



КАЗЫНА
КАПИТАЛ
МЕНЕДЖМЕНТ

Annex 9
to the Minutes of the meeting
of the Board of Directors
of Kazyna Capital Management
Joint-Stock Company
dated 8th of September, No.16/22

Approved by
resolution of the Board of Directors
of Kazyna Capital Management
Joint-Stock Company
dated 8th of September 2022, No.16/22

**Sustainable Development Report
of Kazyna Capital Management JSC for 2021**

Nur-Sultan
2022

Table of Contents

Message of the Chairman of the Board of Directors of Kazyna Capital Management JSC.....	3
Message of the Chairman of the Management Board of Kazyna Capital Management JSC	4
About Report.....	6
Key events in sustainable development in 2021	9
1. Company Profile	9
1.1. KCM Profile	9
1.2. Contribution of KCM to the achievement of SDG-2030	11
1.3. Sustainable Development	14
1.4. Stakeholder engagement.....	15
1.5. Partnership for sustainable development.....	20
2. G - Corporate Governance	22
2.1. Corporate governance system.....	22
2.2. Corporate governance structure.....	22
2.3. Conflicts of interest	26
2.4. Evaluation of the activities of the Board of Directors	27
2.5. Information about rewards.....	28
2.6. Procurement practices.....	29
3. E - The environmental component of the sustainable development of KCM	30
3.1. Sustainable KCM operation	30
3.2. KCM "Green" projects	31
4. E - The economic component of the sustainable development of KCM and portfolio companies	33
4.1. Economic performance.....	33
4.2. Indirect economic impacts.....	33
4.3. Implementation of ESG in KCM portfolio companies.....	34
5. S - The social dimension of KCM's sustainable development	42
5.1. About employees	42
5.2. Social support, health and safety	45
5.3. Training and education	46
6. Annexes	48
6.1. Table of GRI indicators	48
6.2. Glossary	52
6.3. Contact Information.....	53

Message of the Chairman of the Board of Directors of Kazyna Capital Management JSC

Dear readers!

We would like to bring to your attention this Sustainable Development Report of Kazyna Capital Management JSC (the KCM, the Company) for 2021.

The ESG agenda is an important aspect influencing the global economy. ESG approaches are based on the principles of sustainable development, namely environmental protection, social development and corporate governance (E -Environmental, S - Social, G - Governance).

Since 2021, KCM has begun work on the transition to a responsible investment model. Thus, the Company's Sustainable Development Policy was updated and the environmental and social requirements to investment recipients and procedures for their application were developed as part of the process of providing financial support and further monitoring of project implementation.

Moreover, focusing on global trends in the field of commitment to the principles of responsible investment and their impact on the sustainability and profitability of projects, amendments were made to the Company's Investment Policy in terms of evaluating projects for compliance with ESG standards. The introduction of responsible investment practices will increase the visibility of KCM for institutional investors and provide an opportunity to attract additional capitalization to increase the portfolio of "green" projects.

According to the investment policy, when forming a project portfolio, KCM will strive to give preference to projects that will improve the quality of life of the population, develop regional infrastructure, as well as comply with the UN Sustainable Development Goals.

Effective management of ESG issues in today's environment is extremely important. In this regard, the direction of sustainable development of KCM is formulated in view of the balance between the economy, society and the environment.

Moreover, in order to improve the efficiency of the sustainable development system, in 2023 KCM plans to conduct an independent assessment and obtain an ESG rating from an international rating agency.

To sum up, I would like to note that KCM will continue to pay special attention to the ESG principles implementation in all key processes including planning, reporting, risk management, investments and operations, as well as the creation of new initiatives to implement the green agenda that's for sure will contribute to sustainable economic development in the Republic of Kazakhstan.

Adil Mukhamedzhanov

Message of the Chairman of the Management Board of Kazyna Capital Management JSC

Ladies and Gentlemen!

KCM is a fund of direct investment funds established to promote the sustainable development of the economy of the Republic of Kazakhstan. The development of a sustainable business based on internationally recognized environmental, social and management standards is one of the priority strategic objectives of KCM.

The Company is working to implement the concept of responsible investment by evaluating ESG factors at all stages of the investment process - searching for project proposals, making investment decisions, monitoring the life cycle of financed projects (including environmental and social impact assessment) and exiting the project. The main goal of introducing the practice of "responsible investment" is to reduce the risks posed by portfolio companies to society and the environment, and to increase the sustainability of companies' business processes in order to develop their competitiveness.

In 2021, in order to make a full-scale transition to "responsible investment", KCM has worked out the issue of joining the UN Association on the Principles of Responsible Investments. The activities of the Association are aimed at developing the concept of "responsible investment" by introducing ESG standards into the investment activities of signatory companies. The entry of KCM into the Association will make it possible to share experience and provide an opportunity to assess the progress of integrating ESG standards into business processes on an annual basis.

As the Head of State noted at the UN Climate Ambition Summit in December 2020, Kazakhstan is committed to achieving carbon neutrality by 2060. According to calculations of the Ministry of Ecology, Geology and Natural Resources of Kazakhstan, it will be necessary to make investments in the amount of USD650 billion to achieve this goal. Thus, attracting funding from international financial organizations to finance projects in the field of mitigation and adaptation to climate change is a top priority.

Over the years of its work, KCM, as the main financial institution in the field of private equity with one of the key tasks to increase the inflow of foreign investment in non-primary sectors of the economy, has attracted large partners to Kazakhstan in the form of institutional investors, sovereign funds, international financial organizations. Among them: Wolfensohn Capital Partners global private equity fund; Mubadala state-owned holding company; CITIC Group Chinese investment company; European Bank for Reconstruction and Development; 500 Startups American Venture Fund; Quest Ventures the largest fund in Southeast Asia; DEG-Deutsche Investitions-und Entwicklungsgesellschaft - German development institute; TAV Holding large Turkish company. Thus, the coefficient of attracted foreign investments in Kazakhstan in relation to the unit of funds invested by KCM amounted to **USD2.36**.

Considering its experience and investment mandate, KCM will take a proactive stance towards its stated goal of attracting external funding to finance projects that contribute to climate change mitigation. One of the ways to implement this task could be the creation of an infrastructure and climate fund focused on projects in the field of mitigation and adaptation to climate change involving local institutional investors and international financial organizations.

In the future, KCM, together with external partners, plans to develop a Green equity tool to expand the pipeline of environmentally friendly, energy efficient and low-carbon

projects. The introduction of this tool will allow external verification of projects for compliance with the criteria of "green" projects, including "green" taxonomy. In the future, these projects can be financed with funds raised by KCM exclusively for "green" projects on favorable terms for project companies.

The Company also plans to approve the Green Office Concept, which will contain the goals, objectives and principles of the Green Office Concept, as well as approaches to its implementation and proposed activities.

The Green Office Concept principles are based on the rules of the three Rs - Reduce, Reuse, Recycle.

Measures to implement the Concept will be aimed at reducing the consumption of non-renewable resources, promoting the transition to a low-carbon economy, reducing the burden on the environment, increasing the eco-consciousness of employees and creating a favorable working environment.

I want to assure that KCM will continue to work on the implementation of the principles of sustainable development and responsible investment, thereby contributing to the achievement of the sustainable development goals of Kazakhstan.

Ainur Kuatova

About Report

In order to ensure clarity and transparency of its activities to stakeholders, KCM annually highlights its approach to sustainable development, social, economic and environmental responsibility.

This Sustainable Development Report of KCM (the Report) is the second separate report on the Company's sustainable development and has been prepared in accordance with the Global Reporting Initiative Standards (GRI Standards).

The Report provides information on the KCM activities and its subsidiaries for the period from January 1 to December 31, 2021. In order to enable comparison and comparability of data, the information, where possible, is presented in dynamics over several years.

The financial data are presented in accordance with separate audited consolidated financial statements as of 31 December 2021 in accordance with International Financial Reporting Standards (IFRS).

In order to determine the quality of the Report, the principles of the GRI Standards were applied: balance, comparability, accuracy, clarity, completeness, sustainable development context, verifiability, timeliness.

The report is approved by resolution of the Company's Board of Directors on an annual basis in the Q3 of the year following the reporting one, and is brought to the attention of concerned parties by publishing it on the corporate website of the Company.

The previous report for the period from January 1, 2020 to December 31, 2020 was published in September 2021.

External assurance of non-financial information in the field of sustainable development at the end of 2021 was not carried out.

Stages of determining materiality

According to the 2021 GRI Standards, material topics are those that reflect the most significant aspects of the company's impact on the economy, environment and people including human rights, that is, areas the company has the greatest impact on.

First stage	Second stage	Third stage
<i>Context analysis</i>	<i>Identification of real and relevant impacts</i>	<i>Impact Significance Assessment</i>
Formation of a list of topics based on current topics from the company's activities and the global agenda, as well as GRI indicators. Determining the range of key stakeholders in accordance with the KCM Stakeholder Scorecard	Analysis of reports of peer companies, analysis of industry materials and company risks to identify its impacts	Assessment of the strength and scale of impacts based on stakeholder surveys and internal expertise.

Material Themes Matrix of 2021 year

This Report has been prepared in accordance with the best practices for the disclosure of non-financial information in order to objectively and transparently present the results of KCM's activities in the field of environmental, social and corporate aspects management.

In order to indicate key information for all stakeholders, the Company carried out a procedure for determining material topics by questioning both external and internal stakeholders. The questionnaire included economic, environmental, social topics from the list of indicators of the GRI Standards.

The online survey was prepared on the basis of the Survio platform. Representatives of the Sole Shareholder, subsidiaries, suppliers, mass media, partners, investors, state bodies, as well as employees of structural divisions of KCM took part in the survey. It was proposed to rate each topic as per the importance from 1 to 5, where 1 means “the least important topic”, 5 means “the most important topic”.

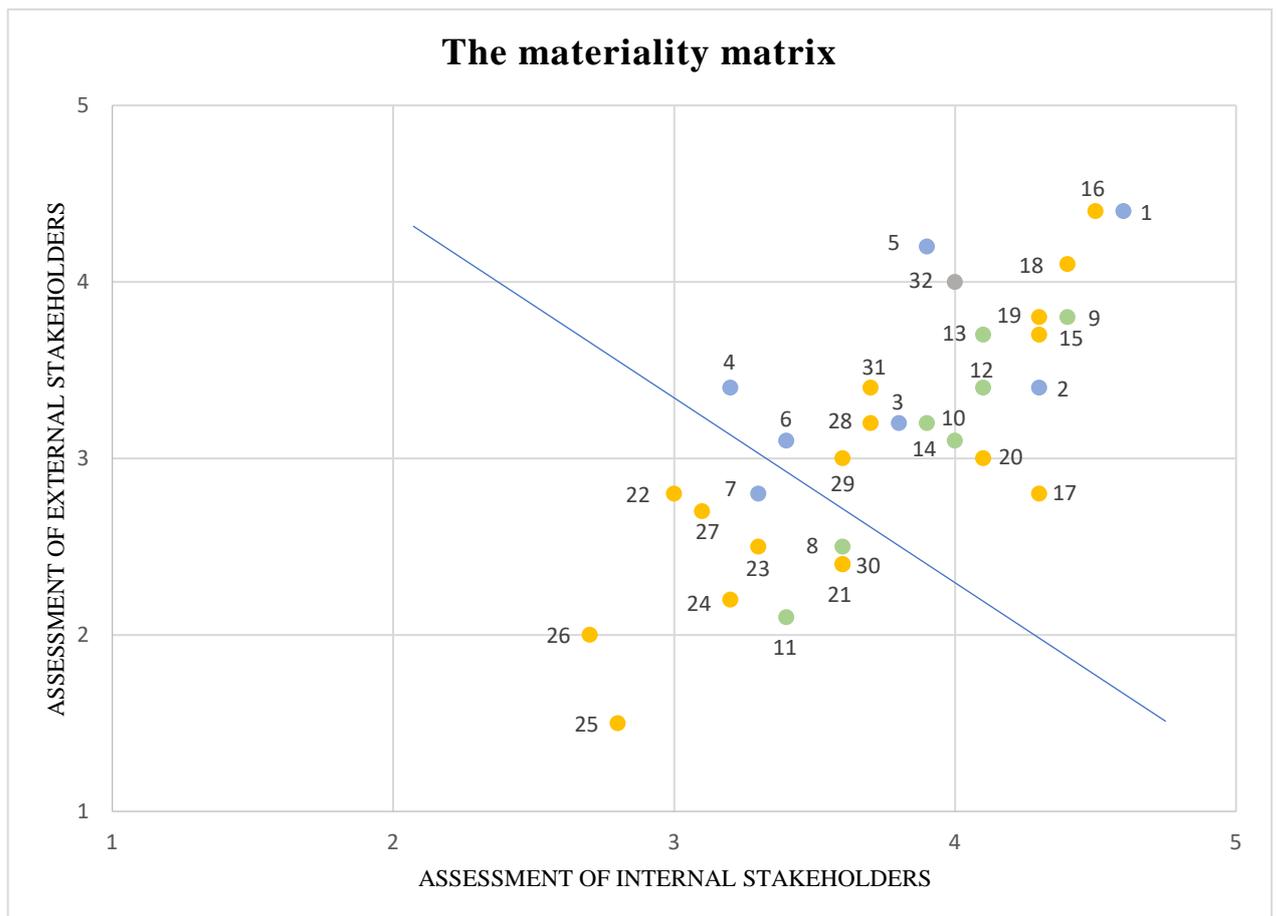
Based on the results of the survey, a materiality matrix was built and included 32 significant topics in the field of economic, environmental and social aspects from the list of the GRI Standards indicators as well as a materiality matrix specific to KCM. As part of the materiality matrix construction, the results of internal and external stakeholders on the horizontal and vertical axes of the matrix, respectively, were used. The rating scale used in the matrix ranges from 1 to 5 points.

A complete list of material topics is provided below. Those that are identified as the most significant are marked with a tick.

Complete list of material topics		The most significant topics for KCM
Economic		
1	Economic performance	✓
2	Market presence	✓
3	Indirect economic impacts	✓
4	Procurement practices	✓
5	Anti-corruption	✓
6	Competitive barriers	✓
7	Taxation	-
Environmental		
8	Materials	-
9	Energy	✓
10	Water and waste water	✓
11	Biodiversity	-
12	Emissions	✓
13	Waste	✓
14	Supplier Environmental Assessment	✓
Social		
15	Employment	✓
16	Labor and labor relations	✓
17	Occupational health and safety	✓
18	Training and education	✓
19	Diversity and Equal Opportunity	✓
20	Non-discrimination	✓
21	Freedom of association and collective bargaining	-
22	Child labour	-

23	Forced or compulsory labor	-
24	Security practices	-
25	Rights of Indigenous and Minority Peoples	-
26	Local communities	-
27	Social assessment of suppliers	-
28	Public policy	✓
29	Consumer health and safety	✓
30	Marketing and labeling	-
31	Client Privacy	✓
Specific Topics for Financial Sector Institutions		
32	Responsible investment	✓

The materiality matrix indicating the most significant topics of KCM is presented below. Topics in the upper right corner of the matrix are recognized as the most important topics for disclosure in the Report.



- Economic
- Environmental
- Social
- Specific

Key events in sustainable development in 2021

- the Sustainable Development Policy of Kazyna Capital Management JSC was updated by resolution of the KCM Board of Directors dated September 9, 2021 (Minutes No. 16/21);
- Stakeholders' scorecard of Kazyna Capital Management JSC was approved by resolution of the Board of Directors of KCM dated March 18, 2021 (Minutes No. 5/21), which determines the list of key stakeholders and the degree of their influence;
- the Action Plan in the field of sustainable development of Kazyna Capital Management JSC for 2021-2022 was approved by resolution of the KCM Board dated November 2, 2021 (Minutes No. 58/21);
- Fitch Ratings has assigned KCM Long-Term Foreign and Local Currency Issuer Default Ratings (IDRs) of «BB+» with a Stable Outlook. Fitch has also assigned a national scale rating of «AA (kaz)» to KCM;
- by resolution of the Board of Baiterek National Managing Holding JSC, the Annual Report for 2020 was approved;
- Sustainable Development Report of Kazyna Capital Management JSC for 2020 was prepared and published. It is the first document that reveals the main aspects of KCM's activities in the field of environmental, social responsibility and corporate governance;
- a strategic session of Kazyna Capital Management JSC was held attended by representatives of the Sole Shareholder, members of the Board of Directors, the Management Board, heads of business units of KCM wherein the development strategy of KCM, new areas of activity, as well as the introduction of sustainable development and ESG standards in the Company were discussed;
- in the Q4, 2021, the IAS assessed the corporate governance system at Kazyna Capital Management JSC, following which, the assessment of the compliance of KCM management with the requirements of the best world practice was 88.6%;
- structural changes were made in KCM and the KCM group of companies by merging QazTech Ventures JSC and Kazakhstan Project Preparation Fund LLP, resulting headcount optimization in 2021 to 17%;
- internal regulations in the field of sustainable development, plans to improve the corporate governance system are approved.

1. Company Profile

1.1. KCM Profile

KCM is a private equity fund established in 2007 to promote the sustainable development of the national economy.

The KCM activities are aimed at creating an infrastructure for direct investment in Kazakhstan, attracting foreign investment in priority sectors of the economy and creating joint direct investment funds (DIF) to finance Kazakhstani projects.

In February 2007, the President of the Republic of Kazakhstan in his annual Message to the people of Kazakhstan announced the initiative to create a fund of direct investment funds. In pursuance of the instructions of the Head of State, the Board of Directors of Kazyna Sustainable Development Fund JSC on March 7, 2007 decided to establish Kazyna Capital Management JSC.

In partnership with international institutional investors, sovereign wealth funds and international financial institutions, KCM invests and manages private equity funds. KCM funds provide capital to companies in various sectors of the economy with the aim of further growth and competitiveness.

The KCM's partners are the European Bank for Reconstruction and Development (EBRD), the International Finance Corporation (IFC), Wolfensohn Capital Partners global private equity fund, Mubadala UAE state-owned holding company, CITIC Group Chinese investment company,

500 Startups American venture capital fund, Quest Ventures largest fund in Southeast Asia, DEG-Deutsche Investitions-und Entwicklungsgesellschaft German Development Institute, TAV Holding large Turkish company and others.

In order to effectively manage portfolio funds, KCM attracts international management companies with many years of successful experience in the industry. Thus, by transferring international experience, innovative knowledge, the latest technologies and management strategies in the field of private equity, KCM strives to develop financing tools, form a sustainable infrastructure for direct investment and build up the internal competencies of the KCM team.

Since its inception, KCM has been a key player and driver of the private equity market in Kazakhstan. Today, KCM is a member of 16 direct investment funds. Over the years, KCM has financed 99 projects. Funds with the KCM participation made investments in the amount of 1.8 billion US dollars among them 0.6 billion US dollars were invested by KCM to DIF.

The key tasks that KCM solves as part of its mission to promote sustainable economic development in Kazakhstan are:

1. Engaging the potential of direct investment as an asset class through invested capital, business network of contacts, experience and knowledge of KCM employees.
2. Development of business entities with great potential to become market leaders in the region.
3. Assistance in the development of sustainable business based on internationally recognized environmental, social and governance standards (ESG).
4. Improving access to finance, technical equipment and production intensification in the AIC.
5. Develop local market for PPP infrastructure projects, stress assets and venture capital.
6. Focus on establishing a positive rate of return on each investment above the risk-free rate and achieving an annual multiplier of the value of the investment portfolio above 1.

These tasks are solved by implementing three strategic directions of KCM:

1. Promotion and development of the direct investment market and the national economy in Kazakhstan.
2. Increase in the investment portfolio of KCM.
3. Improving the company productivity;

The achievement of these goals and objectives is indicated in the Development Strategy of Kazyna Capital Management JSC for 2014-2023, approved by resolution of the KCM Board of Directors dated September 4, 2020 (Minutes No. 11/20) (updated on February 25, 2022 (Resolution of KCM Board of Directors No. 4/22) (the Development Strategy). The main innovation of this strategy was the expansion of the Company's investment mandate. Thus, having studied international experience and the needs of the domestic market, it was decided that KCM would participate in such segments as infrastructure and PPP, the distressed asset market and venture financing.

The KCM structure includes a subsidiary captive fund of Baiterek Venture Fund JSC, management company BV Management LLP, QazTech Ventures JSC and Kazakhstan Projects Preparation Fund LLP.

No.	Subsidiary	Direction of activity
1.	Baiterek Venture Fund Joint Stock Company, BVF JSC	BVF makes direct investments in promising companies in the non-commodity sectors of Kazakhstan's economy at the start-up, growth and maturity stages.

		BVF is active in the private equity market, implementing projects in partnership with such recognized international financial institutions as the EBRD, ADB and others.
2.	BV Management Limited Liability Partnership BVM LLP	BVM is the management company and acts as the General Partner (GP) in the DBK Equity Fund CV funds. and KCM Sustainable Development Fund I C.V. BVM provides financial support to companies operating in priority sectors of the economy of Kazakhstan.
3.	QazTech Ventures Joint Stock Company QTV JSC	On the basis of the National Innovation Fund JSC established in 2003, the National Agency for Technological Development JSC was established in 2011, which in 2019 was transformed into QazTech Ventures JSC. In 2021, 100% of the stake in the authorized capital of QTV was transferred to KCM. QTV is a national development institution in the field of technological development, carries out activities aimed at state support of industrial and innovative activities in the Republic of Kazakhstan. QTV support tools are aimed at developing and supporting the venture ecosystem by creating and participating in venture funds in order to attract investments for Kazakhstani start-up projects.
4.	Kazakhstan Project Preparation Fund Limited Liability Partnership KPPF LLP	The Public-Private Partnership Project Support Center Limited Liability Partnership was established in 2014 and in 2016 it was renamed into Kazakhstan Project Preparation Fund LLP. In 2021, 97.7% of the share in the authorized capital of KPPF was transferred to KCM. The subject of KPPF's activity is to promote investment attraction and economic development by providing services for financing the development of project documentation and advisory support for infrastructure projects, as well as projects in the manufacturing industry.

As of December 31, 2021, KCM has no branches and representative offices.

1.2. Contribution of KCM to the achievement of SDG-2030

Contribution to the achievement of the goals of the global community is a key element of sustainable development, and KCM strives to do everything possible to achieve this goal. We support the Sustainable Development Goals (the SDGs) of the United Nations, adopted in 2015 by the UN General Assembly, regularly evaluate the results of our activities in terms of the SDGs, and also identify areas where we can bring the greatest benefit.

The KCM development strategy and the Company's activities are integrated into the context of achieving the SDGs. The mission of KCM, our values, guidelines, strategic principles are in line with 17 SDGs. By recognizing the importance of all 17 SDGs, KCM contributes directly or indirectly to the achievement of 10 of the 17 SDGs. The ESG agenda is an integral part of our strategy, which will make it possible to contribute to a sustainable future for all of humanity.

The KCM tasks aimed at achieving the UN Sustainable Development Goals

UN Sustainable Development Goals	Company activities
SDG 3. Ensuring healthy lifestyles and promoting the well-being of citizens of all ages	<p>support for projects aimed at maintaining the health of the population and promoting a healthy lifestyle:</p> <ul style="list-style-type: none"> - <i>KCM provided funding to Invivo VDP LLP, a network of modern medical functional diagnostic centers;</i> - <i>KCM provided funding to Keruen-Medicus LLP for the construction of a maternity hospital in the Bostandyk district of Almaty. The new perinatal center with a total area of 4,000 m² will include a polyclinic and diagnostic unit, maternity and postpartum departments, operating rooms, pediatric and adult intensive care units;</i> <p>ensuring safe working conditions for employees; social package for employees; health insurance program for employees; providing employees with free access to medical services.</p>
SDG 4. Ensuring inclusive and quality education, encouraging lifelong learning opportunities	<p>creation of opportunities for professional development of employees; implementation of training programs for employees.</p>
SDG 5. Ensuring gender equality and empowering all women and girls	<p>creation of equal working conditions and career opportunities; ensuring an equal system of performance evaluation and remuneration.</p>
SDG 8. Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work	<p>support of large business and development of entrepreneurship by providing financial instruments to the Company and its subsidiaries:</p> <ul style="list-style-type: none"> - <i>implementation of such tasks as technological modernization of manufacturing enterprises, as well as an increase in production volumes and an expansion of the range of manufactured goods, which directly affects the creation of new and maintenance of existing jobs;</i> <p>promoting the sustainable development of the national economy, and diversifying it by financing projects in non-primary sectors of the economy, such as food and beverage production, transport and logistics, chemistry and petrochemistry, energy, paper and paper products, and etc.;</p> <p>compliance with the labor rules of employees, ensuring comfortable working conditions and protecting their health; providing employment opportunities through the creation of quality jobs with decent working conditions.</p>
SDG 9. Building sustainable infrastructure, promoting industrialization and innovation	<p>implementation of state programs aimed at the social and economic development of the country; support for projects aimed at increasing labor productivity in the manufacturing industry; development of private equity infrastructure; financing and advisory services for major infrastructure projects; support for industrial and innovative activities in the Republic of Kazakhstan:</p> <ul style="list-style-type: none"> - <i>QTV support tools are aimed at developing and supporting the venture ecosystem by creating and participating in venture funds in order to attract investments for Kazakhstani startup projects.</i>
SDG 10. Reducing inequalities within and between countries	<p>support for socially vulnerable segments of the population through the implementation of charitable projects. During 2021, the following charity projects were implemented:</p> <ul style="list-style-type: none"> - <i>charitable assistance was provided to orphans of the "Specialized Children's Home" under the Akimat of Nur-Sultan on Children's Day;</i>

UN Sustainable Development Goals	Company activities
	<p><i>the necessary children's things were purchased at the expense of employees for organizing a holiday and everyday life;</i></p> <p><i>- charitable assistance was provided to socially vulnerable families on the Day of Knowledge on September 1, by providing assistance in the purchase of school supplies.</i></p> <p><i>- on the occasion of "International Day of Older Persons" at the expense of the KCM employees, charitable assistance was provided to lonely elderly people by providing food and money for medicines.</i></p>
<p>SDG 11. Ensuring openness, security, resilience and environmental sustainability of cities and towns</p>	<p>support for large infrastructure and industrial projects in the regions:</p> <p><i>- in 2019, KCM financed a gasification project for the city of Nur-Sultan and the northern regions of the country, following the results of the implementation; 171 urban and rural settlements were connected to the gasification system.</i></p>
<p>SDG 12. Ensuring the transition to sustainable consumption and production patterns</p>	<p>support for "green" projects in the field of renewable energy;</p> <p>promoting responsible attitude to the environment;</p> <p>responsible and rational consumption of natural resources;</p> <p>application of resource-saving technologies in the Company's office;</p> <p>cooperation with reliable suppliers, considering and implementing the principles of sustainable development.</p>
<p>SDG 16. Promoting a peaceful and inclusive society for sustainable development, ensuring access to justice for all, and building effective, accountable and inclusive institutions at all levels</p>	<p>participation in the development/updating of legal acts affecting the interests of the Company;</p> <p>participation in increasing the investment attractiveness of the Republic of Kazakhstan;</p> <p>increasing transparency:</p> <p><i>- as part of obtaining the status of a KASE listed company in 2021, KCM successfully fulfills its obligations for the full and high-quality disclosure of information about its activities;</i></p> <p>development of internal regulatory documents for conflict resolution.</p>
<p>SDG 17. Strengthening the means of implementation and revitalization of the global partnership for sustainable development</p>	<p>cooperation with international institutions and financial organizations on sustainable development issues;</p> <p>participation in conferences, forums, round tables to promote the SDGs in Kazakhstan;</p> <p>support for national and global initiatives in the field of sustainable development implemented by international and Kazakhstani organizations:</p> <p><i>- KCM is considering the issue of joining the UN Association on the Principles of Responsible Investments in order to make a full-scale transition to the "responsible investment" model. Membership in this association will contribute to building up the internal competencies of KCM in the field of responsible investment and exchange of experience with international institutional investors and other financial organizations.</i></p> <p>interaction with state bodies, including the promotion of practices in the field of sustainable development.</p>

1.3. Sustainable Development

KCM pays special attention to integrating the principles of sustainable development and best practices in the field of corporate and social responsibility into the activities of KCM and its subsidiaries.

Moreover, KCM strives to implement ESG factor assessment at all stages of the investment process – searching for project proposals, making investment decisions, monitoring the life cycle of funded projects (including environmental and social impact assessment) and project exit.

The main goal of introducing the practice of "responsible investment" is to reduce the risks posed by portfolio companies to society and the environment, and to increase the sustainability of companies' business processes in order to develop their competitiveness.

To date, KCM has completed updating the main internal regulatory documents that are aimed at introducing ESG principles into key business processes. The Company will further strive to intensify work in this direction, including in view of the ESG factors at all stages of the investment process - searching for project proposals, making investment decisions, monitoring the life cycle of funded projects (including environmental and social impact assessment) and exit from the project.

Thus, by resolution of the Company's Board of Directors dated September 9, 2021 (Minutes No. 16/21), the Sustainable Development Policy of Kazyna Capital Management JSC (the Policy) was updated; its purpose is to introduce a management system in the field of sustainable development which will make it possible to follow the principles of sustainable development, develop an effective system of interaction with stakeholders, confirm KCM's commitment to sustainable development standards, as well as ensure a long-term sustainable trend for improving KCM's key indicators, while maintaining a balance of interests of stakeholders.

The policy is a fundamental document for improving the activities of KCM and its subsidiaries in the field of sustainable development.

Moreover, focusing on global trends in the field of commitment to the principles of responsible investment and their impact on the sustainability and profitability of projects, since 2021 KCM has been actively working to integrate ESG approaches into investment processes. By resolution of the KCM Board of Directors dated March 17, 2022 (Minutes No. 06/22), the Investment Policy of Kazyna Capital Management JSC (the Investment Policy) was updated in terms of evaluating projects for compliance with ESG standards and monitoring the mitigation of risks associated with ESG during life cycle of an investment project. In accordance with the updated Investment Policy, KCM does not invest in political companies and does not finance political activities.

Assistance in the development of sustainable business based on internationally recognized environmental, social and management standards is one of the strategic objectives of KCM.

As part of the KCM Development Strategy revision in early 2022, a strategic objective is provided to promote the development of sustainable business based on internationally recognized environmental, social and governance standards. One of the strategic key performance indicators (KPI) of the Company in the field of sustainable development is the "Sustainable Development Rating". The minimum target value of this KPI provides for obtaining a rating of "D" in 2023.

Thus, within the framework of its activities, KCM ensures the consistency of economic, environmental and social goals including growth of investments in the creation and development of business projects; the growth of the manufacturing industry; increase in labor productivity; creation of new jobs; optimal use of limited resources; ensuring transparent competitive procedures and equal opportunities for employment; ensuring labor safety and maintaining the health of employees, etc.

KCM's approach to sustainable development management is based on the alignment of strategic priorities for the development of activities with the fundamental principles in the field of sustainable development, universal values, national development priorities and is regulated by a

number of internal regulations that systematize the Company's activities in the field of sustainable development.

KCM in its activities is guided by the following principles of sustainable development, enshrined in the Corporate Governance Code: transparency, accountability, ethical behavior, respect for the interests of stakeholders, legality, respect for human rights, intolerance to corruption, inadmissibility of conflicts of interest. Moreover, KCM also adheres to the principles of the UN Global Compact in the field of human rights, labor relations, environmental protection and anti-corruption.

In order to implement the Policy, by resolution of the KCM Board dated November 2, 2021 (Minutes No. 58/21), the Company's Sustainable Development Action Plan for 2021-2022 was approved (the Action Plan).

The action plan provides for 29 measures aimed at introducing the principles of sustainable development into the main processes of KCM aimed at improving indicators both in the administrative and economic activities of the Company and in investment activities.

At the end of 2021, in pursuance of the Action Plan, the Company held charitable events, provided professional development for employees, workshops, trainings with speakers from various fields of activity on various topics, cases for employees of KCM and its subsidiaries were held as part of the Friday Talk project.

As part of the Action Plan for 2022, the following main activities are planned:

- inclusion of the sustainable development principles in agreements, contracts with partners/suppliers;
- joining the UN Association on the Principles of Responsible Investments;
- development of the Company's "green office" Concept;
- development and approval of the Company's Sustainable Development Action Plan for 2023-2024, in order to further work on the implementation and improvement of environmental and social responsibility and corporate governance practices in the KCM activities.

As part of sustainable development, KCM activities are aimed at:

- development of direct investment infrastructure in Kazakhstan in order to promote the sustainable development of Kazakhstan;
- participation in the implementation of state programs to support large industrial projects;
- implementation of ESG factors in all stages of the investment process - from the search for project proposals to monitoring the environmental and social impact of funded projects;
- attraction of investments and popularization of financial instruments both in the domestic and foreign markets, recognizing the importance of disclosing non-financial information for investors.

1.4. Stakeholder engagement

In order to implement a successful and effective policy in the field of sustainable development, KCM pays due attention to interaction with stakeholders.

In order to organize stakeholder relationship management, KCM focuses its activities on the following basic principles:

- respects and considers the interests of all stakeholders;
- strives to actively inform target audiences about its activities;
- ensures objectivity, reliability, independence and a high level of information transparency in terms of the implementation of state programs, certain internal procedures (purchases, competitive selection among external candidates for employment, provision of financial and non-financial services), as well as the use of financial resources;
- provides open and productive cooperation with all stakeholders;
- fulfills its obligations to stakeholders;
- receives feedback from interested parties on a regular basis.

Approved by the resolution of the KCM's Board of Directors dated March 18, 2021 (Minutes 5/21), the Stakeholders' scorecard determines the list of key stakeholders and the degree of their influence. The scorecard makes it possible to systematize and visualize information about the Company's environment in order to develop an effective strategy for working with each of the stakeholders. The definition of stakeholders and work with them is one of the tools that makes it possible to improve the business reputation of the Company, establish effective and balanced relations with all stakeholders.

The main forms of interaction with stakeholders are joint programs and projects, contracts, agreements, memorandums of cooperation, joint working groups, reporting on activities, meetings, forums, publications, KCM Internet resource, interviews.

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

Principles of identification and selection of stakeholders

The process of organizing KCM interaction with stakeholders is based on the principle of involvement, which implies the concern of stakeholders at all stages of the process of managing KCM activities and the involvement of stakeholders in the discussion of significant topics and important issues, potential risks and limits of responsibility.

Involvement is achieved by following three principles:

1. Materiality

KCM clearly defines its stakeholders and recognizes which stakeholder interests are significant;

2. Completeness

In the course of its activities, KCM draws attention to the concerns of stakeholders, namely, understands their views, needs and expected results of activities, as well as opinions on significant issues;

3. Responding

KCM consistently responds to all significant questions of stakeholders.

During the reporting period, KCM received no complaints from external parties regarding confidentiality violations, leakage, theft or loss of customer data. No cases of violations of information security of customer data by the Company have been recorded.

Moreover, KCM, as part of its core business, does not have a significant impact on the health and safety of customers as a result of the services provided. During the reporting period, cases of violations in relation to the services provided by KCM for health and safety were not identified.

Main stakeholder groups and mechanisms of interaction with them

Groups	Mechanisms of interaction	Concerns	Work conducted
Sole Shareholder	<ul style="list-style-type: none"> • holding meetings of the Board of Directors and Committees under the Board of Directors; • execution of orders of the Sole Shareholder; • participation in the development and updating of legal documents affecting the interests of the Company; • preparation of responses to incoming requests; • publication of financial statements and annual report on the Company's website, as well as disclosure of other information in accordance with the law and best practices. 	<ul style="list-style-type: none"> • observance of the interests of the Company's Sole Shareholder; • development strategy implementation; • transparency and disclosure. 	<ul style="list-style-type: none"> • ensuring the implementation of the rights of the Sole Shareholder within the framework of the principles of corporate governance; • provision of reliable information on the results of the financial and economic activities of the Company; • implementation of the Company's Development Strategy; • implementation of state programs and monitoring of results.
Employees	<ul style="list-style-type: none"> • functioning of internal communication channels; • creation of optimal conditions at work, medical insurance; • employee remuneration; • training and development. 	<ul style="list-style-type: none"> • competitive salary; • safe working conditions; • professional growth; • high-quality social package (medical insurance, annual paid leave); • professional development; • guarantee of human rights and ethical standards observance. 	<ul style="list-style-type: none"> • maintaining an open, transparent, aimed at the formation of qualified and motivated personnel, personnel policy; • providing all employees with equal opportunities to implement their potential in the course of their work, impartial and fair assessment of their results, selection and career growth of employees solely on the basis of professional abilities, knowledge and skills; • introduction of the Ombudsman Institute; • support in conducting training and / or improving the skills and competence of employees; • holding cultural corporate events for employees; • informing employees about vacancies via e-mail.

Groups	Mechanisms of interaction	Concerns	Work conducted
Subsidiaries	<ul style="list-style-type: none"> • holding round tables/competence centers with subsidiaries; • Correspondence and sending requests to subsidiaries. 	<ul style="list-style-type: none"> • observance of the interests of shareholders / participants. 	<ul style="list-style-type: none"> • implementation of the rights as a shareholder/participant of a subsidiary by the Company.
State bodies	<ul style="list-style-type: none"> • consideration of policy documents, draft legal documents affecting the interests of the Company; • payment of taxes to the state budget; • participation in the implementation of state programs and initiatives; 	<ul style="list-style-type: none"> • state regulation. 	<ul style="list-style-type: none"> • participation in working groups, forums, conferences; • business correspondence and preparation of responses to inquiries.
Customers	<ul style="list-style-type: none"> • publications in the media, Company's website. 	<ul style="list-style-type: none"> • commercial interests; • social interests. 	<ul style="list-style-type: none"> • placement of up-to-date public information about the Company and its activities on the Company's Internet resource; • business correspondence, meetings with (potential) clients; • ensuring compliance with the expectations of consumers of financial products and services of the Company and subsidiaries; • conclusion of contracts, control over execution.
Suppliers	<ul style="list-style-type: none"> • procurement and conclusion of contracts for the purchase of goods, works and services. 	<ul style="list-style-type: none"> • transparent procurement system; • compliance with commercial agreements. 	<ul style="list-style-type: none"> • conclusion of contracts, control over the execution of contractual relations; • ensuring a transparent and efficient procurement system; • preventive measures to combat corruption.

Groups	Mechanisms of interaction	Concerns	Work conducted
Partners and investors	<ul style="list-style-type: none"> • holding meetings with representatives of foreign organizations; • participation in forums, conferences, exhibitions, including within the framework of visits of the Head of State of the Republic of Kazakhstan, the Prime Minister and Deputy Prime Ministers of the Republic of Kazakhstan; • publication of financial statements and annual report on the Company's Internet resource. • negotiations and meetings with partners. • conclusion of agreements and memorandums of cooperation. • publication of the financial statements of the annual report on the Company's website. 	<ul style="list-style-type: none"> • strong financial position; • sustainable development; • commercial interests. 	<ul style="list-style-type: none"> • implementation of ESG principles in the Company's activities and its subsidiaries; • effective financial management; • business correspondence, meetings with (potential) investors); • attraction of investments for the project's implementation; • obtaining credit ratings; • mutually beneficial cooperation, improvement of business and technological processes and their automation; • conclusion of contracts, control over the execution of contractual relations.
Financial institutions	<ul style="list-style-type: none"> • negotiating and meetings with representatives of financial institutions, rating agencies; • publication of financial statements, annual report on the Company's website. 	<ul style="list-style-type: none"> • placement of free cash on deposit accounts, maintenance of special accounts. 	<ul style="list-style-type: none"> • conclusion of contracts, control over the execution of contractual relations; • improvement in financial performance.
Portfolio companies	<ul style="list-style-type: none"> • negotiating and meetings, conferences; • monitoring, visits, collection of financial and management documentation; • press releases, mass media, Internet resource of the Company. 	<ul style="list-style-type: none"> • mutually beneficial cooperation; • contracts; • agreements. 	<ul style="list-style-type: none"> • conclusion of contracts, control over the execution of contractual relations; • participation in decision-making in collegiate bodies; • development of investment policy, regulations and procedures that ensure investment activities, financing conditions.

Groups	Mechanisms of interaction	Concerns	Work conducted
Mass media	<ul style="list-style-type: none"> • development of annual media plans; • holding press conferences and meetings with recipients of information; • placement of information about the Company's activities in the media, the Internet, on the Company's Internet resource at https://kcm-kazyna.kz/. 	<ul style="list-style-type: none"> • publications and informing about the Company's activities. 	<p>Organization of information activities by:</p> <ul style="list-style-type: none"> • informing the target audience of the strengths and capabilities of the Company; • creating a positive public opinion; • ensuring transparency of the Company's activities through reliable, regular, continuous and timely disclosure of information; • maintaining the recognition of the Company's brand; • presenting the results of activities in the main areas of the Company's activities; • providing press releases and arranging interviews; • placement of reports and other publications.

1.5. Partnership for sustainable development

Within the framework of SDG 17, KCM recognizes that the successful implementation of the sustainable development agenda is impossible without the establishment of inclusive partnerships between governments, the private sector, and company at the global, regional and local levels, built on principles and values, common vision and common goals.

A strengthened global partnership for sustainable development, complemented by multi-stakeholder partnerships, mobilizes and shares knowledge, experience, technology and financial resources to support the achievement of the Sustainable Development Goals in all countries.

Moreover, gender equality is not only a fundamental human right, but also a necessary foundation for achieving peace, prosperity and sustainable development. In order to implement SDG 5, on November 5, 2021, as part of the IV Forum of Rural Women of Kazakhstan "Women's entrepreneurship in the countryside - the path to economic stability and sustainable development", an agreement was signed on the Company's accession to the accelerator of the World Economic Forum "Closing the Gender Gap".

Closing the Gender Gap accelerator is a global initiative created to close the gender gap in the economy. The accelerator's activities are aimed at resolving issues related to the employment of women, including simplification of access to jobs, ensuring equal pay and increasing the number of women in leadership positions.

As part of the signed agreement, KCM will take an active part in the work of the accelerator to find common solutions to reduce the gender gap and to expand the economic opportunities of women in Kazakhstan.

Moreover, in 2022, KCM is actively working to join the Women's Empowerment Principles (the WEPs) created by the UN Global Compact and UN Women. WEPs are a set of principles that offer business guidance on how to promote gender equality and women's empowerment in the workplace, marketplace and society.

By joining the WEPs community, KCM is demonstrating its commitment to this program at the highest company level and working together in multi-stakeholder networks to develop business practices that empower women.

As part of the KCM Development Strategy revision in early 2022, a strategic objective is provided to promote the development of sustainable business based on internationally recognized environmental, social and governance standards. As part of this task, KCM, together with the Ministry of Ecology, Geology and Natural Resources of the Republic of Kazakhstan, is working on the issue of creating an infrastructure and climate fund with a focus on investments in projects to combat climate change in the Republic of Kazakhstan.

The green and sustainable finance market in Kazakhstan is actively developing. KCM, in turn, is working with external partners to develop a "Green equity" tool to expand the pipeline of environmentally friendly, energy efficient and low-carbon projects. The introduction of this tool will allow external verification of projects for compliance with the criteria of "green" projects, including "green" taxonomy. In the future, these projects can be financed with funds raised by KCM exclusively for "green" projects on favorable terms for project companies.

KCM, as a fund of funds and a member of the GPCA (Global Private Capital Association), an international private equity association, also has the opportunity to cooperate with global venture funds, which will further increase the attractiveness of Kazakhstani projects in the global market. KCM participates in the development of the venture financing segment with a focus on investments in the early (post-seed) and growth stages. Website of the International Direct Investment Association GPCA (Global Private Capital Association) <https://www.globalprivatecapital.org/>

The "Atameken" National Chamber of Entrepreneurs of the Republic of Kazakhstan is a non-profit organization established to strengthen the negotiating power of business with the Government of the Republic of Kazakhstan and state bodies. The main task of Atameken is to protect the rights and interests of business and ensure the wide coverage and involvement of all entrepreneurs in the process of forming legislative and other regulatory rules for business.

Moreover, the National Chamber takes a stand in favor of the active involvement of Kazakhstani business in the state programs implementation; protects the interests of business circles in government and local governments; expands and strengthens ties with the business community of foreign countries, and also supports Kazakhstani business in the framework of integration processes. Website of the National Chamber of Entrepreneurs: <https://atameken.kz/>

As part of the transition to the "responsible investment" model, KCM is considering the issue of joining the UN Association as per the Principles of Responsible Investments. The members of the Association are international DIFs aimed at developing the concept of "responsible investment" by introducing ESG standards into investment activities. Joining the Association will allow the exchange of experience in the field of responsible investment with institutional investors and will provide an opportunity to assess the progress of integrating ESG standards into business processes. UN Principles of Responsible Investments website: <https://www.unpri.org/>

2. G - Corporate Governance

2.1. Corporate governance system

KCM carries out its activities on the basis of the Corporate Governance Code, approved by resolution of Baiterek National Managing Holding JSC dated January 12, 2018 (Minutes No. 1/18) (the Code), and constantly monitors the main changes in international corporate governance trends, in national legislation and implements international corporate governance practices.

The approved corporate governance model ensures the effectiveness of the decision-making system, observance of the interests of the Sole Shareholder, high standards of information disclosure, the functioning of an effective risk management and internal control system.

The fundamental principles of KCM's corporate governance in accordance with the Corporate Governance Code are: *the principle of separation of powers; the principle of protecting the rights and interests of the Sole Shareholder; the principle of effective management of KCM by the Board of Directors and the Management Board; the principle of sustainable development; the principle of risk management, internal control and internal audit; the principle of regulation of corporate conflicts and conflicts of interest; principles of transparency and objectivity in disclosing information about KCM activities.*

By resolution of the KCM Board of Directors in November 2021, an Action Plan was approved to improve the corporate governance system of Kazyna Capital Management JSC for 2021-2022, aimed at implementing the fundamental principles of the Code.

2.2. Corporate governance structure

The corporate governance model of KCM is aimed at ensuring transparency and accountability and provides for a clear delineation of powers and responsibilities between bodies, officials and employees of KCM.

In accordance with the Charter, the main bodies are:

Sole Shareholder is the supreme management body of KCM;

Board of Directors is the governing body;

Management Board is the executive body.



Under the KCM's Board of Directors, there are committees with the competence to consider the issues on audit and risks, strategic planning and corporate governance, personnel, remuneration and social issues.

Sustainable development management in KCM is carried out within the framework of the general system of corporate management of the Company's activities and is an integral part of it.

The KCM's Board of Directors provides strategic guidance and control over the implementation of sustainable development.

The KCM Board ensures the formation of an appropriate sustainable development management system and its implementation, and also approves the action plan in the field of sustainable development.

By resolution of the KCM Board dated November 2, 2021 (Minutes No. 58/21), the Sustainable Development Action Plan of Kazyna Capital Management JSC for 2021-2022 was approved.

The KCM's Management Board submits a report on sustainable development to the Board of Directors on an annual basis in the Q3 of the year following the reporting one.

By resolution of the KCM's Board of Directors dated September 9, 2021 (Minutes No. 16/21), the Sustainability Report of Kazyna Capital Management JSC for 2020 was approved.

Personal responsibility for the implementation of activities and achievement of key performance indicators in the field of sustainable development within their competence is borne by the heads of the relevant structural units, managing directors, members of the KCM Management Board.

The main department coordinating the issues of sustainable development of KCM is the Department of Strategic Development and International Cooperation, which performs the following work:

carries out planning activities in the field of sustainable development;
coordinates the activities of structural units of KCM in the field of sustainable development;
prepares a report on the action plan implementation in the field of sustainable development;
prepares an annual report on sustainable development;
interacts with international organizations, institutions, agencies on sustainable development issues.

In the reporting period, the corporate secretary of the Company held a strategic session of Kazyna Capital Management JSC with the participation of representatives of the Sole Shareholder, members of the Board of Directors of KCM, the Management Board, Heads of business units of KCM and its subsidiaries, during which the development strategy of KCM, new areas of activity, as well as the implementation of sustainable development and ESG standards in the Company were discussed.

According to the Code of Business Ethics of the Company approved by the KCM's Board of Directors on October 23, 2018 (Minutes No. 9/18), officials and employees of the Company, according to their competence, are obliged to respond to problems related to violation of business ethics requirements by:

- 1) taking timely measures to correct the situation and eliminate shortcomings;
- 2) adoption / proposal of effective disciplinary measures in accordance with the procedure established by law;
- 3) holding consultations with the relevant business units/bodies of the Company and providing them with the necessary information.

During 2021, there were no appeals on critical issues to the KCM's Board of Directors.

Internal Audit Service is the body exercising control over the financial and economic activities of KCM, assessment in the field of internal control, risk management, execution of documents in the field of corporate governance.

In order to prepare recommendatory decisions for the Management Board in certain areas of activity, including for the preparation and preliminary consideration of issues within the

competence of the Management Board, committees have been established, including the Committee for Planning and Evaluation of Activities, as well as the Investment Committee.

In accordance with the Code, KCM in its activities must strictly comply with the provisions of the Code and assess corporate governance by the Internal Audit Service once every two years, as well as an independent assessment of corporate governance involving external auditors at least once every three years, the results of which are posted on corporate website of the Company.

By resolution of the KCM's Board of Directors dated January 28, 2022 (Minutes No. 2/22), the audit report "Assessment of the Corporate Governance System" was approved based on the results of diagnostics of corporate governance in the Company.

The assessment of corporate governance was carried out on three main components: Structure, Processes and Transparency, and is aimed at fulfilling the criteria of the corporate governance system provided for by the Methodology for diagnosing corporate governance in Kazyna Capital Management JSC.

The assessment of the compliance of the Company's management with the requirements of the best world practice amounted to 88.6%; earlier, according to the results of 2019, the result was 77.7%.

In order to eliminate the identified findings, the Internal Audit Service issued relevant recommendations to improve KCM's corporate governance.

By resolution of the Board of Directors of KCM dated January 28, 2022 (Minutes No. 2/22), based on the results of consideration of the above findings identified during the performance of the Audit Task, the audit object approved the Action Plan for Improving Corporate Governance of KCM based on the results of the audit task "Assessment of the Corporate Governance System" in the form of a Plan of Corrective and/or Preventive Actions for the Company based on the results of the audit "Assessment of the Corporate Governance System".

An independent corporate governance assessment is planned for 2022.

According to Article 36.1 (5) the Law "On Joint Stock Companies" and the Charter, determination of the quantitative composition, term of office, election of members of the Board of Directors of Kazyna Capital Management JSC, as well as early termination of their powers is the exclusive competence of the Sole Shareholder represented by Baiterek National Managing Holding JSC.

The personal and quantitative composition of the Board of Directors is determined by resolution of the Sole Shareholder. The formation of the Board of Directors and the process of selecting members of the Board of Directors, including independent directors, is carried out in accordance with the Law, the Charter, the Corporate Governance Code of KCM, the Regulations on the Board of Directors of KCM.

The composition of the Board of Directors is formed from among the representatives of the Sole Shareholder, the Chairman of the Board of KCM, independent directors and other persons.

As of December 31, 2021, the Board of Directors consisted of 5 members - the Chairman of the Board of Directors, a representative of the Sole Shareholder, a representative of KCM and 2 independent directors.

The sole shareholder of KCM elects the members of the Board of Directors on the basis of clear and transparent procedures in view of the competencies, skills, achievements, business reputation and professional experience of the candidates. When re-electing individual members of the Board of Directors or its full composition for a new term, their contribution to the effectiveness of the activities of the KCM's Board of Directors is considered.

A candidate member of the Board of Directors must have relevant work experience, knowledge, qualifications, positive achievements and an impeccable reputation in the business and industry environment necessary to fulfill its duties and organize the effective work of the entire Board of Directors in the interests of KCM and the Sole Shareholder.

In order to ensure diversity in gender composition, in case of equality of assessments of the compliance of candidates for the Board of Directors with the requirements, the KCM strives to give preference to female candidates.

The Chairman of the KCM's Board of Directors is elected by the Board of Directors from among the members of the Board of Directors by open voting in view of the recommendation of the Sole Shareholder.

Candidates for independent directors must be free from any material interests or relations with the Company, its management or its property, which could jeopardize the exercise of objective judgment, have sufficient professionalism and independence to make independent and objective decisions, free from influence of Sole shareholder, executive body and other concerned parties.

The search for candidates is initiated by business unit of the Sole Shareholder, which ensures the effectiveness of the activities of the KCM's Board of Directors by posting information on the search and selection of candidates for the position of an independent director on the website of Baiterek Holding and / or KCM with requirements for the candidate.

Committees of the Board of Directors of KCM consist of members of the Board of Directors of KCM who have the necessary professional knowledge, competencies and skills to work in a particular committee, while the composition of the committees should consist of 2/3 of independent directors.

Committee members who are not members of the Board of Directors are appointed by the Board of Directors as per the proposal of the Chairman of the relevant committee.

The Chairman of the Board of Directors of KCM in the reporting period was not the Chairman of the Executive Body.

Membership of the Board of Directors

As of December 31, 2021, the KCM Board of Directors was represented as follows:

Membership of the Board of Directors	
Mukhamedzhanov Adil Bektassovich	Chairman of the Board of Directors of KCM, Deputy Chairman of the Board of "Baiterek" National Managing Holding JSC
Son Vyacheslav Vladimirovich	Member of the Board of Directors of KCM, Managing Director of Baiterek National Managing Holding JSC
Nicholas Robert Page	Member of the Board of Directors of KCM, Independent Director, Chairman of the Committee for Strategic Planning and Corporate Development of the Board of Directors of KCM, Chairman of the Audit and Risks Committee under the KCM's Board of Directors
Ushbayev Anuar Daniyarovich	Member of the Board of Directors of KCM, Independent Director, Chairman of the Personnel, Remuneration and Social Issues Committee under the KCM's Board of Directors
Kuatova Ainur Sainovna	Member of the KCM's Board of Directors, Chairman of the KCM's Management Board

Structure of the Company's Board of Directors as of December 31, 2021:

Structure	Q-ty
Chairman of the Board of Directors	1
Independent Directors	2
Representative of the Sole Shareholder	1
KCM representative	1

Structure of the Company's Board of Directors by gender and age as of December 31, 2021:

Gender	up to 41	from 42 to 51	from 52 to 62
Male	3		1
Female		1	

2.3. Conflicts of interest

In order to prevent and resolve corporate conflicts and conflicts of interest in KCM, as well as coordinate the actions of all bodies and officials, by decision of the Board of Directors of KCM dated December 12, 2015 (Protocol No. 89) The Policy on the Settlement of Corporate Conflicts and Conflicts of Interest (hereinafter referred to as the Policy) has been approved, regulating the procedure and procedures for pre-trial settlement of conflicts, as well as the actions of bodies, officials and employees of the KCM in the framework of these issues.

Members of the Board of Directors and the Management Board, as well as employees of KCM, perform their official duties in good faith and reasonably, with due care and prudence in the interests of KCM and the Sole Shareholder, avoiding conflicts of interest. They ensure full compliance of their activities not only with the requirements of the legislation of the Republic of Kazakhstan, but also with ethical standards and generally accepted norms of business ethics.

Due to the commitment to high standards of corporate ethics, there were no cases of violations of the Policy on the Settlement of Corporate Conflicts and Conflicts of Interest in 2021.

In order to ensure the regulation of conflicts of interest, a list of affiliated persons is maintained in the KCM. To track potential conflicts of interest in the Company, members of the Board of Directors and the Management Board regularly provide information about affiliated persons.

In the event of corporate conflicts, the participants seek ways to resolve them through negotiations in order to ensure effective protection of the interests of the KCM and interested parties. At the same time, KCM officials promptly inform the Corporate Secretary and/or the Ombudsman about the presence (occurrence) of a conflict.

During 2021, no cases of corporate conflicts and conflicts of interest were recorded in the Company by the Corporate Secretary.

In order to implement the requirements of the legislation of the Republic of Kazakhstan and the Company's internal regulatory documents on combating corruption, resolving corporate conflicts and conflicts of interest, the Ombudsman institute has been introduced in the KCM.

The tasks of the Ombudsman include collecting information, complaints and other appeals from individuals and legal entities on the actions (inaction) of officials and employees of the Company, ensuring their consideration, as well as organizing the consideration of disputes arising on the application of business ethics, conflict of interest settlement.

All employees of the Company, clients, partners and other interested persons have the right to apply to the Ombudsman.

If it is impossible to resolve corporate conflicts in the Company through negotiations or other alternative ways of resolving corporate conflicts, they are subject to resolution in accordance with the legislation of the Republic of Kazakhstan.

The Company's Ombudsman initiates consideration of disputes on violation of the provisions of the KCM Code of Business Ethics, including in terms of corporate conflicts and conflicts of interest, and participates in their settlement.

There were no complaints about violations to the Ombudsman during 2021.

The Company has a comprehensive system of compliance control and anti-corruption, and a responsible structural unit has been identified – the Anti-Corruption Compliance Service (hereinafter referred to as the Service). The main functions of the Service are anti-corruption, prevention of conflicts of interest, consideration of appeals of individuals and legal entities on the

facts of violations of the requirements of the Code of Business Ethics, corruption and other illegal actions.

By the decision of the Board of the KKM dated February 27, 2019, the Rules for Organizing the work of the anti-corruption system in the Kazyna Capital Management Joint Stock Company were approved. The specified document is posted on the corporate website of KCM – <https://kcm-kazyna.kz> in order to inform customers, contractors, partners and the public about the anti-corruption standards and requirements adopted in the Company.

In accordance with these Rules, the Company has taken the following anti-corruption measures during 2021:

- anti-corruption monitoring was carried out, the results of which were brought to the attention of the KCM management on a quarterly basis;

- when conducting an expert examination of investment projects, checking potential suppliers involved in the procurement of goods, works or services for KCM, an analysis is carried out for signs of a conflict of interest among KCM officials and employees, as well as checking for negative facts regarding the relevant counterparties;

- in order to form an anti-corruption culture in the Company, explanatory work is carried out on a regular basis among employees in the field of anti-corruption legislation of the Republic of Kazakhstan and the requirements of internal regulatory documents;

- an internal analysis of corruption risks in the activities of KCM was carried out;

- as part of the formation of an anti-corruption culture, training was conducted for all employees of the KCM on compliance with the requirements of anti-corruption legislation and the organization of the anti-corruption system in the Company;

- Information on the ongoing anti-corruption work for the first and second half of 2021 has been sent to the Agency of the Republic of Kazakhstan for Combating Corruption.

In order to form an anti-corruption culture in the KCM, due attention is paid to informing and raising awareness of the Company's employees. Newly hired employees must necessarily familiarize themselves with the Company's Anti-Corruption Rules.

KCM is actively working to combat corruption through the introduction of control functions for the prevention, prevention and detection of corruption, as well as the formation of an atmosphere of rigid rejection of corruption in any of its manifestations in Society. Thus, the Company has feedback channels ("hotline") for collecting and processing relevant information. The service ensures the continuous functioning of the available feedback channels, as well as the confidentiality of the information received.

In 2021, all contractors who submitted applications for participation in the procurement of goods, works and services by the Company for the prevention of a conflict of interest, as well as contractors who submitted applications for sponsorship, for the prevention of a conflict of interest and to establish business reputation, were checked.

In 2021, the facts of corruption and fraud in the Company have not been established.

In the reporting period, on September 24, 2021, the Service jointly with the Press Service held a seminar (Friday Talk) with the participation of Vera Weaver, a representative of Lexis Nexis Risk Solutions, on the topic "Compliance control as a key element of corporate culture" for all KCM employees.

2.4. Evaluation of the activities of the Board of Directors

In accordance with the Regulations on the Board of Directors of KCM, approved by the decision of the Board of the Holding dated November 28, 2018 (Minutes No. 53/18), it is stipulated that the evaluation of the activities of the Board of Directors and its Committees should be carried out on an annual basis.

On December 7, 2021, the Board of Directors of KCM decided (Protocol No. 21/21) to evaluate the activities of the Board of Directors of KCM and its committees, as well as the

activities of the members of the Board of Directors of KCM for 2021 on their own, by means of a questionnaire.

As part of the evaluation, the Corporate Secretary sent out and collected questionnaires filled out by members of the Board of Directors of KCM. Based on the results of summarizing the results of the survey, a Report on the results of the evaluation of the activities of the Board of Directors of KCM and its Committees (hereinafter – the Report) has been prepared. The report was presented and discussed at a closed meeting of the Board of Directors of KCM. As part of the discussion of the Report, an analysis of the results of the self-assessment of members of the Board of Directors was demonstrated and indicators of skills and competencies were considered.

Based on the results of the survey, the strengths of the Board of Directors and its Committees were identified, as well as areas for improving activities.

In comparison with 2020, improvements were achieved in many indicators of the evaluation of the activities of the Board of Directors. The Company has strengthened the role of the Board of Directors in making key decisions: determining the KCM Development Strategy, investment and budget planning, establishing a system of motivation and evaluation of management activities, as well as supervision of the Company's assets and the reliability and effectiveness of risk management systems, internal control, internal audit and corporate governance systems.

During the period under review, KCM has achieved success in the development of the corporate governance system, an Action Plan has been developed and is being implemented to improve the corporate governance system.

In the reporting year, there were no lawsuits on issues of anti-competitive behavior, antitrust practices, monopolistic practices and the income received at the same time.

During the reporting period, there are no facts of non-compliance with laws/or regulations of the Republic of Kazakhstan in the environmental, socio-economic spheres, as a result of which fines and/or sanctions were imposed.

2.5. Information about rewards

The remuneration system of the Company's senior employees is determined in accordance with the Rules of Remuneration, Performance Evaluation and Remuneration of Senior Employees of the Kazyna Capital Management Joint Stock Company (approved by the decision of the Board of Directors of the KCM dated September 26, 2019 No. 9/19) and includes official salary, financial assistance for rehabilitation, remuneration based on the results of work for the corresponding period, as well as a one-time bonus for Public holidays.

Remuneration based on the results of work for the corresponding period is paid depending on the results of the evaluation of the activities of managers in order to financially reward them for their achievements and improve the efficiency of work, depending on the degree to which managers achieve strategic goals. The effectiveness of achieving the strategic goals of managers is assessed by two types of key performance indicators (KPIs): corporate and functional KPIs.

Independent directors are paid remuneration according to the decisions of the Sole Shareholder of the Company.

The Board of Directors of the Company determines the amount of the official salary, the terms of remuneration of the Chairman and members of the Management Board of the Company.

Annual remuneration is paid to the members of the Management Board based on the results of the approval of the audit of the Company's financial statements, subject to the achievement of the approved KPIs of the Company's executives. The decision of the Board of Directors of the Company dated June 7, 2021 (Minutes No. 08/21) approved remuneration based on the results of work for 2020 to the members of the Management Board of the Company in proportion to the time worked.

In 2021, the annual total remuneration of the Company's highest-paid employee increased by 18%, while the average annual total remuneration of all employees, with the exception of the highest-paid, increased by 24%.

The increase in the ratio of the percentage annual indicator was influenced by:

- 1) revision of the salary scheme as part of the job evaluation with the involvement of an international consulting company in the field of human resource management;
- 2) increasing the grades of positions as part of the revision of the functionality and responsibility of positions during the implementation of agile office.

2.6. Procurement practices

KCM strives to support Kazakhstani producers of goods and services. The Company's relations with suppliers are carried out in accordance with the Instructions for Organizing and conducting purchases of goods, works and services in Kazyna Capital Management JSC, approved by the decision of the Board of the KCM dated April 29, 2020 (Protocol No. 13/20), as well as the current legislation of the Republic of Kazakhstan and internal regulatory documents of the KCM.

Procurement in the Company is based on the principles of optimal and efficient spending of money, increasing efficiency, transparency and minimizing corruption risks, providing potential suppliers with equal opportunities to participate in the procurement process. In 2021, the KCM did not evaluate suppliers according to environmental criteria.

At the end of the reporting period, the total volume of purchases of goods, works and services of KCM (the amount, according to procurement contracts) amounted to 410 207,92 million tenge, of which from domestic suppliers – 310 918,22 million tenge with a total share of local content of 80.17%.

The volume of purchases of goods, works and services, and the share of local content in 2021 (according to procurement contracts)

Indicator	Volume of purchases, thousand tenge	Share of local content
Goods	41 920,58	0,4%
Works	0	0
Services	368,287.34	89,84%

3. E - The environmental component of the sustainable development of KCM

3.1. Sustainable KCM operation

The environment permeates all areas of development and has an impact on all countries, regardless of their level of development. The environment is a source of resources for development. Its condition is an important criterion, and its preservation is the subject of constant attention in the process of development.

In this regard, it is important to understand what contribution the company makes to greenhouse gas emissions, its carbon footprint, resource use, waste management policy and energy needs.

In addition to the various impacts of climate change, there are a number of other factors that are important to understand. The transition to a closed-loop economy, eliminating losses and constantly using resources, is likely to be painful and necessary. Therefore, how a company uses resources and how they handle waste is a key factor.

A company that is able to effectively use resources, cope with changes in legislation and take advantage of opportunities, since society inevitably reacts to changes in the natural world, will be exposed to less risk to shareholder value than companies that risk sanctions, reputational damage and loss of capital, earnings as a result of short-sighted environmental impact or careless or harmful interactions with the environment.

The main environmental impact of KCM on the environment is indirectly through portfolio companies in which the Company directs investments. This report contains information within the framework of the KCM corporate center, since the Company does not currently consider the environmental impacts of portfolio companies on the environment. At the same time, KCM plans to monitor ESG aspects of the portfolio companies' activities. This innovation is enshrined in the KCM Sustainable Development Policy (updated in September 2021) and the KCM Investment Policy (updated in March 2022). As the implementation of ESG principles into the investment process is implemented, the KCM will switch to accounting, monitoring and mitigation of risks associated with ESG during the life cycle of the investment project, and will disclose this information in sustainable development reports.

KCM pays special attention to environmental issues in its operational activities, and also strives for the rational consumption of all resources used by increasing the environmental awareness of KCM employees.

At the same time, it should be noted that the KCM does not have its own building and accommodation is carried out on the terms of renting premises in a Business center that meet modern standards.

The business center is built considering modern technologies of careful attitude to resources and provides for effective layouts, panoramic windows, providing the premises with a large amount of natural lighting and climate control systems that help save heat and electricity. Work, emergency and repair lighting systems are provided. Fluorescent lighting sources are used. Stained glass glazing of the facade, considering the insolation, allows you to save on electricity. Motion sensors are also installed in places of temporary stay to save electricity.

The use of environmentally friendly transport among employees is encouraged. Parking spaces for bicycles and electric scooters are available next to the Business Center building. This event, mainly in the summer, helps to reduce the number of employees using personal transport for trips.

Due to the specifics of the KCM's activities, paper consumption is one of the most significant environmental impacts of Society. Since 2021, in order to optimize paper document flow, work has been carried out to automate and transfer a number of office work processes to an electronic format. As of today, the materials for consideration by the Board of the KCM are sent to the Secretary of the Board through the electronic document management system. Moreover, the document flow of the KCM with the Sole Shareholder is carried out in paperless mode.

The volume of paper consumption in 2021 amounted to 1.03 tons, which is 37% more than in 2020 and 2019, where the volume of consumption was 0.75 tons in each of them. A significant

increase in paper consumption is associated with the transfer of employees from remote work mode to office mode.

Collection and disposal of waste is carried out by the lessor. At the same time, the premises of the Society building are equipped with various types of containers for selective garbage collection. Due to the specifics of the activity, it does not collect and record data on the volume of emissions as a result of operating activities.

Within the framework of rational water consumption, water meters have been installed in the building leased by the Company, and the serviceable condition of plumbing fixtures and water supply networks is monitored.

Due to the specifics of the activity, the KCM does not take water, respectively, the provision and disclosure of data in the form of "GRI 303-3 Water withdrawal" is not applicable to the reporting organization. KCM does not discharge wastewater into water bodies: wastewater generated in urban areas is drained into a common sewer network.

The volume of resource consumption by the Society in 2021

Indicators	2021
Water consumption, cubic meters.	367.8
Thermal energy, Gcal	108.3
Electric energy, kWh	118,458.7
Waste, cubic meters.	93.3
Paper consumption, tons	1.03

3.2. KCM "Green" projects

Participating in the active development of the direct investment ecosystem in Kazakhstan and contributing to the development of entrepreneurship, KCM begins to implement the fixation of the positive impact of capital through a thorough analysis of the ability of companies in which it invests to adapt to climate-related risks.

In this regard, the Company is considering the issue of obtaining the status of an accredited organization in the Green Climate Fund, in order to create a joint infrastructure and climate fund (hereinafter referred to as the Fund) with a focus on investments in projects to combat climate change in the Republic of Kazakhstan.

The proposed Fund will invest in innovative and transformative projects and programs aimed at reducing emissions (mitigation) and increasing resilience to climate change (adaptation) initiated by the public and private sectors in order to promote the implementation of national climate change priorities in developing countries.

1. Climate change mitigation projects should be aimed at reducing emissions from energy generation/increasing energy access (electricity generation, renewable energy sources, pipelines, transmission, distribution and storage); vehicles, forestry, cities, enterprises (technical re-equipment).

2. Projects in the field of adaptation to climate change should be aimed at the development of ecosystems, the development of sustainable infrastructure (toll roads, railways, ports and airports), healthcare and improving industrial and water security.

The Fund will reduce the use of public funds allocated for PPP projects and projects in the field of mitigation and adaptation to climate change.

As of today, there are 4 projects in the KCM portfolio in the field of "green" energy with a total capacity of 200 MW, for a total amount of financing of 12.4 billion tenge:

1. Construction of the Kengir solar power plant with a capacity of 10 MW in the Karaganda region, Zhezkazgan.

Kaz Green Energy LLP has implemented a project for the construction of the Kengir solar power plant, which was commissioned in January 2020.

2. Construction of the Baikonur solar power plant with a capacity of 50 MW in the Kyzylorda region.

The project for the construction and operation of the Baikonyr power plant is being implemented by Baikonyr Solar LLP, a joint venture of Baiterek Venture Fund JSC (49%), and UG Energy Ltd. (51%, United Kingdom), the EBRD, ADB and CTF were partners in the project.

151 thousand solar panels and 14 inverter stations are installed on the territory of 150 hectares. More than 20 people are engaged in their maintenance. The amount of energy produced is sufficient to cover the energy shortage in the regional center and in neighboring districts. The result of the activity of the Baikonyr power plant is 4.4 million kWh of "green" electricity since its commissioning in December 2019, which prevented about 75 thousand tons of greenhouse gas emissions.

3. Construction of the first and second start-up complex of the Astana Expo-2017 wind power plant with a capacity of 100 MW in Akmola region.

The implementation of this project has provided the annual consumption of more than 10,000 families with environmentally friendly energy. The wind power plant saves more than 79,000 thousand tons of conventional fuel per year, reduces greenhouse gas emissions by 230,000 tons per year, which is equivalent to the volume of emissions of 113,000 cars.

4. Turgusun-1 hydroelectric power plant (HPP) in the East Kazakhstan region with a capacity of 24.9 MW.

The construction of the Turgusun HPP on the Turgusun River in the Altai region of East Kazakhstan region will provide 23% of the electricity demand of this area. The construction of the Turgusun hydroelectric power plant has reduced the cost of electricity production and reduced its deficit by 78 million kilowatt-hours per year in the East Kazakhstan region.

Also, with the launch of the Turgusun HPP, it is projected to reduce carbon monoxide emissions into the atmosphere by 680 tons per year in the East Kazakhstan region. Small hydroelectric power plants like Turgusun-1 are able not only to maintain the energy security of the country, but also to become one of the resources for steady growth.

The implementation of the projects lays the foundation for systemic transformations in order to transition to a "green" economy by reducing the amount of carbon dioxide emissions into the environment, improving the welfare and quality of life of the population of the Republic of Kazakhstan while minimizing the environmental burden and degradation of natural resources.

At the end of 2021, the share of "green" projects in the KCM portfolio amounted to 8.47%.

As of December 31, 2021, according to the information provided by the companies (Turgusun-1 LLP, KazGreen Energy LLP, Baikonyr Solar LLP, TSATEK Green Energy LLP), the funded green projects showed the following results: the volume of environmentally friendly electricity produced amounted to 456,933.47 thousand kWh/in monetary terms, the income of companies amounted to 25,622.49 million tenge, total budget revenues from "green" projects amounted to 772.37 million tenge, 39 jobs were created in this sector of the economy.

4. E - The economic component of the sustainable development of KCM and portfolio companies

4.1. Economic performance

The analysis of the financial condition and performance of KCM for the period 2019-2021 was carried out on the basis of the audited financial statements of KCM.

Income from core activities was received based on the results of the activities of FPI portfolio companies related to the payment of dividends, interest and the sale of interests in FPI portfolio companies, as well as from the treasury portfolio in the form of remuneration on deposits, securities and derivatives.

In the structure of expenses, the increase in administrative expenses was influenced by the accession of QTV and KPPF. It is also necessary to consider that administrative expenses tend to increase due to internal and external factors of the economy, including: inflation, changes in socio-economic indicators and the exchange rate against tenge.

According to the audited financial statements for 2021, a positive financial result was received in the amount of 1,557 million tenge.

Created and distributed economic value, million tenge

Indicator, million tenge	2019	2020	2021
Created economic value (income):	6 791	7 235	7 308
Income from core activities	5 762	3 944	6 677
Other income	1 029	3 291	631
Distributed economic value:	3 140	4 730	5 751
Labor costs	514	635	1 052
Expenses on taxes and fees to the state budget	743	1 766	3 094
General and administrative expenses	977	687	1 094
Other expenses	905	1 641	511
Economic value to be distributed (net profit)	3 651	2 505	1 557

As of December 31, 2021, assets amounted to KZT 214,227 million, capital - KZT 162,003 million and liabilities at the same date amounted to KZT 52,224 million. At the same time, the size of the investment portfolio amounted to 171,397 million tenge.

More detailed information on the Company's financial results for the reporting period can be found in the KCM annual report for 2021, as well as in the KCM consolidated financial statements for the year ended December 31, 2021.

The sole shareholder of KCM is "National Managing Holding "Baiterek" JSC, established in accordance with the Decree of the President of the Republic of Kazakhstan dated May 22, 2013 No. 571 "On some measures to optimize the management system of development institutions, financial organizations and the development of the national economy" and the Decree of the Government of the Republic of Kazakhstan dated May 25, 2013 No. 516 "On measures to implement the Decree of the President of the Republic of Kazakhstan dated May 22, 2013 No. 571".

The Company does not receive financial assistance from the state.

4.2. Indirect economic impacts

In its activities, the Company strives to support business projects that make a positive contribution to the socio-economic development of the country.

Thus, when making investment decisions, the KCM gives preference to projects whose implementation will contribute to the mitigation of climate change and adaptation to them, which should be aimed at the development of ecosystems, the development of sustainable infrastructure, healthcare and improving industrial and water security.

One of the major successful projects that have an impact on improving the infrastructure of the regions and ensuring food security of the country was the project for the construction of the Makinsky poultry farm of the Aytas group of companies. The result of the support provided by the KCM was not only an increase in the capacity of poultry meat production to 100 thousand tons per year and a decrease in its imports to Kazakhstan, but also the creation of more than 800 new jobs.

In 2019, KCM financed a gasification project for the city of Nursultan and the northern regions of the country, as a result of the implementation, 171 settlements were connected to the gasification system.

On April 30, 2021, KCM, through Kazakhstan Infrastructure Fund C.V., together with a large Turkish company "TAV Group", completed the process of investing in a major infrastructure project to expand the existing airport in Almaty. The construction of the new terminal will significantly increase long-term passenger traffic. Within the framework of the project, new international destinations and flights will be opened, the volume of cargo transportation will be increased, services and customer service will be improved. In addition, considering the commissioning of the new terminal, it is planned to create 250 new jobs.

On March 5, 2021, KCM financed the multifunctional tourist complex "Caravan-Sarai" in Turkestan region through the DBK Equity Fund C.V. According to the results of the project, the number of tourists visiting the region has increased by 25%, the number of accommodation facilities is 131 units. Every year the city of Turkestan is visited by 28 thousand foreign tourists. According to experts, the complex plans to receive more than 1 million people in five years.

4.3. Implementation of ESG in KCM portfolio companies

In 2022, the KCM assessed the economic, environmental and social effects of the implementation of current investment projects, as well as the commitment of ESG portfolio companies to standards by the end of 2021 (hereinafter referred to as the Assessment).

Thus, a questionnaire consisting of two sections was prepared for portfolio companies: information about the company and information in the field of sustainable development (information discloses data about the company in terms of environmental policy, social policy and corporate governance policy).

38 (out of 59) of the following portfolio companies of private equity funds with the participation of KCM took part in the survey: Kazakhstan Infrastructure Fund C.V. (2 companies), CITIK Kazyna Investment Fund I L. P. (1 company), Falakh Growth Fund L. P. (2 companies), Kazakhstan Hungarian Investment Private Equity Fund C.V. (2 companies), Kazakhstan Growth Fund L. P. (5 companies), Kazakhstan Capital Restructuring Fund C. V. (1 company), Baiterek Venture Fund JSC (14 companies), DBK Equity Fund C. V. (5 companies), KCM Sustainable Development Fund I C.V. (6 companies).

In 2021, the portfolio companies of private equity funds with the participation of KCM showed the following results*, according to the data provided by the portfolio companies:

- total revenue amounted to 281 billion tenge;
- total budget revenues amounted to 22.7 billion tenge;
- 1,383 new jobs have been created;
- the total revenue from the export of products amounted to 6 billion tenge (portfolio companies export to Kyrgyzstan, Afghanistan, Russia, Uzbekistan, Mongolia, Belarus, China and the countries of the European Union).

** data provided by 38 (out of 59) portfolio companies of private equity funds with participation of KCM*

Methodology for assessing the commitment of portfolio companies to ESG standards

The assessment was carried out by calculating the average index of commitment of portfolio companies to environmental and social indicators, corporate governance indicators, and calculating the average index of commitment according to these indicators by industry.

Index of commitment of portfolio companies to environmental and social indicators, as well as corporate governance indicators:

- 1) Average commitment index (*i*) by thematic subgroups:

$$\bar{i} \text{ by thematic subgroup} = \frac{\text{the sum of the scores of all respondents by subgroup}}{\text{total number of respondents in the subgroup}},$$

- 2) Average commitment Index (*i*) by industry:

$$\bar{i} \text{ by industry} = \frac{\frac{\text{total number of points by industry}}{\text{total number of respondents in the industry}}}{\text{the maximum number of points that each respondent can get}},$$

Maximum commitment index (*i*) is 1, minimum is 0

Indicators of thematic subgroups

Thematic subgroups of environmental indicators:

- Environmental management system (*quality of management in the field of environmental protection*);
 - Water use;
 - Atmospheric pollution;
 - Waste and packaging (*availability of a program and policy of a portfolio company for the disposal of industrial waste and household garbage*);
 - Energy efficiency (*specific energy intensity, availability of an energy efficiency improvement program and quality of energy consumption management*);
 - Climate change (*the degree of integration of the global climate change agenda into the portfolio company's activities*).

Thematic subgroups of social indicators:

- Working conditions and safety at work (*industrial injuries in the last three years*);
- HR policy (*average salary level in a portfolio company, staff turnover, etc.*);
- Social support (*workers' compensation in the form of benefits, medical care, pension insurance and the availability of social assistance programs*);
 - Human rights and discrimination (*policy and standards of a portfolio company in the field of human rights, gender balance, etc.*);
 - Interaction with local communities (*charitable activities and social investments in the regions of presence, interaction with the local population*).

Thematic subgroups of corporate governance indicators:

- Company ownership structure (*transparency of ownership structure and beneficial owners, transparency of ownership structure, business reputation of beneficial owners*);
 - The influence of shareholders/participants (*the level of concentration of the ownership structure, the balance of influence of various groups of owners, the existence of facts of neglect of the interests of minority shareholders/participants or facts of influence detrimental to other stakeholders*);
 - Interaction with stakeholders (*use and status of the stakeholder management system in the portfolio company, levels of interaction and disclosure of information in the interests of stakeholders*);

- The level of disclosure and quality of financial information.

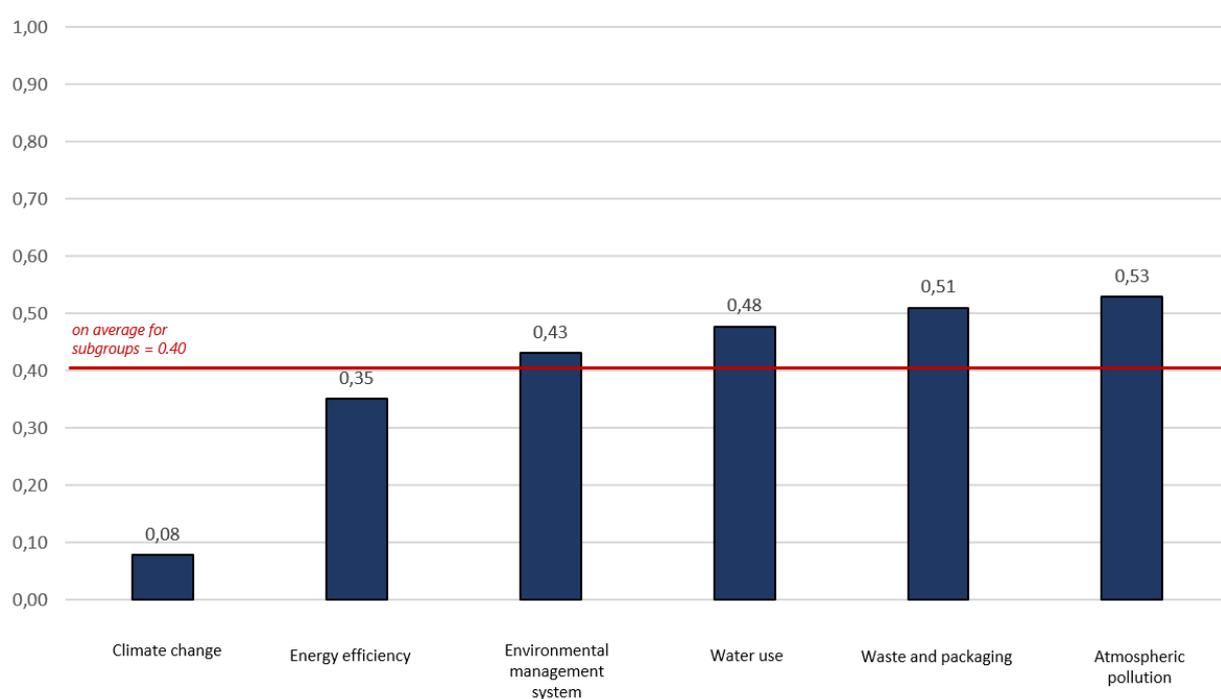
Results of the assessment of the commitment of portfolio companies to ESG standards

Environmental indicators by thematic subgroups

The index of commitment of portfolio companies to environmental indicators in the context of thematic subgroups was:

- The average for subgroups is 0.4;
- The highest level of commitment is observed in terms of atmospheric pollution (0.53), followed by waste and packaging (0.51), water use (0.48) and environmental management system (0.43);
- Portfolio companies pay the least attention to the issue of climate change (0.08).

The index of commitment to environmental indicators in the context of thematic subgroups



Below are more detailed results of the assessment of the commitment of portfolio companies in the context of thematic subgroups of environmental indicators:

- **Environmental management system:** 26% of the surveyed portfolio companies have a public strategy/policy on environmental protection, which contains strategic targets;

- **Water use:** 50% of the surveyed companies have all wastewater discharged through treatment facilities and are treated and (or) the percentage of untreated/insufficiently treated wastewater is insignificant and (or) there is information that the activities of the portfolio company do not cause damage to surface natural water sources;

- **Atmospheric pollution:** 13% of the surveyed companies demonstrate a trend to reduce specific gross emissions of pollutants into the atmosphere over the past three years;

- **Energy efficiency:** 16% of portfolio companies have an energy efficiency program;

- **Biodiversity:** 5% of portfolio companies have a biodiversity conservation program, which includes monitoring of indicator species and (or) other scientific research/restoration/reintroduction programs of species;

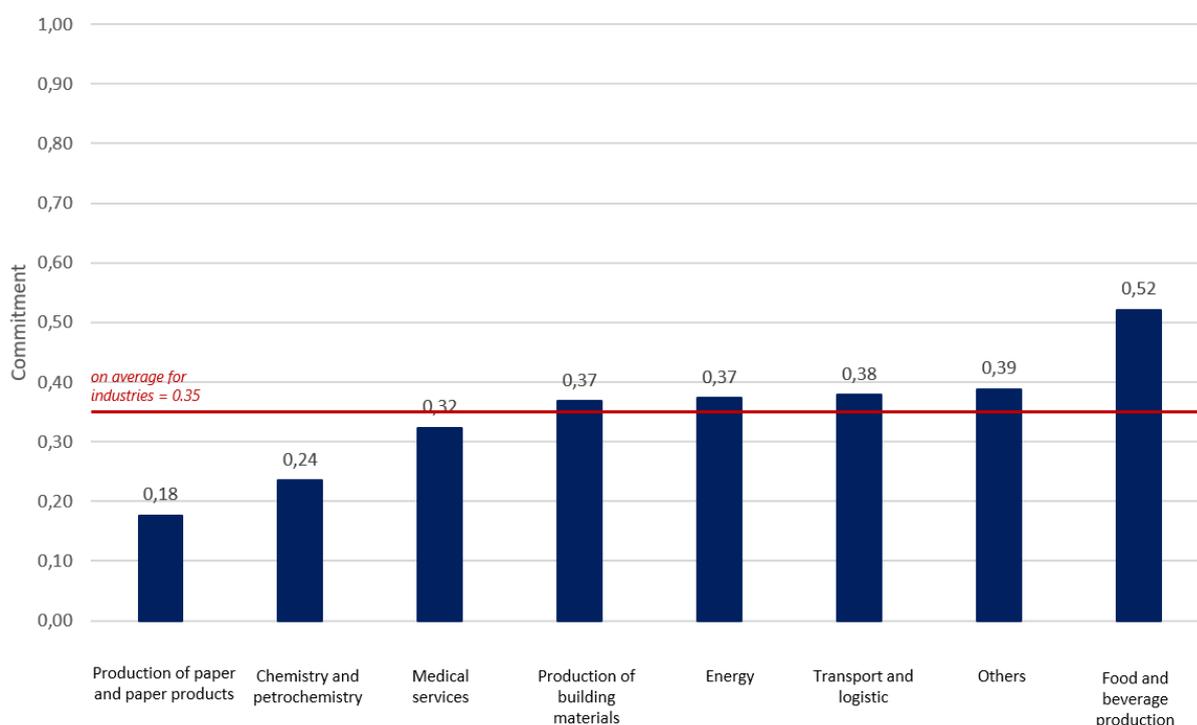
- **Climate Change:** 5% of portfolio companies participate in two or more international initiatives/associations/voluntary standards (e.g. CDP, GRI, UN Sustainable Development Goals, FSC, MSC, ASC, etc.).

Environmental indicators by industry

Index of commitment of portfolio companies to environmental indicators by industry:

- The average for subgroups is 0.35;
- The highest commitment index is observed in the food and beverage industry (0.52), followed by other industries (0.39), transport and logistics (0.38) and energy (0.37);
- The lowest commitment index was recorded in the field of paper and paper products (0.18).

Index of commitment to environmental indicators by industry



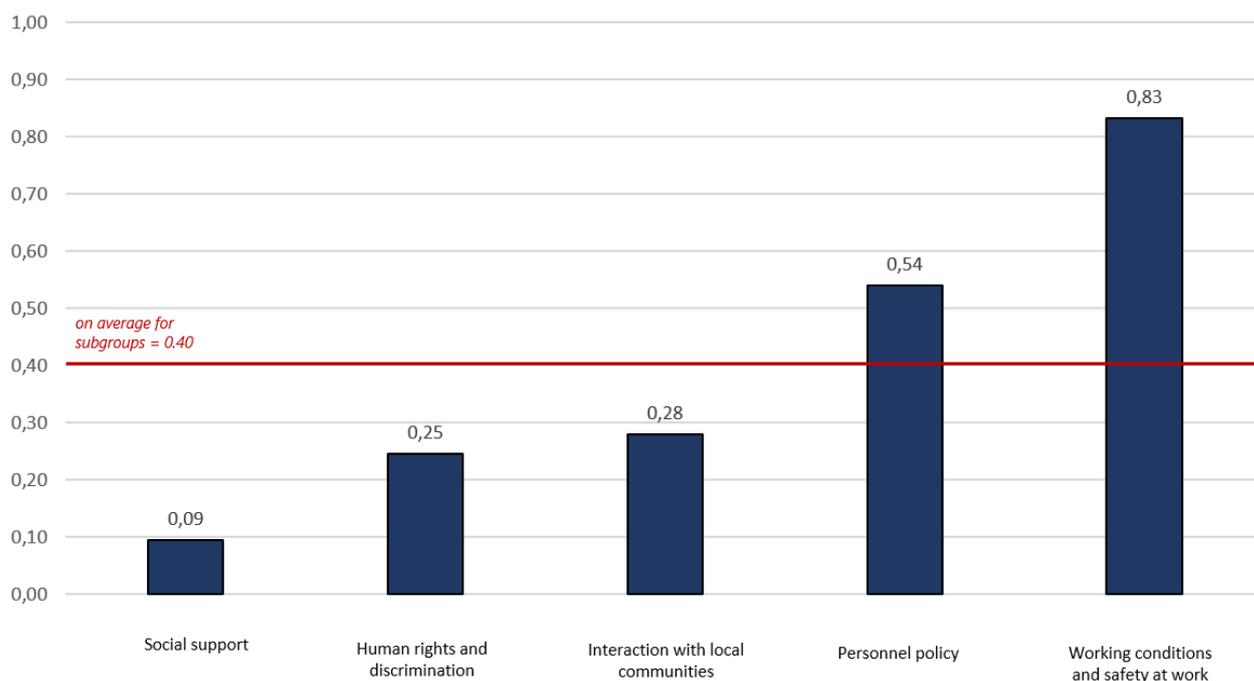
In general, 2 companies (out of 38) demonstrate the highest levels of commitment to environmental issues (0.82 and 0.79), while three companies have the lowest levels of commitment (each – 0.06).

Social indicators by thematic subgroups

The index of commitment of portfolio companies to social indicators in the context of thematic subgroups was:

- The average for subgroups is 0.40;
- The highest commitment index is observed in terms of working conditions and safety at work (0.83), followed by personnel policy (0.54), interaction with local communities (0.28) and human rights and discrimination (0.25);
- Portfolio companies pay the least attention to social support (0.09).

Index of commitment to social indicators by thematic subgroups



Below are more detailed results of the assessment of the commitment of portfolio companies in the context of thematic subgroups of social indicators:

Working conditions and safety at work: 54% of the surveyed portfolio companies conduct regular hazard identification, risk assessment and investigation of workplace incidents;

HR policy: 20% of the portfolio companies surveyed have training/advanced training/additional education programs for employees and (or) subsidized training programs at universities, as well as collective agreements covering most of the portfolio company's employees ($\geq 80\%$);

Social support: portfolio companies do not provide services of corporate kindergartens/nurseries for the children of employees and (or) do not offer monetary compensation for the payment of kindergarten/nursery; portfolio companies do not implement corporate housing programs / do not provide additional payments/benefits for mortgage contributions for employees;

Human rights and discrimination: 8% of the portfolio companies surveyed have a hotline/anonymous channel for feedback/complaints on corruption, human rights violations and discrimination for employees; 6% of the portfolio companies surveyed have a disability employment program and a transparent policy for employees with disabilities aimed at reducing discrimination; 6% of the surveyed portfolio companies publicly publish detailed information about the gender balance (the ratio of men and women by employee category, information on the composition of the board of directors and other indicators) and an explanation of gender dynamics and policy;

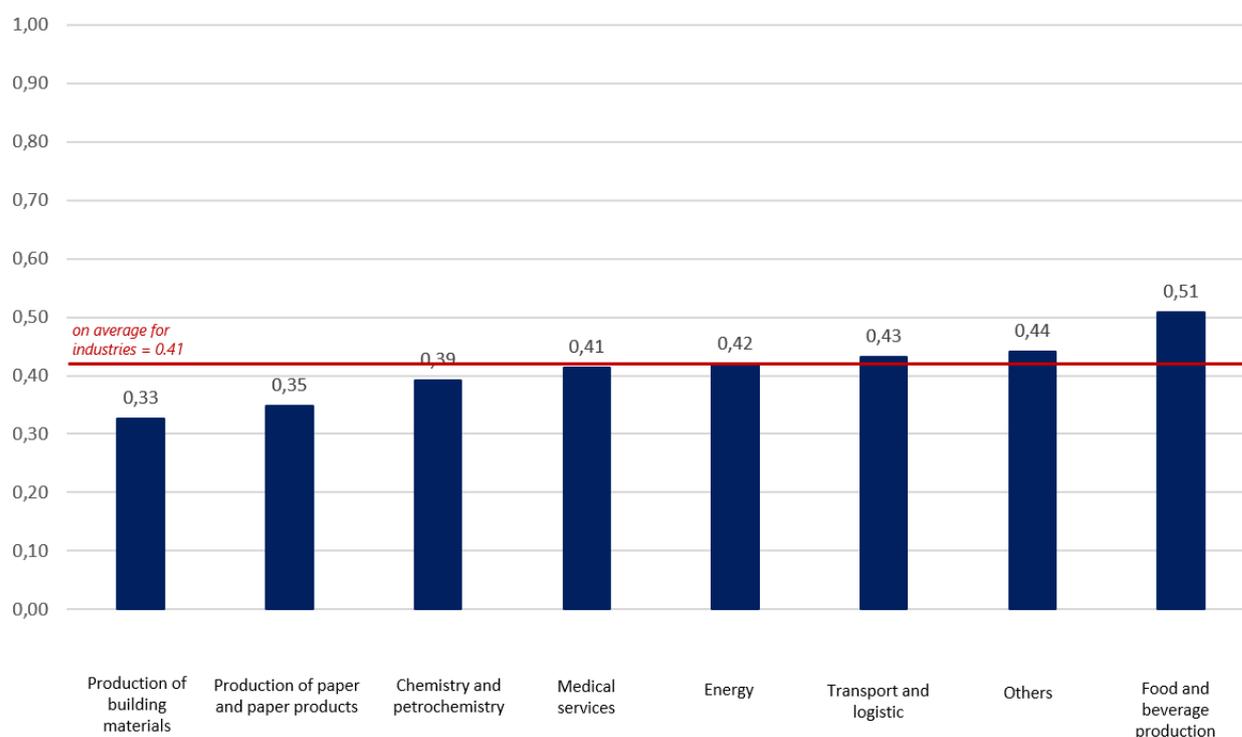
Interaction with local communities: 9% of portfolio companies surveyed have a comprehensive charity programme and volunteer movement, and information on charity spending is publicly available; 9% of portfolio companies surveyed implement a comprehensive education/healthcare/social welfare/infrastructure programme (building schools, hospitals, roads, helping the poor, etc.) in their regions of operation.

Social indicators by sector

The index of portfolio companies' commitment to social performance by sector was

- The industry average is 0.41;
- The commitment index is highest in the food and beverage industry (0.51), followed by other industries (0.44), transport and logistics (0.43) and energy (0.42);
- The lowest commitment index was recorded in the building materials industry (0.33).

Index of commitment to social indicators by sector



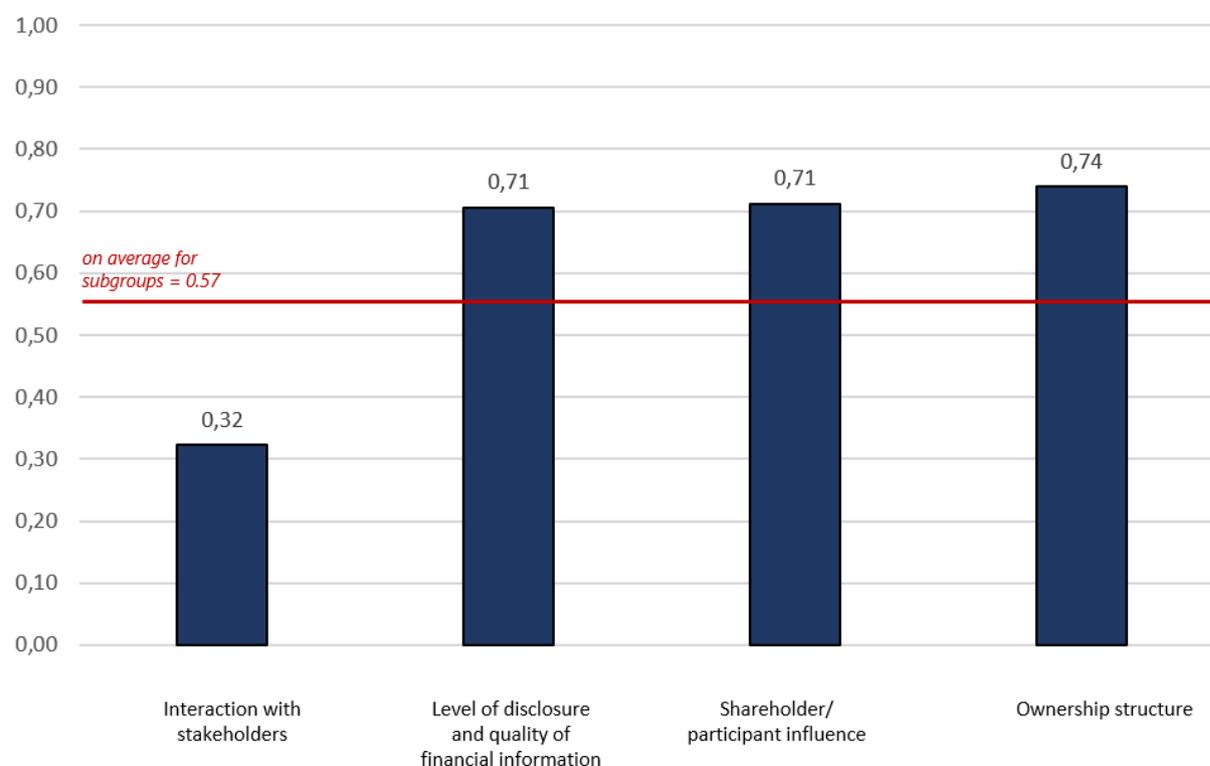
Overall, 2 companies (out of 38) show the **highest commitment** to social issues (0.67 and 0.65), while 1 company has the lowest commitment rate (0.09).

Corporate governance indicators by thematic subgroup

The index of portfolio companies' commitment to corporate governance indicators by thematic subgroup was

- The average for the subgroups is 0.57;
- The commitment index is highest in ownership structure (0.74), followed by shareholder/participant influence, level of disclosure and quality of financial information (0.71 respectively);
- Portfolio companies pay the least attention to stakeholder engagement (0.32).

Index of commitment to corporate governance indicators by thematic subgroup



Below are the more detailed results of the portfolio company commitment assessment by thematic subset of corporate governance indicators:

Ownership structure: more than 50% of portfolio companies provide information on ownership structure and beneficial owners, information on the activities of the largest beneficial owner.

Shareholder/participant influence: 91% of portfolio companies surveyed said there was no conflict between shareholder/participant groups;

Stakeholder interactions: 28% of portfolio companies surveyed have a stakeholder management system in place and stakeholder groups are being identified and their level of influence assessed;

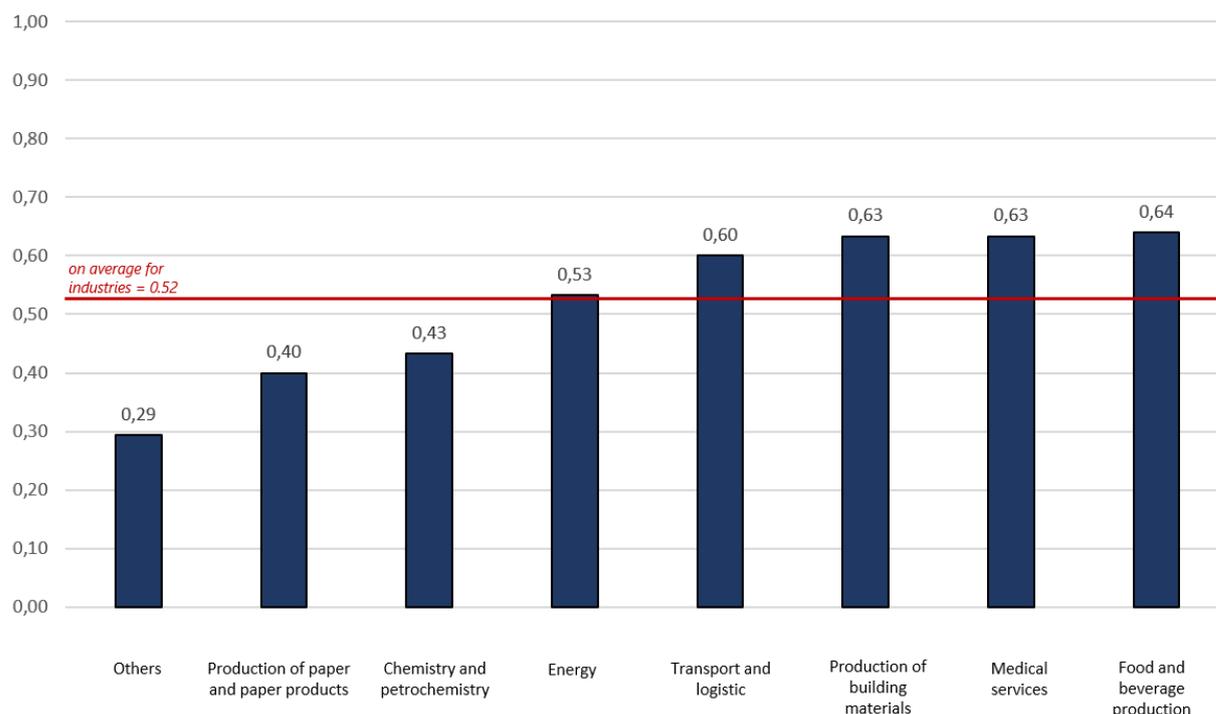
Level of disclosure and quality of financial information: 62% of portfolio companies surveyed have disclosure content that meets national and international requirements and best practices.

Corporate governance indicators by sector

Portfolio companies' commitment to corporate governance indicators by industry:

- The industry average is 0.52;
- The highest commitment index is in the food and beverage industry (0.64), followed by health services (0.63), construction materials (0.63) and transport and logistics (0.60);
- The lowest commitment index was recorded in other industries (0.29).

Index of commitment to corporate governance indicators



Overall, 2 companies (out of 38) have the **highest commitment** to corporate governance (0.93 and 0.90), while two companies have the lowest commitment (each with 0.23).

The outcome of the Assessment provided an opportunity for the Company to assess the economic, environmental and social impact of its ongoing investment projects, as well as the commitment of the ESG portfolio companies to the standards combined at portfolio level. In the future, this monitoring will allow the Company to track changes in the structure of the relevant environmental and social impacts of the recipients of the investments.

Classification of investment projects into categories according to the level of environmental and social risks

In addition, in 2022, KCM has categorized ongoing investment projects according to the level of environmental and social risks in accordance with the indicative list of Category A, B, C, FP projects, as per Annex 1 of KCM's Sustainable Development Policy.

This categorization of projects, in order to determine the extent of environmental and social risk appraisal, will then allow the KCM to implement a *set of procedures to manage the environmental and social risks of projects*, namely

- expertise on the environmental and social risks associated with the activities of the beneficiaries in order to assess the potential risks and to identify mitigation measures needed to mitigate any identified environmental and social risks;
- deciding on project support by the company;
- monitoring the environmental and social performance of the beneficiaries, in order to assess the existing and emerging environmental and social risks associated with the beneficiary's activities throughout the life cycle of the project;
- acting if environmental and social problems are identified as a result of monitoring.

5. S - The social dimension of KCM's sustainable development

S - The social dimension of KCM's sustainable development Human rights are enshrined in Kazakh and international legislation, as well as in the Company's internal regulatory documents: the Labor Code of the Republic of Kazakhstan; the Company's Code of Business Ethics; the International Labor Organization's Declaration on Fundamental Principles and Rights at Work; the Universal Declaration of Human Rights; and the UN Global Compact Principles.

Guided by the legislation of the Republic of Kazakhstan in the field of labor and labor relations, conventions of the International Labor Organization, the Company observes the following principles concerning fundamental rights:

- freedom of association and effective recognition of the right to collective bargaining;
- the abolition of all forms of forced or compulsory labor;
- prohibition of child labor;
- non-discrimination in employment and occupation.

However, as of the end of 2021, no collective bargaining agreement had been concluded between KCM and the employees as neither party was willing to enter into collective bargaining¹.

The KCM shall not restrict employees' labor rights and freedoms or grant any advantages based on gender, race, language, religious, political or other beliefs, citizenship, national or social origin, disability, property, family, social or official status, or other circumstances unrelated to the business qualities of employees. No cases of discrimination on any grounds were identified in the KCM during the reporting period.

The KCM is governed by the principle of equal opportunities for all employees in recruitment, remuneration, appraisal, development, access to training, promotion and termination of employment.

The KCM is effective as approved by a decision of the Board of Directors of the Company dated October 23, 2018 (Minutes No. 9/18). The objectives of the Code of Business Ethics are to improve, systematize and regulate the Company's relationships to enhance corporate governance and promote successful interactions with employees, customers, suppliers, business partners, stakeholders and authorized government bodies through the application of generally accepted standards and norms of business conduct. In accordance with the Code of Business Ethics, employees of the Company undertake to comply with the Code.

The Company's Ombudsman shall be responsible for compliance with the principles of business ethics and for the best management of disputes regarding breaches of the Company's Code of Business Ethics. In 2021, the Ombudsman did not receive any complaints or appeals concerning violations of business ethics or labor law in the Company.

Due to certain circumstances in the Company, the working conditions of employees may be changed. The Company shall notify employees in writing of possible changes in accordance with the Labor Code of the Republic of Kazakhstan at least fifteen calendar days in advance, unless the employment or collective agreements provide for a longer notice period. When the working conditions change, appropriate amendments and changes to the employment contract are made.

5.1. About employees

As of December 31, 2021, the total average headcount at KCM is 41 employees, as well as 46 employees at subsidiaries.

Compared to the same period last year, the overall average headcount has decreased by 30%. As part of the implementation of the Order of the President of the Republic of Kazakhstan dated September 1, 2020 on the reduction of administrative and management personnel, unproductive costs and redundant subsidiaries in the quasi-public sector, the Board of Directors of National

¹ According to Article 156 (2) of the Labour Code, a collective agreement is concluded on a voluntary basis at the proposal of one of the parties.

Management Holding Baiterek JSC on May 27, 2021 (Minutes No. 3/21), the Company was transferred to the operational management of subsidiaries of KPPF and QTV Holding.

Changes in the average number of employees

Name of organization	2019	2020	2021
KCM	27	33	41
BVF	10	13	11
QTV	78	60	17
KPPF	17	18	18
Total	132	124	87

The gender structure for the KCM group of companies as at December 3, 2021 is 64 women and 79 men:

Category of employees	KCM		QTV		BVF		KPPF	
	Male	Female	Male	Female	Male	Female	Male	Female
Senior managers, pers.	4	2	4	0	4	0	2	0
Mid-level managers, pers.	9	8	2	1	2	1	2	1
Employees	12	24	0	2	4	2	9	5
Specialists	13	10	3	4	6	1	3	3
Total, pers.	38	44	9	7	16	4	16	9

Composition of KCM Group employees by age in 2021

Category of employees	until 30 years	from 30 to 50 years	over 50 years
Senior managers, pers.	0	16	0
Mid-level managers, pers.	2	23	1
Employees	8	49	1
Specialists	6	36	1

The proportion of senior managers hired from the local community was 100% in 2021.

The total number of employees of KCM with which agreements of a civil-law kind have been concluded is 23, with 20 employees in subsidiaries. The KCM employees contracted as civil servants perform work of the following nature: portfolio and venture capital fund services, international cooperation, economic planning, corporate systems development, financial reporting, treasury operations, PR, internal security, internal auditor services, IT support services, human resources management, and provision of light vehicle management services.

In accordance with the Regulations on Recruitment, Selection, Recruitment and Adaptation of Kazyna Capital Management JSC employees, approved by the KCM Management Board on April 7, 2015 (Minutes No. 13/18), when vacant positions arise, first of all an internal competition is held among employees of the Company Group. Then an external competition is announced.

Information on the search for external candidates is necessarily published on the Company's corporate website, social networks Facebook.com, LinkedIn. For example, internal selection is prioritized in order to retain key people and motivate them to stay with the company group for a long time.

The selection of candidates is based solely on professional competence, personal qualities, experience and motivation, which excludes discrimination on grounds of origin, social, job, gender, race, nationality, language, attitude towards religion, beliefs, place of residence or any other circumstances.

KCM strictly maintains the principles of meritocracy and uniform qualifications and experience requirements are imposed on both genders when setting standard entry-level salaries. The company builds relations with its employees on the principles of mutual respect, trust, guaranteeing equal opportunities for the exercise of rights and freedoms at work and employment, career development and training for each employee.

To increase employee motivation and loyalty, the Company strives to provide a fair wage and remuneration system. For example, in order to apply a fair remuneration system to employees, a system of grades is applied, which determines remuneration schemes according to the complexity and responsibility of the duties assigned. This system eliminates gender differences in determining remuneration. When comparing actual salaries by Company grade structure, there are no differences in pay between men and women.

Employees hired in 2021 at the Company, by age and gender

Employees	Total	until 30 years	from 30 to 50 years	over 50 years
Male	19	5	14	
Female	22	7	14	1
Total	41	12	28	1

The average age of the company's employees is 37.

The turnover rate for the Company in 2021 was 15%, for the KCM group of companies it was 9%.

Name of organization	2021, %
KCM	15
BVF	0
QTV	0
KPPF	0
Total	9

Employee turnover at KCM by age and gender

	Gender groups		Age groups		
	male	female	until 30 years	from 30 to 50 years	over 50 years
KCM	5	1	3	3	-

In 2021, the legal regulation of social and labor relations in the Company was implemented in accordance with the labor legislation of Kazakhstan and the Company's internal regulations.

5.2. Social support, health and safety

Social support is provided to the Company's employees in order to create favorable conditions for efficient work and to retain and attract highly qualified employees.

By the resolution of the Management Board of KCM dated January 29, 2018 (Minutes No. 1/18), the Rules for social support to employees of Kazyna Capital Management JSC (hereinafter the Regulations), which define the types, conditions and procedure for social support to the Company's employees in accordance with the legislation of the Republic of Kazakhstan and the Company's internal regulatory documents, were approved.

The Regulations provide for the following types of social support:

- 1) in relation to marriage;
- 2) in relation to maternity leave or leave to adopt a newborn child(ren);
- 3) in relation to the birth/adoption of a child;
- 4) in relation to medical treatment/surgery of the employee or persons which are members of the employee's family;
- 5) in relation to the death of the employee, the employee's spouse/children or parents.

The amount of funds for social support under the Rules shall be included in the annually approved budget of the Company under the relevant item.

Health insurance is provided to employees and their families at the expense of the Company's budget in accordance with a voluntary health insurance programme.

Funds for health insurance are spent on the case of an employee's illness in accordance with contracts concluded in accordance with the procedure established by the legislation of the Republic of Kazakhstan with insurance organizations, or under contracts for medical care with medical organizations. The cost of health insurance per employee must not exceed 100 MCI for the financial year concerned.

Information on maternity and parental leave:

Indicator	Total, pers.	Including	
		male	female
Number who have taken maternity and parental leave in 2021	7	0	7
Number of employees returning from maternity and parental leave in 2021	2	0	2

An unconditional priority for the Company and its subsidiaries is to ensure occupational health and safety in strict compliance with the legislation of the Republic of Kazakhstan, international and national standards and internal regulatory documents of the Company in this area. The company strives to strictly comply with national and international requirements and to continuously improve its occupational health and safety management.

The pandemic had a significant impact around the world, with governments acting to prevent the spread of the coronavirus by imposing restrictions. The company, for its part, has also introduced mandatory social distancing, strict sanitation procedures for disinfecting offices and transferring employees to remote work.

The Company's operating regime was promptly adjusted during 2021 in accordance with the resolutions of the Chief State Sanitary Doctor of the Republic of Kazakhstan.

In order to prevent the spread of the COVID-19 coronavirus infection in the Company, all countermeasures and preventive measures have been taken to reduce the risk of illness among workers:

- The provision of personal protective equipment and disinfectants to the Company's employees has been organized;
- Worked with staff and informed them of the quarantine regime and rules of conduct;

- arranging remote work for workers whose jobs require it;
- Revised/developed plan to ensure continuity of activities during the pandemic;
- employees have been provided with the necessary equipment, software and hardware, information security and other tools;
- ban on in-person meetings and various public events;
- measuring the body temperature of employees;
- restriction on business trips.

Due to the coordinated work of all the departments, the transition to distance working, which was necessitated by the need for distance learning, took place without significant problems.

As part of health protection, KCM provides health insurance for employees, under which employees can undergo a routine preventive check-up once a year, including consultations with doctors, which results in a medical report.

In order to improve employees' skills in occupational health and safety, fire safety and electrical safety, employees receive annual training.

In 2021, there were no incidents of injuries in the Company and its subsidiaries.

5.3. Training and education

Training and development of professional competencies and personal development of the Company's employees shall be carried out with the aim of improving and gaining additional theoretical and practical knowledge, skills, competencies and abilities to effectively perform their job duties and solve the tasks defined in accordance with the Company's development strategy.

In addition, the training and development needs of employees in the Company's group of companies depend on internal and external factors: changes in strategic objectives, changes in legislation, introduction of new programmes, professional growth and development of employees, setting new goals and objectives, etc.

The number of training events in the learning and development system in 2021 was 90 (seminars, courses, trainings), of which 77 were staff motivation programmes through learning platforms such as Coursera; the remaining 13 were conducted in an online format. Over 50 people were involved in the training. On average, one worker has attended 2 or more trainings/seminars. The training policy in the KCM group of companies is aimed at developing the soft skills of the staff.

In 2021, there was an average of 16.6 hours of training per person, including 16 hours per man and 17.2 hours per woman. By position: 12 hours per senior manager, 16 hours per middle manager and 22 hours per employee.

Training for Company employees in 2021

Indicator	2021
Average annual number of training hours per employee, man-hours	16.6

**Company employee training in 2021 breakdown
by gender and category of worker**

Indicator	For all employees	By gender groups		By employee category		
		Female	Male	Senior executives	Mid-level executive	Employees
Average number of hours of training completed by the organisation's employees during the reporting period	16.6	17.2	16	12	16	22

Employee assessment

In order to ensure uniform employee performance management principles, as well as transparent criteria for rewarding and bonusing employees, a comprehensive assessment of the Company's employee performance is carried out on a periodic basis.

The comprehensive performance appraisal of employees looks at the employee's overall performance over the past year and the level of his or her personal and business competences. The results are allocated to a '9-cell talent matrix'. No bonus is paid on the basis of the assessment, but the results of the assessment do influence decisions on further motivation and incentives for the employee (training, promotion, etc.).

Considering that, according to the performance appraisal rules, probationary employees are not evaluated, during the reporting period more than 88% of employees were evaluated in the KCM, of which 41% are managers and supervisors and 59% are administrative employees.

6. Annexes

6.1. Table of GRI indicators

Statement of use

KCM publishes the information listed in this GRI indicator table for the period from January 1 to December 31, 2021 in accordance with GRI Standards.

GRI indicator	Indicator name	Section and page in the report/comment
GRI 1 Basic Regulations 2021		(Does not contain indicators)
GRI 2 Core indicators 2021		
1. The organization and practice of its reporting		
GRI 2-1	Company profile	About the Company, pp. 9-11
GRI 2-2	Entities included in the organization's sustainability reporting	About the report, pp. 6-8 About the Company, pp. 9-11
GRI 2-3	Reporting period, frequency and contact details	About the report, pp. 6-8, Contact information, p. 53
GRI 2-4	Adjustments to information disclosed in previous reports	About the report, pp. 6-8
GRI 2-5	External assurance	About the report, pp. 6-8
2. Activities and employees		
GRI 2-6	Activities, value chain and other business relationships	About the Company, pp. 9-11 The economic dimension of sustainability for KCM and portfolio companies, p. 33
GRI 2-7	Employee information	The social dimension of KCM's sustainable development, pp. 42-47
GRI 2-8	Information on employees that are not employees	The social dimension of KCM's sustainable development, pp. 42-47
3. Corporate Governance		
GRI 2-9	Structure and composition of corporate governance	Corporate Governance, pp. 22-26
GRI 2-10	Nomination and selection of the highest corporate governance body	Corporate Governance, pp. 22-26
GRI 2-11	Chairman of the supreme body of corporate governance	Corporate Governance, pp. 22-26
GRI 2-12	Role of the highest corporate governance body in overseeing the management of economic, environmental and human impacts	Corporate Governance, pp. 22-26
GRI 2-13	Delegating responsibility for managing impacts on the economy, environment and people	Corporate Governance, pp. 22-26
GRI 2-14	The role of the highest corporate governance body in preparing the sustainability report	Corporate Governance, pp. 22-26
GRI 2-15	Conflicts of interest	Corporate Governance, pp. 26-28
GRI 2-16	Informing about critical issues	Corporate Governance, pp. 22-26
GRI 2-17	Collective knowledge of the highest corporate governance body	Corporate Governance, pp. 22-26
GRI 2-18	Evaluation of the highest corporate governance body	Corporate Governance, pp. 28-29
GRI 2-19	Remuneration policy	Corporate Governance, pp. 28-29
GRI 2-20	The process of determining remuneration	Corporate Governance, pp. 28-29
GRI 2-21	Annual total remuneration ratio	Corporate Governance, pp. 28-29
4. Strategies, policies and practices		

GRI 2-22	Sustainability strategy statement	Message by the Chairman of the Board of Directors, p. 3 Message from the Chairman of the Board, pp. 4-5
GRI 2-23	Assumed commitments in the field of sustainable development	Sustainable Development, pp. 14-16
GRI 2-24	Integrating commitments into policy	Sustainable Development, pp. 14-16
GRI 2-26	Referral mechanisms	Corporate Governance, pp. 26-28
GRI 2-27	Compliance with laws and regulations	Corporate governance, p. 28
GRI 2-28	Membership in associations	Partnership for Sustainable Development, pp. 20-21
5. Stakeholder engagement		
GRI 2-29	Approach to stakeholder interaction	Stakeholder interaction, pp. 17-20
GRI 2-30	Collective agreements	The social dimension of KCM's sustainable development, p. 42 42
Management approaches		
GRI 3-1	The process of identifying substantive topics	About the report, pp. 6-8
GRI 3-2	List of essential topics	About the report, pp. 6-8
GRI 3-3	Management of essential topics	The management approach is presented in the Report as part of the disclosure of each essential topic
Essential topics		
Category: Economic		
GRI 201 Economic performance		
GRI 201-1	Direct economic value created and distributed	The economic dimension of sustainability for KCM and portfolio companies, p. 33
GRI 201-4	Financial assistance received from the government	The economic dimension of sustainability for KCM and portfolio companies, p. 33
GRI 202 Market presence		
GRI 202-2	Proportion of senior managers hired from the local community	The social dimension of KCM's sustainable development, pp. 43-45
GRI 203 Indirect economic impacts		
GRI 203-1	Investment in infrastructure and non-reimbursable services	The economic component of sustainable development of KCM and portfolio companies, pp. 33-34
GRI 204 Procurement practices		
GRI 204-1	Procurement costs attributable to local suppliers	Corporate governance, p. 29
GRI 205 Anti-corruption		
GRI 205-1	Total number and percentage of operations assessed for risks of corruption and identification of significant risk cases	Corporate Governance, pp. 26-28
GRI 205-2	Awareness and training on anti-corruption policies and methods	Corporate Governance, pp. 26-28
GRI 205-3	Confirmed cases of corruption and action taken	Corporate Governance, pp. 26-28
GRI 206 Competition barrier		
GRI 206-1	Total number of prosecutions for anti-competitive behavior, anti-trust, monopolistic practices and revenue generated	Corporate governance, p. 28
Category: Environmental		
GRI 302 Energy		

GRI 302-1	Energy consumption within the organization	The environmental dimension of sustainable development of the KCM, pp. 30-31
GRI 302-4	Reduced energy consumption	The environmental dimension of sustainable development of the KCM, pp. 30-31
GRI 303 Water and wastewater (2018)		
GRI 303-1	Interaction with water as a shared resource	The environmental dimension of sustainable development of the KCM, pp. 30-31
GRI 303-2	Managing impacts related to water discharge	The environmental dimension of sustainable development of the KCM, pp. 30-31
GRI 303-3	Water intake	The environmental dimension of sustainable development of the KCM, pp. 30-31
GRI 303-4	Water discharge	The environmental dimension of sustainable development of the KCM, pp. 30-31
GRI 303-5	Water consumption	The environmental dimension of sustainable development of the KCM, pp. 30-31
GRI 305 Emissions		
GRI 305-1	Direct greenhouse gas emissions (scope 1)	KCM does not generate greenhouse gas emissions
GRI 306 Waste (2020)		
GRI 306-1	Waste generation and significant waste-related impacts	The environmental dimension of sustainable development of the KCM, pp. 30-31
GRI 306-2	Managing Significant Waste-related Impacts	The environmental dimension of sustainable development of the KCM, pp. 30-31
GRI 308 Supplier Environmental Assessment		
GRI 308-1	Percentage of new suppliers analyzed against environmental criteria	Corporate governance, p. 29
Category: Social		
GRI 401 Employment		
GRI 401-1	Number of new employees and employee turnover	The social dimension of KCM's sustainable development, pp. 43-45
GRI 401-2	Benefits available to full-time employees that are not available to temporary or part-time employees	The social dimension of KCM's sustainable development, pp. 45-46
GRI 401-3	Granting parental leave	The social dimension of KCM's sustainable development, pp. 45-46
GRI 402 Labor and industrial relations		
GRI 402-1	Minimum notice period in relation to material changes in the activities of the organization	The social dimension of KCM's sustainable development, p. 42 42
GRI 403 Safety and health in the workplace (2018)		
GRI 403-1	Occupational health and safety management system	The social dimension of KCM's sustainable development, pp. 45-46
GRI 403-2	Hazard identification, risk assessment and incident investigation	The social dimension of KCM's sustainable development, pp. 45-46
GRI 403-3	Occupational Safety and Health Service	The social dimension of KCM's sustainable development, pp. 45-46
GRI 403-4	Employee participation in occupational health and safety	The social dimension of KCM's sustainable development, pp. 45-46

GRI 403-5	Health and safety training for employees	The social dimension of KCM's sustainable development, pp. 45-46
GRI 403-6	Promoting the health of workers	The social dimension of KCM's sustainable development, pp. 45-46
GRI 403-7	Preventing and mitigating negative health and safety impacts	The social dimension of KCM's sustainable development, pp. 45-46
GRI 403-9	Occupational injuries	The social dimension of KCM's sustainable development, pp. 45-46
GRI 404 Training and education		
GRI 404-1	Average number of training hours per year per employee	The social dimension of KCM's sustainable development, pp. 46-47
GRI 404-2	Skills development programmes to support the employability of workers	The social dimension of KCM's sustainable development, pp. 46-47
GRI 404-3	Percentage of employees for whom periodic performance and career development evaluations are carried out	The social dimension of KCM's sustainable development, pp. 46-47
GRI 405 Diversity and equal opportunities		
GRI 405-1	Diversity of corporate governance bodies and employees	Corporate Governance, pp. 22-26 The social dimension of KCM's sustainable development, pp. 43-45
GRI 405-2	Ratio of basic wages to remuneration for men and women	The social dimension of KCM's sustainable development, pp. 43-46
GRI 406 Non-discrimination		
GRI 406-1	Identified cases of discrimination and corrective measures	The social dimension of KCM's sustainable development, p. 42 42
GRI 415 Government policy		
GRI 415-1	Support for political parties	About the company, pp. 14-16
GRI 416 Customer health and safety		
GRI 416-1	Assessing impacts on the health and safety of clients	Stakeholder interaction, pp. 16-20
GRI 416-2	Incidents of non-compliance with regard to the health and safety impacts of goods and services	Stakeholder interaction, pp. 16-20
GRI 418 Customer privacy		
GRI 418-1	Substantiated complaints about breaches of client confidentiality and loss of client data	Stakeholder interaction, pp. 16-20

6.2. Glossary

Kazyna Capital Management JSC, KCM, Company	Kazyna Capital Management Joint-Stock Company
Baiterek National Management Holding JSC, Holding Baiterek, Holding	Baiterek National Managing Holding Joint-Stock Company
QazTech Ventures JSC, QTV JSC, QTV	QazTech Ventures Joint Stock Company
BVF JSC, BVF	Baiterek Venture Fund Joint-Stock Company
BVM JSC, BVM	BV Management Limited Liability Partnership
KCM Group	Kazyna Capital Management Joint Stock Company and entities, more than fifty percent of the voting shares (equity interests) of which are owned, directly or indirectly, by KCM
PPP	Public-Private Partnerships
subsidiaries	Organizations with more than fifty per cent of voting shares (participatory interests in the authorized capital) owned directly or indirectly by the Company
KPI	Key performance indicator
Local communities	Representatives of the public with citizenship of the Republic of Kazakhstan
UN	United Nations
UN Global Compact Principles	The ten Global Compact principles from the areas of human rights (1, 2), labor (3-6), environment (7-9) and anti-corruption (10) enjoy universal consensus and are drawn from: The Universal Declaration of Human Rights International Labor Organization Declaration on Fundamental Principles and Rights at Work Environment and Development of the Rio de Janeiro Declaration on Environment and Development The UN Convention against Corruption
Senior executives	Chairman of the Board of Directors, Chairman of the Management Board, Deputy Chairmen of the Management Board, Members of the Management Board
RoK	Republic of Kazakhstan
Specialists	Employees in KCM with whom agreements of a civil law nature have been concluded that are not part of the Company's staff
KPPF LLP, KPPF	Kazakhstan Project Preparation Fund Limited Liability Partnership
SDGs	Sustainable Development Goals - 17 goals and 169 targets from the 2030 Agenda for Sustainable Development to end poverty, conserve the planet's resources and ensure prosperity for all
ESG	Environmental, Social and Governance
GRI	Global Reporting Initiative
private equity	direct investment
UN PRI (UN Principles for Responsible Investment)	A set of principles based on consideration of environmental, social and good corporate governance factors (ESG factors) at all stages of investment activities

6.3. Contact Information

Kazyna Capital Management Joint-Stock Company

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