

On contribution of Qazaqstan Investment Corporation to the achievement of the UN Sustainable Development Goals

The Global Sustainable Development Goals are a key guide in this area, and QIC strives to contribute to their achievement. The Corporation supports the Sustainable Development Goals (hereinafter – SDGs) adopted in 2015 by the UN General Assembly, we regularly evaluate the results of our activities in terms of SDGs, as well as identify areas where we can bring the greatest benefit.

QIC's development strategy and activities are integrated into the context of achieving the SDGs. QIC's mission, values, guidelines, and strategic principles correspond to the 17 SDGs. Recognizing the importance of all 17 SDGs, QIC directly or indirectly contributes to the achievement of 10 of the 17 SDGs.

Implementation of the UN Sustainable Development Goals in QIC

UN Sustainable Development Goals and priorities	Activities of the Corporation
Goal 2. Ensuring food security and promoting sustainable agricultural development	
2.6. To increase investment, including through the intensification of international cooperation, in the field of agricultural production	<p>business support and entrepreneurship development by providing financing to the Corporation and its subsidiaries, which make a positive contribution to the socio-economic development of the regions and ensure the food security of the country, including in such industries as agriculture and food industry:</p> <ul style="list-style-type: none"> - <i>in October 2021, by the decision of the Board of Directors of QIC, the Program of financing by private equity funds of investment projects of the agro-industrial complex was approved;</i> - <i>In July 2022, the decision of the Board of Directors of QIC approved the basic conditions for Corporation's participation in the Apex Fund. The Fund will invest (lend) in credit partnerships and/or microfinance organizations for purposes of their subsequent financing of micro, small and medium-sized businesses, including, but not limited to, the agro-industrial complex, on the territory of the Republic of Kazakhstan.</i> - <i>in 2022, captive funds financed 2 projects in the field of agriculture: 1) Organization of production of chicken schnitzels and semi-finished products with a production capacity of 3 346 tons per year (the applicant is IL TOV LLP); 2) Construction of a pig farm. Expansion to 200 000 heads of commodity herd per year (the applicant is EMC Agro LLP).</i>
Goal 3. Ensuring a healthy lifestyle and promoting well-being at any age	
3.8. To ensure health coverage, including access to quality basic health services and access to safe, effective, high-quality and affordable essential medicines and vaccines 3.12. Significantly increase	<p>ensuring safe working conditions for employees:</p> <ul style="list-style-type: none"> - <i>QIC annually conducts training for employees on occupational safety and health, fire safety, electrical safety.</i> <p>social package for employees:</p> <ul style="list-style-type: none"> - <i>QIC provides employees with the following types of social support: financial assistance for recovery within the framework of annual leave, financial assistance in connection with the birth of a child, financial assistance in connection with the</i>

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the financing of healthcare	<p><i>treatment of an employee or a member of his/her family, etc.</i></p> <p>health insurance program for employees and providing employees with free access to medical services:</p> <p><i>- full-time QIC employees are covered by the health insurance program, which allows receiving high-quality and diverse medical services.</i></p> <p>The Corporation supports projects aimed at maintaining public health and promoting a healthy lifestyle:</p> <p><i>- In 2022, QIC provided financing to Keruen-Medicus LLP for construction of maternity hospital in the Bostandyk district of Almaty. A new perinatal center with a total area of 4000 sq. m. will include a polyclinic and diagnostic unit, maternity and postnatal departments, operating rooms and departments of children's and adult intensive care. Following the commissioning of the medical and diagnostic center, it is planned to create 150 new jobs. The maternity hospital, equipped with high-precision diagnostic equipment, will be an integral part of the main building of the multidisciplinary Keruen-Medicus medical Center. The expansion of the clinic will further develop such areas as surgery, neurosurgery, orthopedics, traumatology and pediatric surgery.</i></p>
Goal 5. Ensuring gender equality and empowering all women and girls	
5.5. To ensure the full and real participation of women and equal opportunities for them to lead at all levels of decision-making in political, economic and public life	<p>providing equal access to financial support for women and men:</p> <p><i>- QIC strives to create equal opportunities for women and men, starting with equal access to financial support and ending with the observance of gender equality in the internal operational processes of the company.</i></p>
Goal 7. Ensuring universal access to affordable, reliable, sustainable and modern energy sources for all	
7.2. Significantly increase the share of energy from renewable sources in the global energy balance	<p>QIC support for "green" projects in the field of renewable energy sources:</p> <p><i>- In 2022, QIC provided financing to Bekzat LLP for construction of the High-Talaptinsk hydroelectric power station with a capacity of 7 MW on the Koxsu River in the Zhetysu region. The launch of Verkhne-Talaptinskaya HPP will have a positive effect on the energy security of the Zhetysu region and the ecology of the region. Currently, the Zhetysu region is deficient in electricity supply: about 30% of annual consumption is covered by its own sources, and the remaining 70% come from remote external sources.</i></p> <p><i>At the end of the reporting period, QIC's portfolio of "green" projects included 3 projects with a total capacity of 67 MW:</i></p> <ol style="list-style-type: none"> <i>1. Construction of Kengir solar power plant with a capacity of 10 MW in the Karaganda region;</i> <i>2. Construction of Baikonur solar power plant with a capacity of 50 MW in the Kyzylorda region.</i> <i>3. Construction of hydroelectric power plant on Koxsu River</i>

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	<i>with a capacity of 7 MW in the Zhetysu region.</i>
Goal 8. Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work	
8.1. To support economic growth per capita in accordance with national conditions and, in particular, the growth of gross domestic product	<p>business support and entrepreneurship development by providing financial instruments to QIC and subsidiaries:</p> <p><i>- The Corporation provides financial support to small and medium-sized enterprises, thereby making a positive contribution to the socio-economic development of the country. Over the years, QIC has financed 107 projects totaling 196 billion tenge. Over the past five years, more than 23 000 jobs have been created and supported, the revenue of the financed enterprises amounted to 1.5 trillion tenge, the companies paid taxes in the amount of 55.3 billion tenge.</i></p>
8.2. To achieve an increase in productivity in the economy through diversification, technical modernization and innovation	<p><i>- In December 2022, the decision of the Board of Directors of the Corporation approved the basic conditions for participation of JSC "QIC" in the creation of private company "BGlobal Ventures Ltd" on the territory of the AIFC. BGlobal Ventures will implement acceleration programs for startup projects and venture investors, which in the future will contribute to the technological modernization of manufacturing enterprises through the introduction of high-tech solutions/products;</i></p>
8.3. To promote the creation of decent jobs, entrepreneurship, creativity and innovation, and encourage the development of micro, small and medium-sized enterprises, including by providing them with access to financial services	<p><i>- by the end of 2022, 7 projects were financed in the fields of healthcare, agriculture, education, energy and industry. With the support of QIC, 2002 new jobs were created in the reporting period.</i></p> <p>promoting the sustainable development of the national economy and its diversification by financing projects in non-resource sectors of the economy, such as food and beverage production, transport and logistics, chemistry and petrochemistry, energy, paper and paper products production and others:</p>
8.5. To ensure full and productive employment and decent work for all women and men, including young people and people with disabilities, and equal pay for work of equal value	<p><i>- in 2022, QIC financed 7 projects through captive funds:</i></p> <p><i>1) Modernization of equipment of plant for the production of mineral wool slabs and mats from basalt rocks with a capacity of 34 000 tons per year (applicant - Makinsky Thermal Insulation Plant LLP);</i></p>
8.8. Protect labor rights and promote safe and secure working conditions for all workers	<p><i>2) Expansion of pig farm up to 200 000 heads for slaughtering a commercial herd per year (applicant - EMC Agro LLP);</i></p> <p><i>3) Development of export-oriented production of grinding balls in the West Kazakhstan region (applicant - KazArmaprom LLP);</i></p> <p><i>4) Reconstruction of building for educational center "Prometheus school (by Tamos) (applicant - EPG Prometheus School LLP);</i></p> <p><i>5) Construction of medical and diagnostic center in Almaty (applicant - Keruen-Medicus LLP);</i></p> <p><i>6) Construction of the Verkhne-Talaptinskaya hydroelectric power station on Koksus River in the Zhetysu region (applicant - Bekzat LLP);</i></p>

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	<p>7) Organization of production of chicken schnitzels and semi-finished products with a production capacity of 3346 tons per year (applicant - IL TOV LLP).</p> <p>providing employment opportunities by creating high-quality jobs with decent working conditions:</p> <ul style="list-style-type: none"> - as of December 31, 2022, QIC provided employment for 63 people, including 46% of men and 54% of women. <p>compliance with the labor rules of employees, ensuring comfortable working conditions and protecting their health:</p> <ul style="list-style-type: none"> - QIC is guided in its activities by the Labor Code of the Republic of Kazakhstan, the QIC Code of Business Ethics, Declaration of International Labor Organization "On Fundamental Principles and Rights at Work", the Universal Declaration of Human Rights; the Principles of the UN Global Compact. In the reporting period, there were no complaints filed against QIC for violations of labor relations practices. - in order to improve the skills of employees in matters of safety and labor protection, fire safety, electrical safety, employees are trained annually. During the reporting period, there were no cases in QIC related to employee injuries or accidents.
<p>Goal 9. Building sustainable infrastructure, promoting inclusive and sustainable industrialization and innovation</p>	
<p>9.1. Develop high-quality, reliable, sustainable and resilient infrastructure, including regional and cross-border infrastructure, in order to support economic development</p> <p>9.2. To promote inclusive and sustainable industrialization and increase industrial employment and the share of industrial production in gross domestic product in accordance with national conditions</p> <p>9.3. To expand the access of small industrial and other enterprises to financial services and the well-being of people</p>	<p>support of infrastructure projects:</p> <ul style="list-style-type: none"> - there are infrastructure projects in the QIC portfolio, among which: project for gasification of Astana and the northern regions of the country, as a result of the implementation, 171 urban and rural settlements were connected to the gasification system; project for modernization of Almaty International Airport, where the new terminal will increase passenger traffic by 4 times to 14 million passengers per year by 2030 the project of storage facilities on the territory of the SEZ "Khorogos-Eastern Gate" (warehouses are located on the border of Kazakhstan and China in the special economic zone – one of the key transit points of the new Silk Road), which provides class A storage facilities to large manufacturers and carriers. <p>support of industrial enterprises:</p> <ul style="list-style-type: none"> - in 2022, QIC, through captive funds, supported industrial enterprises for production of mineral wool slabs and mats from basalt rocks; meat production, production of grinding balls, production of alternative electricity, production of chicken schnitzels and semi-finished products.
<p>SDG 10. Reducing inequality within and between countries</p>	
<p>10.2. Encourage the active participation of all people in social life, regardless of their age, gender, disability,</p>	<p>support of socially vulnerable segments of the population through the implementation of charitable projects. During 2022, the following charity projects were implemented:</p> <ul style="list-style-type: none"> ✓ charitable assistance was provided to the victims of the

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race, ethnicity, origin, religion and economic or other status	<p><i>tragic January events in the form of cash;</i></p> <ul style="list-style-type: none"> ✓ <i>"Donor Day", organized by NMH "Baiterek" JSC together with the RSE "Scientific and Production Center of Transfusiology", during which QIC employees donated blood;</i> ✓ <i>charitable assistance was provided to poor families for Day of Knowledge by purchasing school clothes and supplies;</i> ✓ <i>On the occasion of Day of Protection of Homeless Animals, assistance was provided to private fund for protection of homeless animals "Nika" in the form of purchase of feed and medicines for animals;</i> ✓ <i>assistance was provided in the form of funds to support the residents of Kostanay region affected by fires;</i> ✓ <i>as part of Charity Fair "Baiterek – Open Hearts", assistance was provided in organizing a Christmas tree and buying gifts for children with disabilities;</i>
Goal 12. Ensuring the transition to rational consumption and production models	
<p>12.2. To achieve efficient use of natural resources</p> <p>12.6. Recommend companies to reflect information about the rational use of resources in their reports</p>	<p>encouraging responsible attitude to the environment, responsible and rational consumption of natural resources and use of resource-saving technologies in the office:</p> <ul style="list-style-type: none"> - <i>in December 2022, the Concept of "green" office was developed, which includes an integrated approach to the impact of daily activities of QIC employees on the environment;</i> - <i>as part of transition to "responsible" investing, the Corporation annually analyzes the commitment of ESG portfolio companies to the principles by questioning portfolio companies. The questionnaire includes questions of responsible attitude to the environment, consumption/conservation of resources. Information is disclosed annually by companies as part of a questionnaire and provided to the QIC.</i>
SDG 16. Promoting a peaceful and open society for sustainable development, ensuring access to justice for all and creating effective, accountable and participatory institutions at all levels	
16.6. Create accountable and transparent organizations	<p>participation in increasing the investment attractiveness of the Republic of Kazakhstan and increasing transparency activities:</p> <ul style="list-style-type: none"> - <i>as part of obtaining the status of KASE listing company in 2021, QIC successfully fulfills its obligations to fully and qualitatively disclose information about its activities;</i> - <i>according to research by PwC Kazakhstan, in 2022, in the overall ranking of the 50 best companies in terms of disclosure of ESG information in annual reports/reports on sustainable development (according to reports for 2021), QIC was ranked 20th (previously 42nd).</i>
SDG 17. Strengthening the means of implementation and revitalization of the global partnership for sustainable development	
17.16 Strengthen the global partnership for sustainable development,	<p>cooperation with international institutions and financial organizations on sustainable development issues:</p> <ul style="list-style-type: none"> - <i>QIC joined the UN Principles for Responsible Investment. The</i>

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<p>complemented by multi-stakeholder partnerships that mobilize and disseminate knowledge, expertise, technology and financial resources in order to support the achievement of the Sustainable Development Goals</p>	<p><i>members of the Association are international private equity funds aimed at introducing and developing practice of "responsible" investment in activities and the exchange of experience and knowledge;</i></p> <ul style="list-style-type: none"> - <i>as part of development of venture financing ecosystem in Kazakhstan and Central Asia as a whole, in December QIC decided to create BGlobal Ventures, a company that will improve the professional competence of regional entrepreneurs – founders of startups, as well as individual investors interested in supporting startup projects in the region.</i> - <i>BGlobal Ventures is a new educational platform, as proposed programs will be conducted jointly and with the support of world leaders in this field, such as USMAC (500 Global, Catapult VC). BGlobal Ventures is interested in developing specialized acceleration programs to support a favorable investment environment for startup projects in the field of sustainable development, climate tech, green technologies and women's entrepreneurship both in Kazakhstan and in Central Asia.</i> - <i>QIC representatives regularly hold meetings to exchange experience with their investment partners (in December 2022, an online meeting was held with representatives of TVM Capital Healthcare Partners Limited to exchange knowledge and experience as part of the implementation of ESG principles in investment activities.)</i> <p>participation in conferences, forums, round tables on the promotion of SDGs in Kazakhstan:</p> <ul style="list-style-type: none"> - <i>The Corporation is considering joining the UN Global Compact;</i> <p>support of national and global initiatives in the field of sustainable development implemented by international and Kazakhstani organizations:</p> <ul style="list-style-type: none"> - <i>In August 2022, the Corporation joined the UN global initiative "Women's Empowerment Principles" (WEPs);</i> - <i>On September 7, 2022, QIC joined the National ESG Club to exchange experience and discuss new ESG initiatives.</i>