



ECONOMIC PERFORMANCE

MANAGEMENT APPROACH

GRI 3-3

The economic component of Kazakhtelecom JSC’s operations plays a key role in the Company’s strategic planning as well as in the national economy. It is aimed at increasing the Company’s long-term value for shareholders and investors, which is one of its strategic priorities.

As the largest telecommunications operator in the Republic of Kazakhstan, the Company seeks to make a significant contribution to the modernization and diversification of the national economy and to promote the sustainable development of local communities.

GRI 2-6, 201-1

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED IN 2024, KZT MILLION

Indicator	2024
1. Direct economic value generated	314,018
Revenue	307,881
Income from financial investments	4,534
Other income	1,603
2. Economic value distributed	280,606
Operating expenses	121,086
Wages, other payments and employee benefits	112,577
– of which: wages	110,042
– of which: other payments and employee benefits	2,535
Payments to capital providers	40,906
– of which: dividends	23,070
– of which: financial costs	17,836
Payments to the government	6,037
– of which: taxes	2,281
– of which: corporate income tax	3,756
Investments in local communities	0
3. Economic value retained	33,412

GRI 201-1

Kazakhtelecom JSC strives to make a significant contribution to the socio-economic development of the regions where it operates.

The Company generates direct economic value through its core business activities that drive revenue. This created value is distributed through the payment of wages to employees, dividends to shareholders, taxes and other payments to the government, procurement of goods and services, and voluntary social investments. For more details, see the sections “Employee Engagement” and “Local Communities.”



PROCUREMENT PRACTICES

MANAGEMENT APPROACH

GRI 3-3

Kazakhtelecom JSC takes a responsible approach to supplier engagement, aiming to collaborate exclusively with honest, reliable, and transparent partners.

The Company supports the national policy to foster domestic producers of goods, works, and services in the context of the innovative development of the national economy.

Key priorities in the procurement activities of Kazakhtelecom JSC include:

- › transparency and openness in procurement;
- › competition during procurement procedures;
- › support and development of local suppliers.

The Company’s procurement activities are regulated by the Rules for Procurement by Samruk-Kazyna JSC, the latest revision of which was adopted in December 2024. This revision enhanced the functionality of competitive procurement methods, introduced preferences for small and medium-sized enterprises, and added provisions to support domestic manufacturers.

An important tool for managing procurement processes is the Fund’s Electronic Procurement Information System. This unified portal facilitates the entire procurement cycle—from planning the need for goods, works, and services, to conducting procurements, signing and executing contracts, and delivering goods to warehouses. More information is available at zakup.sk.kz.

In accordance with the Law of the Republic of Kazakhstan “On Procurement of Certain Quasi-Public Sector Entities,” the revised Procurement Rules were approved by the Ministry of Finance of the Republic of Kazakhstan. During the development of the Procurement Rules, the Fund engaged in public consultations with state authorities and the business community, including the Ministry of Finance, the Agency for Protection and Development of Competition, and the National Chamber of Entrepreneurs “Atameken.” As a result, key comments and constructive suggestions were incorporated.

The new version of the Procurement Rules provides a comprehensive description of all procurement procedures, without referring to other regulatory documents, and serves as a self-executing legal instrument. Moreover, the grounds for single-source procurement have been significantly reduced, while transparency has been enhanced in category-based procurement management and the preliminary qualification process. These processes now involve the participation of the National Chamber of Entrepreneurs “Atameken”, as well as public associations and industry organizations. New measures have also been introduced to support domestic manufacturers and small and medium-sized enterprises (SMEs).

To further improve procurement practices, Samruk-Kazyna JSC actively participates in the national reform of procurement systems for all regulated entities, working in collaboration with relevant government agencies and the business community.



PROCUREMENT SYSTEM ENHANCEMENT

Kazakhtelecom JSC conducts procurement procedures through the following methods: open tender, request for quotations, single-source procurement, and special procedures.

The Company continues to operate an automated application submission system (Kazakhtelecom JSC Procurement Monitoring). In 2025, a Contract Monitoring Module will be implemented within the current system. As part of the digitalization process, procurement analytics from the procurement portal have been integrated into Qlik Sense.

Kazakhtelecom JSC seeks to select suppliers whose operations comply with the Company’s requirements in the areas of environmental protection, occupational health and safety, and human rights.

By 2032, Kazakhtelecom JSC plans to continuously improve its procurement management system and begin evaluating its suppliers based on ESG (Environmental, Social, and Governance) criteria.

PROCUREMENT PERFORMANCE IN 2024

Key categories of goods and services procured:

- › Telecommunication equipment
- › Maintenance of telecommunication equipment
- › SORM services and other types of telecommunication services.

2,022 suppliers

in 2024

Share of Spending on Local Suppliers

GRI 2-6, 204-1

Kazakhtelecom JSC places particular emphasis on cooperation with local suppliers, giving preference to the purchase of goods and services from them. In its operations, the Company follows state policy aimed at developing local content in the context of the national economy’s innovative growth.

To increase the share of local suppliers in the Company’s procurement, a local import substitution project office operates under the “Telecom Komplekt” Directorate. It is focused on implementing instructions from authorized state bodies regarding procurement and import substitution, as well as on interaction with the Central Project Office of Samruk-Kazyna JSC. Additionally, the Authorized Body on Procurement of the Fund annually determines target performance indicators for increasing the share of local goods, works, and services in procurement.

Targeted support for domestic manufacturers is also ensured by the category-based procurement management mechanism introduced at the Samruk-Kazyna Fund and its managed entities (including Kazakhtelecom JSC). More details are available at zakup.sk.kz.

The geographic definition of “local” and the main area of operations of Kazakhtelecom JSC refers to the country in which the Company operates – namely, the Republic of Kazakhstan.

99.89%

The share of procurement from local suppliers in 2024

GRI 2-6, 204-1

SPENDING ON LOCAL SUPPLIERS, 2023–2024

Indicator	2023	2024
Number of suppliers	2,225	2,022
Procurement budget from all suppliers, KZT billion	91.203	104.092
Number of local suppliers	2,212	2,013
Procurement budget from local suppliers, KZT billion	90.404	104.0017
Domestic value share, KZT billion	35.390	26.907

Core supplier requirements

The requirements for suppliers to Kazakhtelecom JSC are formally established in the “Procurement Procedure of Samruk-Kazyna JSC” and are published on the Fund’s Electronic Procurement Information System portal.

SUPPLIER FEEDBACK

The Company employs various tools for supplier feedback, including: official correspondence by paper or email; communication via the Company’s official Facebook page; technical support for the procurement portal; and a direct line for complaints and inquiries related to procurement.

2,013 local suppliers



Kazakhtelecom JSC holds offline and online conferences annually with current and potential suppliers. In 2024, two supplier conferences were held (one offline and one online), with participation from over 100 suppliers. All suggestions and recommendations received during such conferences are consolidated by Kazakhtelecom JSC for the ongoing improvement of procurement system management.

Key feedback channels include:

- › Technical support for the procurement portal: +7 (7172) 55 2266, support2@skc.kz
- › Direct line for complaints and inquiries: 8(727) 226 82 61
- › WhatsApp: +7701 428 58 15, vopros@telecom.kz

In 2024, the Company received 120 letters/inquiries/ proposals from both potential and existing suppliers. The main topics included:

- › participation in tenders;
- › completion of the prequalification process (evaluation of potential suppliers’ compliance with qualification requirements for goods, works, and services).

Responses to these and other questions are published on the Company’s official Facebook page.

104.002 KZT billion

procurement budget from local suppliers