

Annex 4
to the minutes of physical meeting of the Board of Directors
Investment Fund of Kazakhstan JSC dated April 26
2019 (Minutes No. 03)

Approved by
Decision of the Board of Directors of Investment
Fund of Kazakhstan JSC dated April 26, 2019 (Minutes No. 03)

Sustainable development policy
Investment Fund of Kazakhstan Joint Stock Company

Nur-Sultan city

2019

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Chapter 1. General provisions

1 Scope

1. This sustainable development policy of Investment Fund of Kazakhstan JSC (hereinafter - the Policy) has been developed in accordance with the legislation of the Republic of Kazakhstan, the Charter of Investment Fund of Kazakhstan JSC (hereinafter-the Fund), the Corporate Governance Code of the Fund and other internal documents regulating the Fund's activities, as well as taking into account the requirements of the UN Global Compact, the UN principles of responsible investment, the AA 1000 series of Standards, international standard ISO 26000:2010 "Guide to social responsibility", Global Reporting Initiative (GRI Standards).

2. The purpose of this Policy is to define the basic codes and standards, principles, rules and approaches that the Fund intends to adhere to in building a management system in the field of sustainable development.

3. Objectives of this Policy:

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

2) specify the roles, competencies, and responsibilities of each body and all employees of the Fund for implementation of principles of sustainable development;

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

4. in addressing the challenges of sustainable development, the Fund relies on its mission, the provisions of the Fund's Development Strategy, and uses international standards of conduct and principles specified in international standards in the field of sustainable development.

5. The Fund considers the use of international standards in the field of sustainable development as a precondition for ensuring that its activities comply with best international practices and achieving the goals and objectives in the field of sustainable development.

6. All employees of the Fund shall strive to adhere to the provisions of this Policy in terms of interaction with stakeholders when planning and implementing their activities, developing internal regulatory documents, distributing information and other types of communication.

7. the Fund's subsidiaries shall ensure the development of internal regulatory documents in the field of sustainable development that take into account the provisions of this Policy, with subsequent submission to the Board of Directors/Supervisory Board of the Fund's subsidiaries for approval, as well as monitor their application.

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

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

2) subsidiaries mean legal entities, fifty or more percent of the voting shares (participation interests) of which are directly owned by the Fund on the right of ownership or trust management;

3) stakeholder means individuals and legal entities or groups of persons who influence the Fund and its activities and/or are influenced by the Fund (for example, employees, contractors, etc);

4) development index means a tool for prioritizing potential projects when making a decision on providing financial support in accordance with the Development Strategy of the Fund and the goals of investment activities of the Fund and its subsidiaries, calculated in accordance with the adopted Investment Declaration of the Fund;

5) Stakeholder map means a tool that allows systematizing and visualizing information about the Fund's environment in order to develop a strategy for working with each of the stakeholders;

6) competitors mean individuals or legal entities with field of activity, interests and goals identical with the field of activity, interests and goals of the Fund and its subsidiaries;

7) contractors mean individuals or legal entities that have assumed certain obligations under the agreement (for example, suppliers, partners);

- 8) "green office" concept means a comprehensive approach that includes both technical and motivational and educational activities aimed at increasing the level of environmental awareness of employees;
- 9) international standard ISO 26000: 2010 "Guide to social responsibility" means a standard that defines the principles of social responsibility, the main topics and issues related to social responsibility and ways to integrate socially responsible behavior into the strategies, systems, practices and processes of the organization;
- 10) International Finance Corporation (IFC) means international financial institution within the World Bank Group that focuses exclusively on the private sector in developing countries;
- 11) Holding means Baiterek National Managing Holding JSC;
- 12) management- Chairman and members of the Management Board;
- 13) governing body - the Board of Directors;

14) UN PRI Principles mean a set of principles that take into account environmental and social factors, as well as sound corporate governance factors (ESG factors) at all stages of investment activity;

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

16) Equator principles - a set of standards developed and adopted by financial organizations for assessing environmental and social risks in the framework of project financing, based on environmental and social standards applied by the IFC;

17) project means a potential or concluded transaction involving provision of financial and non-financial support by the Fund and its subsidiaries:

- to the final recipient (in case of direct support);
- second-tier banks, development banks and other legal entities in the form of placement of deposit funds
- for the purpose of subsequent transfer of funding to the final recipient (in case of indirect support);
- investment funds and direct investment funds in the form of entering into capital for the purpose of further sending financial support to the final recipient (in case of indirect support);
- subject to compliance with the provisions of the Fund's Investment Declaration, statutory goals, strategies and missions of the Fund and its subsidiaries through equity and debt financing instruments.

18) AA1000 series of standards mean a set of tools and standards for managing non-financial reporting and ensuring its quality, developed by the AccountAbility Institute (Institute of social and ethical accountability). The AA1000 series of standards includes:

- AA1000 accounting principles standard (AA1000APS);
- AA1000 verification standard (AA1000AS);
- AA1000 stakeholder engagement standard (AA1000SES).

19) GRI Standards mean a set of standards that includes 3 universal standards that apply to all organizations and include principles and requirements for reporting, general disclosure elements and information about the management approach, and 33 thematic standards that contain a series of standards for disclosure of economic, environmental and social topics;

20) sustainable development means level of development which enable Fund to manage the impact of its activities on the environment, economy, society and make decisions taking into account the interests of stakeholder. Sustainable development shall meet the needs of the current generation, without depriving future generations of the opportunity to meet their needs;

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

22) the UN sustainable development goals - 17 goals and 169 objectives adopted within the framework of 2030 Agenda for sustainable development and aimed at eliminating poverty, preserving the planet's resources and ensuring well-being for all.

9. The following abbreviations are used in this document:

- 1) SO - subsidiary organization
- 2) CGC - Corporate Governance Code
- 3) KPI - key performance indicators
- 4) IFC - International Finance Corporation
- 5) UN - United Nations
- 6) Development Strategy - the Fund's development Strategy for 2014-2023

7) ESG Environmental, Social and Governance

8) GRI - Global Reporting Initiative

2 Sustainable development goals and objectives of the Fund

10. Sustainable development of the Fund is a set of principles and obligations that guide the Fund in carrying out its activities, in terms of:

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

11. The Fund ensures the consistency of their economic, environmental and social objectives for sustainable development in the long term.

12. The economic component of the Fund's sustainable development includes the following objectives:

- 1) break-even performance of the Fund and its SO;
- 2) ensuring the interests of shareholders and investors;
- 3) improving the efficiency of processes;
- 4) increased investment in creating and developing sophisticated technologies;
- 5) increasing labor productivity;
- 6) creating new jobs;

7) increased export growth in non-primary industries;

8) growth in processing industry.

13. environmental component of the Fund's sustainable development includes the following objectives:

1) minimization of impact on biological and physical natural systems;

2) optimal use of limited resources;

3) use of eco-friendly, energy-and material-saving technologies.

14. Social component of the Fund's sustainable development includes the following objectives:

1) ensuring transparent competitive procedures and equal employment opportunities;

2) fair remuneration and respect for employees' rights;

3) ensuring occupational safety and health of employees;

4) training and professional development of employees;

5) implementation of internal and external social programs.

15. The Fund's objectives in the field of sustainable development are:

1) integration of principles of sustainable development in the activities of the Fund and its SO;

2) performance analysis and risk control in the context of the three components of sustainable development;

3) improving the quality of management of sustainable development through systematic work;

4) creation of mechanisms for effective interaction of the Fund with stakeholders, including regular reporting on the results of activities in the field of sustainable development.

3 Sustainable development principles

16. The Fund's activities are guided by the following principles of sustainable development set out in the CGC of the Fund: openness, accountability, transparency, ethical behavior, respect for the interests of stakeholders, legality, respect for human rights, intolerance of corruption, and prevention of conflicts of interest.

17. The Fund also declares adherence to the principles of the UN Global Compact:

1) in the field of human rights protection:

- The Fund ensures and respects the protection of human rights proclaimed at the international level;

- The Fund ensures non-involvement in human rights violations.

2) in the field of labor relations:

- The Fund promotes elimination of forced and child labor, discrimination in labor and employment.

3) in the field of environmental protection:

The Fund supports the approach to environmental issues based on the precautionary principle;

- The Fund takes initiatives aimed at increasing responsibility for environment condition;

- The Fund promotes the development and distribution of environmentally friendly technologies.

4) in the field of anti-corruption:

- The Fund declares zero tolerance for all forms of corruption and other illegal actions, including extortion and bribery.

4 Interaction with stakeholders

18. In order to implement a successful and effective sustainable development policy in the Fund, due attention is paid to interaction with stakeholders.

19. In order to determine the list of stakeholders, the extent of their influence and spheres of influence on the interests of the Fund, a Map of the Fund's stakeholders has been developed. The Fund's SO ensure that similar stakeholder maps are developed and approved in accordance with international standards for identifying and interacting with stakeholders.

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

21. Area of responsibility:

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

22. The area of direct impact:

- 1) state bodies;
- 2) SO;
- 3) investors;
- 4) financial institutions;
- 5) suppliers, buyers;
- 6) partners;
- 7) auditors;

8) consulting organizations.

23. Area of indirect impact:

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

24. When assessing the importance of stakeholders, the Fund ranks stakeholders by two factors: the degree of support/opposition of the stakeholder, and the strength of its influence on the Fund.

25. Based on the received assessment of the importance of stakeholders, the Fund's structural divisions determine the directions of interaction with stakeholders, depending on the specifics of their activities.

26. Main forms of interaction with stakeholders are: joint programs and projects, memoranda of cooperation, joint working groups, reporting on activities, meetings, publications, interviews, etc.

27. Main areas of interaction with stakeholders: strategic planning, financial activities, project and asset management of the Fund, law-making, operational activities, interaction with the media.

28. When necessary, the Fund sends questionnaire forms to the main stakeholders, determined by the structural division in charge of activities in the field of sustainable development, in order to determine the degree of interest of stakeholders, including in issues of sustainable development.

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

30. In its turn, engagement is achieved by adherence to the following three principles;

- 1) Importance. The Fund clearly defines its stakeholders and is aware of important stakeholders' interests;
- 2) Completeness. In the course of its activities, the Fund pays attention to the concerns of stakeholders, namely, understands their views, needs and expected results of activities, as well as opinions on significant issues;
- 3) Response. The Fund consistently responds to all significant questions from stakeholders.

31. In order to organize the management of relations with stakeholders, the Fund focuses its activities on the following basic principles:

- 1) respects and takes into account the interests of all stakeholders;
- 2) strives to actively inform target audiences about its activities;
- 3) ensures objectivity, reliability, independence and high level of information transparency in implementation of certain internal procedures (procurement, competitive selection among external candidates for employment, provision of financial and non-financial services), as well as use of financial resources;
- 4) ensures open and productive cooperation with all stakeholders;
- 5) fulfills its obligations to stakeholders;
- 6) receives feedback from stakeholders on a regular basis.

32. when formalizing approaches to managing the impact on stakeholders, the Fund is guided by the need to meet the requirements defined below. At the same time, the Fund's SO take these requirements into account when formalizing their own approaches to managing the impact on stakeholders.

33. In the interaction with the Sole shareholder and state authorities:

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

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

3) Fund provides additional information about the plans, achievements, problems and also studies of other organizations on the activities of the Fund, except for confidential information received from other organizations under non-disclosure and/or confidentiality contracts and/or agreements.

34. When interacting with SO:

1) the Fund contributes to the timely achievement of goals of SO;

2) the Fund takes into account the interests of SO and ensures an adequate and operational interaction process based on corporate governance principles and approved internal regulatory documents;

3) the Fund provides advisory services to SO to improve their efficiency and break-even, market attractiveness and competitiveness;

4) the Fund effectively interacts with the SO by applying common standards and requirements for the work of all SO;

5) the Fund maintains an atmosphere of mutual assistance and cooperation in implementation of its management functions, as well as develops the managerial, scientific, technological and reputational potential of its SO;

6) specialists of the Fund carry out high-quality expertise of documents and results of work of SO.

35. When interacting with investors and counterparties:

- 1) the Fund sufficiently discloses relevant information about its financial condition, dividend policy, and credit history, as well as development prospects of SO;
- 2) the financial and management statements of the Fund are prepared and submitted in a timely manner in accordance with legal and regulatory requirements, and the financial statements are audited by independent auditors;
- 3) information on influence of the Sole shareholder and other stakeholders (national and local authorities), as well as on procedure for monitoring and approving transactions with stakeholders is known, transparent and available;
- 4) Fund proactively communicates approaches to making investment and strategic decisions;
- 5) Fund fulfills its contractual obligations to its business partners in good faith;
- 6) Fund ensures information transparency, openness, equality, fairness, non-discrimination and unjustified restrictions on competition in strict accordance with the legislation of the Republic of Kazakhstan;
- 7) Fund adheres to the principles of corporate governance and improvement of corporate governance system in accordance with the world's leading practices.

36. When interacting with employees:

- 1) Fund provides an open, transparent personnel policy aimed at developing qualified and motivated personnel;
- 2) Fund ensures equal opportunities for all employees to realize their potential in the course of their work, as well as an impartial and fair assessment of their performance;
- 3) recruitment and career development of employees in the Fund is carried out exclusively on a competitive basis and professional abilities, knowledge and skills, respectively;
- 4) effective communication and interaction of employees is carried out through internal corporate sources for regular informing the employees and communication channels, regular review of employees' opinions and suggestions, and organizing the activities of working groups,

37. When interacting with the public:

- 1) Fund effectively and promptly interacts with the public;
- 2) Fund is actively involved in implementation of socially significant projects;
- 3) responses to requests sent to the Fund are provided in a timely manner and in full,

Chapter 2. The Fund's activities in the field of sustainable development

5 Economic, environmental and social components of sustainable development

5.1 Promoting sustainable development of the national economy

38. Mission of the Fund is to promote sustainable economic development of the Republic of Kazakhstan by improving distressed assets/projects.

39. Fund, being the national development institute of the Government of the Republic of Kazakhstan, participates in implementation of programs for working with distressed assets/projects.

40. Key objectives of the Fund, as part of investment, are the following:

- 1) return on previously invested investments and promotion of restoration of enterprises;
- 2) promoting the social and economic development of regions by implementing socially significant projects in non-resource sectors of the economy;
- 3) support and recovery of economic activity of industrial and infrastructure organizations, regardless of the economic sector;

4) assistance in rehabilitation of enterprises, launching production, improving the socio-economic situation in the regions.

41. In order to function effectively in four areas of activity, the Fund is working to optimize the portfolio of functions and determine their further development.

42. Consistent with the principles of the Yellow pages rule, the Fund does not perform functions that are sufficiently implemented in the private sector.

43. In achieving the goal of cost-effective and sustainable operations, the Fund follows international best practices in environmental and social issues, as well as in corporate governance (ESG factors) within the framework of projects that receive financial support from the Fund and its SO, with the aim of developing responsible investment practices in accordance with the main international standards in this area, the UN principles of responsible investment and the Equator Principles.

44. Fund seeks to introduce and integrate ESG factors and the project prioritization tool - Development Index, into the decision-making process for financial support, including by familiarizing the Fund's counterparties and its SO with ESG factors and Development Index.

45. Fund and its SO expect their counterparties to:

- 1) apply the environmental risk management system to identify and assess actual and possible impacts on the environment and society, identify and effectively implement appropriate management measures, control the level of environmental risks;
- 2) apply system for ensuring (preservation of) the health of workers, which should be based on respect for workers' rights; system shall ensure the fair treatment of employees and create safe and healthy working conditions, prevention of adverse effects on the health and safety of social groups and consumers;
- 3) apply the system of good corporate governance based on the principles of fairness, honesty, responsibility, transparency, professionalism and competence; good corporate governance implies respect for rights and interests of all persons interested in the organization's activities, and contributes to its successful operation, including the growth of its market value, maintaining financial stability and profitability.

5.2 Managing own environmental impact

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

47. Fund applies the principles and methods of efficient use of resources that best ensure the prevention of adverse environmental impacts.

48. In its activities, the Fund strives to reduce the excessive consumption of resources and minimize the existing negative environmental impact by introducing energy-efficient technologies, reducing water consumption, reducing use of paper for office needs, through the introduction of electronic document management system and double-sided printing.

49. Fund considers the possibility of implementing the concept of "green office", an important component of which is an information campaign aimed at increasing the level of environmental awareness of employees.

5.3 Responsible working practice

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

51. Fund builds labor relations with its employees based on principle of legality and compliance with the generally recognized labor rights of the employee.

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

53. Fund's structural division in charge of recruitment uses an extensive set of search channels and competitive recruitment to attract the most qualified candidates.

54. In order to further develop and promote professional personnel, the Holding has created an integrated unified personnel reserve of the best employees of the Holding and its subsidiaries.

55. The Fund has a system of continuous training and staff development using modern techniques.

56. the Fund uses advanced forms of training - training internships, attend conferences, forums, master classes, business breakfasts, corporate internal and external training, on-the-job training, etc.

57. Training and professional development of employees of the Fund is based on the following principles:

- 1) compliance of the topic and content of training events with the needs defined in accordance with the employee's job responsibilities, the results of the assessment of his/her performance (KPI maps), goals and objectives set for the employee;
- 2) focus of training events on solving specific tasks that improve the effectiveness of the Fund's activities, studying the best corporate practices and standards;
- 3) systematic, applied, prearranged nature of training and professional development;
- 4) ensuring that training and professional development programs cover the maximum possible number of employees of the Fund.

58. Training process at the Fund is based on the training plan approved by the HR Policy Committee of the Fund.

59. Increasing the level of labor productivity of employees is carried out through a fair and systematic assessment of performance through the use of KPI, personnel certification and motivational measures.

60. In order to ensure fair and competitive remuneration, the Fund will introduce a grading system, regularly reviews salaries in the market and comparable industry, and conducts motivational research.

61. Fund takes measures to ensure the proper organization of employees' work at the workplace and strives to create safe working conditions that meet the requirements of the legislation of the Republic of Kazakhstan in this area.

62. Fund documents and investigates all incidents and problems related to occupational safety and health in order to minimize or eliminate them.

63. Fund provides the necessary training for employees in the field of occupational safety and health, including training and professional development of employees in this field.

5.4 Responsible business practice

64. Fund identifies the risks of corruption, implements and maintains policies and practices that counteract corruption.

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

66. Fund raises awareness of its officials, employees, and contractors on issues of corruption and countering it.

67. The Fund regularly trains employees in order to eradicate corruption.

68. The Fund uses feedback mechanisms through which officials, employees and contractors of the Fund, as well as individuals and legal entities can provide information on probable corruption offenses committed by any official, employee of the Fund, official, employee, representative of the Fund's counterparty.

69. Fund's officials and employees are responsible for making transparent, timely and adequate decisions that are free from conflicts of interest.

Chapter 3. Mechanisms for implementing this Policy

6. Allocation of responsibility

70. Managing sustainable development in the Fund shall be carried out within the framework of general management of the Fund and is its integral part.

71. The Board ensures the formation of proper system of management of sustainable development and its implementation.

72. The Board approves a plan of activities for sustainable development.

73. Structural subdivision in charge of Fund's sustainable development activities shall be responsible for coordinating the Fund's activities in the field of sustainable development.

74. The Head of the structural division of the Fund, who supervises the activities in the field of sustainable development, shall be responsible for ensuring the management of this Policy.

75. Structural divisions of the Fund provide information on the results of implementation of activities in the field of sustainable development, as well as information for inclusion in the annual report of the Fund at the request of the Department in charge of sustainable development of the Fund, if necessary, make suggestions for improving the Fund's activities in this area.

76. the Structural division responsible for the Fund's sustainable development activities performs the following functions:

1) carries out the planning activities in the field of sustainable development - analysis of internal and external situation, determination of goals and targets in sustainable development, measures for improvement and strengthening of the three pillars of sustainable development, responsible individuals, necessary resources and deadlines;

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

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

- 4) prepares the annual report of the Fund with the inclusion of a section on sustainable development;
- 5) conducts training seminars for employees of the Fund/SO for the purpose of improving the skills of officials and employees of the Fund/SO in the field of sustainable development with the involvement of external trainers, or independently;
- 6) interacts with the Holding/SO of the Fund on issues of sustainable development, including coordination of internal regulatory documents and action plans of SO in the field of sustainable development;
- 7) interacts with international organizations, institutions, and agencies on sustainable development issues.

7. Integration of sustainable development principles into key processes

77. Fund integrates the principles of sustainable development into Development strategy and key processes of the Fund, including planning, reporting, risk management, investment, operations, and others, as well as into

decision-making processes at all levels, starting from the bodies (Sole shareholder, Board of Directors, Management Board) to ordinary employees.

7.1 Decision making processes

78. Decision-making process in the Fund is based on the following:

- 1) commitment to the principles of sustainable development is established by the authorized bodies of the Fund;
- 2) decision - making process contributes to efficient use of financial, natural and human resources;
- 3) Fund provides equal gender and racial opportunities for leading positions;
- 4) Fund has established two-way information exchange processes with stakeholders that will help identify areas for improved collaboration;
- 5) Fund periodically analyzes and evaluates management processes, if necessary, adjusts the processes and provides relevant information to all stakeholders.

7.2 Development strategy and planning

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

80. Sustainable development activities are included in the action plan for implementing the Fund's development Strategy.

7.3 Corporate governance

81. Sustainable development management system of the Fund is inextricably linked with corporate governance.

82. One of the fundamental principles of the Fund's CGC is the principle of sustainable development.

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

7.4 Operating activity

84. Selection of suppliers of goods, works, services carried out by the Fund in a transparent manner in accordance with the requirements of the legislation of the Republic of Kazakhstan and internal documents, and is based on the preference of the best prices, quality and conditions of supply of goods, works and services, and good business reputation of the counterparty.

85. The Fund considers the possibility of including the principles of sustainable development in relevant contracts (agreements, agreements) with partners to improve coherence with the sustainable development goals.

7.5 Risk management and internal control

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

87. Main tool for managing reputational risk is a continuous dialogue with stakeholders, including monitoring the media, reviewing complaints, conducting surveys and meeting with stakeholders.

88. Other risks determined by the Fund's internal documents may be considered as other risks that affect the Fund's long-term sustainable development.

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

90. Fund includes risks in the field of sustainable development in the Fund's risk register and takes measures to minimize them.

7.6 Financial support

91. The Fund and its SO do not finance projects related to the following activities:

- 1) extraction of minerals (if their further processing is not provided for within the project);
- 2) gambling business;
- 3) types of activities prohibited by the legislation of the Republic of Kazakhstan;
- 4) when implementing joint projects with international financial organizations – activities prohibited by these international financial organizations;
- 5) other activities in accordance with decision of the Management Board of the Fund.

92. when forming the project portfolio, the Fund gives preference to projects that meet the UN Sustainable Development Goals and have a significant impact on the sustainable social and economic development of the Republic of Kazakhstan, including projects that contribute to:

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

93. The Fund strives to apply best international practices in the field of environmental protection and social impact of funded projects and other activities.

94. When making a decision on provision of financial support by the Fund, it is recommended that all necessary permits provided for by the legislation of the Republic of Kazakhstan are available and issued by the authorized bodies in the field of state environmental expertise.

95. Depending on the scale and nature of the impact of funded projects on the environment and society, the Fund may engage consulting, audit, research organizations, as well as individual experts on a contractual basis to assess and monitor the environmental and social risks of projects.

96. If other international and national financial institutions are involved in co-financing projects, the Fund shall be guided by relevant provisions of the documents submitted by these organizations, provided that such documents are available.

97. The Fund intends to consistently increase its participation in international initiatives in the field of sustainable development, including by joining initiatives related to the implementation of responsible investment practices.

8 disclosure of information in the field of sustainable development

98. This Fund's policy is available to the wide public and is published on the corporate website.

99. the Fund regularly discloses the results of the implementation of this Policy to stakeholders in the relevant section of the corporate website, as well as in the annual report of the Fund.

100. The Fund's approaches to preparation of the annual report are based on international information disclosure standards - GRI Standards.

Chapter 4. Final provisions

101. This Policy comes into effect from the moment of its approval.

102. The Fund seeks to implement the provisions of this Policy in their activities.

103. The Fund will improve this Policy taking into account changes in legislation and new standards in the field of sustainable development in international and national practice, guided by the interests of the Sole shareholder, the Fund and other stakeholders.