

**Approved with the
resolution of the Management Board
of Baiterek National
Managing Holding
Joint-Stock Company**

**Annex #___ to the minutes of the in-
person meeting of the Management
Board
of Baiterek National
Managing Holding
Joint-Stock Company
dated November 28, 2018
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**Sustainable Development Policy
of Baiterek National Managing
Holding Joint-Stock Company**

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Chapter 1. General provisions

1 Scope of application

1. This Sustainable Development Policy of Baiterek National Managing Holding Joint-Stock Company (hereinafter -the Policy) was developed in accordance with the legislation of the Republic of Kazakhstan, the Charter of Baiterek National Managing Holding Joint-Stock Company (hereinafter -the Holding), the Holding's Corporate Governance Code and other internal documents regulating the Holding activities, as well as taking into account the requirements of the UN Global Compact, the UN Principles for Responsible Investment, AA 1000 Series of Standards, International Standard ISO 26000:2010 "Guidance on Social Responsibility" Reporting Standards in the field of sustainable development of the Global Reporting Initiative (GRI standards).

2. The purpose of this Policy -is to determine the fundamental standards, principles, rules and approaches that the Holding should adhere to in building a management system in the field of sustainable development.

3. Objectives of this Policy:

1) determine the principles and directions of the Holding's activities in the field of sustainable development, including in terms of creating an effective and transparent system of interaction with related parties;

2) consolidate the roles, competencies, responsibility of each body and all employees of the Holding for the implementation of the principles of sustainable development;

3) determine the relationship between sustainable development and key processes of the Holding.

4. Solving the tasks in the field of sustainable development, the Holding relies on its mission, the provisions of the Development Strategy of the Holding, and also uses international standards of conduct and principles established in international standards in the field of sustainable development.

5. The use of international standards in the field of sustainable development is considered by the Holding as a necessary condition for ensuring the compliance of its activities with best international practice and the achievement of goals and objectives in the field of sustainable development.

6. The provisions of this Policy should be observed by all employees of the Holding in the part affecting interaction with related parties when planning and carrying out their activities, developing internal regulatory documents, disseminating information and other types of communication.

7. The subsidiaries of the Holding ensure the development of internal regulatory documents in the field of sustainable development, taking into account the provisions of this Policy, with the subsequent submission for approval by the

Board of Directors/Supervisory Board of the subsidiaries of the Holding, and also monitor their application.

8. The following basic terms and definitions are used in this document:

1) The UN Global Compact -is the largest international initiative in the field of sustainable development, the goal of which is to introduce ten basic principles in the field of human rights, labor relations, environmental protection and anti-corruption into the business community.

2) subsidiaries – legal entities, fifty or more percent of voting shares (shares of participation) of which are directly or indirectly owned by the Holding under the right of ownership or trust management.

3) related party (stakeholder) – individuals and legal entities or groups of persons that influence the Holding and its activities and/or are influenced by the Holding (e.g. employees, customers, contractors, etc.).

4) Development index is a tool for prioritizing potential projects when deciding whether to provide financial support in accordance with the Development Strategy of the Holding, state development programs and investment objectives of the Holding and its subsidiaries, calculated in accordance with the adopted Investment Policy of the Holding.

5) Map of stakeholders is a tool to systematize and visualize information on the environment of the Holding in order to develop a strategy for working with each of the stakeholders.

6) competitors – legal entities or individuals, the area of activity, interests and goals of which are identical in the area of activity, interests and goals of the Holding and its subsidiaries.

7) counterparties – individuals or legal entities that have assumed certain obligations under the contract (e.g. suppliers, partners).

8) "green office" concept is an integrated approach that includes both technical and motivational and educational activities aimed at raising the level of environmental awareness of employees.

9) International Standard ISO 26000: 2010 "Guidance on Social Responsibility" – a standard that defines the principles of social responsibility, main topics and issues related to social responsibility and ways to integrate socially responsible conduct into strategies, systems, practices and organization processes.

10) International Finance Corporation – an international financial institution, a member of the World Bank Group, whose activities are focused exclusively on the private sector of developing countries.

11) management – Chief Executive Officer, members of the Management Board, Head of the Unit and Managing Directors of the Holding, who are not members of the Management Board.

12) management body – Chairman and members of the Board of Directors.

13) The UN PRI Principles – a set of principles based on environmental and social factors, as well as good corporate governance factors (ESG factors) at all stages of investment activities.

14) precautionary principle – the principle implies the adoption of effective measures to prevent environmental deterioration, preventive actions to prevent environmental disasters, even in the absence of their full scientific justification.

15) Equator principles – a set of standards developed and adopted by financial organizations to assess environmental and social risks in project financing, based on environmental and social standards applied by the IFC.

16) project – a potential or concluded transaction involving the provision of financial and non-financial support by the Holding and its subsidiaries:

- to the final recipient (with direct support);
- to the second-tier banks, development banks, micro-finance institutions, leasing companies, loan societies and other legal entities in the form of deposit placement/provision of targeted loans for the subsequent financing of the final recipient (with indirect support);
- to investment funds and direct investment funds in the form of equity investment for the purpose of subsequent financial support to the final recipient (with indirect support);
- subject to the provisions of the Investment Policy of the Holding, the statutory goals, strategies and missions of the Holding and its subsidiaries through equity and debt financing instruments, the provision of innovative grants, warranty and insurance support, as well as subsidies.

17) AA1000 series of standards is a set of tools and standards for non-financial reporting management and quality assurance developed by the AccountAbility Institute (Institute of social and ethical reporting). AA1000 series of standards include:

- AA1000 Accountability principle standard (AA1000APS);
- AA1000 Verification standard (AA1000AS);
- AA1000 Stakeholder Engagement Standard (AA1000SES).

18) The reporting standards in the field of sustainable development of the Global Reporting Initiative (GRI Standards) are a set of standards that include 3 universal standards that apply to all organizations and include principles and requirements for reporting, common disclosure elements and management approach information and 33 thematic standards containing a series of standards on the disclosure of economic, environmental and social topics.

19) Strategy-2050 – the development strategy of the Republic of Kazakhstan until 2050, the main goal of which is to create a welfare society based on a strong state, developed economy and opportunities for universal labor, entry of Kazakhstan into the top thirty most developed countries in the world.

20) sustainable development – development in which the Holding manages the impact of its activities on the environment, economy, society and passes resolutions taking into account the interests of the related parties. Sustainable development must meet the needs of the current generation without depriving future generations of the ability to meet their needs.

21) ESG factors – a set of principles of environmental efficiency and environmental protection, social orientation and good corporate governance, based on standards recognized by the international community.

22) The UN Sustainable Development Goals – 17 goals and 169 tasks adopted under the 2030 Agenda for Sustainable Development, aimed at eradicating poverty, preserving the planetary resources and ensuring well-being for all.

9. The following abbreviations are used in this document:

- 1) SUBs – subsidiaries
- 2) CGC – Corporate Governance Code
- 3) KPIs – key performance indicators
- 4) IFC – international Finance Corporation
- 5) UN – United Nations
- 6) Development strategy – Development Strategy of the Holding for 2014-2023
- 7) ESG – Environmental, Social and Governance
- 8) GRI – Global Reporting Initiative

2 The goals and objectives of the Holding in the field of sustainable development

10. Sustainable development of the Holding – a set of principles and obligations that the Holding is guided by in its activities, in terms of:

- 1) stakeholder relationship management;
- 2) assessment and management of the impact on the national economy, social sphere and the environment.

11. The Holding ensures the consistency of its economic, environmental and social goals for sustainable development in the long term.

12. The economic component of the sustainable development of the Holding contains the following objectives:

- 1) break-even operation of the Holding and its SUBs;
- 2) ensuring the interests of shareholders and investors;
- 3) improving the efficiency of processes;
- 4) increase in investments in the creation and development of better technologies;
- 5) improving labor efficiency;

- 6) creation of new jobs;
- 7) increase in export growth of non-primary industries;
- 8) growth of manufacturing industry.

13. The economic component of the sustainable development of the Holding contains the following objectives:

- 1) minimization of impact on biological and physical natural systems;
- 2) optimal use of limited resources;
- 3) application of eco-friendly, energy- and material-saving technologies.

14. The economic component of the sustainable development of the Holding contains the following objectives:

- 1) ensuring transparent competitive procedures and equal employment opportunities;
- 2) fair remuneration and respect for employees' rights;
- 3) occupational safety and health of employees;
- 4) training and professional development of employees;
- 5) implementation of internal and external social programs.

15. The objectives of the Holding in the field of sustainable development include:

- 1) integration of the principles of sustainable development into the activities of the Holding and its SUBs;
- 2) analysis of activities and risk control in the context of three components of sustainable development;
- 3) improving the quality of management of sustainable development through the organization of system work;
- 4) creating mechanisms for effective interaction of the Holding with stakeholders, including regular reporting on the results of sustainable development activities.

3 Sustainable development principles

16. As part of its activities the Holding is guided by the following sustainable development principles, embodied in the CGC of the Holding: openness, accountability, transparency, ethical conduct, respect for the interests of stakeholders, legality, respect for human rights, intolerance to corruption, inadmissibility of conflicts of interests.

17. The Holding also declares its commitment to the principles of the UN Global Compact:

- 1) in the field of human rights protection:
 - The Holding ensures and respects the protection of internationally proclaimed human rights;
 - The Holding ensures non-participation in human rights violations.
- 2) in the field of labor relations:
 - The Holding supports and recognizes the right to conclude collective agreements;

– The Holding contributes to the elimination of forced and child labor, discrimination in labor and employment.

3) in the field of environmental protection:

– The Holding supports an approach to environmental issues based on the precautionary principle;

– The Holding undertakes initiatives aimed at increasing responsibility for the environment;

– The Holding promotes the development and dissemination of environmentally friendly technologies.

4) in the field of anti-corruption:

– The Holding declares intolerance to all forms of corruption and other illegal actions, including blackmail and bribery.

4 Stakeholder engagement

18. In order to implement a successful and effective sustainable development policy, the Holding pays due attention to stakeholder engagement.

19. In order to determine the list of related parties, the degree of their influence and spheres of influence on the interests of the Holding, the map of the Holding's stakeholders has been developed. The Holding's SUBs ensure the development and approval of similar maps of stakeholders in accordance with international standards for determining and interacting with related parties.

20. The Holding identifies three groups of stakeholders depending on the area of impact: area of authority and responsibility, area of direct impact, area of indirect impact.

21. Area of authority/responsibility:

- 1) Sole Shareholder;
- 2) management body;
- 3) management;
- 4) personnel.

22. Area of direct impact:

- 1) state bodies;
- 2) SUBs;
- 3) investors;
- 4) financial institutions;
- 5) suppliers;
- 6) partners;
- 7) customers, consumers;
- 8) auditors;
- 9) consulting organizations.

23. Area of indirect impact:

- 1) population;
- 2) public organizations;
- 3) mass media;
- 4) competitors.

24. In assessing the importance of stakeholders, the Holding ranks the stakeholders by two factors: degree of support/opposition of the stakeholder, assessment of the strength of its influence on the Holding.

25. Based on the assessment of the importance of related parties, the structural divisions of the Holding determine the directions of interaction with related parties depending on the specifics of their activities.

26. The main forms of stakeholder engagement include: joint programs and projects, memorandums of cooperation, joint working groups, reporting on activities, meetings, workshops, publications, interviews, etc.

27. The main areas of stakeholder engagement include: strategic planning, financial activities, project management, supply of goods, works and services, lawmaking, operating business, interaction with the media.

28. The Holding annually sends the questionnaires to the main stakeholders, determined by the structural division responsible for the direction of activities in the field of sustainable development in order to determine the degree of interest of the stakeholders, including in matters of sustainable development.

29. The process of organizing the interaction of the Holding with stakeholders is based on the principle of involvement, which involves taking into account the interests of stakeholders at all stages of the process of managing the Holding's activities and involving stakeholders in the discussion of relevant topics and important issues, potential risks and limits of responsibility.

30. In turn, engagement is achieved by observing the following three principles:

- 1) materiality. The Holding clearly identifies its stakeholders and is aware of the essential interests of the stakeholders.
- 2) completeness. In the course of its activities, the Holding draws attention to the concerns of related parties, namely, it understands their views, needs and expected results of activities, as well as opinions on significant issues.
- 3) response. The Holding consistently responds to all significant issues of related parties.

31. In order to organize management of stakeholder engagement, the Holding focuses its activities on the following basic principles:

- 1) respects and takes into account the interests of all stakeholders;
- 2) seeks to actively inform target audiences about its activities;
- 3) provides objectivity, reliability, independence and a high level of information transparency in terms of implementation of state programs, separate internal procedures (procurement, competitive selection among external candidates

for employment, provision of financial and non-financial services), as well as the use of financial resources;

- 4) ensures open and efficient cooperation with all related parties;
- 5) fulfills its obligations to related parties;
- 6) receives feedback from related parties on a regular basis.

32. When formalizing approaches to managing impacts on stakeholders, the Holding proceeds from the need to comply with the requirements defined below. At the same time, the Holding SUBs take into account these requirements when formalizing their own approaches to manage the impact on stakeholders.

33. When interacting with the Sole Shareholder and state bodies:

1) The Holding provides reliable information on the results of financial and economic activities in accordance with the requirements of the legislation of the Republic of Kazakhstan, the Charter and internal documents of the Holding;

2) The Holding ensures the implementation of the rights of the Sole Shareholder under the corporate governance principles aimed at effective key decisions;

3) The Holding provides additional information on plans, achievements, problems of activity, as well as studies of other organizations on the activities of the Holding, except for confidential information received from other organizations under contracts and/or agreements on information disclosure and/or confidentiality;

4) The Holding participates in international ratings in the field of sustainable development, credit ratings.

34. When interacting with SUBs:

1) The Holding contributes to the timely achievement of the goals of the SUBs;

2) The Holding takes into account the interests of the SUBs and provides an adequate and operational interaction process based on the principles of corporate governance and approved internal regulations;

3) The Holding provides the SUBs the consulting services in order to increase their efficiency and break-even, market attractiveness and competitiveness;

4) The Holding ensures effective interaction with SUBs by applying uniform standards and requirements for the work of all SUBs;

5) The Holding maintains an atmosphere of mutual assistance and cooperation in the implementation of its management functions, and also develops the managerial, scientific, technological and reputational potential of its SUBs;

6) the Holding specialists performs quality expertise of documents and results of work of SUBs.

35. When interacting with investors and counterparties:

1) The Holding sufficiently discloses relevant information on the financial position, dividend policy and credit report, as well as on the prospects for the development of SUBs;

2) the Holding's financial and management reports are prepared and submitted in a timely manner in accordance with legal and regulatory requirements, while the financial statements are audited by independent auditors;

3) information on the influence of the Sole Shareholder and other related parties (republican, local authorities), as well as on the procedure for control and coordination of transactions with related parties is known, transparent and accessible;

4) The Holding carries out proactive communication of approaches to making investment and strategic decisions;

5) The Holding faithfully fulfills its contractual obligations to business partners;

6) The Holding provides informational transparency, openness, equality, justice, absence of discrimination and unreasonable restrictions on competition in strict accordance with the legislation of the Republic of Kazakhstan;

7) The Holding complies with the principles of corporate governance and improvement of the corporate governance system in accordance with leading world practice.

36. When interacting with customers and consumers:

1) the Holding's services are available to consumers;

2) The Holding ensures the safety of consumer data and commercial information in order to prevent their leakage and misuse;

3) The Holding provides services of the same quality and the same level of service without discrimination to all groups of consumers;

4) The Holding contributes to the improvement of the quality of public service, which is reflected in the improvement of customer service standards;

5) The Holding regularly informs customers about new tools and principles of work;

6) The Holding contributes to improving the financial literacy of consumers and their clients to the best of their abilities and in accessible forms.

37. When interacting with employees:

1) The Holding provides an open, transparent HR policy, aimed at the formation of qualified and motivated personnel;

2) The Holding provides all employees with equal opportunities to realize their potential in the process of their work, impartial and fair assessment of their activities;

3) selection and career growth of employees in the Holding are carried out exclusively on the basis of professional abilities, knowledge and skills;

4) effective communication and interaction of employees is ensured through the organization of internal corporate sources of regular informing of employees and communication channels, including through the work of the internal portal (Intranet), regular examination of the opinions and proposals of employees, organization of working groups.

38. When interacting with the public:

- 1) The Holding effectively and efficiently interacts with the public;
- 2) The Holding actively participates in the implementation of socially significant projects;
- 3) responses to requests sent to the Holding are provided in a timely and complete manner;
- 4) The Holding organizes regular meetings with the public (round tables, briefings, placing information available to the public) to discuss the progress of program implementation, exchange views;
- 5) sponsorship and charity of the Holding are aimed at helping the vulnerable and financially disadvantaged citizens, reviving national values, supporting culture, science and education.

Chapter 2. Sustainable development activities of the Holding

5 Economic, environmental and social components of sustainable development

5.1 Promotion of sustainable development of the national economy

39. The mission of the Holding is to promote sustainable economic development of Kazakhstan in order to implement the state policy and achieve the goals set in "Strategy -2050".

40. The Holding, as the key financial institution of the Government of the Republic of Kazakhstan, participates in the implementation of the main socially significant state programs - from providing the population with affordable housing to supporting large industrial projects.

41. The key tasks that the Holding solves as part of its mission include:

- 1) development of non-resource sectors of the economy;
- 2) development of entrepreneurship (private sector of the economy);
- 3) support for urbanization of the economy;
- 4) support for the export of non-resource materials;
- 5) innovation development.

42. For effective functioning in five directions of activity the Holding carries out work on optimization of a portfolio of functions of SUBs and definition of their further development.

43. The Holding, following the principles of the Yellow pages rule, does not perform functions that are sufficiently implemented in the private sector.

44. As part of its activities the Holding has a significant impact on the development of the regions, in connection with which the Holding regularly evaluates the multiplicative effect on related industries and the economy as a whole.

45. The Holding is actively engaged in attracting investments and popularizing financial instruments on both the domestic and international markets, recognizing the importance of disclosing non-financial information to investors.

46. When achieving the goal of cost-effective and sustainable operations the Holding follows international best practice in environmental and social issues, as well as in corporate governance issues (ESG factors) in projects that receive financial support from the Holding and its SUBs in order to develop the practice of responsible investment in accordance with the main international standards in this area - the UN Principles for Responsible Investment and the Equator Principles.

47. The Holding seeks to introduce and integrate the ESG factors and the project prioritization tool - the Development Index in the decision-making process for providing financial support, including by familiarizing the counterparties of the Holding and its SUBs with the ESG factors and the Development Index.

48. The Holding and its SUBs are expecting from their counterparties:

1) application of the system of environmental risks (environment) management in identifying, assessing actual and potential impacts on the environment and society, the definition and effective implementation of appropriate management measures, monitoring and the level of environmental risks;

2) application of human resources management and employees health support (preservation) system, which should be based on respect for the rights of employees, including freedom of association and the right for collective agreements; this system should ensure fair treatment of employees, creation of safe and healthy working conditions for them, prevention of adverse effects on the health and safety of population groups and consumers;

3) application of the system of good corporate governance based on the principles of fairness, honesty, responsibility, transparency, professionalism and competence; good corporate governance implies respect for the rights and interests of all persons interested in the activities of the organization and contributes to its success, including the growth of its market value, maintaining financial stability and profitability.

5.2 Managing its own environmental impact

49. Due to the nature of its activities the Holding does not have a direct significant impact on the environment. The main resources consumed by the Holding are electricity, heat energy and water.

50. The Holding applies the principles and methods of rational use of resources that best ensure the prevention of adverse environmental impacts.

51. In its activities the Holding seeks to reduce excess consumption of resources and minimize the existing negative environmental impact by introducing energy-efficient technologies, reducing water consumption, reducing paper consumption for office needs through the introduction of electronic document control system and the practice of surface-reverse printing.

52. The Holding is considering the possibility of introducing the "green office" concept, an important component of which is an information campaign aimed at raising the level of environmental awareness of employees.

5.3 Responsible working practice

53. Employees - the main value and the main resource, the results of the Holding's activities directly depend on the level of their professionalism and safety.

54. The Holding builds labor relations with its employees on the basis of the principle of legality and observance of the generally recognized labor rights of an employee.

55. In performing its activities the Holding is guided by the principle of providing equal opportunities and does not allow discrimination of its employees when hiring, paying for work, providing access to training, promotion, dismissal on grounds such as sex, race, language, religious, political and other beliefs, citizenship, national or social origin, limited capacities.

56. The structural division of the Holding responsible for the selection of personnel uses an extensive set of search and selection channels to attract the most qualified candidates.

57. In order to further develop and promote professional personnel within the Holding, an integrated unified personnel reserve of the best employees was created.

58. The Holding has a system of continuous training and development of personnel using modern technologies and information management systems.

59. The Holding uses advanced forms of training - business breakfasts with experts, training internships, coaching, case studies, brainstorming, etc.

60. Training and professional development of the Holding's employees is based on the following principles:

1) compliance of the topic and content of training activities with the needs determined in accordance with the official duties of the employee, the results of the evaluation of his activities (KPI scorecard), goals and objectives set for the employee;

2) focus of training activities on specific tasks, ensuring an increase in the efficiency of the Holding, the study of best corporate practices and standards;

3) system, applied, planned character of training and professional development;

4) coverage of the maximum possible number of employees of the Holding by training and professional development programs.

61. The training process in the Holding is based on the annual assessment of employees by competence.

62. The increase in the level of labor efficiency of employees is carried out through a fair and systematic assessment of the activities by the method of using KPIs, personnel certification and motivational measures.

63. In order to ensure fair and competitive remuneration in the Holding, a system of grades has been introduced, a regular review of salaries in the market and comparable industry is carried out, and motivational researches are conducted.

64. The Holding takes all measures to ensure the proper organization of work of employees at workplaces and seeks to create safe working conditions that meet the requirements of the legislation of the Republic of Kazakhstan in this area.

65. The Holding documents and investigates all incidents and problems related to occupational safety and health in order to minimize or eliminate them.

66. The Holding provides the necessary training for employees in the field of occupational safety and health, including training and professional development of employees in this field.

5.4 Responsible working practice

67. The Holding identifies the risks of corruption, implements and supports policies and practices that counteract corruption.

68. Managers at all levels of the Holding set an example of anti-corruption conduct to their subordinate employees, and also demonstrate the commitment, encouragement and supervision of the implementation of anti-corruption policy.

69. The Holding raises awareness of its officials, employees, counterparties in corruption and anti-corruption.

70. The Holding regularly trains employees to eradicate corruption.

71. The Holding has feedback mechanisms through which officials, employees and counterparties of the Holding, as well as individuals and legal entities, can provide information about possible corruption offenses committed by any official, employee, representative of the counterparty of the Holding.

72. Officials and employees of the Holding are responsible for making transparent, timely and adequate decisions free from conflicts of interests.

Chapter 3. Mechanisms for the implementation of this Policy

6 Allocation of responsibilities

73. Management of sustainable development in the Holding is carried out under the general management system of the Holding and is an integral part of it.

74. The Management Board of the Holding ensures the formation of an appropriate system for managing sustainable development and its implementation.

75. The Management Board of the Holding approves an appropriate plan of measures in the field of sustainable development.

76. The Strategy and Corporate Development Committee of the Holding is responsible for coordinating activities in the field of sustainable development.

77. The head of the structural division of the Holding, which supervises the direction of activities in the field of sustainable development, is responsible for ensuring the management of this Policy.

78. Structural divisions of the Holding implement sustainable development activities that ensure the achievement of KPIs in the area of sustainable development, established in the Development Strategy of the Holding.

79. The heads of the relevant structural divisions of the Holding are personally responsible for the implementation of measures and the achievement of KPIs in the field of sustainable development under their competences.

80. Structural divisions of the Holding provide information on the results of implementation of sustainable development activities, as well as information for inclusion in the annual report of the Holding at the request of the department responsible for sustainable development activities of the Holding, if necessary, make proposals for improving the Holding's activities in this area.

81. The structural division responsible for sustainable development activities of the Holding performs the following functions:

1) carries out sustainable development planning - analysis of the internal and external situation, definition of goals, as well as targets in the field of sustainable development, measures to improve the activities of the three components of sustainable development, responsible persons, necessary resources and deadlines;

2) coordinates the activities of the Holding's structural divisions aimed at achieving the goals and objectives of this Policy;

3) prepares a report on the implementation of the action plan and KPIs in the field of sustainable development;

4) prepares the annual report of the Holding with the inclusion of a section on sustainable development;

5) conducts training seminars for employees of the Holding/SUBs in order to improve the skills of officials and employees of the Holding/SUBs in the field of sustainable development with the involvement of external trainers or independently;

6) interacts with the Holding SUBs on sustainable development, including coordination of internal regulations and action plans of SUBs in the field of sustainable development;

7) interacts with international organizations, institutions, agencies on sustainable development.

7 Integration of sustainable development principles into key processes

82. The Holding integrates the principles of sustainable development into the Development Strategy and key processes of the Holding, including planning, reporting, risk management, investment, operating activities and others, as well as decision-making processes at all levels, starting from the bodies (Sole Shareholder, Board of Directors, Management Board) to employees.

7.1 Decision making

83. The decision-making process in the Holding is based on the following:

1) commitment to the principles of sustainable development is established by the authorized bodies of the Holding;

2) decision-making process contributes to the efficient use of financial, natural and human resources;

3) the Holding has equal gender and racial opportunities for leading positions;

4) the Holding has established two-way information exchange processes with stakeholders that will help identify areas for improved cooperation;

5) the Holding analyzes and evaluates management processes on a periodic basis, if necessary, corrects the processes and communicates relevant information to all related parties.

7.2 Development strategy and planning

84. Strategic integration involves updating the Development Strategy of the Holding taking into account the goals and objectives of the Holding in the field of sustainable development.

85. Sustainable development activities are included in the Action Plan for the implementation of the Development Strategy of the Holding.

7.3 Corporate governance

86. The sustainable development management system of the Holding is inseparably linked with the corporate governance system.

87. One of the fundamental principles of the Holding CGC is the principle of sustainable development.

88. All employees and officials at all levels contribute to sustainable development.

7.4 Operating activity

89. The choice of suppliers of goods, works, services is carried out by the Holding on a transparent basis in accordance with the requirements of the legislation of the Republic of Kazakhstan and the internal documents, and is based on the preference for the best price, quality and conditions of supply of goods, works and services, as well as good business reputation of the counterparty.

90. The Holding is considering the possibility of including the principles of sustainable development into relevant contracts (agreements, contracts) with partners in order to increase consistency with the goals of sustainable development.

7.5 Risk management and internal control

91. The actions of the Holding affect the interests of related parties and may be subject to criticism from their side. Criticism of stakeholders is considered by the Holding as a source of possible negative impact on its reputation. The main risk of the Holding in the field of sustainable development is reputational risk associated with a decrease in the level of trust of the target audience in the activities of the Holding.

92. The main tool for reputational risk management is an ongoing dialogue with stakeholders, including monitoring of the media, consideration of appeals, surveys and meetings with stakeholders.

93. Other risks determined by the internal documents of the Holding may be considered as other risks that affect the sustainable development of the Holding in the long-term period.

94. In order to determine risks in the field of sustainable development, the Holding analyzes both internal and external factors affecting the Holding.

95. The Holding includes sustainable development risks in the Holding's risk register and takes measures to minimize them.

7.6 Financial support

96. The Holding and its SUBs do not provide financial support for the following activities:

- 1) extraction of mineral resources (if their further processing under the project is not provided for);
- 2) gaming industry;
- 3) activities prohibited by the legislation of the Republic of Kazakhstan;
- 4) when implementing joint projects with international financial organizations - activities prohibited by these international finance organizations;
- 5) other activities by decision of the Management Board of the Holding.

97. When forming the project portfolio, the Holding prefers projects that are consistent with the UN Sustainable Development Goals and have a significant impact on the sustainable social and economic development of the Republic of Kazakhstan, including projects that contribute to:

- 1) inclusive and sustainable industrialization;
- 2) openness, safety, resilience and environmental sustainability of cities and settlements;
- 3) diversification of the economy of the Republic of Kazakhstan and individual regions/cities.

98. The Holding strives to apply advanced international practices in the field of environmental protection and the social impact of funded projects and other activities.

99. When passing a resolution on the provision of financial support by the Holding, it is recommended to have the permits required in accordance with the legislation of the Republic of Kazakhstan issued by authorized bodies in the field of state environmental impact assessment.

100. Depending on the scale and nature of the impact of the funded projects on the environment and society, the Holding may involve on a contractual basis consulting, auditing, research organizations, as well as individual experts to assess and monitor environmental and social risks of the projects.

101. If other international and national financial institutions are involved in co-financing projects, the Holding is guided by the relevant provisions of the documents provided by these organizations, subject to the availability of such documents.

102. As part of the implementation of housing construction projects the Holding SUBs are guided by the construction codes and regulations of the Republic of Kazakhstan. When making decisions under housing construction projects the Holding SUBs consider environmental and social risks in order to minimize the negative impact on the environment and society in the construction sites.

103. The Holding intends to consistently increase its participation in international sustainable development initiatives, including by joining initiatives related to the use of responsible investment practices.

8 Disclosure of information on sustainable development

104. This Policy of the Holding is open to the general public and is posted on the corporate website.

105. The Holding regularly discloses the results of the implementation of this Policy to related parties in the relevant section of the corporate website, as well as in the annual report of the Holding.

106. The Holding's approaches to the formation of the annual report are based on international information disclosure standards - GRI standards.

Chapter 4. Final provisions

107. This Policy shall come into force from the moment of its approval.

108. The Holding seeks to implement the provisions of this Policy in its activities.

109. The Holding will improve this Policy taking into account changes in the legislation and emergence of new standards in the field of sustainable

development in international and national practice, guided by the interests of the Sole Shareholder, the Holding and other related parties.