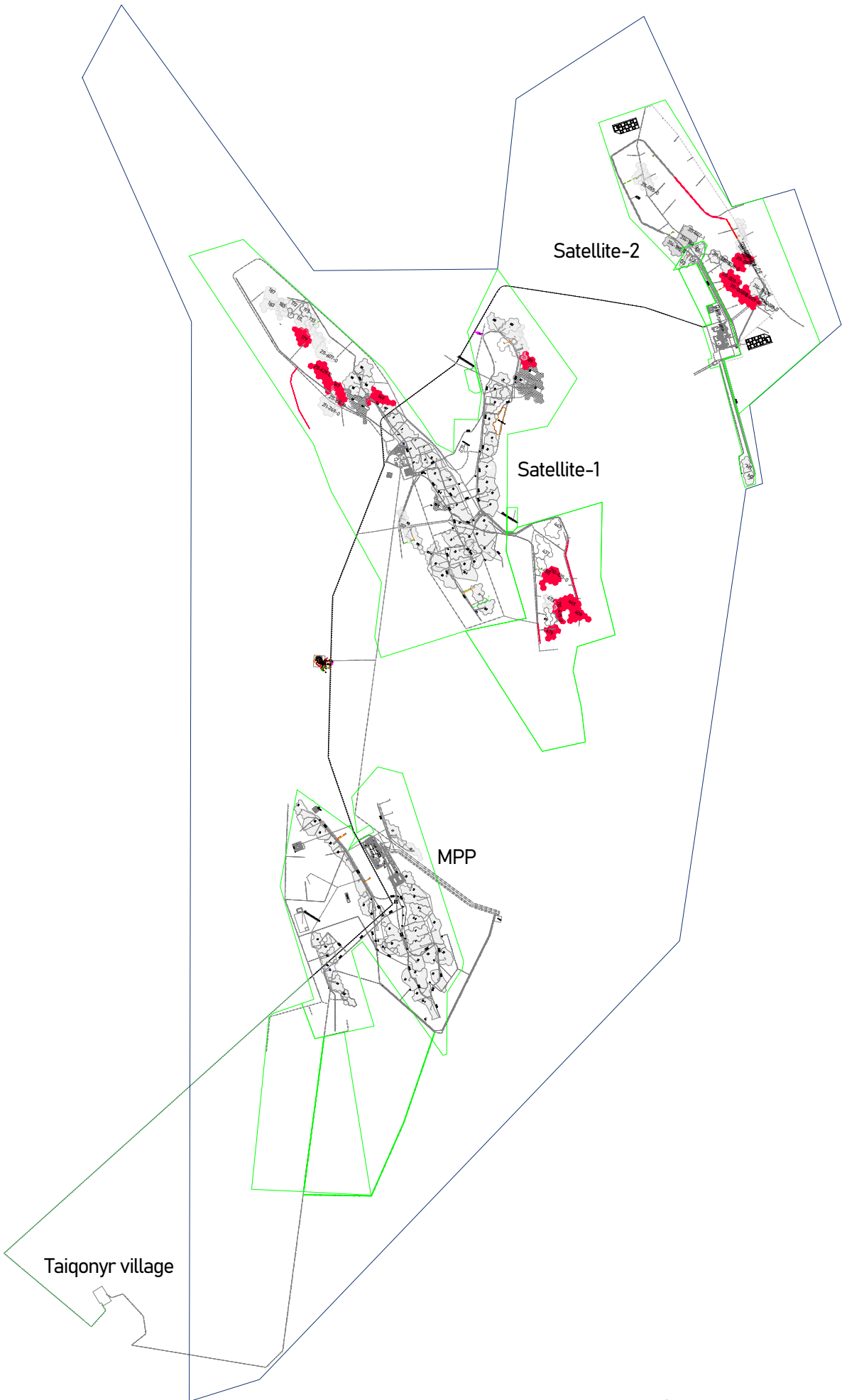
Site No. 3 is Satellite-2.
The Satellite-2 industrial site for in-situ leaching of uranium production at the site No. 3 (Northern flank) of Inkai deposit is located in 22 km in the north-western direction from Taiqonyr basic shift camp.

Site No. 4 is a Shift Camp.
A shift camp, which is located on the north-western outskirts of the Taiqonyr village, is intended for the accommodation of the Inkai's personnel arriving on shift. The shift camp includes two residential buildings, an administrative and residential complex consisting of 6 units, and a two-storey dormitory located on the territory of the Taiqonyr village, 150 m from the shift camp.

Site No. 5 is landfills for solid household waste and low radioactive waste.



GRI102-4



BUSINESS MODEL

Mission

We have been incorporated to actively participate in supplies of raw materials for clean nuclear energy fuel.

Vision

We are developing to make our Company a leader in the global uranium mining industry.

Values

Company's Corporate Values:

- safety;
- responsibility;
- professionalism;
- development;
- our team.

Priority Guidelines

in all aspects of the Company's activities to achieve the mission, match the vision and strengthen corporate values are:

- security;
- decency;
- excellence;
- energy;
- harmony.

Priority Areas of Activity

- **SAFETY AND SOCIAL RESPONSIBILITY**
Human safety, occupational health and environmental protection underlie our work. An important component in the management policy of Inkai is social responsibility, occupational safety and environmental protection. Inkai social policy prioritises health care, education, sports lifestyle and social development.
- **SUSTAINABLE DEVELOPMENT**
As a subsidiary of two of the world's leading uranium companies, Inkai is committed to inclusive and sustainable development like its participants.
- **INCREASING ECONOMIC VALUE ADDED**
This is a relatively new measure of enterprise performance used by progressive companies. A large-scale improvement in this indicator will reflect the achievement by the Company of the main objectives in basic areas of activity.
- **REDUCING THE COST OF FINISHED PRODUCTS**
The importance of this goal is determined by the priority of control and reduction of production costs as the main manageable factor in business profitability.


Value Creation


- **EMPLOYEES**
The Company's headcount is 741 employees.
Inkai employees are the core value of the Company, which both the daily operations and the sustainable development of the Company depend on. Inkai strives to create the best working conditions for its employees, provide them with social benefits and preferences, and assist in continuous learning and development.
- **PARTICIPANTS**
Ownership interest in Company: Kazatomprom - 60%, Cameco - 40%
The Company carries out its activities in the interests of the participants and is committed to improve operational efficiency in order to increase the authorised capital.
- **SUBSIDIARIES AND ASSOCIATES.**
Inkai is one of the participants of Uranenergo LLP.
Inkai contributes to the development and social stability of its subsidiary, Uranenergo LLP, in order to increase profits and ensure the strategic development of the Company.
- **STATE**
Inkai, as the holder of the Subsoil Use Contract, interacts with state authorities on the implementation of legal requirements and the proper use of the country's resources and uranium mining.
- **PUBLIC ORGANISATIONS AND LOCAL POPULATION.**
Our Company closely cooperates with public organisations and contributes to the development of relationships with local communities, providing the population with jobs, observing contractual obligations to maintain the local ecosystem and develop the social environment.

List number
of employees

741 
people

Share of participation in JV Inkai LLP

60% 
KAZATOMPROM

40% 
Cameco



15 priority tasks:

- 1. Personnel development (improvement of production culture);
- 2. Development of risk management and internal control systems;
- 3. Transition to a more profitable final product in the form of U3O8 (triuranium octoxide);
- 4. Elimination of “bottlenecks” in the production process to ensure the production of at least 3,200 tons per annum without third-party processing;
- 5. Readiness for the production of 4,000 tonnes per annum;
- 6. Optimisation of the resource and reserve portfolio;
- 7. Improving the design of well fields;
- 8. Implementation of an effective investment programme through Project Management in accordance with the international PMBoK standard – an area of activity in which clear project objectives are defined and achieved while balancing scope, time, cost, quality, and resources. A key factor in the success of project management is the existence of a clear pre-defined plan, minimisation of risks and deviations from the plan and, effective change management;
- 9. Reducing production cost of finished products;
- 10. Optimisation of non-production costs;
- 11. Implementation of an information system for managing the Company's business processes and operational data;
- 12. Changing the work culture: introducing operational excellence and developing the concept of research work;
- 13. Ensuring competitive procurement;
- 14. Become a fully responsible company in HSE, as well as the implementation of the Vision Zero programme;
- 15. Development of the Integrated Management System and continuous improvement.

OVERVIEW OF FINANCIAL AND OPERATING ACTIVITIES

GRI102-7, 201-1

The Company's value creation strategy is based on the principles of responsibility, professionalism, financial transparency and responsible extraction and supply of raw materials for clean nuclear energy fuel. Inkai makes

a positive impact on the socio-economic development of the Turkestan region by creating jobs for the local population and paying tax deductions.

KEY FIGURES, thousand tenge

Indicator	01.07.2022	2021	2020	2019	Change 2021/2020, %
Revenue	52,056,993	131,866,260	78,973,231	75,818,843	+66.98%
Cost of sales	(10,262,573)	(27,464,106)	(25,179,044)	(26,652,288)	(9.08%)
EBITDA	43,595,625	107,711,168	57,247,160	52,594,592	+88.15%
Selling price of products, \$ per kg	110.10	91.04	70.77	61.41	+28.64%
Net profit	32,577,796	78,456,246	36,021,296	35,459,152	+117.81%
Cash flow from operating activities	73,758,815	26,365,578	46,698,256	36,442,954	(43.87%)

All financial indicators for 2019–2022 are presented in accordance with the financial statements prepared in accordance with the IFRS for the 12 months of 2019, 2020, 2021, and first half of 2022 as posted on the Company's website.

- Revenue for 2021 increased by 66.98% to 131.9 billion tenge (2020: 78.9 billion tenge) due to an increase in the average annual selling price of uranium to an average of \$91.04 per kg in 2021 (2020: \$70.77 per kg) and an increase in uranium sales by 9.08% in 2021.
- A significant increase in the selling price of the product (+28.64%) is associated with a limited supply of uranium in the market and high demand in the North American and European continents due to the energy crisis amid an aggravated political situation in the first half of 2022.
- The cost of sales of uranium slightly increased by 9.08% compared to the same indicator in 2020 and amounted to 27 billion tenge, due to an increase in the cost of materials and an increase in the payroll fund.
- Net profit amounted to 78.5 billion tenge (2020: 36 billion tenge), an increase of 118%.
- EBITDA increased significantly by 88.15% compared to 2020, largely due to high demand for uranium in the energy market due to an increase in the selling price of the product in 2021 by more than 28%.

CREATED AND DISTRIBUTED DIRECT ECONOMIC VALUE

Being one of the largest uranium mining companies in the Republic of Kazakhstan, one of the Company’s most significant contributions to regional social development is the economic value, which we bring to our shareholders and regions of presence by distributing mandatory payments to the state budget, creating and maintaining jobs. For example, 34 new jobs were created in 2022.

The main indicators that characterise the results of the Company’s activities are the created and distributed economic values. The Company derives revenue from sale, transportation and export of uranium products. In 2021, the Company’s revenue amounted to 131.9 billion tenge, which is almost 67% more than in 2020. Our

revenue is generated from the sale of uranium to our participants, Kazatomprom and Cameco. The selling price of the Company’s uranium products increased in 2022 to 52,848 tenge/kg compared to 43,700 tenge/kg in 2021. As of July 1, 2022, the created direct economic value was 54.7 billion tenge. The distributed economic value in 2021 amounted to 54 billion tenge. In the structure of the distributed economic value, the main share is represented by operating costs and income tax expenses. In particular, salaries and other payments to the Company’s employees amounted to 5.5 billion tenge in 2021 compared to 4.8 billion tenge in 2020. Investments in the social area in 2021 amounted to 63.9 million tenge, while in 2020 it was 59.9 million tenge.

	In thousand tenge			
	01.07.2022	2021	2020	2019
CREATED DIRECT ECONOMIC VALUE				
Income	54,737,536	132,501,672,	79,473,202,	76,291,780,
DISTRIBUTED ECONOMIC VALUE, Including				
Operating expenses	(8,656,393)	(21,776,736)	(19,765,888)	(21,768,952)
Salaries	(2,368,495)	(5,537,761)	(4,846,358)	(4,434,540)
Taxes other than on income	(1,436,400)	(4,847,879)	(4,276,067)	(4,363,545)
Income tax expenses	(8,747,524)	(20,546,941)	(13,596,909)	(8,961,294)
Other costs	(950,928)	(1,272,258)	(906,763)	(1,246,297)
Social costs (investment in local communities)	-	(63,851)	(59,921)	(58,000)
UNDISTRIBUTED ECONOMIC VALUE (Profit for the Year)				
	32,577,796	78,456,246	36,021,296	35,459,152

TAXES

Inkai is one of the largest taxpayers in the country, strictly complying with the tax legislation of the Republic of Kazakhstan. The Company makes a significant contribution to local socio-economic development in the form of tax deductions to the regional and state budgets.

In 2021, the Company accrued income tax in the amount of 20.5 billion tenge (2020: 13.6 billion tenge). As a subsoil user, we pay the mineral extraction tax on uranium and underground water (MET). The MET paid amounted to 3.6 billion tenge in 2020 and 3.5 billion tenge in 2021.

EFFECTIVE INCOME TAX RATE, %		
	Effective Rate	The Effective to Nominal Rate Ratio
2021	20.75%	3.75%
2020	27.4%	37%

The nominal income tax rate in the Republic of Kazakhstan is 20%. The excess of the effective tax rate over the nominal one is due to the fact that the Company is not exempt from paying corporate income tax,

The Head of the Tax Sector is responsible for exercising control over the application of the provisions of the Tax Accounting Policy. The Company’s employees who are directly or indirectly related to tax accounting and the fulfilment of tax obligations for the Company's activities are responsible for applying the provisions of the Tax Accounting Policy.

The Company’s Tax Accounting Policy was approved on April 4, 2019 by the Minutes of the Supervisory Board. Its main goal is to ensure a high level of compliance with the requirements of current tax legislation and agreements.



GRI 102-7

TAXES, in thousand tenge

	2021	01.07.2022
COUNTRY	Republic of Kazakhstan	
PRINCIPAL ACTIVITY	Exploration, development, production at Inkai deposit, processing, export, and sale of uranium	
List number of employees	748	741
Sales income	131,866,260	52,056,993
Profit (loss) before tax	99,003,187	41,325,320
Tangible assets, net of cash and cash equivalents	101,145,340	97,873,560
Corporate income tax paid	22,078,074	10,157,808
Income tax accrued on profit (loss)	20,546,941	8,747,524
General employee benefits (including applicable taxes)	4,674,161	3,154,885
Tax deductions withheld and paid for employees	358,479	310,657
Sectoral taxes and other taxes or payments to the state	4,836,986	3,030,849
Significant uncertain tax positions	474,453	474,453



ORGANISATION OF CONTROL



To achieve our goals, we have implemented highly regulated tax accounting and reporting processes, as well as control methods.

When maintaining tax records, we comply with regulatory legal acts and internal documents of the Company, including: the Tax Code, the Law on the Enactment of the Tax Code, International Financial Reporting Standards (IFRS) and the Law of the Republic of Kazakhstan “On Transfer Pricing and the Pricing Rules for natural uranium concentrate (U3O8)

All significant transactions are subject to review and approval at various levels of management within the Company.

TAX PLANNING



The Company adheres to the Tax Accounting Policy (TAP) approved by the Supervisory Board of Inkai. Control over compliance with the Tax Strategy is carried out by the Company’s Tax Sector.

The Company does not operate in low-tax jurisdictions and does not use aggressive tax planning methods.

The taxes paid by the Company are consistent with the actual activities carried out, and also consistent with the laws of the jurisdictions of our presence and business strategy, our effective income tax rate was higher than nominal values in 2020 and 2021 (27.4% and 20.75%).

INTERACTION WITH TAX AUTHORITIES AND OTHER STAKEHOLDERS



The Company stands for transparent interaction and open communication with the tax authorities, ensuring the provision of all reporting required in accordance with the legislation of the Republic of Kazakhstan in a timely manner.

We seek to clarify uncertain tax issues where possible by inquiring about the official position of the Ministry of Finance of the Republic of Kazakhstan.



SUSTAINABLE FUTURE

Management of Sustainable Development	28
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MANAGEMENT OF SUSTAINABLE DEVELOPMENT

Sustainable development is one of the Company's priorities. As a subsidiary of two of the world's leading uranium companies, Inkai is committed to comprehensive and sustainable development.

The Company has approved a Corporate Social Responsibility Policy, the main mission of which is to implement the strategy in such a way that there is a positive effect on the local population, the environment and the long-term plans of the Company. The Company's corporate social responsibility policy establishes the following strategic goals:

- Achieving and maintaining a social stability rating not lower than the "high" level through the implementation of a set of necessary measures and projects. Studies to determine the social stability rating should be carried out by third-party organisations according to the methodology of the SWF Samruk-Kazyna JSC group;
- Increasing labour productivity by creating and developing comfortable and safe working and leisure conditions, maintaining health, increasing the motivation of the Company's employees, and preventing factors that negatively affect the social mood of employees;
- Achievement and support of recognition by the local community as a socially responsible enterprise through the implementation of a set of necessary measures and projects agreed with local executive bodies and/or public organisations.

Risk Management in the Area of Sustainable Development

GRI 102-11

Inkai, for the purpose of ensuring business continuity, regularly reviews the risks of the Company. Sustainability risks play the most significant role in the Company's activities, as they cover all key areas of Inkai and include the well-being and safety of employees and all those involved, the impact on the region of presence, economic and financial stability and the management system which in turn introduces and integrates the values of sustainable development into the Company's activities.

All employees at different levels are involved in the risk management system, but the main responsibility for the introduction and implementation of the principles of sustainable development and risk management in this area lies with the governing bodies and the top management of the Company.

The Company takes into account the following factors when evaluating the potential impact of activities:

- Opinions of stakeholders, including vulnerable groups of the population that may influence or be influenced by the Company's activities;
- Potential conflicts that could jeopardise the Company's operations.

CONTRIBUTION TO THE ACHIEVEMENT OF THE UN SUSTAINABLE DEVELOPMENT GOALS

GRI 102-12



The UN Sustainable Development Goals (hereinafter referred to as the UN SDGs) are globally accepted goals aimed at improving well-being and ensuring peace and prosperity for the entire population. We believe that through the implementation of the UN SDGs, we can build an effective system of sustainable development, demonstrate our commitment to the principles of sustainable development to all stakeholders and contribute to a sustainable future for all.

Recognizing the importance of all 17 UN SDGs, we have adopted 8 of them that are most relevant to the Company and strive to contribute to their implementation.



Ensure healthy lives and promote well-being for all at all ages

OUR CONTRIBUTION:

- Providing medical insurance to all employees of the Company;
- Supplying employees with personal protection equipment;
- Following the 7 OHS golden rules of Inkai;
- Supporting projects aimed at promoting a healthy lifestyle.

MAIN ACTIVITIES FOR 2021–2022:

- 699 employees completed mandatory medical examination in 2021;
- Accidents successfully prevented in 2021 and the first half of 2022;
- 1,540 inspections of facilities were carried out in 2021;
- corporate KPIs for 2022 include a goal of 743 behavioural security audits.

EXPENSES FOR LABOUR PROTECTION ACTIVITIES

98 million tenge



Ensure inclusive and quality education for all and promote lifelong learning

OUR CONTRIBUTION:

- Providing financial support to employees who wish to obtain professional education;
- Supporting partnerships with educational institutions;
- Allocating grants for the children of employees.

MAIN ACTIVITIES FOR 2021–2022:

- 283 employees completed training in 2022.

PERSONNEL DEVELOPMENT COSTS

73 million tenge



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

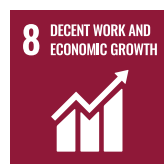
- OUR CONTRIBUTION:**
- Implementing initiatives to reduce electricity consumption;
 - Conducting energy audits and applying the recommendations received.

MAIN ACTIVITIES FOR 2021–2022:

- Phased replacement of fluorescent lamps;
- Phased replacement of LED spotlights;
- Introduction of capacitor units.

REDUCED ELECTRICITY CONSUMPTION
in the first half of 2022

1,546 GJ



Promote inclusive and sustainable economic growth, employment and decent work for all

OUR CONTRIBUTION:

- Creating safe working conditions;
- Creating jobs in the region of presence;
- Deducting taxes and other obligations to the state budget.

MAIN ACTIVITIES FOR 2021–2022:

- The staff turnover rate in the first half of 2022 decreased to 5.8% (2021 - 9.1%);
- 70 employees hired in 2021;
- In 2021, the Company accrued income tax in the amount of 20.5 billion tenge.

UNDISTRIBUTED ECONOMIC VALUE

32 billion tenge



Build resilient infrastructure, promote sustainable industrialisation and foster innovation

OUR CONTRIBUTION:

- Contributing to the socio-economic development of the village of Taiqonyr;
- Conducting research to determine the index of social stability;
- We implemented the 1C UPP financial data automation system, the Y-Soft SafeQ printing process optimisation system, ATC Alcatel, Clever Touch, TrueConf communication systems and the “Knowledge Base” training portal.

MAIN ACTIVITIES FOR 2021–2022:

- Implementation of hardware, software and technology for 4D monitoring of the uranium mining process by the method of radio wave geointrospect of interwell space (RVGI).

EXPENSES FOR THE SOCIO-ECONOMIC
DEVELOPMENT OF THE REGION
OF PRESENCE

63.9 million tenge

EXPENDITURES ON RESEARCH
AND DEVELOPMENT

187.5 million tenge



Ensure sustainable consumption and production patterns

OUR CONTRIBUTION:

- Implementing the project “Lean Manufacturing”. The concept of the project is to increase labour productivity, reduce costs and losses, and improve product quality;
- Managing wastes through the reduction, removal and disposal.

MAIN ACTIVITIES FOR 2021–2022:

- Each employee of the Company has the right to initiate an improvement or modernisation project, which includes safety, work and product quality, cost and labour productivity;
- The Vinkom corporate portal provides automation of production processes and includes the Lean Production section.

DRAINLESS CLOSED LOOP
SCHEME ADOPTED



Take urgent action to combat climate change and its impacts

OUR CONTRIBUTION:

- Evaluating and reporting on greenhouse gas emissions;
- Carrying out industrial environmental monitoring of emission sources.

MAIN ACTIVITIES FOR 2021–2022:

- Installation of a solar system for heating the DHW line;
- Start recuperator on compressor GA-315..

TOTAL GREENHOUSE GAS EMISSIONS
(SCOPE 1) IN 2021

6,351 tonnes
of CO₂-eq



Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

OUR CONTRIBUTION:

- There are no reserves or other specially protected natural lands in the territories of our production projects or the territories bordering them;
- We take into account the issues of impact on biodiversity when planning planned activities;
- We constantly monitor the impact of the project on flora and fauna;
- We make maps of habitats, on which various places (environments) of habitats disturbed by mining are outlined.

MAIN ACTIVITIES FOR 2021–2022:

- Regular clean-up events for cleaning the territory from garbage and dead wood;
- Creation of a nursery farm for tree seedlings, landscaping of a rotational camp and a mine;
- On an annual basis, planting saxaul on an average of 2 hectares per year on the territory of the mining allotment;
- Environmental monitoring.

INKAI
DOES NOT CAUSE
NEGATIVE IMPACT
ON BIODIVERSITY VALUE

STAKEHOLDER ENGAGEMENT

GRI 102-40, 102-42, 102-43, 102-44, 413-1

Inkai believes that the guarantor of improving the activities and increasing the production and economic indicators of the Company are the people who influence its activities. Continuous dialogue with stakeholders allows us to respond to emerging risks in a timely manner and make appropriate decisions to prevent them. The Company has built a transparent stakeholder engagement mechanism

and developed a Stakeholder Engagement Plan that displays a list of key stakeholders, an assessment of the importance of each stakeholder for the Partnership, the degree of influence of the Partnership on the stakeholder and the level of interaction of the Partnership with stakeholders, as well as measures to inform stakeholders.

STAKEHOLDER GROUP	KEY MATTERS	ENGAGEMENT METHODS
PARTICIPANTS	<ul style="list-style-type: none">• Compliance with the interests of the participants• Inkai development programme• Increasing the authorised capital• Dividends	<ul style="list-style-type: none">• Reporting• Holding meetings, business correspondence• Posting up-to-date public information on the corporate website• Discussion by the Supervisory Board and governing bodies on the progress of the tasks set by the participants
SUPPLIERS	<ul style="list-style-type: none">• Company's solvency• Long-term contracts• Local content in purchased goods, works, services (GWS)• GWS quality	<ul style="list-style-type: none">• Posting up-to-date public information on the corporate website• Negotiations, correspondence• Contracts• Sustainability report
CONSUMERS	<ul style="list-style-type: none">• Long-term mutually beneficial relationship• Market share/Market presence• Labelling of products and services• Marketing communications• Minimisation of environmental emissions	<ul style="list-style-type: none">• Posting up-to-date public information on the corporate website• Negotiations, correspondence• Contracts• Sustainability report
SUBSIDIARIES AND ASSOCIATES	<ul style="list-style-type: none">• Growth of profit and annual dividends• Social stability in subsidiaries and associates.• Training and education• Increasing the level of production safety culture• Market share/Market presence• Labelling of products and services	<ul style="list-style-type: none">• Participation in meetings of governing bodies• Posting up-to-date public information on the corporate website• Negotiations, correspondence• Contracts• Sustainability report

MANAGEMENT AND PERSONNEL	<ul style="list-style-type: none">• Management and personnel efficiency• Management of the Company's current activities; making operating decisions• Labour relations with the employer• Direct performance of work under an employment contract• Social stability within the staff team• Training and development• Increasing the level of production safety culture	<ul style="list-style-type: none">• Informing about the current activities of the Company through all available communication channels• Negotiations, correspondence• Labour relations• Employer's acts• Sustainability report
GOVERNMENT AUTHORITIES	<ul style="list-style-type: none">• Compliance with the requirements• Business stability and resilience• Creating and maintaining jobs• Representing the economic interests of the country in the international arena• Increasing the level of energy and resource efficiency of production• Minimisation of environmental emissions	<ul style="list-style-type: none">• Informing about the current activities of the Company through all available communication channels• Negotiations, correspondence• Reporting• Sustainability report• Monitoring of changes in legislation
LOCAL EXECUTIVE BODIES	<ul style="list-style-type: none">• Contribution to the sustainable development of the regions of presence• Modernisation and development of the uranium industry, taking into account the current socio-economic situation and the tasks of regional and industry development• Creating and maintaining jobs• Social stability in the region of operations• Sponsorship and charity/Indirect economic impact• Increasing the level of energy and resource efficiency of production• Minimisation of environmental emissions	<ul style="list-style-type: none">• Informing about the current activities of the Company through all available communication channels• Negotiations, correspondence• Reporting• Sustainability report
WORKFORCE REPRESENTATIVES	<ul style="list-style-type: none">• Promoting social stability• Regulation of labour relations and conflict resolution• Respect and protection of workers' rights	<ul style="list-style-type: none">• Informing about the current activities of the Company through all available communication channels• Negotiations, correspondence• Sustainability report
MASS MEDIA	<ul style="list-style-type: none">• Informing stakeholders about the Company's activities	<ul style="list-style-type: none">• Providing materials for publication• Sustainability report

PUBLIC ORGANISATIONS AND LOCAL POPULATION	<ul style="list-style-type: none">• Creation of a favourable environment for the Company's activities• Minimisation of emissions to the environment (emphasis on the quality of drinking water)• Assistance in solving problems of the village infrastructure• Assistance in finding employment for village residents• Social stability among the residents of the village• Assistance in solving transport problems for access to the district centre• Assistance in solving problems of the medical care system	<ul style="list-style-type: none">• Meetings with the population and leaders of public organisations• Distribution of information materials• Installation of an information display board to display up-to-date information on water quality, gamma background and other environmental indicators in the Taiqonyr village• Sustainability report
BUSINESS COMMUNITIES (ASSOCIATIONS, NATIONAL CHAMBER OF ENTREPRENEURS, ALE)	<ul style="list-style-type: none">• Membership fee• Involvement in business community issues• Participation in the process of developing legislative and other regulatory rules for business operations	<ul style="list-style-type: none">• Participation in business community conferences• Negotiations, correspondence• Posting up-to-date public information on the corporate website• Sustainability report
INTERNATIONAL ORGANISATIONS	<ul style="list-style-type: none">• Participation in international treaties, investments• Access to key legal and political resources of organisations• Possibilities of applying international standards, guidelines, methodology in the practice of the Company• Opportunities to exchange experience, improve competence	<ul style="list-style-type: none">• Posting on the corporate website of up-to-date public information about the Company as it becomes available• Negotiations, correspondence• Sustainability report

MATERIAL TOPICS

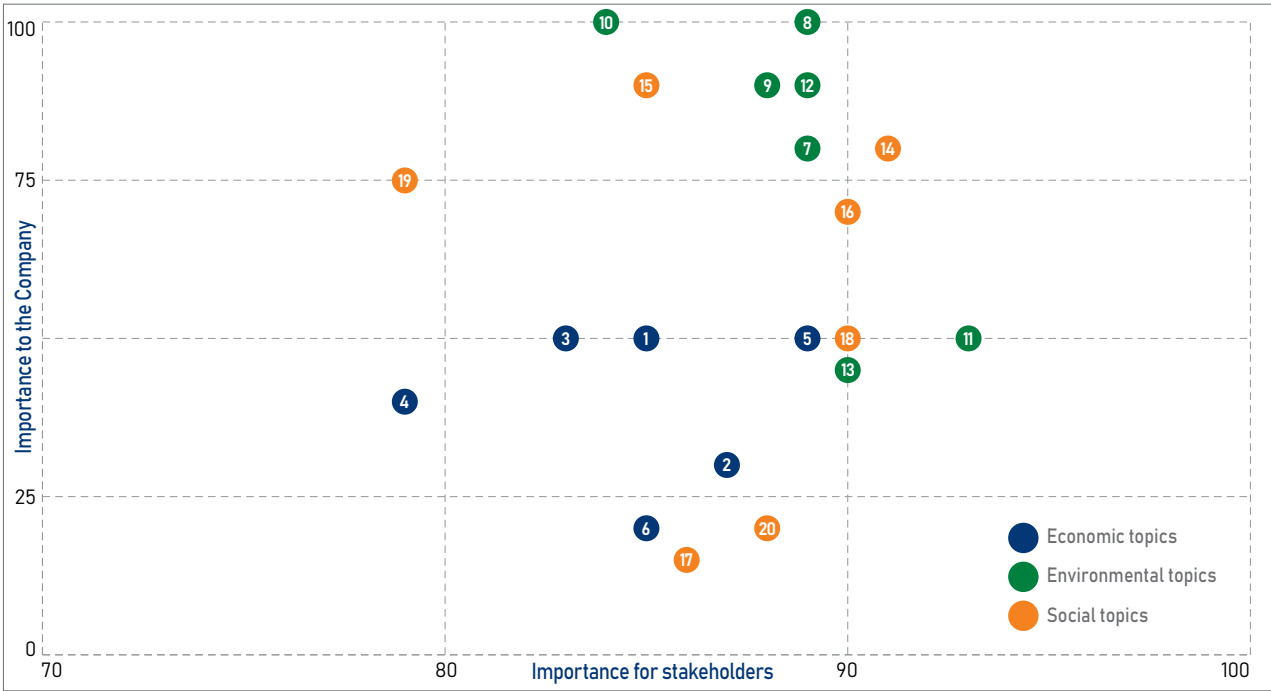
GRI 102-44, 102-46, 102-47, 102-49

The main goal of Inkai is to ensure progress and development in all areas relevant to our activities. We have assessed the materiality of topics that are important to the Company in terms of economic, environmental or social impact and we have also paid special attention to the views of all of the Company's stakeholders, both internal and external. The evaluation included three stages: 1) conducting a benchmark analysis with similar companies, 2) gathering the opinions of stakeholders and 3) compiling a list of material topics. The topics presented in the table below are the areas of activity in which we are striving to improve our performance according to the requirements of the world's leading rating agencies.

BENCHMARK ANALYSIS	GATHERING THE OPINION OF STAKEHOLDERS	COMPILING A LIST OF MATERIAL TOPICS
<ul style="list-style-type: none">• Analysis of publicly available information about the Company;• Comparative analysis of material topics disclosed by similar companies;• Analysing the requirements of rating agencies in the ESG area.	<ul style="list-style-type: none">• Conducting an online survey among internal and external stakeholders;• Conducting interviews with the Company's management regarding the significance of the economic, environmental or social impact on the environment, economy and society.	<ul style="list-style-type: none">• Finalisation of the list of material topics;• Approval of the list of material topics.

To build the materiality matrix, the results of internal and external indicators on the horizontal and vertical axes of the matrix, respectively, were used. The rating scale used in the matrix ranges from 1 to 5 points.

An online stakeholder survey was prepared, which was responded to by representatives of the Company's shareholders, suppliers, associations, local government authorities, banks, partners and customers. Each sustainability topic was rated on a scale of 1 to 5 in terms of materiality, where 1 means "not material", 2 means "insignificant materiality", 3 means "medium materiality", 4 means "relatively high materiality" and 5 means - "the highest or critical degree of materiality".



ESSENTIAL TOPICS		MATERIALITY FOR THE COMPANY	MATERIALITY FOR STAKEHOLDERS
1	Financial performance	50%	85%
2	Market presence	30%	87%
3	Indirect economic impacts	50%	83%
4	Procurement practices	40%	79%
5	Anti-corruption	50%	89%
6	Technologies and innovation	20%	85%
7	Energy	80%	89%
8	Water resources	100%	89%
9	Conservation of land and biodiversity	90%	88%
10	Waste	100%	84%
11	Air quality	50%	93%
12	Waste and tailings	90%	89%
13	Environmental compliance	45%	90%
14	Employment	80%	91%
15	Occupational health and safety	90%	85%
16	Training and development of employees	70%	90%
17	Emergency preparedness	15%	86%
18	Diversity and equal opportunities	50%	90%
19	Local communities	75%	79%
20	Radiation safety	20%	88%





ENVIRONMENTAL PROTECTION

Environmental Responsibility	40
Emissions	44
Energy	46
Water	48
Waste	50
Biodiversity	52

ENVIRONMENTAL RESPONSIBILITY

Inkai strives to become a world-class leader in the nuclear industry in terms of occupational health and safety, environmental protection and quality. Ensuring environmental safety in the process of carrying out activities is one of the main principles of the Company.

Highlights:

EXPENSES FOR NATURE PROTECTION ACTIVITIES

2021– **62** million tenge

½2022 **37** million tenge

PAYMENTS RELATED TO THE NEGATIVE ENVIRONMENTAL IMPACT

2021– **14** million tenge

½2022 **4** million tenge

GRI 102–11, 307–1

Goals:

- Ensuring compliance with the requirements of the environmental legislation of the Republic of Kazakhstan;
- Minimising the impact of the production processes of the nature user on the environment and human health;
- Increasing the efficiency of the use of natural and energy resources;
- Prompt proactive response to emergency situations;
- Increasing the level of compliance with environmental requirements;
- Increasing the production and environmental efficiency of the environmental protection management system.

Our Guiding Documents:

- Legislation of the Republic of Kazakhstan;
- Environmental Code of the Republic of Kazakhstan and other laws and regulations in the area of environmental protection of the Republic of Kazakhstan;
- Occupational Health, Safety, Environment and Quality Policy;
- Requirements of international standards adopted by Inkai.



Inkai is committed to international environmental standards and sustainable development. Technologies and mining methods used at the Company's production sites have the least harmful impact on the ecological environment of the region. We strive to become a world-class leader in the nuclear industry in the area of occupational health and safety, environmental protection (EP) and quality in all activities based on measurable actual results.

The management of environmental responsibility issues at Inkai is assigned to the OHS Department, which reports to the General Director. The Company is certified for compliance with the international standard ISO 14001-2015 - "Environmental Management Systems". The Company has approved and coordinated with the authorised body for environmental protection the Action Plan for Environmental Protection for 2021–2030, wherein reports on the implementation of measures are provided on a quarterly basis.

The Action Plan for Environmental Protection for 2021–2030 defines 8 priority areas, for which the amount of funds to be allocated for the next ten years was established. They are:

- 1 Air basin protection;
- 2 Protection and rational use of water resources;
- 3 Protection of land resources;
- 4 Production and consumption waste management;
- 5 Radiation, biological and chemical safety;
- 6 Protection of flora and fauna;
- 7 Research, survey and other developments;
- 8 Environmental education and propaganda.

For each area, the categories of necessary activities, their regularity and expected environmental effect were determined. Production monitoring is an element of production environmental control, performed to obtain objective data at regular intervals.

As part of the implementation of production environmental control, the following is performed:

- Operational monitoring;
- Monitoring of emissions into the environment;
- Impact monitoring.

Production environmental monitoring, in accordance with Article 132 of the Environmental Code of the Republic of Kazakhstan, will be carried out by an accredited laboratory or based on calculations of the level of emissions into the environment based on the actual volume of consumption of natural, energy and other resources. Based on Chapter 14 of the Environmental Code of the Republic of Kazakhstan for industrial sites, the Company has developed a Production Environmental Control Programme (PEC) for the period up to 2030.

The Production Environmental Control Programme includes:

- 1 A mandatory list of parameters monitored in the process of production monitoring;
- 2 The period, duration and frequency of production monitoring and measurements;
- 3 Information about the methods used for conducting production monitoring;
- 4 Sampling points and measurement locations;
- 5 Methods and frequency of record keeping, analysis and reporting of data;
- 6 The schedule of internal audits and the procedure for eliminating violations of the environmental legislation of the Republic of Kazakhstan, including internal tools for responding to non-compliance;
- 7 Mechanisms for ensuring the quality of instrumental measurements;
- 8 Protocol of actions in emergency situations;
- 9 Organisational and functional structure of employees' internal responsibility for carrying out production environmental control.

Within the PEC, instrumental (laboratory) measurements and analyses are carried out for chemical and radiological contamination of emissions, discharges, ground and surface (artesian) waters, and soil in accordance with an agreement with a specialised organisation. At the same time, monitoring is carried out through observation wells of geotechnological polygons located outside the contours of the blocks and inside the blocks on the Uvanas aquifer. In the first half of 2022, within the PEC, activities were carried out for a total amount of 5 million tenge.

Environmental Monitoring

Production monitoring is carried out for all enterprises in full and in accordance with the industry standards regardless of their location and size. Particular attention is paid to the monitoring of environmental components in the zone of active pollution and at the border of the sanitary protection zone of the enterprise. If the enterprise has subdivisions with independent sanitary protection zones, monitoring is performed for each of these subdivisions separately.

Timely arrangement of work to ensure the monitoring of pollutants is the responsibility of the Company. We ensure the timely execution of an agreement with

a specialised organisation for monitoring emissions and/or discharges of pollutants. Sampling, storage, transportation and preparation for analysis are carried out in accordance with the approved standard of NAC Kazatomprom JSC 5.3.3-2017 “Typical programme for production environmental control of an underground well leaching enterprise”.

Investments in Nature Protection Activities

The Company annually allocates a significant amount of investment in nature protection activities. In 2021, 62 million tenge was invested in environmental activities, while in the first half of 2022, 37 million tenge was allocated.

INKAI ENVIRONMENTAL EXPENDITURES IN 2021 - 2022, in ml

	½ 2022	2021
Costs for environmental purposes, including PEC and implementation of environmental protection activities	29.7	48
Payment for regulatory emissions into the environment	2.9	3.9
Payment for emissions from mobile sources of environmental pollution	0.42	0.77
Payment for excess emissions into the environment	0	0
Funds collected in compensation for environmental pollution damages (lawsuits, fines)	0	0
Payment for certain types of natural resources (water and land resources)	4.6	9.2
TOTAL	37	62

We are also aware that people are the guarantor of the effective implementation of approved programmes and standards, and we pay special attention to the introduction of a culture of environmental protection in all areas of the enterprise as part of the “Green Thinking” programme.

Thus, in 2021–2022, the following activities were implemented with the involvement of employees:

- Conducting an environmental competition - holding clean-up events for cleaning the territory of garbage and dead wood;
- Planting saxaul;
- Establishment of a tree seedling nursery farm;
- Landscaping of the shift camp;
- Installation of solar water heaters;
- Development of promotional materials on environmental protection;
- Conducting environmental protection training at production sites;
- Building covered areas for temporary storage of industrial waste is in the process.

In May 2022, the “Nature in Focus” competition was held, dedicated to World Environment Day, in which 87 employees of the Company took part. In addition to a photo contest, the mine hosted a competition under the slogan “Give waste a second life!”, the purpose of which was to make products and things from waste. Additionally a presentation was organised on the topic “7 simple tips to help nature”.

Increasing the Culture of Environmental Protection

ACTIVITY

Participation in the RITM Programme timed to coincide with both World Environment Day and the 25th anniversary of NAC Kazatomprom JSC to promote environmental culture and safety

Participation in the training course “Requirements of the Programme for Comprehensive Environmental and Social Research of the Impact of Production Activities of NAC Kazatomprom JSC on the Environment and Local Population” (Environmental and Social Research Programme/ESRP)

Participation in the training course “Implementation of the KSS Standard “Methodological guidelines for organising monitoring of the impact of IWW on subsoil and groundwater” in the subsidiaries and associates of NAC Kazatomprom JSC

Participation in the training “Measures to eliminate historical pollution in the contract area of the subsoil user”

Implementation of internal and external communications on basic environmental protection activities and the goals of developing a culture of waste-free production - on June 6, 2022, as part of the “ZHASYL OFFICE” project, a master class was held on separate waste collection for employees of the Shymkent office

Implemented the KSS Standard “Methodological guidelines for organising monitoring of the impact of IWW on subsoil and groundwater” in Inkai

Inkai regularly monitors compliance with the standards and requirements of the legislation of the Republic of Kazakhstan and the Subsoil Use Contract. In this regard, no environmental fines, sanctions and litigation against the Company have been identified for 2021–2022.



“Jasyl Office” Project

In 2021, the Company initiated the project " Jasyl Office" (hereinafter - the Project) in order to popularise the idea of "Green Thinking", as well as the implementation of NAC Kazatomprom JSC's "Zero Waste" Programme for the development of waste-free production culture.

As a result of activities under the Project in 2021 in the office of Shymkent, a corner was designed for the collection of recyclable materials, where containers were installed to collect the following:

- waste paper;
- plastic caps;
- used batteries.

As the containers are filled, removal of recyclable materials is carried out by a contractor for the collection of recyclable materials.

Collection of plastic bottles labelled PET-1 and plastic containers labelled PP-5 will begin in 2022. In the future, the list of recyclable materials collected will be increased as possible.

EMISSIONS

Inkai fully supports global initiatives to combat climate change and its impacts as outlined within the UN Sustainable Development Goal 13 and the Paris Agreement.

Highlights

TOTAL GREENHOUSE GAS EMISSIONS (Scope 1)

in2021

6,351 tonnes of CO₂-eq

TOTAL GREENHOUSE GAS EMISSIONS (Scope 2)

in2021

20,558 tonnes of CO₂-eq

THE VOLUME OF POLLUTANT EMISSIONS INTO THE ATMOSPHERE AMOUNTED

in2021

71 tonnes

GRI 305-1, 305-2, 305-4, EM-MM-110a.1, EM-MM-110a.2

Inkai supports the strategy of the Republic of Kazakhstan to achieve carbon neutrality by 2060. The Company supports the mission of UN Sustainable Development Goal 13 and the Paris Agreement, which call for urgent action to combat climate change and its impacts. In this regard, the Company pays special attention to reducing greenhouse gas emissions and reducing its carbon footprint, the use of environmentally friendly and alternative energy sources, and takes measures to minimise the environmental impact in the supply chain.

There are 125 emission sources at production facilities, including 60 organised ones. The main sources of impact on the atmospheric air are the technological equipment at industrial sites, including boiler houses, diesel power plants, compressors, warehouses for sulfuric acid, ammonium nitrate.

The main fuel used for boilers is diesel fuel. The automatic mode of operation of boiler houses, according to the operational performance and heat load, ensures the completeness of fuel combustion, prevents volley emissions and maintains the optimal emission of combustion

products. Purification of exhaust gases from boiler plants is not provided for by the construction project.

The fugitive sources of emissions in the mine area are the settling unit, sand pits, settling pits and sludge reservoirs.

Every quarter, jointly with a specialised laboratory, production environmental monitoring of emission sources is carried out. If exceedance of standards are identified, then an action plan will be drawn up to prevent further excesses. Also, the heads of the sites, according to the schedule plan, carry out preventive maintenance of their technological equipment, the purpose of which is the trouble-free and safe operation of the equipment, as well as compliance with environmental parameters during operation.

Measures to reduce direct greenhouse gas emissions include:

- Compliance with established standards for pollutant emissions;
- Carrying out regular monitoring of emissions;
- Continuous improvement of emissions management activities.

GREENHOUSE GAS EMISSIONS

	½ 2022	2021	2020	2019
Direct greenhouse gas emissions (Scope 1), tonnes of CO ₂ -eq	2,790	6,351	5,626	3,924
Indirect greenhouse gas emissions (Scope 2), tonnes of CO ₂ -eq	12,929	20,558	18,204	19,665
Specific greenhouse gas emissions (Scope 1), tonnes of CO ₂ -eq / tonnes of uranium	10.3	7.8	8.8	7.3

Monitoring of Atmospheric Emissions

GRI 305-7, EM-MM-120a.1

Minimising emissions of pollutants into the atmosphere is an important aspect of Inkai's nature protection activities. The Company strives to reduce the negative impact of its own production on air quality by constantly introducing technological improvements.

MEASURES TO REDUCE POLLUTANT EMISSIONS

- In 2020, a solution heating system was launched through the recuperator of the GA-75 compressor. This process reduces the operation of the boiler house, thereby reducing the emission of flue gases into the environment and saving diesel fuel. Heating occurs due to heat removal from the oil line of the compressor unit using a heat exchanger built into the recuperator.
- In 2021, a solar system was installed to heat the DHW line. This system also reduces the operation of the boiler house, thereby reducing the emission of flue gases into the environment and saving diesel fuel. This system is powered by solar energy.
- In 2021, a recuperator based on the GA-315 compressor was launched. This recuperator provides heating of the compressor station in winter, thereby reducing the operation of the boiler house, which helps to reduce flue gas emissions into the environment and save diesel fuel.

When making decisions related to air quality, the Company tries to take into account the interests and expectations of all stakeholders. Interaction with residents of a nearby settlement, authorised state regulatory bodies, local executive bodies, public environmental organisations takes place by familiarising them with project documentation on planned activities during public hearings, involving stakeholders during sampling and familiarising them with the results of analyses with the involvement of independent laboratories.

In 2021, the volume of pollutant emissions into the atmosphere amounted to 71.3 tonnes. The growth of pollutant emission volumes relates to the fact that the Company adjusted the draft maximum allowable emissions (MAE) due to the addition of new sources (compressor, diesel power plant) and expansion of drilling operations.

EMISSIONS OF POLLUTANTS, in tonnes

	01.07.2022	2021	2020	2019
NOx emissions	8.6	14.4	2.8	2.8
SOx emissions	10.8	9.3	1.6	0.8
Emissions of solids	5.1	10.1	6.3	9.7
CO emissions	18.3	26.5	10.5	12.3
Volatile organic compounds	0.7	1.3	0.7	0.9
Other	2.9	9.8	4.7	3.6
TOTAL	46.4	71.3	26.6	30.1

The Company plans to switch the hot water boilers in the boiler house from diesel fuel to liquefied gas, as well as the construction of a photoelectric power plant to supply power to the camp sites.

ENERGY

To minimise its impact on the environment and reduce its ecological footprint, the Company pays special attention to programmes which reduce and optimise energy use.

Highlights

THE VOLUME OF REDUCED ELECTRICITY CONSUMPTION

In the first half of 2022

1,546  GJ

THE VOLUME OF ENERGY CONSUMPTION FROM NON-RENEWABLE FUEL SOURCES

In the first half of 2022

37,564  GJ

THE VOLUME OF ENERGY CONSUMPTION FROM NON-RENEWABLE FUEL SOURCES

in 2021

85,437  GJ

GRI 302-1, 302-3, EM-MM-130a.1

Our Guiding Documents:

- Law of the Republic of Kazakhstan “On Electric Power Industry” dated July 9, 2004 No. 588-II;
- Law of the Republic of Kazakhstan “On Energy Saving and Energy Efficiency Improvement” dated January 13, 2012 No. 541-IV;
- Rules for the use of electrical energy, approved by the Order of the Minister of Energy of the Republic of Kazakhstan dated February 25, 2015 No. 143;
- Orders of the Minister for Investments and Development of the Republic of Kazakhstan dated March 31, 2015 No. 394 “on approval of energy consumption standards”;
- No. 407 “Requirements for the energy efficiency of technological processes, equipment, including electrical equipment” (as amended and supplemented as of June 05, 2018);
- No. 406 “on establishing requirements for the energy efficiency of buildings, structures, constructions and their elements that are part of the building envelope”;
- No. 399 “Rules for determining and revising energy efficiency classes of buildings, structures, constructions” (as amended and supplemented as of June 05, 2018);
- No. 389 “on establishing requirements for the energy efficiency of transport”;
- Standard of the Republic of Kazakhstan ISO 50001-2019 “Energy management systems. Requirements and instructions for use”.

Energy Efficiency Goals

- Implementation of measures based on the results of the energy audit;
- Implementation of the recommendations of the conducted energy audit;
- Efficient use of diesel fuel;
- Optimisation of energy-intensive equipment modes;
- Efficient use of electric power;
- Preparation of annual plans of energy saving measures;
- Introduction of alternative sources of electricity;
- Optimisation of technological processes;
- Efficient planning of diesel fuel reserves.

Energy saving is becoming an increasingly urgent problem every year. Limited energy resources resulted in high energy costs, which creates additional risks and costs for companies. Rational use of energy resources is one of the main directions of adaptation regarding the challenges of our time. The Company follows all the necessary energy saving requirements in its processes and strives to continue improving the corresponding indicators.

THE VOLUME OF ENERGY CONSUMED FROM NON-RENEWABLE FUEL SOURCES, in GJ

FUEL TYPES*	01.07.2022	2021	2020	2019
Diesel fuel	34,761	79,698	70,733	79,204
Gasoline	2,803	5,739	4,947	6,372
TOTAL	37,564	85,437	75,680	85,576

ELECTRICITY CONSUMPTION

	01.07.2022	2021	2020	2019
Electricity, GJ	82,601	163,667	134,014	144,504
Specific electricity consumption, GJ / tonne of products	15.724	14.252	15.624	16.603

Renewable Energy Sources

Inkai currently does not directly generate or consume energy from renewable sources. Nevertheless, the Company is considering the option of a partial or complete transition to renewable energy sources in the long-term.

Reducing Energy Consumption

GRI 302-4

In pursuance of the state policy in the area of energy saving and to determine the potential for energy saving and energy efficiency improvement, the Company conducts energy audits every five years. Following the results of the last energy audit (2020), a conclusion was formed and issued on energy saving and energy efficiency improvement of the Company.

Recommendations based on the results of the energy audit are divided into the following areas:

- 1 Measures to save boiler and furnace fuel;
- 2 Energy saving measures;
- 3 Measures to save motor fuel;
- 4 Recommendations for sealing window and door openings of buildings, as well as joints between the wall and the roof.

According to the recommendations, the Company has developed an Energy Saving and Efficiency Action Plan, which includes:

- 1 Use of renewable sources;
 - a. Installation of solar water heaters;
- 2 Energy saving measures;
 - a. Phased replacement of fluorescent lamps;
 - b. Phased replacement of LED spotlights;
 - c. Introduction of capacitor units;
- 3 Energy equipment measures;
 - a. Installation of compressor recuperator.

As a result of the implementation of the Company's initiatives in the first half of 2022, it was possible to reduce the volume of electricity consumption by 1 546 GJ, which is 2 times more than the same indicator for 2020 (885 GJ).

WATER

Realising our responsibility to reduce the consumption of natural resources, we strive to effectively manage water resources at the stages of abstraction, water supply and wastewater treatment.

Highlights

TOTAL AMOUNT OF WATER CONSUMED

in 2021

534  megalitres

TOTAL AMOUNT OF WATER DISCHARGED

in 2021

86.4  megalitres

Our guiding documents:

- Water Code of the Republic of Kazakhstan;
- Rules for monitoring the quality of water in reservoirs and streams;
- General requirements for the protection of surface and groundwater from pollution by oil and oil products;
- Other normative legal acts of the Republic of Kazakhstan on the rational use of the country's water resources.

GRI 303-1, 303-2

Realising the responsibility to reduce the consumption of natural resources, including water resources, we strive to effectively manage water resources at the stages of abstraction, water supply and wastewater treatment. The main source of water intake at Inkai is reservoir water. The wells are equipped with flow metres, which helps to keep records. The volume of water intake in 2021 amounted to 620 megalitres, which is 26% more than in 2020.

The main reason for the increase in water consumption is the increase in production indicators. In the first half of 2022, the volume of water intake amounted to 306 megalitres. After the intake, the water is distributed by production areas according to needs, after which the used water is discharged to the filtration fields. All the requirements applied to the discharged wastewater are determined by the current state regulatory legal acts concerning water quality (sanitary

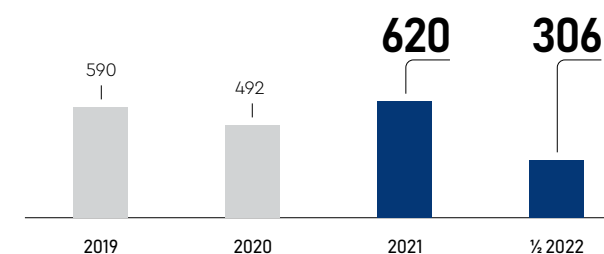
rules and regulations).

The main impact of the Company's activities on water resources is the volume of water consumption. But this factor is also minimised, since the production facilities use technologies for the multiple reuses of industrial water, thereby increasing the volume of recycled water. The impact from the discharge of used water is excluded due to the absence of discharges to the terrain and natural water bodies.

GRI 303-3, EM-MM-140a.1

At the Company's production projects, underground water is taken for industrial and household needs. The sampling is carried out in accordance with the obtained permit for special water use, issued by the territorial division of the Committee for Water Resources under the Ministry of Ecology, Geology and Natural Resources of the Republic of Kazakhstan. The water bodies from which the Company draws water are not sensitive to the impact of anthropogenic factors due to their size, role or status of vulnerability according to the IUCN Red List of Ecosystems.

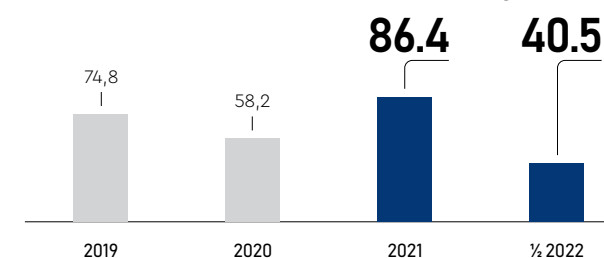
WATER INTAKE BY SOURCES, in megalitres



GRI 303-2, 303-4

Waste water of the enterprise is represented by industrial and domestic wastewater. For production in the technological process, a closed loop drainless scheme is adopted. The resulting production effluents of the enterprise are returned to the technological process. Household wastewater is discharged by gravity into septic tanks for mechanical treatment. After settling, clarified wastewater is collected in a collection well and transported by a submersible pump to the filtration fields.

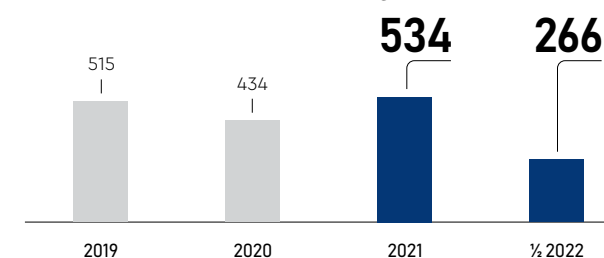
WATER DISCHARGE BY DIRECTION, in megalitres



GRI 303-5

The total amount of water consumed by the Company in 2021 was 534 megalitres, 23% higher than in 2020. The main reason for the increase in the volume of water consumed at the Company's facilities in 2021 is the increase in the production capacities of enterprises and the number of employees involved in the work of these enterprises.

WATER CONSUMPTION, in megalitres



The Company plans to build biological wastewater treatment plants at the mine sites and at the shift camp, which will improve the existing treatment and allow the water purified to MPD to be used for watering green spaces in the summertime.

WASTE

Inkai takes full responsibility for the safe management of waste and its timely disposal as part of its environmental activities.

Highlights

SHARE OF NON-HAZARDOUS WASTE
GENERATED AS A RESULT
OF PRODUCTION ACTIVITIES

in 2021

97.5% 

OF WASTE WERE DIRECTED
TO LANDFILL

in 2021

5,815  tonnes

Our Guiding Documents:

- Environmental Code of the Republic of Kazakhstan dated January 02, 2021, section 19 “Waste”;
- Sanitary rules “Sanitary and epidemiological requirements for the collection, use, application, disposal, transportation, storage and burial of production and consumption waste”;
- Rules for ensuring occupational safety for tailings and sludge facilities of hazardous production facilities;
- Waste classifier approved by Order of acting Minister of Ecology, Geology and Natural Resources of the Republic of Kazakhstan dated August 6, 2021 No. 314.

GRI 306-1, 306-2, 306-3, 306-5, EM-MM-150a.7, EM-MM-150a.8, EM-MM-150a.10

Production and consumption waste management is carried out in accordance with the Waste Management Programme developed and approved by the management of Inkai. The waste management programme provides for the organisation of a system for monitoring, collecting, processing, accumulating and transmitting environmental information.

The objectives of the mining waste management programme are:

- Achieving the established indicators aimed at gradually reducing the volume and level of hazardous properties of accumulated waste;
- Improving the environmental situation at the waste disposal site and the adjacent territory;
- Determination of the order of disposal of accumulated production and consumption waste, as well as transition to a qualitatively new level of waste disposal;
- Stimulating measures to minimise, recycle and process waste, reducing the amount and volume of accumulated waste;
- Ensuring effective control of the process of safe waste management;
- Compliance with environmental and sanitary-epidemiological requirements and implementation of waste management measures.

The programme describes a step-by-step procedure for the management of production and consumption waste, regulates the methods of waste disposal in places of temporary storage for subsequent disposal, identifies waste and, provides for an action plan for the prevention of accidents.

The contractor under the contract collects, segregates and disposes of all generated waste at the mine. The resulting waste is divided by type into different containers and, as it is filled, it is taken out for disposal. Accounting for the generated and disposed waste is carried out by environmental management specialists at the mine.

Employees of the contractor organisation carry out separate collection of waste on a daily basis and arrange them by type in appropriate containers. Cardboard-paper and plastic waste are pressed. The waste is exported to the contractor’s base and partially transferred under the contract to a third party with the registration of supporting documents. An audit of the contractor organisation that performs segregation and waste disposal is conducted annually.

The following types of waste are generated at the facilities of Inkai LLP:

- Municipal waste (municipal solid waste) and industrial waste generated during operations not directly related to the extraction of minerals.
- Mining industry waste represented by non-radioactive drill cuttings.
- Radioactive waste.

According to the Environmental Code of the Republic of Kazakhstan, activities for the collection, storage, transportation and disposal of radioactive waste are carried out in accordance with the legislation of the Republic of Kazakhstan on the use of atomic energy and are not considered in this Programme.

Inkai performs the following waste management operations:

- Accumulation of waste at the place of their formation in specially equipped places;
- Transportation of waste for the purpose of their disposal (burial) at their own landfills;
- Transportation of waste for the purpose of their transfer to specialised organisations for disposal or utilisation;
- Removal (burial) of waste at own landfills.

In 2021, 162 tonnes (2.5%) of hazardous and 6 213 tons (97.5%) of non-hazardous waste were generated. There is an increase in the volume of generated waste by 12% compared to the previous year. This was influenced by the increase in the Company’s production.

WASTE GENERATED, in tonnes

NAME OF WASTE	01.07.2022	2021	2020	2019
Hazardous waste	133	162	201	585
Non-hazardous waste	4,590	6,213	5,488	8,717
TOTAL WASTE GENERATED	4,723	6,375	5,689	9,302

Waste disposed of by landfill includes:

- Non-radioactive drill cuttings;
- Low radioactive waste;
- Municipal waste;
- Sewer sludge.

WASTE MANAGEMENT, in tonnes

	01.07.2022	2021	2020	2019
Hazardous waste	126	147	196	576
Non-hazardous waste	4 073	5 668	5 114	8 407
WASTE SENT FOR DISPOSAL	4 199	5 815	5 311	8 983

For the purpose of implementing measures to reduce the negative impact of landfilled waste on the environment, the Company plans to arrange activities for the separate

collection of municipal waste, the transfer of sorted waste for disposal and burial to specialised organisations, and the closure of the Inkai landfill.

BIODIVERSITY

Inkai is committed to ensure the conservation of land and biodiversity for future generations at all stages of the production cycle.

Highlights

THERE ARE NO SPECIALLY PROTECTED NATURAL LANDS IN THE INKAI PRODUCTION AREA

in 2021



INKAI DOES NOT CAUSE A NEGATIVE IMPACT ON BIODIVERSITY VALUE

in 2021



THE SAXAUL WAS PLANTED AS PART OF THE GARDENING ACTIVITIES OF THE SHIFT SETTLEMENT

the first half of 2022

28 

Our Guiding Documents:

- Environmental Code of the Republic of Kazakhstan dated January 2, 2021, Section 16 “Land Protection”;
- Law of the Republic of Kazakhstan “On Specially Protected Natural Territories” dated July 7, 2006 No. 175;
- Land Code of the Republic of Kazakhstan dated June 20, 2003 No. 442;
- Order of the Minister of Health of the Republic of Kazakhstan “On approval of hygienic standards for the safety of the environment” dated April 21, 2021.

GRI 304-1, EM-MM-160a.1, EM-MM-160a.3

The total area of land owned, leased and managed by the Company is (139 km²) 13,900 hectares. There are no reserves or other specially protected natural lands on the territory of the Company's production area or the territories adjacent to it. Inkai does not adversely affect the value of biodiversity, characterised by a list of protected statuses (for example, IUCN Protected Area Management Categories, Ramsar Convention, national legislation).

The action plan included the implementation of clean-up events, cleaning the territory of debris and dead wood, the creation of a nursery farm for tree seedlings, planting greenery in the field camp and mine, collection, sorting and transportation for disposal of production and consumption waste and, environmental monitoring. A mobile building for the radiation safety and environmental protection was put into operation to carry out various

radioecological works, as well as a plant for crushing plastic waste (bottles) was installed and prepared for operation.

To minimise the negative impact on the environment on the territory of the mining allotment, the Company annually plants saxaul in the form of seeds on an area of 2 hectares, which contributes to the prevention of wind erosion, and also helps to combat land desertification. In total, as of 2022, more than 28 hectares of saxaul have been planted.

An important issue for the Company is the closure of production after the expiration of the subsoil use contract. The Company addresses this issue by taking into account the requirements/wishes of all stakeholders, on which the Company's activities have a great influence. The Company plans to initiate landfill reclamation processes without waiting for the contract completion date.

Plans:

- Preparation for the implementation of the “Programme for the protection of birds from the impact of power lines”;
- Annual planting of saxaul along technological roads;
- Landscaping of the shift camp.





CARE FOR PEOPLE

Occupational Health and safety	56
Employees	70
Support of Local Population	85

OCCUPATIONAL HEALTH AND SAFETY

The health and safety of employees are Inkai's core values. The Company's priorities are ensuring safe working conditions and protecting the health of employees, protecting the environment, as well as ensuring the quality of processes.

Goals:

The Company strives to become a world-class leader in the nuclear industry in occupational safety, environmental protection and quality in all types of activities based on measurable actual results, best practices and minimising the risks of accidents at hazardous production facilities.

Our Guiding Documents:

- Occupational safety management system programme;
- Inkai's 7 OHS golden rules;
- Occupational Health, Safety, Environment and Quality Policy;
- Regulation on Occupational Health and Safety Department;
- Guide to the Integrated Management System;
- Management programme for the suppliers of goods, works and services;
- Occupational safety risk management;
- Evacuation of office employees in case of fire or earthquake;
- Accident Response Plan;
- Civil Defence Plan;
- Emergency Response Action Plan;
- Other internal documents specifying the Occupational Health and Safety Department and its subdivisions.

Compliance with International Standards:

ISO 45001:2018

Occupational health and safety management system



Highlights:

ACCIDENTS

1/2022

0



NUMBER OF OBJECT CHECKS

in 2021

1,540



EXPENSES FOR LABOUR PROTECTION ACTIVITIES AMOUNTED

in 2021

98



million tenge

Occupational Health and Safety Management

GRI 403-1

The main provisions for ensuring labour safety are regulated by the Occupational Health, Safety, Environment (OHSE) and Quality Policy approved by the Supervisory Board. The Company believes that ensuring and maintaining safe working conditions and occupational safety when performing work, creating conditions for increasing the experience and awareness of employees, and training comprise a system of careful planning that also requires continuous work. Inkai's approach to occupational health and safety (OHS) is based on the commitment of leaders at all levels to prioritise safety, create a culture of zero tolerance for violations and conduct effective assessment, mitigation and management of risks. OHS issues in Inkai are regulated by the Occupational Health and Safety Department (OHS Department). The Company's General Director is responsible for the implementation and achievement of the goals set by the OHSE and Quality Policy.

The OHSE and Quality Policy approves the following OHS goals:

- Minimising risks to a reasonably practicable level;
- Careful attitude to the health of employees;
- Ensuring safe and stable development of the Company;
- Improving efficiency of production control and internal audit;
- Ensuring awareness and interaction with the local population.

The Company has implemented an integrated occupational health and safety management system (OHSMS) in accordance with the legislative requirements of the Republic of Kazakhstan considering the best practices and pursuant to international standards, which covers 100% of the Company's employees. The system is focused on ensuring the safety of employees of the Company and contractors, subcontractors, when they perform work and provide services on the territory of the Company.

The OHSMS main principle is continuous development and improvement, which is presented in the figure below:



OHS Golden Rules

For the purposes of reducing the likelihood of accident risks in the OHS area, the Company implements initiatives under the concept of zero injuries and the concept of zero tolerance for the violation of industrial safety requirements.

The “Zero Injuries” concept is implemented by the Company through the adoption of 7 “Golden Rules” of production with zero injuries and safe working conditions (Vision Zero), developed by the International Social Security Association (ISSA).

The “Company’s Golden Rules” are the key minimum requirements for the safe performance of work aimed at preserving the health and life of the Company’s employees and suppliers developed based on the international best practices in the area of labour protection and analysis of information about accidents that occurred in the Company and other subsidiaries, associates of NAC Kazatomprom JSC;

The Golden Rules fully comply with the requirements of the legislation of the Republic of Kazakhstan and International Occupational Health and Safety Standards. Employees of the Company and contractors should demonstrate commitment to the issues of labour protection, occupational and fire safety. Awareness, acceptance and adherence to the Golden Rules is a basic requirement of Inkai’s safety culture.

The Company is entitled to apply a zero-tolerance policy for violations of these rules and take disciplinary action, including termination of the employment contract if necessary. The employee has the right to suspend any work if he/she considers that the performance of the work is unsafe for the health of the performers.



Procedure for Suspending Unsafe Work

PROCEDURE FOR SUSPENDING UNSAFE WORK INCLUDES THE FOLLOWING ACTIONS:



Suspend



Notify



Correct



Recover



Inkai’s OHS Seven Golden Rules:

1. Road safety
2. Work permit for the production of works
3. Isolation of hazardous energy sources
4. Chemical safety
5. Safety in lifting operations
6. Safety when working at height
7. Personal protective equipment

Participation of Employees in OHS

GRI 403-4

Worker participation is an important component of the OHS management programme. The Company's management undertakes to involve employees and their labour protection representatives in consultations, information and training on all OHS aspects related to their work including emergency preparedness.

OHS Risk Management

GRI 102-11, 403-2, 403-7

OHS risks are accompanying factors of the Company's production activities, purchased products and services provided by contractors/subcontractors.

In the Company, the process of assessing and managing OHS risks is organised taking into account the requirements of ISO 45001, laws and regulations of the Republic of Kazakhstan in the area of industrial safety, as well as in conjunction with the requirements of the current integrated risk management system.

Inkai has implemented the Working Instruction "OHS Risk Management" to describe the procedure for assessing OHS risks. The main objectives of the Instruction are to prevent OHS accidents and minimise related negative consequences for people and the environment, as well as to distribute responsibility and involve employees at all levels. The Instruction applies to all sites and facilities of the Company, including contracting organisations, and fully covers processes for identifying hazards and assessing OHS risks.

The Company identifies five types of hazards,

which under certain conditions may lead to accidents and related negative consequences:

- PHYSICAL
- CHEMICAL
- BIOLOGICAL
- PSYCHOPHYSIOLOGICAL
- SOCIAL



OHS Risk Assessment at the Stages of Activity

When planning and performing activities, during construction, reconstruction, expansion, technical re-equipment, operation, conservation, and liquidation of existing production facilities, the following activities are carried out:

Basic assessment of significant risks - OHS risk assessment at designing stages;

Risk assessment of projects/changes at workplaces - identification of new or changed hazards and OHS risk assessment at the operation stage considering the adequacy (compliance with requirements) of the applied control measures;

Risk assessment of scheduled/unscheduled work tasks - identification of hazards and development of measures for non-standard types of work, high-risk work that is not fully controlled by other pre-existing means;

Individual/continuous risk assessment - analysis of hazards before each employee starts work using the "Five Steps of Safety" methodology.

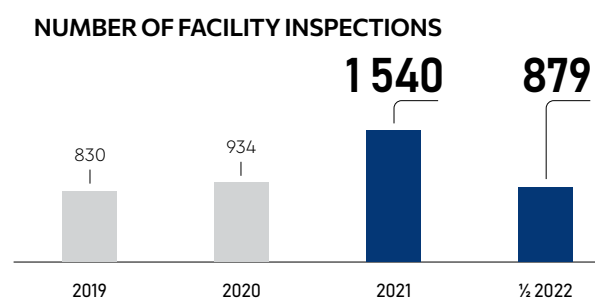
Accident Investigation

All incidents related to the activities of the Company are investigated in accordance with the Instruction "Investigation of Incidents and Accidents". This Work Instruction describes the process for managing OHS incidents.

Incident management includes the following activities:

- Initial notification;
- Localisation and immediate elimination of incident consequences;
- Appointing a commission to conduct an investigation;
- Identification of root causes and corrective actions to prevent their recurrence;
- Incident reporting.

The Instruction applies to all activities performed by the Company and Suppliers operating on the Company's sites.



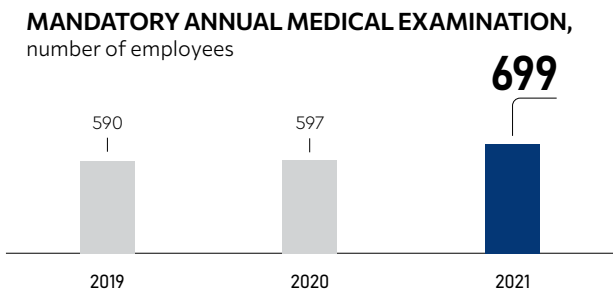
Health Protection

GRI 403-3, 403-6

For the purposes of ensuring timely medical examination aimed at the formation and promotion of good health, the Company focuses on the detection and prevention of the spread of diseases, ensuring labour safety and health protection, Inkai approved the Working Instruction “Mandatory Medical Examinations and Medical Care”. The Company, at its own expense, provides the Company’s employees with mandatory medical examinations (periodic, pre-shift, post-shift) and preventive medical examinations.

In the event of untimely completion or refusal by employees to undergo a mandatory medical examination and preventive medical examinations, the Company may take disciplinary actions against these employees.

In accordance with Article 273 of the Code of the Republic of Kazakhstan “On the Health of the People and the Healthcare System”, the medical data of employees are not transferred to third parties.



OHS Training

GRI 403-5, 404-1

In the Company, the process of training and checking the knowledge of employees is continuous and is carried out with all employees of the organisation. The timeliness of briefings and training and testing of knowledge on labour protection and industrial safety of employees is one of the key functions of the OHS Department.



OHS TRAINING PROGRAMMES FOR EMPLOYEES

OHS Training for Engineering and Working Staff in 2021	Number of Trained Employees
Industrial safety for engineering staff	94
Industrial safety for the working staff	320
Safety and labour protection for the working staff	320
Safety and labour protection for engineering staff	71
Radiation safety for group A	33
Sling operator	125
Floor-operated cell operator	35
Person responsible for the safe performance of work by cranes for the movement of goods, removable load-handling devices and containers	51
Engineering staff for supervising the safe operation of cranes, removable load-handling devices and containers	6
Engineering staff responsible for the maintenance of cranes, removable load-handling devices and containers in good condition	8
Engineering staff responsible for the good condition and safe operation of vessels	8
Person responsible for supervising the technical condition and operation of vessels	6
Forklift operator	12
Operator of mobile self-propelled manlift	8
Worker of mobile self-propelled manlift cradle	118
ADR/Transportation of dangerous goods	10
Electrician for repair and maintenance of electrical equipment of cranes	12
Technician for repair and maintenance of electrical equipment of cranes	17
Compressor unit operator	29
Preparation of managers and members of the PLSC of hazardous production facilities via passing exams on industrial safety issues	30
Registration and application of work permits in the production of work of increased danger	100
OHS risk management	30
Blocking equipment by posting warning tags	50

Contractor Management

GRI 403–8

In order to establish a unified procedure for compliance with OHS requirements for contractors and subcontractors when they perform work and provide services, and to ensure interaction within the Company, the Programme for Management of Suppliers of Goods, Works and Services was developed and approved. The Programme establishes requirements that supplement current legislation. The requirements of the Programme are communicated to all suppliers of the Company.

This Programme has been developed to implement the strategic objectives and main area specified in the Company's OHS Policy. Management of occupational safety performance among suppliers is achieved

by reducing risks, defining occupational safety performance criteria, monitoring and reporting on occupational safety performance, using the obtained data for continuous development, providing feedback and considering it when choosing a supplier for subsequent works and services.

Injuries at Workplaces

GRI 403–9, EM–MM–320a.1

In 2021 and in the first half of 2022, the Company successfully prevented the occurrence of accidents. The improvement of indicators is associated with the adoption of a set of measures to prevent accidents and the improvement of the occupational health and safety management system, as well as an increase in the level of labour and production discipline.

NUMBER OF ACCIDENTS AT WORK AMONG EMPLOYEES

Indicators For All Employees	½ 2022	2021	2020	2019
Total number of recorded occupational injuries (accidents)	0	0	2	1
Lost Time Injury Frequency Rate (LTIFR) ¹	0	0	0.29	0.14
Total number of occupational injuries with severe consequences (excluding fatal cases)	0	0	0	0
Total number of fatal accidents	0	0	0	0
Fatality Rate Ratio	0	0	0.29	0.14
TOTAL HOURS WORKED	869,489	1,480,314	1,339,827	1 351,095

¹ The formula for calculating the coefficient (number of lost time accidents) * 200,000 / (total hours worked)

Emergency Preparedness and Response

Inkai pays special attention to the prevention of and response to emergencies. Responsible divisions of the Company follow strictly regulated duties in accordance with the legislation of the Republic of Kazakhstan. The boundaries of responsibility in this area are clearly divided between the Security Department and OHS Department.

As part of providing emergency preparedness, the Company has developed an Accident Response Plan (ARP). The ARP establishes a unified approach and requirements, including the procedure for notifying officials who must be notified of an accident, interaction with government agencies, landowners, organisations; measures to rescue people,

localise the accident site, eliminate the accident and its consequences, as well as other organisational and technical measures aimed at eliminating accidents as soon as possible and with the least damage.

The Company has developed a Civil Defence Plan (CD Plan) to protect the personnel of the Company and contractors, facilities and territory, reduce damage and losses in the event of military conflicts. Preparation for the civil defence includes advance implementation of civil defence measures defined in Article 21 of the Law of the Republic of Kazakhstan “On Civil Protection”.

Uranium mining poses a risk of a number of potential emergencies. In this regard, the Company carries out comprehensive work to ensure the readiness of the enterprise for emergencies and takes all necessary measures. The Company has approved an Emergency Response Action Plan developed in accordance with the legislation of the Republic of Kazakhstan to implement a set of measures to protect the employees of the Company and contractors, facilities and territory of the mine and the population living nearby from dangers arising from emergencies and military conflicts or as a result of these conflicts.

In order to prevent natural or man-made emergencies (accidents, fires, explosions, terrorist attacks, etc.) and minimise the risks of their occurrence, a number of preventive measures is carried out aimed at ensuring the fire, physical and nuclear safety of the production sites of the mine and the shift camp.

The Company’s facilities are fully equipped with an automatic fire and security alarm system, including:

- CCTV system;
- Access control system;
- Fire and security alarm system;
- Automatic fire extinguishing system

The health of all the above-mentioned systems is monitored on a daily basis.

One of the important components of emergency prevention and preparedness is regular training of employees and conducting drills. Planned and unscheduled emergency trainings and drills are carried out at mine production sites to prepare the Company’s employees for the implementation of:

- Civil protection measures;
- On emergency response skills;
- On conducting emergency rescue and urgent work;
- On ways of salvation and mutual assistance.

Participation in these events is mandatory for the Company’s employees and contractors, as well as operational services (fire, emergency rescue, medical and security services), including the civil protection development at the Company.

Radiation Safety

The Company has approved internal regulatory documentation to ensure radiation safety. All requirements for radiation safety of technological processes are implemented. As part of measures to reduce radiophobia among the population of Taiqonyr, explanatory events are held. Radioecological monitoring in the Company is conducted once a year. In 2021, there were no radiation accidents in Inkai.

Production radiation control at the enterprise is carried out by the OHS Department.

The sources of radiation hazard at the Company's production facilities are natural radionuclides of the uranium-thorium series contained in process solutions, finished products, core material, radioactive waste, on the surface of process equipment, workplaces, vehicles and packages.

The following types of ionising radiation occur at the Company's production facilities:

- Alpha radiation;
- Beta radiation;
- Gamma radiation.

Radiation Hazards

When performing work at the Company's production sites, employees are exposed to the following radiation hazards:

- External irradiation;
- Internal irradiation due to the ingestion into the body of long-lived alpha-active isotopes contained in the air;
- Internal irradiation due to the ingestion into the body of short-lived radon daughters contained in the air;
- Internal irradiation due to the transfer into the body of the removed radioactive contamination.

Production Radiation Control

Production radiation control includes:

- Individual dosimetric control of groups “A” and “B” workers;
- Radiometric control of workplaces, environmental objects

Individual dosimetric control of groups “A” and “B” workers includes:

- Determination of external gamma irradiation doses;
- Determination of internal irradiation doses from radon daughters;
- Determination of internal irradiation doses from long-lived alpha-active isotopes.

The results of the implementation of OHS activities for 2021 and 2022:

- Anti-epidemic measures and monitoring of the health status of workers as part of the approved action plan to ensure business continuity during the COVID-19 pandemic. As of the end of the first quarter of 2022, the number of revaccinated workers amounted to 426 people (57%)
- To determine the state of safety, harmfulness, severity, intensity of the work performed on them, occupational health and to determine the compliance of the working environment with the standards in the area of safety and labour protection, certification of production facilities was carried out according to working conditions by the contracting organisation ECOSERVICE-S LLP.
- To prevent accidents due to the harmful effects of any type of energy, a project has been launched to develop energy source isolation matrices (hereinafter referred to as the ESIM) during repair work.
- Laboratory and instrumental studies of the levels of harmful production factors at workplaces were carried out with the involvement of specialists from the contracting organisation ECO-TEST LLP. Based on the monitoring results, no excess levels of harmful production factors were identified.
- For the purposes of detecting various toxic and combustible gases, 2 VENTIS PRO5 multi-gas analysers were purchased and put into operation at the mine.
- For the production control of radiation safety, the following devices were purchased and put into operation:
 - Dosimeter-radiometer RadEye SX - 1 pcs.
 - Individual aerosol sampler IPV-1D - 1 pcs.
 - Radiometric control unit RZA-05 - 2 pcs.
 - Device dosimeter-radiometer DKS-96 UIK-07 - 4 pcs.
 - Direct-reading individual dosimeters DKG-AT2503 - 5 pcs.
 - Fit-test PortaCountPro - 1 pcs.
 - Radiometer of radon and its daughter decay products “Ramon-02A” - 6 pcs.
 - Radiometer-dosimeter RKS-01-SOLO - 3 pcs.
- quarterly audits were conducted for compliance with legal requirements (industrial safety) in accordance with the international standard ISO 45001:2018 by order of Cameco Corporation.



EMPLOYEES

Employees are Inkai's main asset. The Company takes all necessary measures to improve the well-being of employees, as well as the conditions for improving professional knowledge, skills and abilities.

Highlights

AUTOMATION OF THE ONBOARDING PROCESS



HEADCOUNT

as of July 1, 2022

741  employees

STAFF TURNOVER RATE

5,8% 

WOMEN OF TOTAL HEADCOUNT

as of July 1, 2022

14% 

TRAINED EMPLOYEES

as of July 1, 2022

283  employees

PERSONNEL DEVELOPMENT EXPENSES AMOUNT

73  million tenge



Goals:

- Decrease in the staff turnover rate;
- Ensuring equality of opportunities and socio-cultural diversity;
- Improving the efficiency of personnel performance;
- Continuous training and development of employees.

Our guiding Documents:

- Laws and regulations of the Republic of Kazakhstan;
- Labour Code of the Republic of Kazakhstan;
- HR Policy;
- Talent Management Rules;
- Employee Certification Rules;
- Onboarding Rules;
- Collective Agreement;
- Regulation on Remuneration, Financial Incentives and Social Support;
- Regulation on Training and Development of Employees;
- Other internal documents assigning responsibility on the Human Resources Department and its structural units.

HR Policy Values:

Health, Safety and Environment

People's safety and environmental protection are fundamental elements of our work. We all take responsibility for continuous improvement of the safety of our workplace and the quality of our environment.

People

We value the contribution of each employee, treat employees honestly while showing our respect for personal dignity, creativity and cultural diversity. By being open and honest, we achieve the strong relationships that we strive for.

Decency

Through personal and professional integrity, we lead by example, earn trust, fulfil our obligations, and conduct our business in an ethical and correct manner.

Excellence

We are committed to achieving excellence in everything we do. We strive to use our full potential and inspire others to do the same through leadership, collaboration and innovation.

Personnel Management

Personnel matters in the Company are regulated by the Human Resources Department, which reports directly to the CEO and is responsible for the selection, induction and development of human resources, including employee training, performance management, development of corporate culture and management of remuneration.

HR policy ensures the transformation of the HR function from a supportive administrative function to a strategic partner of business units. All managers of the Company are responsible for the implementation of the HR Policy. The HR management budget complies with the principles of reasonableness, transparency, necessity and sufficiency, while also serving to implement the Company's strategy. The use of information technologies in the area of personnel management is an important factor in increasing the efficiency and reducing HR management costs.

HR Policy Principles

- The key role of personnel;
- Meritocracy;
- Focus on staff development;
- High-quality personnel management;
- Strategic partnership;
- Strategic planning of human resources
- The principle of self-learning organisation;
- Competitive salary;
- Focus on creating added value for the Company.

Main Functions of the Human Resources Department

- Recruitment of employees;
- Training and development;
- Talent management;
- Performance evaluation;
- Remuneration management;
- Corporate culture management;
- Regulation of labour relations;
- HR records management;
- Onboarding of a new employee.

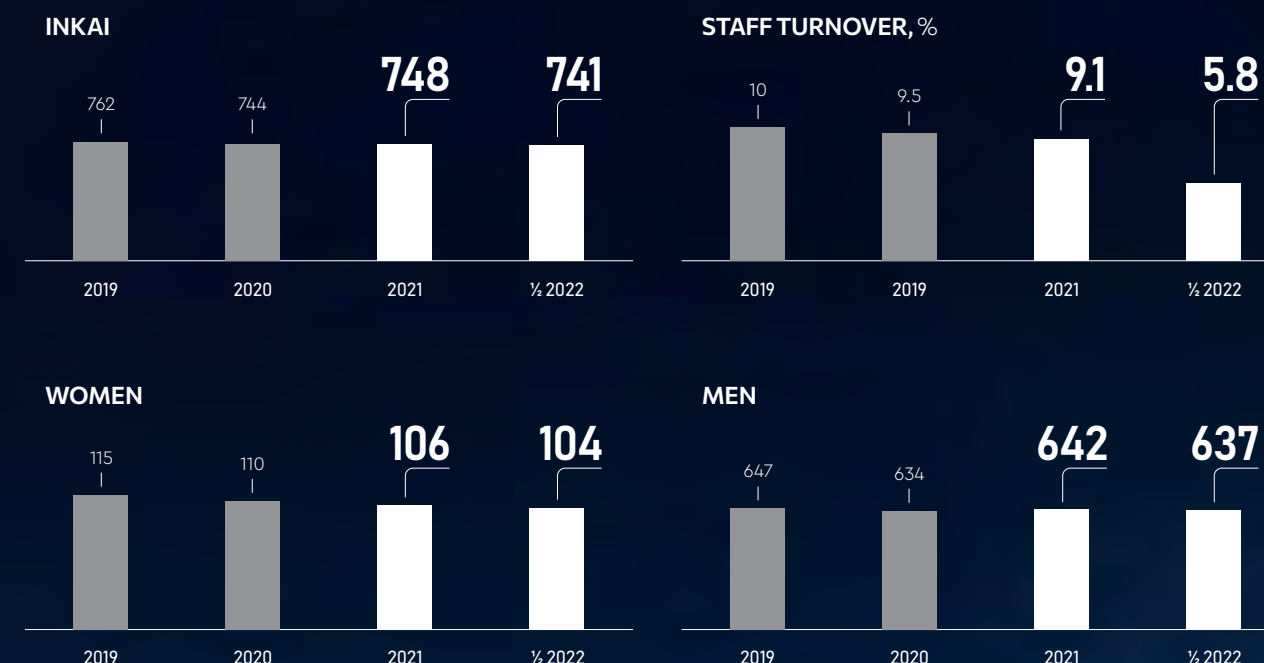
Headcount

GRI 102-8, 401-1, 402-1, 405-1, EM-MM-000.B

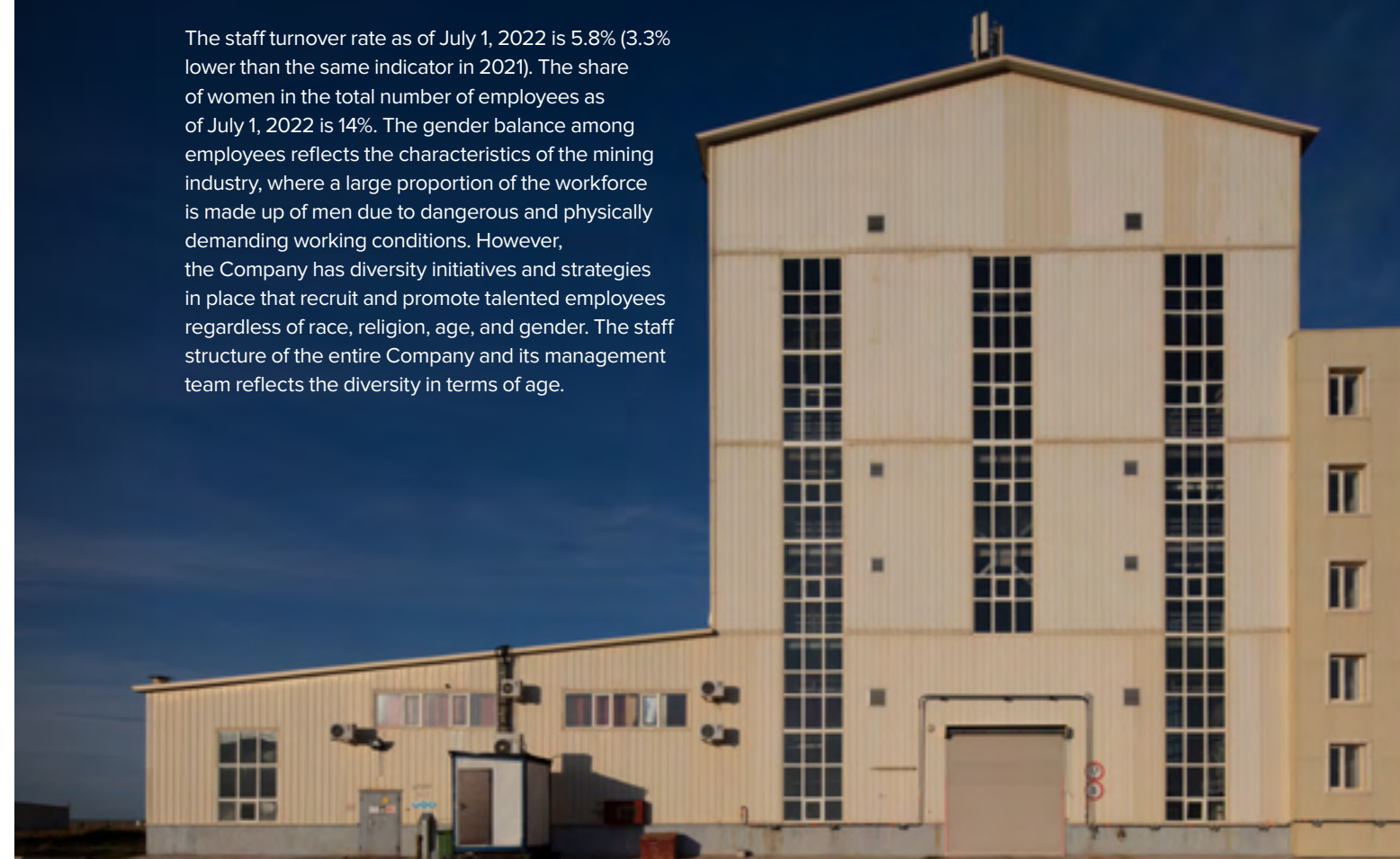
As of July 1, 2022, the headcount was 741 employees, which is 0.9% less compared to 2021 (748 employees). According to the requirements of the labour legislation of the Republic of Kazakhstan, no one in Inkai can be subjected to any discrimination in the exercise of labour rights based on origin, social and economic background, official position, gender, race, nationality, language, attitude to religion, beliefs, place of residence, age, as well as belonging to public associations. The Company does not use child labour, does not practice forced labour, and recognises the equal rights of all employees, regardless of their race, religion and gender.

Labour relations in the Company are regulated in accordance with the Labour Code of the Republic of Kazakhstan, as well as other local regulations. The Company assumes responsibility for ensuring compliance with labour rights, providing employees with benefits and guarantees provided for by labour legislation. Each employee is hired in accordance with the legislation of the Republic of Kazakhstan. When working conditions change, in particular, due to changes in the arrangement of production related to the reorganisation or changes in economic, technological conditions, working conditions and/or a reduction of the employer's scope of work, it is allowed to change employee's working conditions while continuing to work. That said, this change is done in accordance with the employee's specialty or profession of appropriate qualification. Employees are notified no later than 15 calendar days in advance.

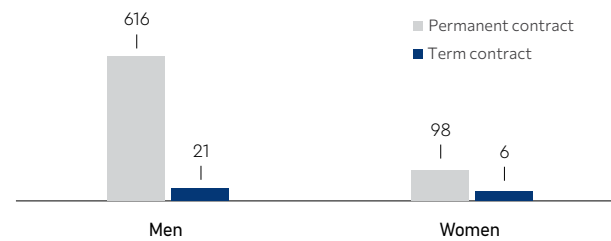
Headcount and Staff Turnover



The staff turnover rate as of July 1, 2022 is 5.8% (3.3% lower than the same indicator in 2021). The share of women in the total number of employees as of July 1, 2022 is 14%. The gender balance among employees reflects the characteristics of the mining industry, where a large proportion of the workforce is made up of men due to dangerous and physically demanding working conditions. However, the Company has diversity initiatives and strategies in place that recruit and promote talented employees regardless of race, religion, age, and gender. The staff structure of the entire Company and its management team reflects the diversity in terms of age.



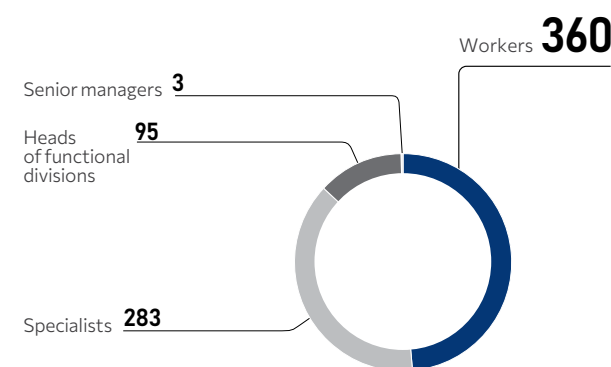
TOTAL NUMBER OF EMPLOYEES UNDER AN EMPLOYMENT CONTRACT



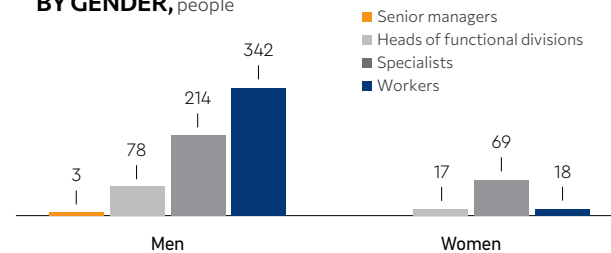
All employees of the Company work full-time. We will apply the rotational method of work and the normal duration of the working week.

In the age structure of employees, the main share is accounted for by employees from 30 to 50 years old (526 people or 71 %), employees under 30 years old and over 50 years old account for 15% and 14%, respectively. Due to the production specifics of the Company, the majority of employees operate on the territory of industrial facilities in the Turkestan region.

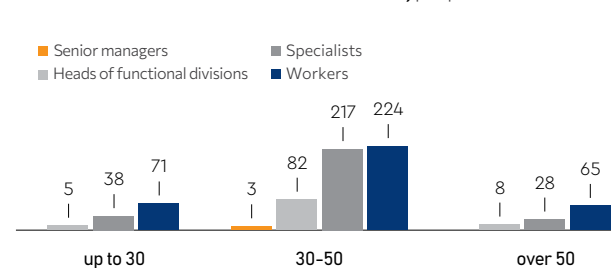
NUMBER OF EMPLOYEES, people



NUMBER OF EMPLOYEES BY GENDER, people



NUMBER OF EMPLOYEES BY AGE, people



Talent Management

The Talent Management Rules (hereinafter referred to as the Rules) regulate the unified process of succession planning for employees, determine the procedure for forming a talent pool and organizing their development.

The main principles of talent management are:

- Talent pool - responsibility of the management team;
- Development of professional potential;
- Matching the talent pool to the Company's needs in the medium and long term;
- The validity of decisions made based on the principle of meritocracy, transparency and fairness;
- Discussion of career plans is an integral part of performance evaluation procedure for the talent pool;
- Development of the career of employees who are not limited to the framework of their department.

The talent management process includes the following stages:

- Determining the list of key positions;
- Selecting candidates and approving pools of successors;
- Forming a pool of mentors;
- Organising the development of successors.

The talent pool is formed to:

- Provide, in the medium and long term, candidates for vacant, senior and key management positions;
- Identify and develop promising employees in order to maximize the use of their potential to achieve the strategic goals and objectives of the Company;
- Provide additional motivations to employees with the possibility of their development and career growth;
- Form an attractive image of the Company as an employer that contributes to attracting and retaining high-potential employees.

NUMBER OF EMPLOYEES WITH DISABILITIES EMPLOYED IN THE COMPANY

6 people

Recruitment Process

The main factors of the Company's recruitment policy are a transparent and fair approach, provision of equal opportunities and an objective assessment during selection. The Company uses various sources of personnel search, which include the recruiting programme hrekap.kazatomprom.kz, various job sites, social networks, and a professional network of contacts. Inkai cooperates with the Zhas Orken and Izbasar programmes to find young talents.

For creating an efficient and transparent staff recruitment system, the Company has established appropriate standards that meet the requirements of the law and the principles of Inkai personnel management.

In the first half of 2022, the number of hired employees amounted to 37 people (5 women and 32 men). In 2021, the number of newly arrived employees amounted to 70 people, which is 30% more than the same indicator for 2020.

Onboarding of New Employees

Inkai has developed the Onboarding Rules aimed at ensuring a faster accession to office of a new employee of the Company. The duration of the adaptation period coincides in time with the duration of the probationary period provided for in the Labour Code of the Republic of Kazakhstan. The HR Department, the immediate supervisor of the employee and the new employee are involved in the process of onboarding a new employee.

Onboarding of a new employee includes the following steps:

- Employment and execution of an employment contract with a new employee in the manner prescribed by law;
- Familiarisation of a new employee with job descriptions, a newcomer booklet, introductory e-learning, safety briefing, acquaintance with the team, acts of the employer;
- If necessary, assigning a mentor to a new employee with an additional payment for mentoring for a certain period in accordance with the terms of the Company's Collective Agreement;
- Setting 3-5 goals according to SMART criteria for the probationary period.

At the end of the probationary period:

- The manager evaluates the fulfilment of the goals set by the new employee according to the SMART criteria, including the following parameters: compliance with safety regulations; teamwork and communication; commitment to results;
- The new employee is given feedback on passing or not passing the probationary period;
- In case of successful admission to the Company's staff, a conversation is held between the Personnel Development Department and the new employee following the results of the adaptation period.

HR Bot Platform

In April 2022, the Company launched the HR bot platform, which is an automated online communication resource for improving the onboarding process for new employees.

Benefits of Implementing a Bot:

FOR EMPLOYEES:

- Clear and transparent onboarding system process;
- Growth of NPS (employee loyalty index) among employees;
- Full information about all working conditions;
- Fast and effective adaptation to the team and socialisation.

FOR MANAGERS:

- Increasing employee engagement;
- Prompt provision of information and settlement of organisational issues;
- Quick step-up of an employee to an effective level.

FOR HR DEPARTMENT:

- Improvement and growth of CSI and HR brand;
- Evaluation of recruitment quality;
- Automation of the entire onboarding process;
- Instant feedback guarantee for every new employee;
- Continuous monitoring of employee engagement and mood.

NUMBER OF HIRED EMPLOYEES

Indicator	½ 2022	2021	2020	2019
Men	32	65	43	144
Women	5	5	10	24
Under 30	16	29	18	60
30 to 50	19	40	36	103
Over 50	2	1	3	5
Astana city	1		1	
Shymkent city	4	12	35	20
Turkestan region	32	58	17	148
TOTAL	37	70	53	168

GENERAL STAFF TURNOVER

Indicator	½ 2022	2021	2020	2019
Men	5.7%	9.2%	8.8%	10.4%
Women	6.7%	8.5%	13.6%	7.8%
Under 30	6.1%	12.1%	12.7%	12.7%
30 to 50	4.8%	8.0%	8.1%	9.4%
Over 50	5.6%	11.3%	13.1%	8.9%
Astana city	100%	-	-	100%
Shymkent city	5.8%	13.3%	21.1%	15.4%
Turkestan region	5.7%	8.5%	8.0%	9.1%
TOTAL	5.8%	9.1%	9.5%	10.0%

Social Benefits

GRI 401-2, 401-3

Social support for employees is an integral part of the Company's personnel management system. Inkai strives to create the most comfortable working conditions and a favourable socio-psychological atmosphere.

The Company's social package includes the following social benefits (in excess of those established by law):

LIFE INSURANCE.

Insurance of an employee against accidents in the performance of his/her labour (official) duties, according to the law of the Republic of Kazakhstan "On mandatory insurance of an employee against accidents in the performance of his/her labour (official) duties".

PAYMENT OF TRANSPORT ALLOWANCE.

The Company makes compensation for the time spent on the way from the place of residence (they may be residing in another region/city) to the place of work and back.

PARENTAL LEAVE.

We provide employees with parental leave, with the preservation of the average salary, minus the amount of social benefits in case of loss of income due to pregnancy and childbirth, carried out in accordance with the legislation of the Republic of Kazakhstan on mandatory social insurance.

FINANCIAL AID.

The financial assistance provided to our employees is aimed at payments needed for the birth of a child, marriage, large families, in honour of the anniversary dates of employees, in the event of the death of close relatives and other such cases.

MEDICAL INSURANCE.

We grant employees the right to health insurance provided for in the contract with the insurance company. In 2021, 793 employees were insured for the amount of 142 million tenge, while in 2022 (as of July 1, 2022) 747 employees were insured for the amount of 141 million tenge.

PAYMENT FOR LONG-TERM TEMPORARY DISABILITY.

The Company issues social benefit payments for long days of disability (more than 21 days).

HEALTH RESORT TREATMENT.

The Company reimburses costs under documents submitted to employees who received sanatorium treatment and have worked in the Company for at least 2 years. In the first half of 2022, 86 employees (and in 2021, 202 employees) were reimbursed by the Company for the costs under such submitted documents.

ASSISTANCE IN CASE OF LOSS OF WORK ABILITY AND PERMANENT DISABILITY.

Sick leave (work injury) and payment according to a medical report (until recovery and/or disability). In 2021, 287 employees received medical report payment in the amount of 27 million tenge.

In accordance with the Labour Code of the Republic of Kazakhstan, each employee is granted parental leave. In 2021, 212 employees were eligible for parental leave (192 men and 20 women), of whom 19 (12 men and 7 women) took

advantage of this opportunity. As of the first half of 2022, 16 employees (7 men and 9 women) out of 237 eligible employees have taken parental leave.

NUMBER OF EMPLOYEES WHO TOOK PARENTAL LEAVE

Indicator	½ 2022			2021		
	TOTAL	Men	Women	TOTAL	Men	Women
Number of employees entitled to maternity/ paternity leave in the reporting period	237	213	24	212	192	20
Number of employees who took maternity/ paternity leave in the reporting period	16	7	9	19	12	7
Number of employees who were supposed to return to work in the reporting period after the end of maternity/paternity leave	10	5	5	8	3	5
Number of employees who returned to work in the reporting period after the end of maternity/ paternity leave	6	4	2	6	2	4
Number of employees who returned to work at the end of maternity/paternity leave and continued to work within 12 months after returning to work	7	4	3	5	2	3

New Collective Agreement

GRI 102-41

In August 2021, a new Collective Agreement was executed for 2021–2026 between the Company represented by the General Director acting on the basis of the Charter and the workforce represented by Employee Representatives elected and authorised at the general meeting of employees. The Employee Representatives are elected by an at least two thirds majority vote of participants acting based on applications from Inkai workers.

The agreement establishes minimum social and economic guarantees and regulates such provisions as the rationing of working hours, rest time, labour holidays, wage rates and social benefits, as well as regulates health and social protection issues.

The Collective Agreement of the Company defines the relations of the Employer and the Workforce to further increase the efficiency and quality of work, improve working conditions, and exercise the rights, duties and powers of the Workforce and the interests of employees, and regulates social and labour relations.

The Collective Agreement applies to the Employer and Employees of the Company, on whose behalf

the Collective Agreement is executed, and employees who have joined it on the basis of a written application. During the term of the Collective Agreement, its individual provisions may be specified and changed depending on changes in the legislative acts of the Republic of Kazakhstan, changes in the production programme, technology and organisation of production, and on other grounds only by mutual agreement of the parties in the manner established by the Labour Code of the Republic of Kazakhstan, for its execution. A scheduled revision of the agreement is performed every 5 years, each employee has the right to voice his/her opinion on the provisions of the document. We are among the few advanced companies in Kazakhstan whose employees have signed the Collective Agreement. This action relates to the best practice of sustainable development and shows the level of maturity of the management approach in the area of corporate social responsibility.

Collective Agreement Update

According to the new Collective Agreement, the amount of financial support for birth, burial, marriage, paid surgery and treatment, participants in the Great Patriotic War, payment for sanatorium treatment, and incentives for non-working pensioners (previously employed by the Company) was increased.

Personnel Training and Development

GRI 404-1, 404-2, 404-3

Inkai actively supports the commitment of its employees to continuous learning. Training and development of employees is one of the main priorities of the Company's personnel activities. We implement the best and most advanced educational practices in the area of industrial safety, human rights, labour protection and professional training.

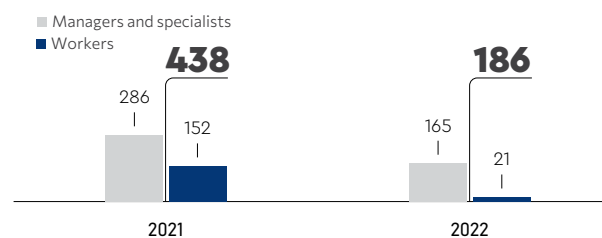
The Regulation on “Training and Development of Employees” determines the goals, basic principles, procedure, conditions and mechanism for implementing the training process for the Company's employees. The purpose of the Regulation is to ensure the sustainable success of the Company by increasing the efficiency of employees by forming, developing and maintaining the required level of qualification of employees that meets the needs of the Company, taking into account current requirements and prospects for strategic development.

The principles of training and development of the Company's employees are:

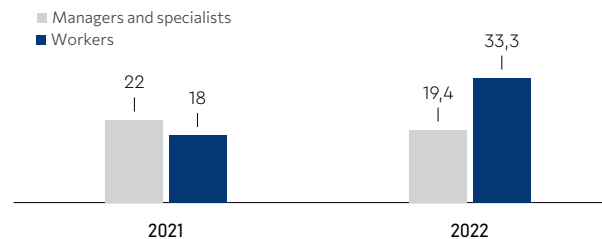
- Training effectiveness and commitment to results;
- Anticipatory nature of training and development – training should support the Company's strategic development goals;
- Expediency - the choice of training activities should correspond to the needs for training;
- Integrity of the development system, continuity and systematic training;
- Employee responsibility for their own training and development;
- Active learning according to the 70:20:10 principle;
- 10% is determined by the Employer, taking into account employee wishes.

The monitoring of the process of training and development of employees includes keeping records of their attendance at training events and assessing the quality and effectiveness of the training received by employees by conducting a survey. In 2021, 438 employees were trained. The average number of training hours for men is 24 and for women - 16.

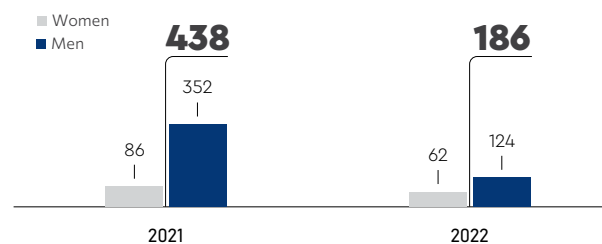
NUMBER OF EMPLOYEES WHO HAVE BEEN TRAINED, by employee category



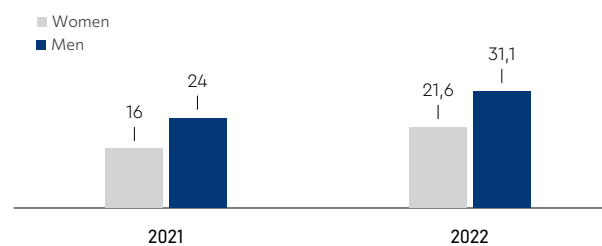
AVERAGE NUMBER OF HOURS OF TRAINING, by employee category



NUMBER OF EMPLOYEES TRAINED, by gender



AVERAGE NUMBER OF HOURS OF TRAINING, by gender



Professional Development Programmes

PROGRAMME NAME	
1	PROJECT SCHOOL OF OPERATIONAL IMPROVEMENT
2	CRITICAL THINKING
3	BASIC MANAGEMENT SKILLS
4	MODERN OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEMS
5	STRESS MANAGEMENT
6	PROJECT MANAGEMENT
7	3 IMS STANDARDS
8	EMOTIONAL INTELLIGENCE
9	LABOUR DISPUTES
10	RISK MANAGEMENT
11	MICROMINE GEOLOGICAL AND MINING INFORMATION SYSTEM SOFTWARE
12	TRAINING-FORUM ON THE TOPIC: "CAREER HACKATHON"

Partnership with Educational Institutions

As part of initiatives to expand partnerships with educational institutions, the Company reached an agreement to assist in the development of the system of technical and vocational education.

NAME OF EDUCATIONAL INSTITUTION

KAZAKHSTAN NUCLEAR
UNIVERSITY

CORPORATE UNIVERSITY
"SAMRUK KAZYNA"

Certification of Employees

For the purposes of forming a highly qualified staff, ensuring the possibility of an objective and reasonable movement of personnel, stimulating the growth of professionalism and knowledge level of employees, the Company has developed the Employee Certification Rules.

The main principles for certification are:

- Transparency
- Objectivity
- Fairness
- Impartiality
- Professionalism
- Compliance with the Company's values

The main objectives of certification are:

- Determination of the level of professional and qualification training;
- Promoting the development of employees and increasing labour motivation;
- Performance evaluation of the Company's employees;
- Identification of the individual needs of the Company's employees in training;;
- Establishing their compliance/non-compliance with the position held or the work performed;
- Formation of a pool of talents and successors (personnel reserve) and identification of the possibility of employee rotation.

Employee Performance Evaluation

Employee performance evaluation is an integral part of the development and advancement of Inkai employees. In 2021, the Company switched to the Ekap automated platform and assessed 360 employees.

Performance Evaluation Goals

- Emergence of the potential of an employee by identifying strengths and areas of development in competencies
- Optimisation of the Company's internal processes by increasing the efficiency of each employee

Performance Evaluation Stages

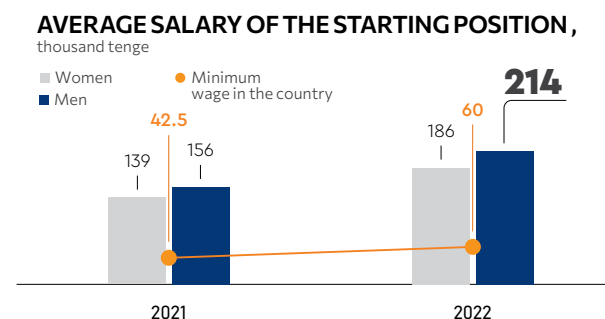
- Competence assessment and performance evaluation in the Ekap system
 1. Employee self-assessment, manager assessment.
 2. Review meetings: Employee manager.
 3. Functional calibration sessions.
 4. Assessment final: management decisions.
 5. Feedback.
 6. Final calibration session
- Formation of the Talent Map
- Identification of talents and further professional development (retraining/magistracy, short/medium-term training)

Remuneration System

GRI 202-1

Inkai is committed to providing fair compensation to its employees in accordance with their contribution to the success of the Company. In 2021, the Company implemented a unified remuneration system of Kazatomprom. The conditions and procedure for the remuneration of the Company's employees are determined in accordance with the staffing table, the salary scheme, grade, official salary/tariff rate and are reflected in the Employment Contract. To evaluate positions in the Company, the point-factor method of assessment is used, developed and presented by the international consulting company Korn Ferry/Hay Group.

Encouraging and rewarding high-performing employees is critical to maintaining a high level of motivation. The Company seeks to provide its employees with remuneration at or above the average market values. The standard salary for starting positions is higher than the national minimum wage. Thus, the monthly salary for a starting position for women is 139 thousand tenge, which is almost three times higher than the minimum wage in the country according to 2021 data. Meanwhile, in 2022 (as of July 1, 2022), the monthly salary for a starting position for women was 186 thousand tenge, which is three times the minimum wage in the country according to 2022 data.



The main activities for social partnership, internal communications and improving the level of social stability for 2022:

ACTIVITIES

1	Approval of the Action Plan for social partnership, internal communications and improving the level of social stability for 2022.
2	Holding general and personal meetings of the enterprise management with the workforce on production and social issues in accordance with the approved schedule.
3	Informing employees about the current situation and significant events for the enterprise and receiving feedback through group chats and messenger channels.
4	Informing employees through internal communication channels about the level of employees' wages in comparison with the previous reporting period, as well as in comparison with the wages of the general industrial market and the region.
5	Providing information about the projects and achievements of the enterprise for inclusion in the weekly newsletter of Kazatomprom, the monthly corporate magazine and the corporate portal of Kazatomprom.
6	Conducting surveys/questionnaires among the employees of the enterprise to determine the level of satisfaction and involvement of employees.
7	Informing the employees of the enterprise about the presence of an anonymous call centre of NAC Kazatomprom JSC (Telegram, 8 701 326 62 18) for receiving complaints on social and labour issues, in order to further verify the information and respond in a timely manner.
8	Auditing the effectiveness of internal communications.
9	Arrangement of training for an employee responsible for internal communications and social issues to improve professional skills and competencies.
10	Encouragement and recognition of the achievements and successes of employees using non-financial motivation tools (congratulations to the winners of contests, competitions, ceremonial announcement of results of competition, completion of project stages, awarding, etc.).
11	Participation of the Company in the events specified in the approved Plan of Corporate Events of Participants (state and professional holidays, professional contests, sports competitions, events for children, etc.).
12	Conducting a satisfaction survey for new employees based on the results of onboarding activities during the probationary period.
13	Involving employees to participate in social events (charitable assistance, volunteering, social events, clean-up events, etc.).
14	Participation of the Company's General Director in training on regulation of social and labour relations (CEO Club of subsidiaries and associates, etc.).
15	Formation of a register of mediators (at least 2 mediators) in accordance with the Law of RK "On Mediation" with the assignment of responsibility for this function.
16	Training of mediators to improve mediation skills.
17	Checking the employees of the enterprise, as well as job candidates for the presence of affiliates in the enterprise and identifying the risks of their joint impact on the enterprise activities.
18	Holding an information session with the workforce of the enterprise regarding payments to employees who reported confirmed information about the facts of theft, misappropriation, violations of corporate ethics, and attempts to cause economic damage to the enterprise.

19	Conducting technical classes to explain/work out the algorithm of operational actions of the team in a conflict situation: description of roles and responsibilities, notification terms, abstracts for communications
20	Ensuring interaction with the territorial divisions of the prosecutor's office, the police, the NSC on countering extremist or other activities aimed at destabilising the political and social situation.
21	For building the reputation of a "hearing" company and increasing the employees' sense of social justice (meritocracy, zero tolerance for corruption), ensure timely and objective consideration of individual and collective appeals with the provision of comprehensive information on the fact of investigations and wide coverage.
22	Immediate provision of a report to the Nuclear Security Department of NAC Kazatomprom JSC for the purpose of timely monitoring of the state of social stability of the enterprise's workforce.
23	Carrying out information and explanatory work to prevent and suppress the facts of corruption offences, fraud, violations of corporate ethics, procurement procedures.
24	Compliance with the requirements of the legislation of the Republic of Kazakhstan and the regulations of the enterprise on industrial, radiation and nuclear safety, as well as labour and environmental protection.
25	Preparation and approval of the Action Plan to improve occupational safety as agreed upon with the OHS Department of NAC Kazatomprom JSC.
26	Implementation of the Action Plan to improve occupational safety.
27	Implementation of the recommendations of Participants regarding living conditions in shift camps, food and laundry services, the operation of medical posts and sanitary checkpoints, as well as the provision of working clothes and PPE.
28	Placement of information about the activities of the Ombudsman on information stands and screens of the enterprise, indicating the methods for submitting appeals.
29	Participation in training/master classes organised by the Ombudsman of NAC Kazatomprom JSC to develop skills and increase knowledge about effective communication methods and the basics of conflict resolution.
30	Participation in quarterly meetings of the Ombudsman Board of the NAC Kazatomprom JSC group of companies to exchange experience and discuss current issues.
31	Conducting meetings by the Compliance Officer with the workforce of the enterprise to identify violations of the Code of Ethics and Compliance and discuss other problematic issues of concern to employees.
32	Carrying out explanatory and information work for the employees of the enterprise, in particular for the production personnel of the enterprise, about the existence of a "hot line" channel as a tool for prompt feedback on existing problems.
33	Raising awareness of compliance procedures: Code of conduct and business ethics of the enterprise with subsequent testing.
34	Placement of information about the activities of the Workforce Representatives, the rights and obligations of employees and the employer in accordance with the labour legislation of the Republic of Kazakhstan on information stands and screens of the enterprise, indicating the methods for submitting appeals.
35	Holding reporting meetings of the Workforce Representatives based on the results of 2021.
36	Conducting training for the Workforce Representatives on the basics of labour legislation, legislation on trade unions, safety and labour protection, issues of legal regulation of social partnership in the Republic of Kazakhstan.

SUPPORT OF LOCAL POPULATION

GRI 203-1, 413-1

Inkai assumes responsibility for providing social support to the local population of Taiqonyr village through the implementation of social projects.

Highlights

2021 Results:

- Signing of a new Collective Agreement of Inkai LLP with improved working conditions for 2021–2026;
- Implementation of a grading system based on the assessment of positions according to the Hay Group methodology;
- Updating internal regulatory documents;
- Conducting a questionnaire on wage improvements among employees, overall satisfaction was 76%;
- Support of the HR call centre.

2022 Results:

- Salary increase by 35%;
- Introduction of an annual bonus for the implementation of the production programme and LTIFR up to 1 salary;
- Introduction of additional financial assistance from the employer in the amount of 1 salary;
- Introduction of an annual lump-sum payment of indexed income up to 7%;
- "Grand Prix" of the "Paryz - 2022" competition;
- First place in the Best Occupational Health and Safety Enterprise category of the "Paryz" competition;
- Second place in the Best Collective Bargaining Agreement category Collective Agreement" of the "Paryz" competition;
- Implementation of changes in the organisational structure of companies to revise the capacity of the working staff.

EXPENSES WITHIN THE FRAMEWORK OF MANDATORY PAYMENTS on the socio-economic development of the regions of presence

63.9 
million tenge

HONORING WWII VETERANS and persons equated to them



CAMPAIGN "THE ROAD TO SCHOOL"



PURCHASE OF COAL for low-income families of the Sozak district



We strive to implement charitable projects and programmes aimed at solving socially significant issues for the residents of Taiqonyr village. Activities in this area are carried out by the Social Projects Department.

The Company's subsoil use contracts provide for the allocation of significant funds for the development of the regions of presence. In accordance with the terms of the Subsoil Use Contract, Inkai makes mandatory contributions to the budget of the Turkestan region in the amount of 63.9 million tenge. When implementing short-term projects aimed at improving the lives of the local population, taking into account their needs, positive feedback has been repeatedly received from the local population and local executive bodies.

Complaints Mechanism

All enquiries from the local population are received in writing through the Company's office. Further, they are forwarded to the Social Projects Department for execution.

Socio-economic projects in Taiqonyr village (Turkestan region) in 2021–2022

- Honouring veterans of the Great Patriotic War and persons equated to them of Sozak region; (Arrangement of a festive table, payment of a one-time assistance)
- Arrangement of the celebration of "Children's Day"; (Purchase of gifts for children of the Taiqonyr village of Sozak region)
- Action "Road to School"; (Procurement of school supplies for children from low-income families in Taiqonyr village of Sozak region)
- Arrangement of the celebration of the "Day of Older Persons"; (Purchase of gifts for pensioners and disabled people of the Taiqonyr village of Sozak region)
- Purchase of coal for low-income families of Sozak region in winter period;
- Purchase of New Year's gifts for children from low-income families of Sozak region.



CORPORATE GOVERNANCE

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GRI 102-5, 102-18, 102-22, 103-2, 202-2

General meeting of participants

Supervisory Board

General manager

Highlights

NUMBER OF MPG
MEETINGS
since 2021

6 
meetings

REPRESENTATIVES
OF THE LOCAL POPULATION
IN THE SUPERVISORY BOARD

3 
people

THE SUPERVISORY BOARD HELD
14 MEETINGS

reviewed

50 
questions

Our Guiding Documents:

- Law of the Republic of Kazakhstan "On Limited Liability Partnerships";
- Charter of Inkai;
- Regulation "On the Supervisory Board";
- Regulation "On the Audit Committee";
- Regulation "On the Technical Committee";
- Regulation "On the General Director";
- Dividend Policy.

CORPORATE GOVERNANCE SYSTEM IN THE COMPANY

Inkai's corporate governance system is built on the foundations of transparency, fairness, honesty, responsibility and professionalism. An effective corporate governance system helps to ensure efficient operation, increase the value of the Company's capital and protect the rights of participants and all stakeholders of the Company.

General Meeting of Participants

The General Meeting of the Participants is the supreme body of the Company and makes decisions on any issues of the Company's activities.

The powers, rights and obligations of the participants are fixed and regulated in accordance with the legislation of the Republic of Kazakhstan and the Charter of the Company.

During the reporting period, the Company held 5 meetings in 2021 and 1 meeting in the first half of 2022.

Supervisory Board

The Supervisory Board is a body established to exercise control over the activities of the General Director of the Company. Members of the Supervisory Board are elected by the GMP in the following ratio - three members are appointed at the suggestion of Kazatomprom and two members at the suggestion of Cameco. The Chairman of the Supervisory Board is elected by the members of the Supervisory Board, with representatives from Kazatomprom and Cameco rotating every two years as Chairman. The General Director cannot be elected to the Supervisory Board.



Sean A. Quinn

Chairman of the Supervisory Board, representative of Cameco Corporation

Year of appointment: 2017
Citizenship: Canada



Syzdykova Kamila Bakhytzhanovna

Member of the Supervisory Board, representative of NAC Kazatomprom JSC

Year of appointment: 2020
Citizenship: Republic of Kazakhstan



Akzholova Aliya Khaidarovna

Member of the Supervisory Board, representative of NAC Kazatomprom JSC

Year of appointment: 2017
Citizenship: Republic of Kazakhstan



Aldongarov Alibek Mansurovich

Member of the Supervisory Board, representative of NAC Kazatomprom JSC

Year of appointment: 2021
Citizenship: Republic of Kazakhstan



Dmitry Barsukov

Member of the Supervisory Board, representative of Cameco Corporation

Year of appointment: 2017
Citizenship: Canada

The share of senior executives¹ in the region of the Company's operations in the Supervisory Board, hired from among the representatives of the local population is 60%.

In the reporting period, the Supervisory Board held 14 meetings and considered 50 matters, while no decisions have yet been made on 4 matters.

For the purpose of careful consideration and detailed study of matters within the competence of the Supervisory Board, and to provide recommendations to the Supervisory Board and the GMP, the Company has established the Auditing Commission and the Technical Committee.

¹ Senior Executives are the members of the Supervisory Board.

Auditing Commission

The Audit Committee was established to exercise control over the activities of the General Director and regularly reviews the following matters in the area of sustainable development:

- Reports on compliance with corporate ethics and anti-corruption requirements;
- Reports on procurement and management of the Company's supplier network;
- Management evaluation reports of the internal control system (including the financial reporting control system);
- Takes part in the distribution of dividends to the Company's participants;
- fraud investigation reports, monitors and evaluates fraud risks.

Meetings of the Audit Committee are held at least four times a year. In the reporting period, the Audit Committee held 8 meetings and considered 42 matters.



Pernesh Yelnar Kairatuly

General Directors

Year of appointment: 2020
Citizenship: Republic of Kazakhstan

GRI 102-35, 102-36

Remuneration and Dividends

Dividends to the Company's participants are paid on the basis of the approved Dividend Policy on the principles of transparency, openness and timeliness. The decision on the distribution of dividends is made by the Company's participants at the annual general meeting.

Technical Committee

The Technical Committee is a collegiate body that assists the Supervisory Board and the GMP in the performance of their duties to control the technical and economic issues of the Company.

The main functions of the Committee are decision-making in the area of analysis of mining plans, work plans, estimates and costs, licensing, technical problems and solutions, designs, project plans and similar matters.

For the reporting period, the Technical Committee held 6 meetings and considered 64 matters.

General Director

The General Director of the Company manages the Company's operations and plays a key role in improving the efficiency and production and financial performance of the Company. For integrating the strategic vision of the GMP and the Supervisory Board into the current processes of the Company, the General Director submits quarterly reports on activities and completed actions. The governing bodies annually set KPIs for the General Director to monitor the effectiveness of current activities and compliance with the expectations of the GMP and the Supervisory Board.

BUSINESS ETHICS AND COMPLIANCE

GRI 102-16, 102-33, 205-1

Highlights

1 MAIN
COMPLIANCE
RISK

1



NUMBER
OF COMPLAINTS
AND APPEALS
RECEIVED

4



confirmed – 2

NUMBER OF EMPLOYEES WHO HAVE
COMPLETED TRAININGS IN THE FIELD
OF COMPLIANCE AND ANTI-CORRUPTION
LEGISLATION

151



people

Our Guiding Documents:

- Law of the Republic of Kazakhstan “On Combating Corruption”;
- Code of Conduct and Business Ethics;
- Business Ethics Policy;
- Anti-Corruption and Fraud Policy;
- Instructions for Compliance with Anti-Corruption Legislation;
- Regulation on the protection of confidential information;
- Policy in the area of labour protection, safety measures, environmental protection, energy saving and quality;
- Information Security Policy;
- Disciplinary Policy;
- Electronic Information and Information Technology Security Programme.

Inkai LLP operates on the principles and in the manner aimed at ensuring compliance with the norms of Kazakhstani and international legislation, international principles and business ethics, in accordance with the principles and provisions of the Code of Conduct and Business Ethics and the Business Ethics Policy. Standards and norms of behaviour in the area of compliance have been developed and implemented in the Company since 2011.

Inkai pays significant attention to safe working conditions and environmental protection. The Company adheres to the principles enshrined in the Code of Business Conduct and Ethics for Health and Safety and the Environment, interaction with the local community and treatment of the Company's employees and external partners.

Also, everyone who works with the Company, including suppliers, partners, consultants, must share the values of the Company and adhere to the principles defined in the Code of Conduct and Business Ethics. The management of the Company sets the tone in establishing and promoting the principles of honesty and fairness and is a model of personal and professional moral conduct.

Compliance Risks

The Compliance Officer regularly monitors compliance risks and takes timely measures to prevent these risks.

NAME OF THE FACTORS OF COMPLIANCE RISK	RISK RESPONSE MEASURES
LEAKAGE OF INSIDER INFORMATION	<ul style="list-style-type: none">• Maintaining and updating the list of the Company's insiders and communication to the Company's members
LEGAL CONSEQUENCES OF CORRUPTION OFFENSES (administrative and criminal liability)	<ul style="list-style-type: none">• Compliance with the requirements of internal regulations in the area of compliance and anti-corruption legislation• Monitoring and updating internal regulations in the area of compliance and anti-corruption legislation
THE GROWTH OF THE SANCTIONS REGIME ESTABLISHED IN RELATION TO THE RUSSIAN FEDERATION AND THE REPUBLIC OF BELARUS (including cross-sanctions) and its impact on the purchase of GWS, contractual relations with counterparties and the reputation of Inkai	<ul style="list-style-type: none">• Verification of counterparties and third parties according to international sanctions lists before executing/signing contracts/transactions;• Collection and verification of counterparties and third parties (full structure of owners and management (identification according to the “Rule of 50%”);• Monitoring the introduction of new sanctions;• Development of a work instruction/policy on sanctions compliance;• Development and implementation of a sanctions clause in standard contract templates• Attendance at workshops to explain sanctions compliance, methods for conducting verification;• Automation of the screening process for checking counterparties according to sanctions lists

During the reporting period, the above compliance risks were not identified.

Anti-corruption and fraud

Inkai adheres to the zero-tolerance policy for corruption and fraud. To ensure high ethical standards and protect the reputation and activities of the Company from unlawful actions of employees and third parties, the Anti-Corruption and Fraud Policy has been developed, which establishes standards of conduct approved in accordance with the law, principles and regulations of the Company.

This Policy includes control measures to combat corruption and fraud and is a guiding document for building a culture of consistent organisational behaviour in the Company. The main role in the implementation of the Policy principles is played by management employees who should be aware of illegal, corrupt and fraudulent actions and risks in this area and communicate information to their employees.

Compliance with these principles guarantees not only the effective operation of the Company in the present, but also its sustainable development in the future.

Human Rights

Inkai is strongly committed to the principles of respect for human rights and declares that the life, well-being and rights of all those involved are the main value of the Company and the basic decision-making factor in both the implementation of daily tasks and the approval of strategic goals for sustainable development.

The safety of employees, the development of human resources, equal treatment in interaction with both employees and external stakeholders and intolerance to any kind of discrimination are the foundation on which the Company's activities are built. These principles are integrated into all processes of the Company. Thus, all relevant internal documents include a clause on the observance of the rights of all persons involved in the Company's activities, risk procedures include impact on the safety and interests of people, contracts with external contractors and suppliers are also drawn up taking into account the observance of the approved principles in the Company.

Conflict of Interest Management

For the prevention of the influence of personal interests of employees and officials on the activities of the Company, Inkai broadcasts information on the need to comply with conflict of interest management requirements everywhere and at all levels.

The Code of Conduct and Business Ethics sets out the basic concepts, approaches and reporting mechanisms in the event of a real or potential conflict of interest to build a common understanding among employees and officials. The existing processes in the Company make it possible to promptly respond to the risks of such conflicts and improve the effectiveness of the conflict of interest management system.

Feedback Channels

GRI 102-17, 102-34

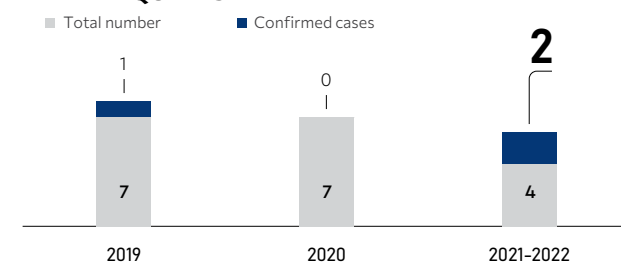
Inkai is aware that for building a culture of high ethical standards and transparent activities of the Company, it is important to involve all employees, suppliers, partners, representatives of the local community and all other persons involved in the activities of the Company. In this regard, the Company provides the opportunity to immediately report all facts of unethical behaviour, corrupt practices and other offences.

The Company has several channels for reporting violations:

- Direct reporting to the immediate supervisor;
- Oral or written communication to the Compliance Officer;
- General Director's hotline;
- E-mail and hotlines;
- Anonymous enquiries through the common channel of the Hotline of the SWF Samruk-Kazyna JSC group.

The hotline makes it possible to confidentially report incidents or alleged facts of corruption, fraud, discrimination, as well as other violations of the legislation of the Republic of Kazakhstan, ethical standards or the Code of Conduct and Business Ethics by any person.

STATISTICS OF RECEIVED COMPLAINTS AND ENQUIRIES



All enquiries and complaints are thoroughly investigated and considered by the Compliance Officer, and in case of revealing supporting data, measures are taken to eliminate the consequences of these violations and prevent similar cases in the Company in the future.

Compliance Training

GRI 205-2

All principles and provisions in the area of business ethics approved by the Company should be communicated to each employee and unquestioningly implemented at all levels of the Company. For these purposes, the Company conducts training events on an annual basis with the involvement of management and all involved business units. In 2021, a training was held in the area of compliance and anti-corruption legislation, which was attended by 151 employees, including the General Director and Deputy General Directors.

Inkai has an Instruction on Compliance with Anti-Corruption Legislation, according to which the Compliance Officer approves the list of employees for whom mandatory annual training is determined.

Also, for the continuous improvement of qualifications and further development of compliance practices in the Company, the Compliance Officer completed training courses on sanctions compliance and the role of forensics in corporate governance.

The Company does not support the political activities of any persons and does not finance the activities of political parties and individuals.



RISK MANAGEMENT AND INTERNAL CONTROLS

GRI 102-15, 102-30

Highlights

NUMBER OF RISK MANAGEMENT CATEGORIES

5 

RISK MANAGEMENT SYSTEM IN ACCORDANCE WITH THE STANDARDS

ISO 31000:2018 

INTERNAL CONTROL SYSTEM ACCORDING TO THE METHODOLOGY

COSO & PDCA 

INTERNAL CONTROL SYSTEM

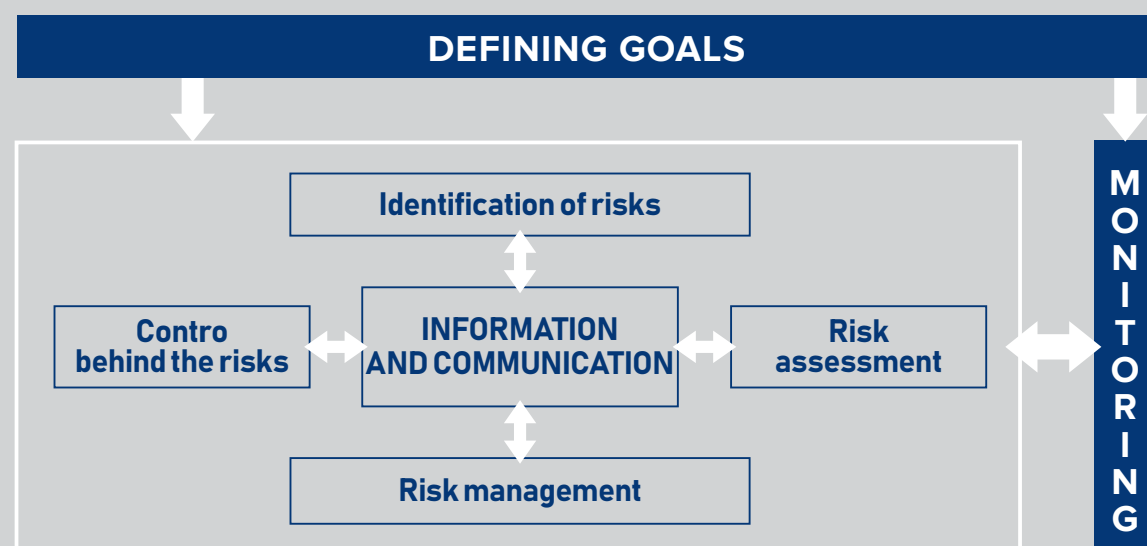
3 
lines of defense

Our Guiding Documents:

- Law of the Republic of Kazakhstan “On Joint Stock Companies” dated May 13, 2013 No. 415-II;
- International Standard ISO 31000:2018;
- COSO Standards;
- Risk Management Policy;
- Regulation on Internal Control System;
- Regulation on Ensuring Business Continuity.

Risk Management System

Internal environment



External environment

The risk management system of Inkai LLP was developed in accordance with ISO 31000:2018 international standards and COSO model. The key role in building and implementing an effective risk management system in the Company is played by the Supervisory Board, the Audit Committee, the Risk Committee, the General Director, as well as the heads of all structural units. An equally important contribution is made by the Company's Risk Officer, who is responsible for coordinating strategic projects in terms of risk disclosure and analysis, as well as for ensuring that risk management is integrated into other business processes and developing a risk culture within the Company.

At the same time, the current risk management system provides for the involvement of each employee of the Company in the risk management process, so that when making both strategic decisions and when performing daily operational tasks, employees are guided by approved risk management principles.

The Company's main risk management principles are:

- **Integrity** – consideration of the elements of the overall risk of the Company and its enterprises in the context of the RMS;
- **Openness** – a ban on considering the RMS as autonomous or separate;
- **Structurality** – the complex risk management system has a clear structure;
- **Awareness** – risk management is accompanied by the availability of objective, reliable and up-to-date information;
- **Continuity** – the risk management process is carried out on an ongoing basis;
- **Cyclicity** – the risk management process is a constantly repeating built cycle of its main components;
- **Continuous improvement** – improvement of risk management work, including information systems, procedures and technologies, taking into account strategic objectives, changes in the external environment, and innovations in the global risk management practice.

The goals set by the Company to ensure business continuity in the risk management process are reflected in the Company's Policy. Thus, the main goals are the following:




- Protecting the interests of the Participants;
- Ensuring the strategic and operational sustainability of the Company;
- Reducing the losses of the Company in the event of adverse risks for it;
- Development and application of uniform and consistent approaches to identifying, assessing and managing the risks of the Company, simplifying the procedures for exchanging information about risks vertically (management) and horizontally (experience exchange).

Registers and risk maps of the Company are developed and approved on an annual basis. The Company's risks are classified into the following categories:

- Strategic risks;
- Financial risks;
- Legal risks;
- Operational risks;
- Investment risks.

For the purpose of ensuring the sustainable development of the Company's activities, Inkai pays special attention to environmental, social and governance risks (according to the ESG components).

The table below presents the main ESG risks and measures to respond to them.

NAME OF THE MAIN ESG RISKS	RISK RESPONSE MEASURES
<div>UNAUTHORISED STRIKES OF WORKERS, LOCAL POPULATION IN THE REGION</div> <div></div>	<ul style="list-style-type: none">• Allocation of funds for the maintenance of social facilities of Suzak region.• Development of leisure infrastructure for employees.• Systematic management of employees' leisure.• Improvement of the quality of health insurance services• Construction of an asphalt road between the shift camp and production sites• Fulfilment of the tasks of the Action Plan to ensure the social and labour conditions of production personnel
<div>OCCUPATIONAL INJURIES</div> <div></div>	<ul style="list-style-type: none">• conducting audits within the IMS Audit Programme for compliance with ISO 45001 and legal requirements;• accident investigations with the identification and elimination of root causes;• OHS training, employee briefing. In-depth familiarisation with the specifics of production;• regular practical emergency drills in accordance with the approved ARP;• training newly hired employees to conduct health and safety checks, identify and classify Near Miss;• performance of OHS inspections in the area of production/occupational safety in accordance with the regulation on production control;• promotion of the OHS culture through the placement of various information materials at the sites and the use of LED screens, holding BBS, cascading the principles of Vision Zero
<div>ENVIRONMENTAL RISK</div> <div></div>	<ul style="list-style-type: none">• compliance with the programme of production environmental control (PEC) and monitoring of emissions into the environment;• strict observance of fire safety rules, periodic monitoring of the performance of fire extinguishing systems;• timely maintenance of boiler houses, diesel power plants, compressors, vehicles and repair work• adherence to the groundwater quality monitoring schedule.

Internal control system

For minimising process risks, the Company has developed and effectively operates an internal control system developed according to the PDCA methodology (Shewhart-Deming cycle).

The internal control system is aimed at preventing risks in three key areas:

- authenticity of financial statements;
- compliance with laws and regulations;
- ensuring the efficiency and rationality of operating activities.

The Company's internal control system consists of five interrelated components, taking into account the recommended 17 principles of COSO “Internal Control - Integrated Model” and includes five main components:

- control environment;
- risk assessment;
- control procedures;
- information and communications;
- monitoring.

All five components are closely interconnected and function systematically to prevent the Company's risks and ensure the smooth performance of activities.

The internal control system defines and distinguishes the roles of management bodies, heads and employees of structural units. Thus, the Supervisory Board oversees the internal control system, the Audit Committee monitors and evaluates the effectiveness of the system, the Company's management develops and implements internal control processes and procedures. The distribution of responsibility among structural units is based on the system of “three lines of defence”, where the first line of defence is the process owners and employees of the Company, the second line of defence is the subdivision responsible for ensuring internal control, and the third line of defence is the Audit Committee. The functions and roles of each line are described in detail in the Regulation on the Company's internal control system.

Internal audit

For conducting objective internal risk-based audits, the Company has appointed an internal auditor who is functionally accountable to the Audit Committee and is administratively accountable to the CEO. The Internal Auditor provides independent and objective information to the Audit Committee on a regular basis, thereby assisting the Company's efficient operation and the proper functioning of risk management and internal control systems.

The Internal Auditor develops an Audit Plan on an annual basis, which is approved by the Audit Committee.

Thus, below is an example of audit engagements defined for the current year:

- testing controls during the Financial Closure and Financial Statements preparation process;
- assessment of the effectiveness of controls in the procurement process;
- assessment of the effectiveness of controls under service contracts in the process of maintenance and repair;
- assessment of the effectiveness of controls in the process of preparation and approval of technical specifications;
- monitoring recommendations that have been given before.

External audit

The financial statements of the Company are a part of the consolidated statements of the participant, NAC Kazatomprom JSC. An independent auditor conducted an audit of the Company's financial statements for 2021 and assured their accuracy.

PROCUREMENT PRACTICE

GRI 102-9, 102-10, 103-2, 103-3, 204-1, 413-1

Highlights

TOTAL AMOUNT OF PURCHASES
in the first quarter
2022

13,3 
billion tenge

SHARE OF PURCHASES FROM LOCAL SUPPLIERS ON GWS
in 2022

100% 

SHARE OF PURCHASES FROM LOCAL SUPPLIERS BY GOODS
in 2021

99,91% 

SHARE OF PURCHASES FROM LOCAL SUPPLIERS FOR WORKS AND SERVICES
in 2021

77,8% 

Our Guiding Documents:

- Law of the Republic of Kazakhstan “On Procurement of Certain Subjects of Quasi-Public Sector”;
- Procurement Procedure of the Sovereign Wealth Fund “Samruk-Kazyna” and organisations, fifty or more percent of the voting shares (interests) of which are directly or indirectly held by Samruk-Kazyna JSC on the right of ownership or trust management;
- Corporate Social Responsibility Strategy;
- Procurement Policy;
- Regulation on Procurement of Goods, Works and Services;
- GWS Supplier Management Programme;
- Working Instructions on Preliminary Supplier Assessment.

Inkai, as a joint venture of the world’s two leading uranium mining companies and guided by leading national and international standards, pays special attention to the implementation of sustainable development principles in the supply chain both domestically and internationally. One of the key factors for effective management of the supply chain and business continuity is the timely provision of the Company with all the necessary resources and timely maintenance of processes with the involvement of external suppliers. As part of our procurement activities, we are guided by the principles of transparency, openness and economic feasibility.

The procurement system is built on the basis of the approved principles and objectives of the Procurement Procedure of NWF Samruk Kazyna JSC. Starting from 2022, changes were made to Inkai's procurement procedures, in accordance with the updated Procurement Procedure.

The Company makes purchases according to the following principles:

- Transparency - both in relation to potential suppliers and internal transparency.
- Equity and fairness - in relation to supplier selection, by defining selection criteria that are relevant (including both price and non-price factors), uniform and applicable to all potential suppliers.
- Separation of powers - clearly divide the functions and responsibilities between the participants in the procurement process.
- Competitive Selection – use processes to evaluate and select from a large number of suppliers whenever possible and when appropriate. If competitive selection is not possible, strict decision control measures should be used.
- Planning – plan procurement activities when possible.
- Control – exercise effective control over the procurement process.
- Support for local suppliers - support Kazakhstani and local suppliers when possible or as required by applicable law.
- Compliance - comply with all applicable legal acts and prevent illegal actions on the part of any of the participants in the procurement process.
- Timeliness - provide goods, works or services in a timely manner.
- Efficiency - optimal, purposeful and efficient use of the Partnership's funds.

The Company's purchases are automated and carried out using the 1C system, which allows the Company to ensure the uninterrupted supply of the necessary GWS based on approved procurement plans. The total amount of the Company's purchases in 2021 amounted to 21.3 billion tenge and 13.3 billion tenge in the Q1 2022.

Interaction with suppliers

Inkai approved the Supplier Management Programme, according to which the Company's suppliers are required to comply with the requirements in the area of compliance with the principles of business ethics, environmental protection, health and safety, prevention of any kind of discrimination, forced labour and other aspects that are contrary to norms in the area of social welfare and environmental requirements. When executing contracts, a prerequisite for choosing a supplier is compliance with the requirements for health, safety, environmental protection and radiation safety.

Inkai also implements the provisions of the Procurement Procedure of NWF Samruk Kazyna JSC, according to which the Companies, fifty or more percent of the voting shares (interests) of which are directly or indirectly held by Samruk-Kazyna JSC on the right of ownership or trust management, makes purchases for the category “among organisations of the disabled persons” (hereinafter referred to as ODP), in case of failed purchases, the Company publishes a purchase among Kazakhstani producers, and then on a general basis.

For the effective management of procurement risks, the Company pays special attention to the prequalification process. Inkai has approved an internal document - Work Instructions on Preliminary Supplier Assessment. As part of the qualification selection, in relation to potential suppliers, the Compliance Officer assesses the compliance of potential suppliers with the requirements of national and international laws.

Supplier due diligence includes:

- a preliminary assessment of the supplier and the assignment of a high, moderate or low degree of risk;
- conducting a risk analysis of the awarded contract.

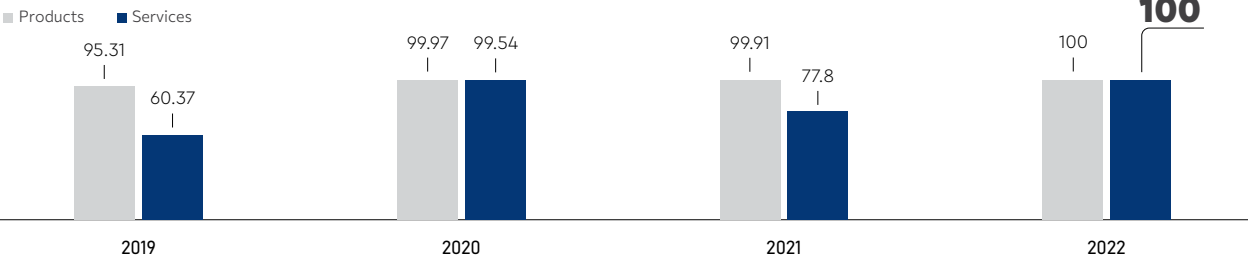
Support for local producers

Cooperation between the Company and local suppliers of goods and services contributes to the social and economic development of the region of presence. We are guided by the Corporate Social Responsibility Strategy, giving preference to the purchase of goods and services from local suppliers that meet the requirements of corporate social responsibility. The Company actively supports programmes to increase local content, which indirectly supports the employment of a large number of citizens from the local

population and contributes to the economic sustainability of these enterprises.

According to the terms of the Company's subsoil use contract, local content should be at least 40% for goods, and 90% for works and services. At the same time, according to the requirements of NWF Samruk Kazyna JSC, the target parameters are at least 65% in the GWS. Inkai adheres to the approved standards, the share of local content in the Company's purchases significantly exceeds the established target levels.

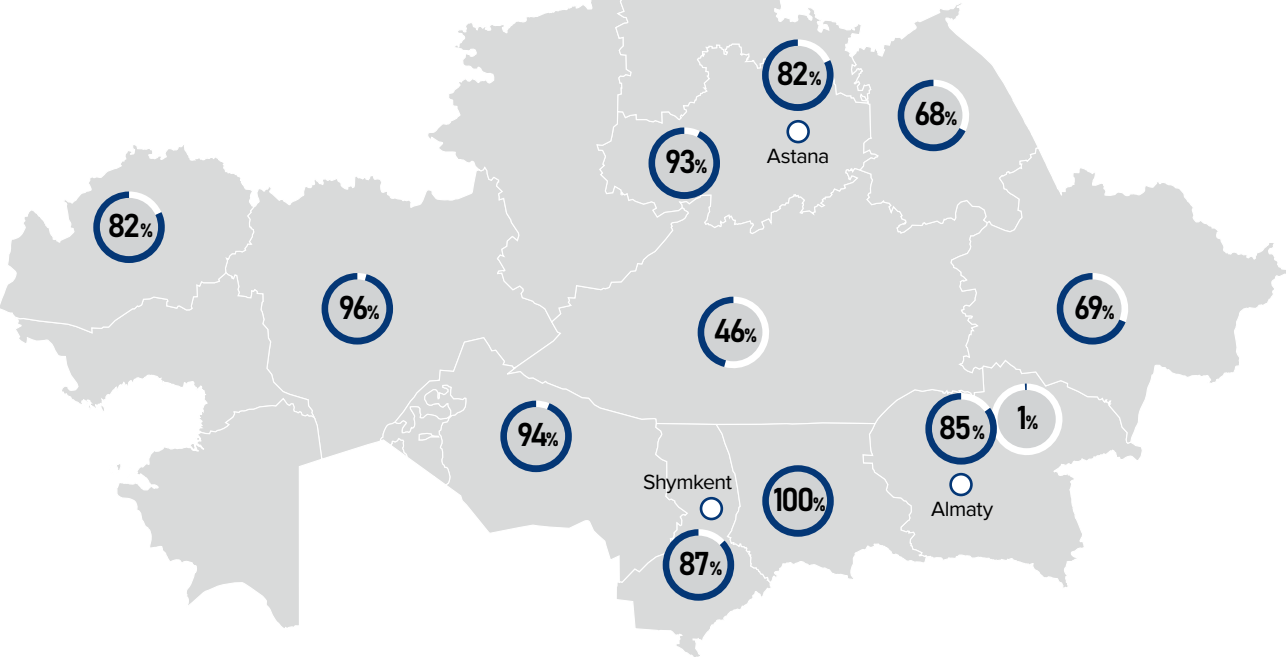
THE SHARE OF LOCAL SUPPLIERS IN PURCHASES, %



The Company's long-term procurement plans are as follows:

- maintaining the level of local content in the procurement of GWS;
- improving sustainable development practices by constantly monitoring the requirements for suppliers in terms of social, environmental and economic aspects;
- improvement of automation processes and further optimization of the procurement process.

LOCAL CONTENT IN THE PROCUREMENT OF GOODS, WORKS AND SERVICES OF THE SAMRUK-KAZYNA FUND



TECHNOLOGIES AND INNOVATIONS

One of the most important factors for the effective operation of the Company and adaptation to changing working conditions is the development of technologies and innovations of the Company. In this regard, Inkai pays great attention to the implementation and improvement of technological solutions.

Inkai has a modern technological base, including dozens of information systems that solve production and management tasks, including a financial data automation system - 1C UPP, a print process optimization system - Y-Soft SafeQ, communication systems ATC Alcatel, Clever Touch, TrueConf and a training portal "Knowledge base".

The Company also widely uses the Vinkom corporate portal, which provides automation of both production processes and the functions of the corporate center, and includes the following sections:

MODULE 1 - MDP (Mine Development Plan)	MODULE 2 - Equipment	MODULE 3 - Well and well field construction
MODULE 4 - Production	MODULE 5 - Reporting	EVENT REGISTRATION MAP
PROJECT MANAGEMENT	LEAN PRODUCTION	OCCUPATIONAL SAFETY
SUGGESTIONS FOR IM-PROVEMENT	LIBRARY OF BOOKS	UTILITIES
IT TOOLS	SMART WATCH SCHEDULE	



In addition, the following R&D projects were launched in 2021:

R&D project	Expected economic effect	Result
Development and manufacturing of an Integrated logging tool combined with an inclinometer and a calliper (ILTIC)	Intensification of the GIS process. Reduced labour costs and time spent on primary logging by 20%	<p>Integrated logging tool combined with an inclinometer and a calliper (ILTIC).</p> <p>Conducting gamma-ray logging, electric logging and determining the spatial location of wells with measuring the angle of inclination and azimuth, well diameter in one start-up.</p> <p>Introduction of prototypes of the device (ILTIC) in the production conditions of Inkai.</p> <p>The work is completed, the results were adopted at a meeting of the scientific and technical council of Inkai, Protocol 2-2022 dated August 19, 2022..</p>
Introduction of equipment, software and technology for 4D monitoring of the process of uranium mining by the method of radio wave geointrospecty of the inter-well space (RWGI) into the complex of geophysical studies at the mine of the Inkai deposit	Optimization of production pro-cesses. Reducing the consump-tion of sulfuric acid.	<p>Introduction into practice of the geophysical department of equipment, software and technology of radio wave research of the inter-well space using the “4D RWGI” method.</p> <p>Implementation of RWGI equipment (radio wave geointrospecty) in the production conditions of Inkai.</p> <p>The work is completed, the results were adopted at a meeting of the scientific and technical council of Inkai, Protocol 2-2022 dated August 19, 2022..</p>

Inkai is also focusing on lean manufacturing and is implementing the following projects as part of this initiative:

Name of the project	Target indicator
Portable process solution control unit	<ul style="list-style-type: none">Reducing the time for transferring the UUTR from unit to unitReducing the time required to tie down the unit
Changing the design of the manifolds	Reduction of material costs (Economic effect = 5.5 million tenge)
Reducing dead zones in the T-7B deposi-tion cascade	Reducing the number of stops for cleaning and emptying of sedimentation cascade tanks (Economic effect = 10 million tenge)
Reducing the risks of horizontal dis-placement of the face	Increased rig productivity due to fewer defects
SP17 submersible pumps repair cost re-duction	Reducing the cost of maintenance and repair of down-hole pumps
Optimising the process of inspecting power lines	Reduced consumption of fuel and lubricants

Information Security

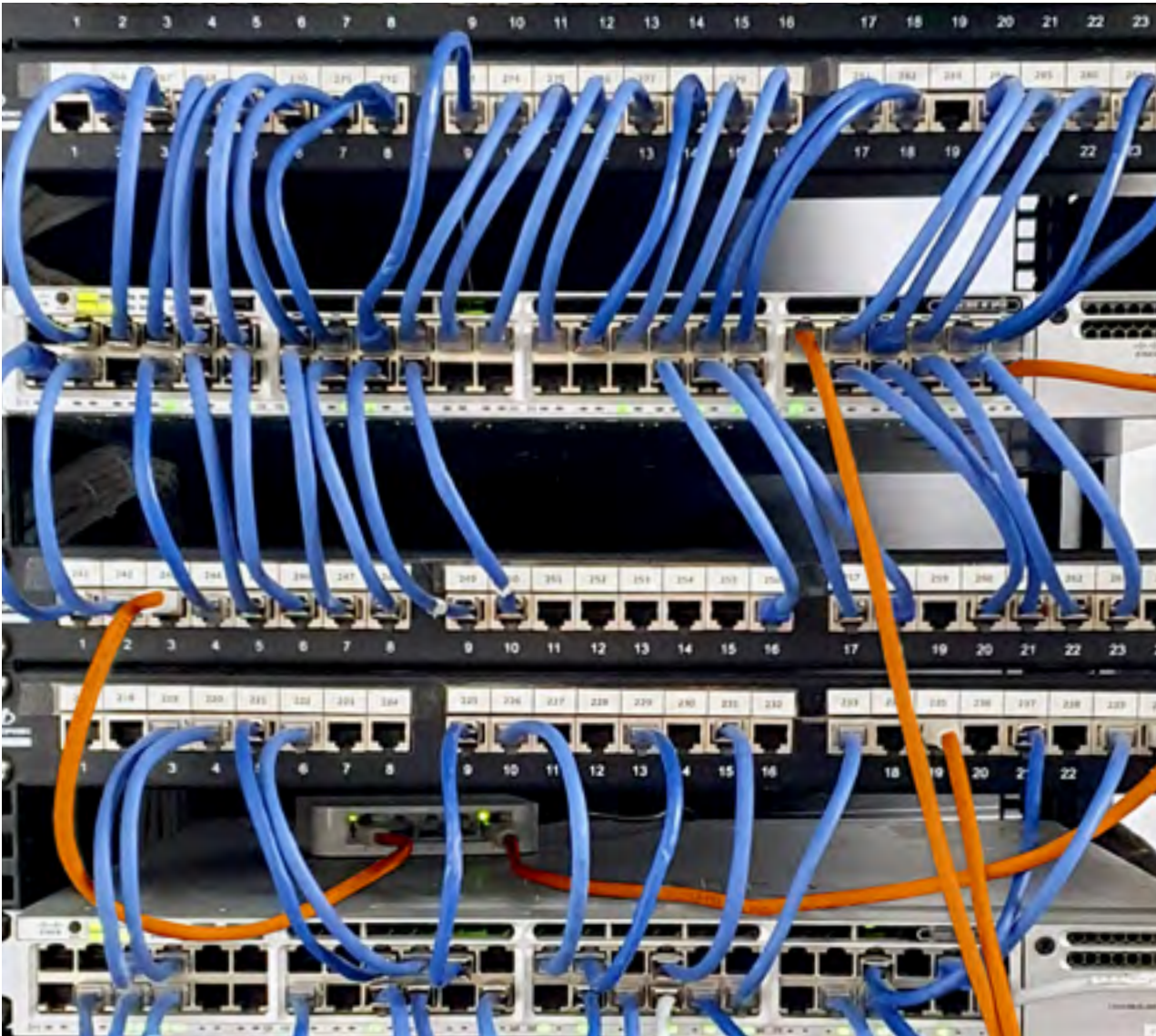
Information security management of the Company is the most important condition for maintaining information integrity, ensuring business continuity and protecting intellectual property rights and personal information.

In this regard, the Company has approved the Information Security Policy, the main principles of which are:

- Identification and minimisation of risks to which information and information systems of the Company are exposed to a level acceptable to the Company;
- Ensuring the confidentiality, availability and integrity of the Company's information assets;
- Compliance with international standards, as well as generally accepted industry practices in the area of information security;

- Providing secure access to the Company's information resources to those who need it to perform their duties;
- Monitoring and evaluating the effectiveness of information management, information resources to achieve continuous improvement in the area of compliance, security and risk management.

For mitigating the risks of leakage of information, which is the property of JV Inkai LLP, the Company regularly conducts explanatory conversations, training, internal audits of the Company's systems and implements legal, organisational, administrative and logistical measures to ensure information security.





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PREPARATION APPROACH

GRI 102-32, 102-48 102-50, 102-52, 102-54

The Company brings to your attention the Sustainability Report (Sustainability Report, Report) for 2021 and the first half of 2022. This Report is a document that discloses information about the Company's activities in the area of economic, environmental, social aspects and corporate governance. Being a socially responsible business, the Company is committed to increasing the transparency of information about its activities by publishing this report.

The Company's 2021–2022 Report is the second stand-alone Sustainability Report in Inkai's history, and going forward, the Company plans to continue the practice of publishing non-financial reports annually, reaffirming its commitment to increase the transparency of its operations and demonstrate economic, social and environmental performance and commitment.

The Sustainability Report has been prepared in accordance with the Standards of the Global Sustainability Reporting Initiative (GRI Standards: Core Option), and we also make partial disclosures in accordance with the Sustainability Accounting Standard (SASB). The application of standards and the index of GRI and SASB standard elements are published in Appendix 1. In addition, the Report discloses information about the Company's contribution to the implementation of the priority UN Sustainable Development Goals and describes activities.

In 2021, there were no significant changes in the methods of calculating the indicators.

The process of Report preparation and disclosure of material topics is coordinated by the Company's Corporate Development Department with the active participation of all involved structural units. The Report is verified and finally approved by the General Director.

Reporting Boundaries

GRI 102-45

The Report provides information about the Company's activities for the period from January 1, 2021 to July 1, 2022. The scope of the Report includes only JV Inkai LLP, a legal entity registered in Kazakhstan. The financial data is presented in accordance with the Company's audited financial statements prepared pursuant to the International Financial Reporting Standards. The content of the Report was determined based on the prepared list of material topics, which meets the requirements of applied GRI Standards.

Report's External Assurance

GRI 102-56

The procedure of the external assurance of the 2021–2022 Report was not performed. However, the Company recognizes the importance of the external assurance of sustainable development information and is considering future assurance of non-financial information.

APPENDIX 1:

Tables of GRI and SASB indicators

GRI 102-55

Standard and indicators	Disclosure	Report page	Report sections	Comments
GENERAL REPORTING ELEMENTS				
GRI 102: GENERAL DISCLOSURES 2016				
102-1	Name of the organization	10	About the Company	
102-2	Activities, brands, products and services	10	About the Company	
102-3	Location of headquarters	10	About the Company	The Company is headquartered in Shymkent (Republic of Kazakhstan)
102-4	Location of operations	16	About the Company	
102-5	Ownership and legal form	10	About the Company	
102-6	Markets served	10	About the Company	
102-7	Scale of the organization	21	Overview of financial and operating activities	
102-8	Information on employees	72	Employees	
102-9	Supply chain	10, 100	About the Company	There were no significant changes in the supply chain during the reporting period.
102-10	Significant changes to the organization and its supply chain	10, 100	About the Company	
102-11	Precautionary Principle or approach	28, 40, 62	Environmental responsibility	
102-12	External initiatives	29	Contribution to the Achievement of UN Sustainable Development Goals	Participation in initiatives, presented in this section are initiatives that are presented in this section are voluntary.
102-13	Membership of associations	10	About the Company	
102-14	Statement from senior decision-maker	4	General Director's statement	
102-15	Scale of the organization	96	Risk management and Internal Controls	
102-16	Values, principles, standards, and norms of behavior	92	Business ethics and compliance	
102-17	Mechanisms for advice and concerns about ethics	94	Business ethics and compliance	
102-18	Governance structure	88	Corporate Governance	
102-22	Composition of the highest governance body and its committees	88	Corporate Governance	
102-30	Efficiency of the risk management system	96	Risk management	
102-32	The role of the highest corporate governance body in the preparation of the sustainability report	108	About the report	

102-33	Informing about critical issues	92	Business ethics and compliance	
102-34	Nature and total number of critical issues	94	Business ethics and compliance	
102-35	Compensation rules	91	Corporate Governance	
102-36	Remuneration determination process	91	Corporate Governance	
102-40	List of stakeholder groups	32	Stakeholder engagement	
102-41	Collective bargaining agreements	78	Employees	
102-42	Identifying and selecting stakeholders	32	Stakeholder engagement	
102-43	Approach to stakeholder engagement	32	Stakeholder engagement	
102-44	Key topics and concerns raised	32, 35	Stakeholder engagement, Material topics	
102-45	Entities included in the consolidated financial statements	108	About the report	
102-46	Defining report content and topic Boundaries	35	Material topics	
102-47	List of material topics	35	Material topics	
102-48	Restatements of information	108	About the report	The Report contains updated data for previous years. A note to that effect is included in the text.
102-49	Changes in reporting	35	Material topics	
102-50	Reporting period	108	About the report	
102-51	Date of most recent report	-	The last report was issued on September 30, 2021	
102-52	Reporting cycle	108	About the report	
102-53	Contact point for questions regarding the report	119	About the report	
102-54	Claims of reporting in accordance with the GRI Standard	108	About the report	
102-55	GRI content index	109	Appendix 1: Tables of GRI and SASB indicators	
102-56	External assurance	108	About the report	
GRI 103: MANAGEMENT APPROACH 2016				
103-1	An explanation of the material topics and its boundaries	35	Material topics	Information on material topics mainly covers the activities and Inkai's impacts, as information on impacts arising within the supply chain is not structured.
103-2	Management Approach and its components	88, 100		The management approach is presented in the Report before each material topic is disclosed.
103-3	Assessment of the management approach	100		The management approach is evaluated as part of the certification and inspection audits of the respective management systems as well as corporate audits. Reports on these activities are contained in the text of the Report.

MATERIAL TOPICS				
GRI 201: ECONOMIC PERFORMANCE 2016				
201-1	Direct economic value generated and distributed	21	Overview of financial and operating activities	
GRI 202: MARKET PRESENCE 2016				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	81	Employees	
202-2	Proportion of senior management hired from the local community	88	Corporate Governance	
GRI 203: INDIRECT ECONOMIC IMPACTS 2016				
203-1	Infrastructure investments and services supported	85	Support of local population	The Company strives to increase its positive impact and minimize the possible negative impact of its operations on local communities. In the reporting period, there were no significant cases of negative impact on the regions of operations.
GRI 204: PROCUREMENT PRACTICES 2016				
204-1	Proportion of spending on local suppliers	100	Procurement practice	Local suppliers - suppliers of goods, works and services in the territory of the Republic of Kazakhstan.
GRI 205: ANTI-CORRUPTION 2016				
205-1	Operations assessed for risks related to corruption	92	Business ethics and compliance	In 2021, 151 employees, including the General Director and Deputy General Directors, participated in compliance and anti-corruption law training.
205-2	Communication and training about anti-corruption policies and procedures	95	Business ethics and compliance	
GRI 302: ENERGY 2016				
302-1	Energy consumption within the organization	46	Energy	
302-3	Energy intensity	46	Energy	
302-4	Reduction of energy consumption	47	Energy	
GRI 303: WATER AND EFFLUENTS 2018				
303-1	Interactions with water as a shared resource	48	Water	
303-2	Management of water discharge-related impacts	48	Water	
303-3	Water intake	48	Water	
303-4	Water discharge	49	Water	
303-5	Water consumption	49	Water	

GRI 304: BIODIVERSITY 2016				
304-1	Production sites owned, leased or managed by the organization and located in protected areas and areas of high biodiversity value outside their boundaries or adjacent to such areas	52	Biodiversity	
GRI 305: EMISSIONS 2016				
305-1	Direct (Scope 1) GHG emissions	44	Emissions	.
305-2	Indirect (Scope 2) GHG emissions	44	Emissions	
305-4	Intensity of greenhouse gas emissions	44	Emissions	
305-7	Air emissions of nitrogen oxide (NOX), sulfur oxide (SOX), and other significant pollutants	45	Emissions	
GRI 306: WASTE 2020				
306-1	Waste generation and significant waste-related impacts	50	Waste	
306-2	Management of significant waste-related impacts	50	Waste	
306-3	Waste generated	50	Waste	
306-5	Waste directed to disposal	50	Waste	
GRI 307: NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS 2016				
307-1	Non-compliance with environmental laws and regulations	40	Environmental responsibility	
GRI 401: EMPLOYMENT 2016				
401-1	New employee hires and employee turnover	72	Employees	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	77	Employees	
401-3	Parental leave	77	Employees	
GRI 402: LABOR/MANAGEMENT RELATIONS 2016				
402-1	Minimum notice periods regarding operational changes	72	Employees	
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018				
403-1	Occupational health and safety management system	58	Occupational health and safety	
403-2	Hazard identification, risk assessment, and incident investigation	62	Occupational health and safety	
403-3	Occupational health services	64	Occupational health and safety	
403-4	Worker participation, consultation, and communication on occupational health and safety	62	Occupational health and safety	

403-5	Worker training on occupational health and safety	64	Occupational health and safety	
403-6	Promotion of worker health	64	Occupational health and safety	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	62	Occupational health and safety	
403-8	Workers covered by an occupational health and safety management system	66	Occupational health and safety	
403-9	Work-related injuries	66	Occupational health and safety	
GRI 404: TRAINING AND EDUCATION 2016				
404-1	Average annual number of training hours per employee	64, 79	Occupational health and safety; Employees	
404-2	Programs for upgrading employee skills and transition assistance	79	Employees	
404-3	Percentage of employees for whom a periodic performance evaluation is conducted	79	Employees	
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016				
405-1	Diversity of governance bodies and employees	72	Employees	
GRI 413: DISCRIMINATORY PRESENCE 2016				
413-1	Operations with local community engagement, impact assessments, and development programs	32, 85, 100	Stakeholder engagement, Procurement practice, support of local population	

Table of SASB indicators

SASB indicator	Disclosure	Report Page	Report Sections	Comments
GREENHOUSE GAS EMISSIONS				
EM-MM-110a.1.	Gross global Scope 1 emissions, Percentage covered under emissions limiting regulations	44	Emissions	
EM-MM-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets.	44	Emissions	
AIR QUALITY				
EM-MM-120a.1	Air emissions of the following pollutants: (1) CO, (2) NOx (excluding N ₂ O), (3) SOx, (4) particulate matter (PM10), (5) mercury (Hg), (6) lead (Pb), and (7) volatile organic compounds (VOCs)	45	Emissions	
ENERGY MANAGEMENT				
EM-MM-130a.1	(1) Total energy consumed (2) Percentage grid electricity (3) Percentage renewable	46	Energy	
WATER MANAGEMENT				
EM-MM-140a.1	(1) Total fresh water withdrawn (2) Total fresh water consumed (3) Percentage of each in regions with High or Extremely High Baseline Water Stress	48	Water	
WASTE & HAZARDOUS MATERIALS MANAGEMENT				
EM-MM-150a.7	Total weight of generated hazardous waste	50	Waste	
EM-MM-150a.8	Total weight of recycled hazardous waste	50	Waste	
EM-MM-150a.10	Description of policies and procedures for handling waste and hazardous materials for active and inactive operations	50	Waste	
BIODIVERSITY IMPACTS				
EM-MM-160a.1	Description of environmental management policies and practices for active sites	52	Biodiversity	
EM-MM-160a.3	Percentage of (1) proved reserves (2) probable reserves in or near sites with protected conservation status or endangered species habitat	52	Biodiversity	
HEALTH & SAFETY				
EM-MM-320a.	(1) MSHA all-incidence rate (2) fatality rate (3) near miss frequency rate (NMFR) (4) Average hours of health, safety, and emergency response training for (a) full-time employees and (b) contract employees	66	Occupational Health and Safety	
TOTAL NUMBER OF EMPLOYEES, % CONTRACTORS				
EM-MM-000.B	(1) Total number of employees (2) Percentage contractors	72	Employees	

APPENDIX 2:

Abbreviations and acronyms

Abbreviations and acronyms	Full name
CEO	Chief Executive Officer
CO	Carbon monoxide
CO2	Carbon dioxide
COSO	Committee of Sponsoring Organization
COVID-19	Coronavirus disease
CSI	Customer Satisfaction Index
EBITDA	Earnings before interest, taxes, depreciation, and amortization
ESG	Environmental social governance
ESRP	Environmental and Social Research Program
Gj	Gigajoule
GRI	Global Reporting Initiative
HR	Human resources
ICMI	International Cyanide Management Institute
IFRS	International Financial Reporting Standards
ISO	International organization for standardization
ISSA	International Social Security Association
IT	Information technology
IUCN	International Union for Conservation of Nature and Natural Resources
JSC	Joint Stock Company
JV	Joint Venture
LED	Light-emitting diode
LTIFR	Lost time injury frequency rate
MPP	Main processing plant
NAC	National Atomic Company
NOx	Nitric oxide
NPS	Net Promoter Score
PDCA	Plan-Do-Check-Act
PMBok	Project Management Body of Knowledge
SASB	Sustainability accounting standards board
SDG	Sustainable development goals
SMART	Specific, Measurable, Achievable, Relevant, Time bound
SOx	Sulfur oxide
U3O8	Triuranium octoxide
UN	United nations

CONTACT INFORMATION

GRI 102-3, 102-5, 102-53

JV Inkai LLP

Building 80, Kunayev av., X08K1X5 Shymkent,
Republic of Kazakhstan

Phone +7 7252 997 182

E-mail: office@inkai.kz

Website: <https://inkai.kazatomprom.kz>

For all questions, comments and suggestions
regarding the Report, as well as for obtaining
its hard copy, you may contact the Corporate
Development Department:

Yussupov Galymzhan
gyussupov@inkai.kz





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