



KAZAKHSTAN
HOUSING
COMPANY

APPROVED

By the decision of the Board of
Directors «Kazakhstan Housing
Company» JSC

Dated January 18, 2022 №1

**The Policy of sustainable development of
«Kazakhstan Housing Company» JSC**

Astana

Content

1. General provisions.....	3
1.1 Introduction	3
1.1 Sustainable Development Goals and objectives	5
1.2 Global Sustainable Development Goals	6
1.3 Principles of sustainable development	6
2. Directions of activities in the field of sustainable development.....	7
2.1 Economic component	7
2.1.1 Effective reinvestment of net profit.....	7
2.1.3 Digitalization	7
2.2 Environmental component.....	8
2.2.1 Typical housing construction projects to reduce CO ₂ emissions.....	8
2.2.2 Financing of urban development investment projects	8
2.3 Social component	8
2.3.1 Providing affordable housing	8
2.3.2 Renovation of dilapidated housing	9
2.3.3 Urban Environment Quality Index	9
2.3.4 Development of cooperation with the public	9
2.3.5 Staff development.....	9
2.3.6 Anti-corruption.....	10
3. Sustainable Development Management	10
3.1 Distribution of responsibility	10
3.2 Integration of the principles of sustainable development	12
3.2.1 Decision-making processes	12
3.2.2 Development strategy and planning	12
3.2.3 Corporate governance.....	12
3.2.4 Operational activities.....	13
3.2.5 Risk management and internal control	13
3.2.6 Financial support	13
3.3 Interaction with stakeholders	14
3.4 Disclosure of information in the field of sustainable development.....	16
4. Final provisions.....	17

1. General provisions

1.1 Introduction

1. This Policy of Sustainable Development of the Joint-stock company «Kazakhstan Housing Company» (hereinafter – the Policy) has been developed in accordance with the legislation of the Republic of Kazakhstan, the Charter of the Joint-Stock company «Kazakhstan Housing Company» (hereinafter - the Company), the Corporate Governance Code of the Company, the Policy of Sustainable Development of the Joint-stock company «National Managing Holding «Baiterek» (hereinafter - the Policy of the Holding) and other internal documents regulating the Company's activities until 2050.

2. The purpose of this Policy is to define the fundamental norms, principles, rules and approaches that a Company should adhere to in building a management system in the field of sustainable development.

3. Objectives of this Policy:

1) define the principles and directions of the Company's activities in the field of sustainable development, including in terms of creating an effective and transparent system of interaction with stakeholders;

2) to consolidate the roles, competencies, responsibilities of each body and all employees of the Company for the implementation of the principles of sustainable development;

3) determine the relationship between sustainable development and the Company's key processes.

4. Solving problems in the field of sustainable development, the Company relies on its mission, the provisions of the Company's Development Strategy, and also uses international norms of behavior and principles enshrined in international standards in the field of sustainable development.

5. The Company considers the use of international standards in the field of sustainable development as a necessary condition for ensuring compliance of its activities with the best international practices and achieving goals and objectives in the field of sustainable development.

6. The provisions of this Policy are subject to compliance by all employees of the Company in terms of interaction with interested parties when planning and implementing their activities, developing internal documents, distributing information and other types of communication.

7. This Policy takes into account the provisions of the Holding's Policy and is subject to approval by the Company's Board of Directors.

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

1) interested party (stakeholder) – individuals and legal entities or groups of persons who influence the Company and its activities and/or are influenced by the Company (for example, employees, customers, contractors, etc);

2) The Stakeholder Map is a tool that allows you to systematize and visualize information about the Company's environment in order to develop a strategy for working with each of the stakeholders;

3) competitors – individuals or legal entities whose field of activity, interests and goals are identical in the field of activity, interests and goals of the Company;

4) counterparties – individuals or legal entities that have assumed certain obligations under the contract (for example, suppliers, partners);

5) the concept of the «green office» – an integrated approach that includes both technical and motivational and educational activities aimed at increasing the level of environmental awareness of employees;

6) management – Chairman and members of the Management Board;

7) management body – The Board of Directors;

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

9) project – a potential or concluded transaction involving the provision of financial and non-financial support by the Company:

to the final recipient (with direct support);

second-tier banks, development banks, organizations engaged in certain types of banking operations, microfinance organizations, leasing companies, credit partnerships and other legal entities in the form of placement of deposit funds /provision of targeted loans for the purpose of subsequent transfer of financing to the final recipient (with indirect support);

investment funds and direct investment funds in the form of capital entry for the purpose of subsequent financial support to the final recipient (with indirect support);

subject to compliance with the provisions of the Company's Investment Policy, statutory goals, strategy and mission of the Company through equity and debt financing instruments, the provision of innovative grants, guarantee and insurance support, as well as subsidies.

10) Strategy – 2050 is 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, a developed economy and opportunities for universal labor, Kazakhstan's entry into the top thirty most developed countries in the world;

11) sustainable development – development in which the Company manages the impact of its activities on the environment, economy, society and makes decisions taking into account the interests of stakeholders. Sustainable development should meet the needs of the current generation without depriving future generations of the opportunity to meet their needs;

12) 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;

13) Holding – joint-stock company «National Managing Holding «Baiterek»;

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

15) The AA1000 series of standards is a set of tools and standards for managing non financial reporting and ensuring its quality, developed by the Institute of Account Ability (Institute of Social and Ethical Reporting). The AA1000 series of standards includes:

Accountability Principles Standard AA1000 (AA1000AP);

AA1000 Verification Standard (AA1000AS);

The AA1000 Stakeholder Engagement Standard (AA1000SES);

16) The Global Reporting Initiative's Sustainability Reporting Standards (GRI Standards) are a set of standards that include 3 (three) universal standards applicable to all organizations and include principles and requirements for reporting, common disclosure elements and information about the management approach, and 33 thematic standards containing a series of standards on disclosure of economic, environmental and social topics;

17) Guidelines on disclosure of information in the field of environmental, social and corporate governance (ESG) for banks and other financial organizations – guidelines approved by Order of the Chairman of the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market № 291 dated 04/28/2023, intended for disclosure of ESG information – non-financial information in the field of sustainable development, by banks and other financial organizations, in relation to commercial and retail banking (including brokerage and trade finance), as well as microfinance;

18) Task Force on Climate-related Financial Disclosures (TCFD) – reporting standards that disclose information about the possible impact of climate change on the global economy.

9. The following abbreviations are used in this document:

1) CGC – Corporate Governance Code of the Company;

2) KPI – Key Performance Indicators;

- 3) IFC – International Financial Company;
- 4) UN– United Nations;
- 5) Development strategy – Company Development Strategy;
- 6) ESG – Environmental, Social and Governance;
- 7) GRI – Global Reporting Initiative.

1.1 Sustainable Development Goals and objectives

10. The sustainable development of the Company is a set of principles and obligations that guide the Company in carrying out its activities, in part:

- 1) managing relationships with stakeholders;
- 2) assessment and management of the impact on the national economy, social sphere and ecology.

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

№	SDG directions	Goals
1	The economic component of the Company's sustainable development contains the following goals:	<ol style="list-style-type: none"> 1) break-even activity; 2) ensuring the interests of shareholders and investors; 3) improving the efficiency of processes; 4) increased investment in the creation and development of more advanced technologies; 5) increase of labor productivity.
2	The environmental component of the Company's sustainable development contains the following goals:	<ol style="list-style-type: none"> 1) minimizing the impact on biological and physical natural systems; 2) responsible consumption and optimal use of limited resources; 3) application of eco-friendly, energy- and material-saving technologies; 4) increase transparency and accountability in their environmental practices; 5) raising environmental awareness among the Company's employees.
3	The social component of the Company's sustainable development contains the following goals:	<ol style="list-style-type: none"> 1) ensuring transparent competitive procedures and equal employment opportunities; 2) fair remuneration and respect for the rights of employees; 3) ensuring occupational safety and preserving the health of employees; 4) training and professional development of employees; 5) implementation of internal and external social programs.

12. The Company's objectives in the field of sustainable development are:

- 1) integration of the principles of sustainable development into the Company's activities;
- 2) performance analysis and risk control in the context of the three components of sustainable development;
- 3) improving the quality of sustainable development management through the organization of systematic work;
- 4) creation of mechanisms for effective interaction of the Company with stakeholders, including regular information on the results of activities in the field of sustainable development.

13. In order to achieve the goal of cost-effective and sustainable activities, the Company follows international best practices in environmental and social issues, as well as in corporate

governance (ESG factors) within the framework of projects that receive financial support from the Company.

1.2 Global Sustainable Development Goals

14. In 2015, at the UN summit, the heads of State and Government adopted the 2030 Agenda for Sustainable Development, which includes 17 Sustainable Development Goals (SDGs) aimed at eliminating poverty, combating inequality and injustice, as well as solving problems related to climate change.



15. As part of its activities, the Company also strives to contribute to the achievement of the SDGs by implementing the following KPI:

№	Name of KPI	SDG
1	Financing of construction, purchase and renovation of housing through the purchase of bonds of LEB	№ 9 «Industrialization, innovation and infrastructure» № 11 «Sustainable cities and human settlements»
2	The volume of guarantees and subsidies issued	№ 11 «Sustainable cities and human settlements»
3	The volume of housing commissioning within the framework of financing urban development investment projects	№ 11 «Sustainable cities and human settlements»
4	Increasing the coverage of the multi-family residential buildings market by shared-equity construction mechanisms	№ 11 «Sustainable cities and human settlements»
5	Sale of apartments for rent with purchase	№ 10 «Reducing inequality» № 11 «Sustainable cities and human settlements»

1.3 Principles of sustainable development

16. The Company, within the framework of its activities, is guided by the principles of sustainable development enshrined in the CGC of the Company: openness, accountability, transparency, ethical behavior, respect for the interests of stakeholders, legality, respect for human rights, intolerance to corruption, inadmissibility of conflict of interests, a personal example.

17. The Company also declares its commitment in its activities to the principles enshrined in the Company's internal regulatory documents in the field of sustainable development:

№	Principles:
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1.	In the field of human rights protection	1) The Company ensures and respects the protection of human rights proclaimed at the international level; 2) The Company ensures non-involvement in human rights violations.
2.	In the field of labor relations	1) The Company supports and recognizes the right to conclude collective agreements; 2) The Company contributes to the elimination of forced and child labor, discrimination in the field of labor and employment.
3.	In the field of environmental protection	1) The Company supports an approach to environmental issues based on the precautionary principle; 2) The Company undertakes initiatives aimed at increasing responsibility for the state of the environment; 3) The Company promotes the development and dissemination of environmentally friendly technologies.
4.	In the field of anti-corruption	1) The Company declares intolerance to all forms of corruption and other illegal actions, including extortion and bribery, and takes the necessary measures to prevent these facts.

2. Directions of activities in the field of sustainable development

2.1 Economic component

18. The key tasks that the Company solves as part of the implementation of its mission are:
1) financing the construction, purchase and renovation of housing through the purchase of bonds of LEB;

- 2) guaranteeing equity participation in housing construction;
- 3) subsidizing loans from private developers;
- 4) financing of urban development investment projects;
- 5) provision of rental housing;
- 6) subsidizing mortgage loans.

The company has identified 2 priority areas of the economic component within the framework of sustainable development:

- 1) Effective reinvestment of net profit;
- 2) Digitalization.

2.1.1 Effective reinvestment of net profit

19. The Company will raise capital on market conditions and mix with its own funds to reduce the cost of funding for the construction of affordable housing.

20. The company strives to invest in «green» and «social» housing construction projects. To finance housing construction projects, the Company is committed to issuing social and green bonds, as well as securitization of mortgage loans.

2.1.2 Development of new financing instruments

21. *Excluded.*
22. *Excluded.*
23. *Excluded.*

2.1.3 Digitalization

24. As part of the digitalization of products, the Company will focus on the implementation of the following tasks:

1) the development of the IS «Housing Portal» for the provision of comprehensive services for citizens of the Republic of Kazakhstan on rental housing and shared-equity housing construction;

2) the development of the IS «Kazreestr» in order to reduce the time required for registration of DDU and eliminate the risks of illegal sale at the construction stage;

3) the development of the IS «Online platform of building materials» to reduce the cost of housing construction and support Kazakhstani manufacturers;

4) automation of all business processes of the Company for the effective provision of services;

5) the development of the IS «Nurly Zher Situational Center» for monitoring the progress of construction of real estate objects financed within the framework of the Concept of development of housing and communal infrastructure.

2.2 Environmental component

25. The Company has identified 2 priority areas of the environmental component within the framework of sustainable development:

1) Typical housing projects to reduce CO₂ emissions;

2) Financing of urban development investment projects.

2.2.1 Typical housing construction projects to reduce CO₂ emissions

26. The company will develop standard projects of residential buildings taking into account the use of energy-efficient and environmental materials and technologies, landscaping of courtyards and surrounding areas, as well as creating conditions for the implementation of urban projects, including urban farms in real estate under construction.

27. *Excluded.*

2.2.2 Financing of urban development investment projects

28. As part of the implementation of investment projects, the Company will finance urban development investment projects that provide for the construction of multifunctional residential areas with developed infrastructure and includes, but is not limited to:

- at least 50 (fifty) thousand square meters of housing;

- construction of social infrastructure facilities and park areas.

In addition, an urban development investment project may include the construction of commercial (business centers, shopping malls, etc.) and other non-residential real estate.

2.3 Social component

29. The Company has identified 6 priority areas of the social component within the framework of sustainable development:

1) Providing affordable housing;

2) Renovation of dilapidated housing;

3) Urban Environment Quality Index;

4) Development of cooperation with the public;

5) Staff development.

2.3.1 Providing affordable housing

30. To improve the living conditions of citizens of the Republic of Kazakhstan, the Company will continue to implement rental housing projects under relevant memoranda (agreements) with state and non-state legal entities.

31. To provide rental housing, the Company will purchase housing on the market at prices determined by the Concept of Housing and Communal Infrastructure Development. Financing will be carried out by attracting loans in the financial market and reinvesting the Company's lease

payments within the framework of the Concept of Housing and Communal Infrastructure Developmentworks.

2.3.2 Renovation of dilapidated housing

32. In order to increase the comfort of housing and improve the living conditions of citizens, the Company will finance the renovation of dilapidated housing within the framework of state programs, own investment projects and separate agreements with Local executive bodies.

2.3.3 Urban Environment Quality Index

33. In order to improve the living conditions of Kazakhstanis, the Company strives to introduce the urban environment quality index in all regions of Kazakhstan:

a) The index will be a numerical value in points reflecting the state of the urban environment (favorable environment or unfavorable environment). This value will be formed as a result of evaluating a variety of quantitative (measurable) indicators that characterize the quality of the urban environment in its various aspects. The urban environment is understood as a set of built-up and open urban areas (for example, streets, squares, parks, courtyards) and ways of their use by the population in everyday life.

b) The index will make it possible to develop recommendations for improving the urban environment based on the results obtained.

34. *Excluded.*

2.3.4 Development of cooperation with the public

35. The Company studies international experience and implements best practices for the sustainable development of the Company.

36. The Company develops partnerships with the public and public organizations in order to receive feedback on the integrated development of the territory, the creation of a convenient and comfortable urban environment.

37. *Excluded.*

38. *Excluded.*

2.3.5 Staff development

39. Employees are the main value and the main resource, the results of the Company's activities directly depend on the level of their professionalism and safety.

40. The Company builds labor relations with its employees based on the principle of legality and compliance with the generally recognized labor rights of the employee.

41. In carrying out its activities, the Company is guided by the principle of equal opportunities and does not discriminate against its employees when hiring, paying, providing access to training, promotion, dismissal on grounds such as gender, race, language, religious, political and other beliefs, citizenship, national or social origin, limited features.

42. The structural division of the Company responsible for human resources management uses an extensive set of search and recruitment channels to attract the most qualified candidates.

43. In order to further develop and promote professional personnel within the Company, the Holding has created a unified personnel reserve of the best employees.

44. The Company has a system of continuous training and staff development.

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

1) compliance of the topic and content of training activities with the needs defined in accordance with the employee's job responsibilities, the results of the assessment of his activities (KPI cards), goals and objectives set for the employee;

2) the focus of training activities on solving specific tasks that ensure the improvement of the efficiency of the Company, the study of the best corporate practices and standards;

3) systematic, applied, planned nature of training and professional development;
4) coverage of the maximum possible number of employees of the Company with training and professional development programs.

46. The training process in the Company is based on the annual assessment of employees by competencies.

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

48. In order to ensure fair and competitive remuneration for work, the Company has introduced a grading system, and a regular review of wages in the market and comparable industry is carried out.

49. The Company takes measures to ensure the proper organization of workers' work in the workplace and strives to create safe working conditions that meet the requirements of the legislation of the Republic of Kazakhstan in this area.

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

51. The Company provides the necessary training of employees in the field of occupational safety and health, including training and advanced training of employees in this field.

2.3.6 Anti-corruption

52. The Company identifies corruption risks, implements and supports anti-corruption policies and practices.

53. Managers at all levels of the Company set an example of anti-corruption behavior to their subordinate employees, as well as demonstrate commitment, encouragement and supervision of the implementation of anti-corruption policy.

54. The Company raises awareness of its officials, employees, contractors in matters of corruption and countering it.

55. The Company regularly conducts anti-corruption training for employees.

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

57. The Company's officials and employees are responsible for making transparent, timely and adequate decisions, free from conflicts of interest.

3. Sustainable Development Management

3.1 Distribution of responsibility

58. The management of sustainable development in the Company is carried out within the framework of the general management system of the Company's activities and is an integral part of it. Sustainable development is integrated into:

1) the management system;

2) development strategy;

3) key processes, including risk management, planning (long-term (strategy), medium-term (5-year development plan) and short-term (annual budget) periods), reporting, risk management, human resource management, investments, operational activities and others, as well as decision-making processes at all levels starting from authorized bodies (Sole Shareholder, Board of Directors, Management Board), and ending with ordinary employees.

59. The Board of Directors of the Company provides strategic guidance and control over the implementation of sustainable development. The Management Board of the Company ensures the formation of an appropriate sustainable development management system and its implementation.

60. The Management Board of the Company approves the relevant action plan in the field of sustainable development. The Company develops action plans in the field of sustainable development through:

- 1) analysis of the current situation in three main areas: economic, environmental and social; when conducting this analysis, the reliability, timeliness and quality of information is important;
- 2) identification of risks in the field of sustainable development; risks are distributed in accordance with the three directions of sustainable development, they can also affect related areas and capture other risks. To determine the risks, an analysis of both internal and external factors affecting the Company is carried out;
- 3) identification of stakeholders and their impact on activities;
- 4) defining goals, as well as, if possible, targets, measures to improve and improve activities in three components, responsible persons, necessary resources and deadlines;
- 5) regular monitoring and evaluation of the implementation of goals, measures to achieve targets;
- 6) systematic and constructive interaction with stakeholders, receiving feedback;
- 7) implementation of the formed plan;
- 8) Continuous monitoring and regular reporting;
- 9) analyzing and evaluating the effectiveness of the plan, summarizing and taking corrective and improving measures.

61. The structural divisions of the Company are responsible for compliance with the provisions of this Policy.

62. The responsible structural divisions of the Company, determined by the Management Board, implement measures in the field of sustainable development, ensuring the achievement of strategic efficiency in the field of sustainable development determined by the Company's Development Strategy.

63. The heads of the responsible structural divisions of the Company bear personal responsibility for the implementation of measures and the achievement of efficiency in the field of sustainable development within their competencies.

64. The structural divisions of the Company provide information on the results of the implementation of measures in the field of sustainable development, as well as information for inclusion in the annual report of the Company at the request of the structural division overseeing the direction of activities in the field of sustainable development of the Company, if necessary, make proposals to improve the Company's activities in this area.

65. The structural unit responsible for the direction of the Company's sustainable development activities, determined by the Management Board, performs the following functions:

- 1) carries out planning of activities in the field of sustainable development - analysis of the internal and external situation, definition of goals, as well as targets in the field of sustainable development, measures to improve and improve activities on the three components of sustainable development, responsible persons, necessary resources and deadlines;
- 2) coordinates the activities of the Company'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 KPI in the field of sustainable development;
- 4) prepares the Company's annual report with the inclusion of a section on sustainable development;
- 5) conducts training seminars for the Company's employees in the field of sustainable development with the involvement of external trainers or independently;
- 6) interacts with international organizations, institutions, agencies on sustainable development issues.

3.2 Integration of the principles of sustainable development

66. The Company integrates the principles of sustainable development into the Company's Development Strategy and key processes, including planning, reporting, risk management, investments, operational activities and others, as well as into decision-making processes at all levels, starting from the bodies (Sole Shareholder, Board of Directors, Management Board) and ending with ordinary employees.

67. The Company expects from its counterparties:

1) application of the environmental risk management system (environment) to identify, assess the actual and possible impacts on the environment and society, identify and effectively implement appropriate management measures, control and the level of environmental risks;

2) the application of a human resource management system and ensuring (preserving) the health of employees, which should be based on respect for the rights of employees, including freedom of association and the right to conclude collective agreements; this system should ensure fair treatment of employees, the creation of safe and healthy working conditions for them, the prevention and prevention of adverse effects on health;

3) the application of a 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 organization's activities and contributes to its successful operation, including the growth of its market value, maintaining financial stability and profitability.

68. In its activities, the Company strives to reduce the excessive consumption of resources by reducing the consumption of water, heat, reducing the consumption of paper for office needs through the introduction of an electronic document management system and the practice of double-sided printing.

69. The company is considering the possibility of introducing the concept of a "green office", an important component of which is an information campaign aimed at increasing the level of environmental awareness of employees.

3.2.1 Decision-making processes

70. The decision-making process in the Company is based on the following:

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

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

3) the Company provides equal gender and racial opportunities for leadership positions;

4) the Company has established two-way information exchange processes with stakeholders that will help in identifying areas for improving interaction;

5) the Company periodically analyzes and evaluates management processes, if necessary, adjusts processes and brings relevant information to all interested parties.

3.2.2 Development strategy and planning

71. Strategic integration involves updating the Company's Development Strategy, taking into account the Company's goals and objectives in the field of sustainable development.

72. Sustainable development activities can be included and approved as part of the Company's Development Plan.

3.2.3 Corporate governance

73. The Company's sustainable development management system is inextricably linked with the corporate governance system.

74. One of the fundamental principles of the CGC Company is the principle of sustainable development.

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

3.2.4 Operational activities

76. The selection of suppliers of goods, works and services is carried out by the Company on a transparent basis in accordance with the requirements of the legislation of the Republic of Kazakhstan and internal documents, and is based on the preference for the best price, quality and terms of delivery of goods, works and services, as well as a good business reputation of the counterparty.

77. The Company is considering the possibility of including the principles of sustainable development in the relevant contracts (agreements, contracts) with partners to increase consistency with the Sustainable Development Goals.

3.2.5 Risk management and internal control

78. The Company's actions affect the interests of interested parties and may be the subject of criticism on their part. Criticism of stakeholders is considered by the Company as a source of possible negative impact on its reputation. The main type of the Company's risk in the field of sustainable development is the reputational risk associated with a decrease in the level of trust of the target audience in the Company's activities.

79. The main tool for managing reputational risk is conducting a continuous dialogue with stakeholders, including monitoring the media, reviewing appeals, conducting surveys and meetings with stakeholders.

80. Other risks determined by the Company's internal documents may be considered as other risks affecting the Company's sustainable development in the long term.

81. In order to identify risks in the field of sustainable development, the Company analyzes both internal and external factors affecting the Company.

82. The Company includes risks in the field of sustainable development in the Company's risk register and takes measures to minimize them.

3.2.6 Financial support

83. The Company does not provide financial support for the following activities:

- 1) mining;
- 2) gambling business;
- 3) other types of activities prohibited by the legislation of the Republic of Kazakhstan;
- 4) when implementing joint projects with international financial organizations – activities prohibited by these international financial organizations;
- 5) other activities according to the decision of the Company's management body.

83-1. The Company is prohibited:

- 1) make any contribution aimed at supporting political activities, including agitation and propaganda assistance;
- 2) financing of political parties in the form of direct payments, donations or transactions.

Equal persons and employees of the Company are prohibited from using their official powers for the purpose of making decisions on financing or supporting political activities/campaigns.

84. When forming the project portfolio, the Company gives preference to projects that comply with the UN Sustainable Development Goals and have a significant impact on the sustainable socio-economic development of the Republic of Kazakhstan ("green economy"), including projects that promote openness, security, resilience and environmental sustainability of cities and settlements.

85. The Company strives to apply international best practices in the field of environmental protection and social impact of funded projects.

86. The Company is actively working to attract investments and popularize financial instruments, both in the domestic and foreign markets, realizing the importance of disclosure of non-financial information for investors.

87. When making a decision on the provision of financial support by the Company, 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 expertise.

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

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

90. The Company intends to consistently expand its participation in international initiatives in the field of sustainable development, including by joining initiatives related to the application of responsible investment practices.

3.3 Interaction with stakeholders

91. In order to implement a successful and effective sustainable development policy, the Company pays due attention to interaction with stakeholders.

92. In order to determine the list of stakeholders, the degree of their influence and spheres of influence on the interests of the Company, a Stakeholder Map of the Company has been developed and approved by the Company's Management Board, which complies with international standards for determining and interacting with stakeholders (AA 1000 Standard, Accountability Principles (Responsibility Principles 2008 standard "Stakeholder Engagement Standard" 2011 (AA 2011 Interaction with stakeholders of the 2011 standard), ISO 26000 Social Responsibility Guidelines (Social Responsibility Guidelines), GRI (Global Reporting Initiative).

93. The Company defines three groups of stakeholders depending on the area of impact: the area of authority and responsibility, the area of direct impact, the area of indirect impact.

94. Scope of authority/responsibility:

- 1) Sole shareholder;
- 2) management body;
- 3) management;
- 4) staff.

95. Area of direct impact:

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

96. Area of indirect impact:

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

97. When assessing the importance of stakeholders, the Company ranks stakeholders according to two factors: the degree of support / opposition of the stakeholder, assessment of the strength of his influence on the Company.

98. Based on the assessment of the importance of stakeholders, the structural divisions of the Company determine the directions of interaction with stakeholders, depending on the specifics of the activity.

99. The main forms of interaction with stakeholders are: joint programs and projects, memorandums of cooperation, joint working groups, reporting on activities, meetings, meetings, publications, interviews and other forms of interaction.

100. The main areas of interaction with stakeholders: strategic planning, financial activities, project management, supply of goods, works and services, lawmaking, operational activities, interaction with the media.

101. The Company annually sends questionnaire forms to the main stakeholders, the structural unit responsible for the direction of activities in the field of sustainable development, determined by the Company's Management Board, in order to determine the degree of interest of stakeholders, including in issues of sustainable development.

102. The process of organizing the Company's interaction with stakeholders is based on the principle of involvement, which implies taking into account the interests of stakeholders at all stages of the Company's management process and involving stakeholders in the discussion of significant topics and important issues, potential risks and boundaries of responsibility.

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

1) materiality. The Company clearly defines its stakeholders and is aware of which stakeholders' interests are essential.

2) completeness. In the course of its activities, the Company pays attention to the concerns of stakeholders, namely, understands their views, needs and expected results of activities, as well as opinions on significant issues.

3) response. The Company consistently responds to all significant issues of stakeholders.

104. In order to organize the management of relationships with stakeholders, the Company focuses its activities on the following basic principles:

1) respects and takes into account the interests of all interested parties;

2) strives to actively inform target audiences about its activities;

3) ensures objectivity, reliability, independence and a high level of information transparency regarding the implementation of state programs, certain 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 productive cooperation with all stakeholders;

5) fulfills its obligations to interested parties;

6) receives feedback from stakeholders on a regular basis.

105. When formalizing approaches to managing the impact on stakeholders, the Company proceeds from the need to comply with the requirements defined below.

106. When interacting with the Sole Shareholder and government agencies:

1) The Company 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 Company;

2) The Company ensures the implementation of the rights of the Sole Shareholder within the framework of corporate governance principles aimed at effective key decision-making;

3) The Company provides additional information about plans, achievements, problems of activity, as well as research of other organizations about the Company's activities, with the exception of confidential information received from other organizations under contracts and/or agreements on disclosure of information and/or confidentiality;

4) The company participates in international ratings in the field of sustainable development and credit ratings.

107. When interacting with investors and counterparties:

1) The Company sufficiently discloses up-to-date information about the financial condition, dividend policy and credit history, as well as about the Company's development prospects;

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

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

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

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

6) The Company ensures information transparency, openness, equality, fairness, absence of discrimination and unreasonable restrictions on competition in strict accordance with the legislation of the Republic of Kazakhstan;

7) The Company adheres to the principles of corporate governance and improvement of the corporate governance system in accordance with the world's leading practice.

108. When interacting with customers and consumers:

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

2) The Company ensures the security of consumer data and commercial information in order to protect their leakage and misuse;

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

4) The company contributes to improving the quality of service and public service, which is reflected in improving customer service standards;

5) The company informs customers about new tools and operating principles on a regular basis;

6) The Company contributes to improving the financial literacy of consumers and its customers to the best of its capabilities and in accessible forms

109. When interacting with employees:

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

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

3) the selection and career development of employees in the Company is carried out solely on the basis of professional abilities, knowledge and skills;

4) effective communication and interaction of employees is ensured by organizing internal corporate sources of regular information to employees and communication channels, including through the work of an internal portal (intranet), regular study of employee opinions and suggestions, organization of working groups.

110. When interacting with the public:

1) The Company effectively and promptly interacts with the public (including by organizing regular meetings (round tables, briefings, conferences);

2) The Company actively participates in the implementation of socially significant projects;

3) responses to the appeals of individuals and legal entities sent to the Company are provided in a timely manner and in full;

4) in the case of sponsorship and charitable activities, the Company provides assistance to vulnerable segments of the population and low-income citizens in order to revive national values, support culture, science and education.

3.4 Disclosure of information in the field of sustainable development

111. This Policy of the Company is open to the general public and is posted on the corporate website.

112. The Company annually discloses to interested parties the results of the implementation of this Policy in the relevant section of the corporate website, as well as in the Company's annual report.

113. When preparing annual reports, the Company relies on international information disclosure standards - GRI, TCFD standards, and is also guided by the Information Disclosure Rules of the initiators of the admission of Securities of Kazakhstan Stock Exchange JSC, the Guidelines on Disclosure of Information in the field of environmental, social and corporate governance for banks and other financial organizations.

4. Final provisions

114. This Policy is put into effect from the moment of its approval.

115. The Company strives to implement the provisions of this Policy in its activities.

116. The Company will improve this Policy taking into account changes in legislation and the emergence of new standards in the field of sustainable development in international and national practice, guided by the interests of the Sole Shareholder, the Company and other interested parties.