



SUSTAINABILITY
REPORT

QAZAQSTAN
INVESTMENT
CORPORATION

2023



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WELCOME SPEECH BY THE CHAIRMAN OF THE BOARD OF DIRECTORS



During 2023, we actively continued to implement the practice of "responsible investment", which is an integral part of our strategy and the basis for achieving long-term success. Our investment decisions are aimed not only at creating financial value, but also at having a positive impact on the environment and society. We strive to expand our portfolio of environmentally sustainable projects, which allows QIC to make a significant contribution to the development of the country's "green" economy and brings it closer to achieving carbon neutrality by 2060 within the framework of the Paris Agreement, which Kazakhstan signed in 2016. Qazaqstan Investment Corporation JSC, as a quasi-public company, confidently supports these obligations and is actively working on their implementation.

The corporation pays special attention to energy security. On October 17, as part of the official visit of the President of the Republic of Kazakhstan to the People's Republic of

Dear colleagues and partners!

It is with great pleasure that I present to you the report on the sustainable development of Qazaqstan Investment Corporation JSC for 2023.

This report demonstrates our efforts towards sustainable development and highlights the contribution of QIC to the development of the economy of Kazakhstan.

China, an important framework agreement on investment cooperation in the energy sector was signed between QIC and China Huadian Overseas Investment Ltd. This agreement supports the initiatives of the Head of State, set out in the Address to the People of Kazakhstan dated September 1, 2023, to ensure energy security and attract foreign investment in the energy sector.

An important project that QIC supported through the captive fund of Baiterek Venture Fund JSC was the second tranche of financing for Bekzat LLP in the amount of KZT 860 million. This project includes the construction of a hydroelectric power plant on the Koksu River in the Zhetysu region with a capacity of 7 MW, which will have a significant impact on solving the problem of electricity shortages and improving the environmental situation in the region.

At the same time, by the end of 2023, our "green" portfolio included three more key projects in the field of alternative energy with a total capacity of 75 MW. These projects include the Kengir solar power plant with a capacity of 10 MW in the Karaganda region and the

Baikonur solar power plant with a capacity of 50 MW in the Kyzylorda region, as well as the Arctic Green Energy China geothermal exploration and production project with a capacity of 15 MW.

Socially significant investments remain a priority of our activities. This year, the KCM Sustainable Development Fund I C.V. funded the project of iClinic Atyrau Medical Center LLP in the amount of 3.914 billion tenge. The new medical center in Atyrau will provide 240 jobs and provide medical care to 100,000 outpatient and 4,853 inpatient patients annually.

In addition, on October 17, an agreement was signed with BGI Group to create a joint investment fund Forebright Life Science Technology Fund. This fund will focus on financing innovative projects in the field of multi-genetic technologies and synthetic biology in the regions of the Middle East and Asia, including Kazakhstan. Special attention will be paid to healthcare, including the development of reproductive technologies and comprehensive newborn screening.

In conclusion, I would like to emphasize that the Corporation strives to further develop a sustainable investment portfolio necessary to ensure long-term sustainability and effective growth of the country's economy. All these efforts will contribute to minimizing environmental risks, increasing resilience to external changes and achieving Kazakhstan's strategic goals in the field of environmental and social responsibility.

| Timur Onzhanov





WELCOME SPEECH BY THE CHAIRMAN OF THE MANAGEMENT BOARD



Dear ladies and gentlemen!

Qazaqstan Investment Corporation JSC is a leading player in the domestic private equity market and is actively developing the infrastructure of the Kazakhstani market in accordance with international standards. We are aware of the importance of our role and strive to implement the concept of "responsible" investment, which makes our work especially significant.

In a dynamically changing global market, QIC remains committed to its mission of contributing to the growth and development of the national economy. Important aspects of our activities, which have become key elements of the QIC development strategy, are the formation of a "sustainable" investment portfolio and the implementation of ESG principles.

The focus on sustainable investments allows us not only to minimize risks and ensure financial stability, but also to contribute to the long-term economic growth of the country. Financing that aligns with ESG principles helps to manage capital more effectively and attract international investment, strengthening Kazakhstan's position in the global arena.

In addition, the implementation of ESG principles in QIC's activities reflects the corporation's commitment to social responsibility and environmental sustainability. We actively invest in projects

that contribute to the development of sustainable infrastructure, improve the quality of life of the population and protect the environment. Thus, the corporation actively supports the country's strategic goals in the field of sustainable development and creates a solid foundation for a sustainable future.

In 2023, QIC underwent an independent assessment from the division of the international rating agency Fitch Ratings for sustainable development, as a result of which the Corporation was awarded an ESG rating score of "3" and an overall rating of 59 out of 100 possible. This score demonstrates QIC's firm commitment to ESG principles, which highlights the corporation's sustainable approach to integrating environmental, social and management standards into business processes.

We are proud to be a member of the UN Principles for Responsible Investment (UN PRI). Joining the Association provides a unique opportunity to build the internal competencies of employees in the field of responsible investment through access to UN PRI educational resources and trainings and the exchange of experience and best practices.

In April 2023, QIC also joined the UN Global Compact, which is based on ten

principles covering human rights, labor practices, environmental protection and anti-corruption efforts. This cooperation strengthens trust in the investment community and promotes the integration of corporate social responsibility principles.

To ensure transparency in ESG matters, we have implemented an ESG due diligence process that includes international standards and practices. This proactive step is aimed at mitigating environmental and social risks and increasing the sustainability of the business operations of our portfolio companies.

At the same time, QIC strives to further implement ESG principles at all stages of the investment process in the selection, financing, implementation management and exit from the project. We are also actively considering the possibility of issuing green bonds as part of our financing strategy and increasing the share of green projects in our investment profile. This move underscores QIC's commitment to creating a positive environmental impact through targeted investments.

QIC is also actively involved in charity events and socially significant events. In 2023, we provided assistance to families in need, children with disabilities and private funds for the protection of stray animals.

We are confident that by continuing to adhere to the principles of sustainable development and social responsibility, QIC will be able to make a significant contribution to the future of our country and strengthen Kazakhstan's position on the world stage.

| Yerbolat Zholat





ABOUT THE REPORT

The Joint Stock Company "Qazaqstan Investment Corporation" (hereinafter – QIC, Corporation, Company) annually provides information on the Corporation's approach to implementing sustainable development practices, including social, economic, and environmental aspects, to ensure transparency in its activities before stakeholders.

This Report on the Sustainable Development of Qazaqstan Investment Corporation JSC (hereinafter referred to as the Report) is the fourth separate Report and has been prepared in accordance with the international standards of the Global Reporting Initiative for Sustainable Development (Global Reporting Initiative Sustainability Reporting Standards, GRI Standards).

The Report provides consolidated information on the activities of QIC and its subsidiaries for the period from January 1 to December 31, 2023 (referred to in the Report as the Group of Companies). To ensure the possibility of comparison and comparability of data, information, where possible, is presented in dynamics over the past three years. The previous report for the period from January 1, 2022 to December 31, 2022 was published in September 2023.

The quality of the Report was assessed using the principles of the GRI Standards: balance, comparability, accuracy, clarity, completeness, sustainability context, verifiability, and timeliness.

The Report is approved by the decision of the QIC Board of Directors and is communicated to stakeholders through publication on the QIC corporate website. .



QIC sustainability reports are available in electronic format, in the state, Russian and English languages on the QIC corporate website.

External assurance of non-financial information in the field of sustainable development for the year 2023 was not conducted.

Materiality Matrix of 2023

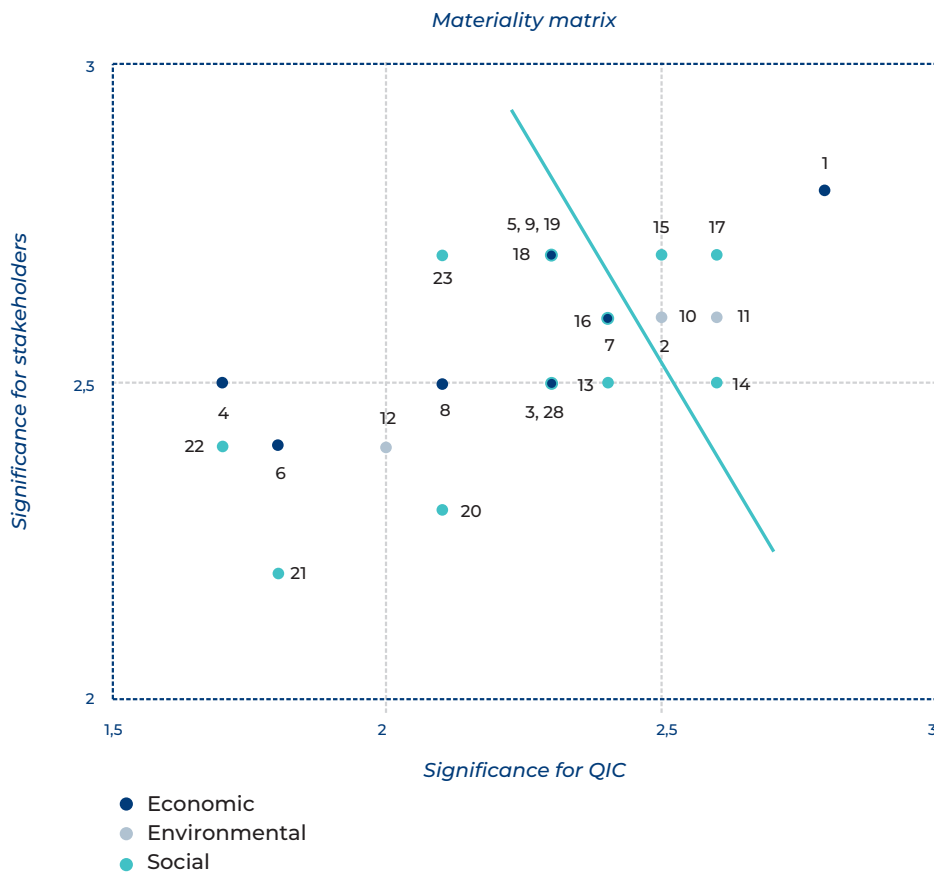
Material topics reflect the most significant aspects of the Corporation's impact on the economy, environment, and people, including the impact on human rights, as well as the ways in which this impact is managed.

In order to reflect key information for all stakeholders, work was carried out to identify material topics by interviewing external and internal QIC stakeholders. The questionnaire included significant economic, environmental and social topics from the list of GRI Standards, as well as additional topics.

The online survey was prepared on the basis of the Survio.com platform..

The survey was attended by representatives of the Sole Shareholder, subsidiaries, government agencies and the media, suppliers, partners, investors, as well as QIC employees. Each topic was asked to be rated according to the degree of significance on a scale from 1 to 3 points, where 1 is a low degree of significance, 2 is an average degree of significance; 3 is a high degree of significance.

Based on the results of a survey of internal and external stakeholders, a materiality matrix was built. The topics in the upper-right corner of the matrix are recognized as the most significant topics to be disclosed in the report.



A complete list of essential topics

(the most material topics for QIC are marked with a checkmark)



Economic

Economic performance	✓
Market presence	✓
Indirect economic impacts	-
Procurement practices	-
Anti-corruption	-
Competitive obstacle	-
Corporate governance	-
Information policy	-
Integration of ESG principles into the Company's activities	-



Environmental

Measures to reduce the negative environmental impact (implementation of the concept of a "green" office, rational use of electricity, thermal energy, water)	✓
Measures to implement responsible investment practices (compliance with environmental requirements of legislation, provision of information on environmental impact by portfolio companies)	✓
Measures to implement responsible procurement practices (environmental assessment of suppliers and others)	-
Emissions and waste (volume of recycled paper, carbon footprint)	-



Social

Employment	✓
Remuneration and employment relations	✓
Workplace safety and health	-
Training and education	✓
Diversity and equal opportunities	-
Non-discrimination	-
Freedom of association and collective bargaining	-
Local communities	-
Social assessment of suppliers	-
Human rights assessment	-
Responsible investing	✓

Key developments in the field of sustainable development in 2023



On April 3, **QIC joined the United Nations Global Compact (UN Global Compact)**. Joining the UN Global Compact will contribute to the further implementation of the principles of corporate social responsibility, the implementation of joint educational, acceleration programs and the promotion of the ten universal principles and values of the United Nations among the Corporation's stakeholders;



On April 28, the Corporation **held a Strategic ESG session** with the participation of Independent Director Nicholas Page (as part of the Corporation's transition to a "responsible" investment model);



On September 14, **the Sustainable Development Policy was updated**, including the inclusion of a section on conducting preliminary ESG due diligence for new portfolio companies and annual ESG monitoring of portfolio companies;



On September 14, the decision of the Board of Directors **approved the report on the sustainable development of the Company for 2022**;



On October 26, the Corporation **received certificates of compliance with the requirements of the "Environmental Management System. Requirements and Guidelines for Use" and "Occupational Safety and Health Management Systems. Requirements and Guidelines for Use"**;



In December, the Sustainable division of the international rating agency Fitch assigned the Corporation **an ESG rating of "3"** with a total score of 59;



According to research by PwC Kazakhstan, for the third year in a row, **QIC is among the top 50 companies in disclosing non-financial information** in annual reports/sustainability reports. As part of the PwC Kazakhstan study, an assessment of the completeness, quality and accessibility of ESG information in annual reports/sustainability reports published in 2022 was carried out. According to the results of the assessment, the Company was ranked 34th. Link to the rating <https://www.pwc.com/kz/en/assets/esg-disclosure-2023-rus.pdf>.



1. ABOUT THE COMPANY

QIC is a fund of private equity funds established in 2007 to promote the sustainable development of the national economy. Since its foundation, QIC has been a key player and driver of the private equity market in Kazakhstan.

The Corporation's activities



building the private equity infrastructure in Kazakhstan



attracting foreign investment in priority sectors of the economy,



using leading international experience



transferring innovative knowledge and technologies to private equity.

The prerequisite for the creation of QIC was the initiative of the President of the Republic of Kazakhstan to create a fund of private equity funds, announced in the annual Address to the People of Kazakhstan on February 28, 2007. Pursuant to the instructions of the Head of State, March 7, 2007, the Board of Directors of Kazyna Sustainable Development Fund JSC decided to establish QIC.

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

Among the partners of QIC are the European Bank for Reconstruction and Development (EBRD), the International Finance Corporation

(IFC), the state holding company Mubadala, the Chinese investment company CITIC Group, the American venture fund 500 Startups, the largest fund in Southeast Asia Quest Ventures, the German development institute DEG-Deutsche Investments-und Entwicklungsgesellschaft, a Turkish TAV Holding company and others.

In order to effectively manage portfolio funds, QIC 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, QIC strives to develop financing tools, form a sustainable private equity infrastructure and build up the internal competencies of the QIC team.

Among QIC partners are



- The European Bank for Reconstruction and Development (EBRD),
- The International Finance Corporation (IFC),
- The state holding company Mubadala,
- The Chinese investment company CITIC Group,
- The American venture fund 500 Startups,
- The largest fund in Southeast Asia Quest Ventures,
- The German development institute DEG-Deutsche Investments-und Entwicklungsgesellschaft,
- A large Turkish TAV Holding company and others.

The QIC structure includes the subsidiary captive fund of Baiterek Venture Fund JSC, the management company BV Management LLP and the Private Company BGlobal Ventures Ltd. QIC and its subsidiaries are based in Astana. As of December 31, 2023, QIC has no branches or representative offices.

Subsidiary organization

The field of activity



Baiterek Venture Fund Joint Stock Company, (BVF)

BVF makes direct investments in promising companies in non-resource sectors of the economy of Kazakhstan at the stages of launch, growth and maturity.

BVF is actively working in the private equity market, implementing projects in partnership with such recognized international financial institutions as the EBRD, ADB and others.



BV Management Limited Liability Partnership, (BVM)

BVM is a management company and acts as a Managing Company for DBK Equity Fund CV. and KCM Sustainable Development Fund I.C.V.

BVM provides financial support tools to companies operating in priority sectors of the economy of Kazakhstan.



Private Company BGlobal Ventures Ltd.

The company provides non-financial support to startups and private venture investors (business angels) through the implementation of various training and acceleration programs for technological startup projects, as well as other key participants in the venture ecosystem in Kazakhstan.

1.1. SUSTAINABLE DEVELOPMENT

As a key player in the private equity market in Kazakhstan, QIC is committed to the principles of sustainable development and continues to improve the practice of sustainable development management in the field of corporate social responsibility.

According to the Corporation's Sustainable Development Policy, the QIC Board of Directors provides strategic guidance and controls the implementation of the principles of sustainable development, and also approves the annual Sustainable Development report.

The Management Board ensures the formation of an appropriate sustainable development management system and its implementation. The Management Board submits a sustainability report to the Board of Directors on an annual basis. The Board ensures the proper implementation of principles and standards in the field of sustainable development and approves an action plan in the field of sustainable development.

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

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



The Department also coordinates and implements the sustainable development management system, assists in its integration into the Corporation's business processes, and provides methodological support on sustainable development issues.

Structural units implement the system in the field of sustainable development, carry out activities and initiatives in the field of sustainable development, prepare information for the sustainable development report, in accordance with international standards.

To further develop the concept of "responsible investment", QIC has been working since 2022 to introduce ESG factor assessment into all stages of the investment process - from the search for project proposals, making investment decisions, monitoring the life cycle of funded projects to the exit from the project. This will reduce the risks exerted by portfolio companies on the environment and society, as well as increase the sustainability of companies' business processes to develop their competitiveness.

QIC pays special attention to increasing transparency of disclosure of information about activities for stakeholders. The results of QIC's activities in the field of sustainable development are disclosed in the annual report on the sustainable development of the Company. At the same time, in order to fully and qualitatively disclose information,

the report takes into account international standards for the disclosure of non-financial information - the Standards of the Global Reporting Initiative (GRI Standards).

Thus, within the framework of its activities, QIC ensures the consistency of economic, environmental and social goals, including: increased investment in the creation and development of business projects; financing projects aimed at mitigation /adaptation to climate change, transition to a model of "responsible investment", increasing labor productivity; creating new jobs; optimal use of limited resources; ensuring transparent competitive procedures and equal employment opportunities; ensuring occupational safety and health of employees, etc.

In its activities, QIC is guided by the following principles of sustainable development, enshrined in the Corporate Governance Code: openness, accountability, transparency, ethical behavior, respect for the interests of stakeholders, legality, respect for human rights, intolerance to corruption, inadmissibility of conflicts of interest, and leading by personal example.

QIC adheres to the principles of the UN Global Compact in the field of human rights, labor relations, environmental protection and anti-corruption.



Implementation of the action plan in the field of sustainable development

To implement the Sustainable Development Policy, on December 13, 2022, the Company's Management Board approved the QIC Sustainable Development Action Plan for 2023-2024, which includes measures to implement the principles of sustainable development.

The Action Plan provides for 30 events for 2023-2024 aimed at improving the Company's activities in the field of sustainable development: sustainable management (10 events), economic (3 events), environmental (5 events) and social (10 events) components of sustainable development.

Key activities under the plan:

OF THE PLANNED 24 EVENTS FOR 2023, ACCORDING TO ITS RESULTS:

24 activities were carried out, including such activities

as improving the questionnaire (section "project passport") for portfolio companies in terms of including environmental and social indicators;

assessment and analysis of the commitment of the Company's portfolio companies to ESG standards;

formation of a roadmap for the development and implementation of an ESG risk assessment and management system;

conducting a review of the main ESG risks by industry; updating/development of IRD, taking into account the inclusion of social aspects of sustainable development;

organization of training on sustainable development policy, implementation of ESG principles; ensuring professional development of employees, etc.

There were no instances of non-implementation of activities for the year 2023.

On QIC's contribution to achieving the UN SDGs

Following the Sustainable Development Goals (SDGs), adopted in 2015 by the UN General Assembly, is an important strategic priority. Compliance with the SDGs helps direct investments to projects that contribute to sustainable economic growth and infrastructure development, which strengthens and diversifies the national economy of Kazakhstan.

In addition, commitment to the SDGs improves the company's reputation by demonstrating its responsibility to society and resilience to social and environmental challenges. This helps to create long-term value and reduce the risks associated with environmental and social problems. Thus, following the SDGs allows the Company to successfully achieve investment goals, while contributing to a more sustainable and equitable development of society and the economy of Kazakhstan.

The Company regularly evaluates the results of its activities in terms of the SDGs, and also identifies 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 align with the 17 SDGs. Recognizing the importance of all 17 SDGs, QIC contributes directly or indirectly to the achievement of 10 of the 17 SDGs.



Implementation of the UN Sustainable Development Goals in QIC

The UN Sustainable Development Goals and Priorities



Goal 2. Ensuring food security and promoting sustainable agricultural development

Activities of the Corporation

2.6. Increase investment, including through enhanced international cooperation, in the field of agricultural production

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 country's food security, including in such sectors as agriculture and the food Industry:

- In 2023, the BVF captive fund financed the investment project of EMC Agro LLP in the amount of 1.1 billion tenge. MC Agro LLP is a company located in the Tayynshi district of North Kazakhstan region, with vertically integrated production, which includes breeding, rearing and slaughter of animals, as well as meat processing and its own distribution. In November 2023, the 2nd stage of the project was put into operation, increasing the capacity of the pig farm from 100,000 heads to 150,000 heads. The commissioning of the third stage of up to 200,000 heads is planned at the end of 2024.
- In 2023, a project was invested to create intensive apple orchards and fruit storages of Gardens of the East LLP (PEF Kazakhstan Hungarian Investment Private Equity Fund C.V.) in the amount of 22 million tenge;



Goal 3. Ensuring a healthy lifestyle and promoting well-being at any age

3.8. Ensure health coverage, including access to quality essential health services and access to safe, effective, high-quality and affordable essential medicines and vaccines

3.12. Significantly increase the financing of healthcare

ensuring safe working conditions for employees:

- QIC annually conducts training for employees on occupational safety and health, fire safety, and electrical safety.

social package for employees:

- 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 treatment of an employee or a member of his family, etc.

a health insurance program for employees and providing employees with free access to medical services:

- full-time QIC employees are covered by the health insurance program, which allows them to receive high-quality and diverse medical services.

The Corporation supports projects aimed at maintaining public health and promoting a healthy lifestyle:

- In October 2023, as part of the official visit of the President of the Republic of Kazakhstan to the People's Republic of China, QIC and BGI Group reached an agreement on the creation of a joint investment fund Forebright Life Science Technology Fund. It is planned that the Fund will focus on financing innovative projects in the field of multi-genetic technologies and synthetic biology in the regions of the Middle East and Asia, including Kazakhstan. Special attention will be paid to healthcare, including the development of reproductive technologies, prenatal research for the prevention of birth defects, as well as comprehensive newborn screening.

- The KCM Sustainable Development Fund I C.V. (BVM is the Managing Company) funded the investment project of iClinic Atyrau Medical Center LLP in the amount of KZT 3.914 billion. The opening of iClinic Atyrau Medical Center LLP in Atyrau provides for a hospital with 100 beds and an outpatient center for 500 visits per shift. The company will carry out activities for the provision of medical services (medical care) – actions of healthcare entities that have a preventive, diagnostic, therapeutic, rehabilitative and palliative orientation towards a specific person and aimed at preserving and restoring the patient's health.



Goal 5. Ensuring gender equality and empowering all women and girls

5.5. Ensure the full and effective participation of women and equal opportunities for them to lead at all levels of decision-making in political, economic and public life

providing equal access to financial support for women and men:

- QIC strives to create equal opportunities for women and men, starting with equal access to financial support and extending to gender equality in the internal operational processes of the company.
- QIC is also a member of the UN Women's Empowerment Principles (WEP) initiative. The signing of the WEP Principles is a public demonstration of QIC's interest and active position in promoting gender equality and women's empowerment.

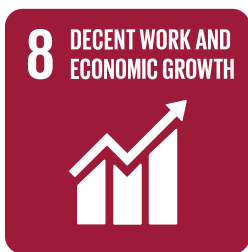


Goal 7. Ensuring universal access to affordable, reliable, sustainable and modern energy sources for all

7.2. Significantly increase the share of energy from renewable sources in the global energy balance

QIC support for "green" renewable energy projects:

- In 2023, the BVF Captive Fund financed the second tranche of the Bekzat LLP investment project in the amount of KZT 860 million. Bekzat LLP plans to carry out the construction of a hydroelectric power plant on the Koxsu River, on the territory of the Eskeldinsky and Koxsu districts of the Zhetysu region of the Republic of Kazakhstan, with a capacity of 7 MW. The corresponding equipment will also be purchased. The first tranche of 1,712 billion tenge was financed in 2022.
- At the end of the reporting period, the Company's portfolio of "green" projects included 4 projects worth 17.4 billion tenge, with a total capacity of 82 MW:
 1. Construction of the Kengir solar power plant with a capacity of 10 MW in the Karaganda region;
 2. Construction of the 50 MW Baikonur solar power plant in the Kyzylorda region;
 3. Construction of a hydroelectric power plant on the Koxsu River with a capacity of 7 MW in the Zhetysu region;
 4. Arctic Green Energy China, a project for exploration of geothermal resources and production of geothermal energy with a capacity of 15 MW.



Goal 8. Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work

8.1. Support economic growth per capita in accordance with national conditions and, in particular, the growth of gross domestic product

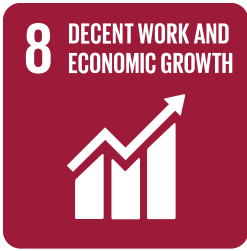
8.2. Achieve increased productivity in the economy through diversification, technical modernization and innovation

8.3. Promote decent job creation, entrepreneurship, creativity and innovation, and encourage the development of micro, small and medium-sized enterprises, including by providing them with access to financial services

business support and entrepreneurship development by providing financial instruments to QIC and subsidiaries:

- The Corporation provides financial support to small and medium-sized enterprises, thereby making a positive contribution to the socio-economic development of the country. According to the results of 2023, the number of QIC private equity funds amounted to 18, and the amount of the Corporation's investments exceeded 34 billion tenge. All these funds were directed to the development of non-primary sectors of the economy of Kazakhstan, including transport and logistics, medicine, food security, education, etc.

- in December 2022, the decision of the Board of Directors of the Corporation approved the basic conditions for the participation of QIC JSC in the creation of a 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 enterprises in priority sectors of the economy through the Introduction of high-tech solutions/products;



Goal 8. Promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work

8.5. 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

8.8. Protect labour rights and promote safe and secure working conditions for all workers

compliance with the labor rules of employees, ensuring comfortable working conditions and protecting their health:

- QIC strives to comply with the best international practices, strictly comply with national and international requirements and constantly improve the work of the Occupational Safety and Fire Safety Management (OHS). In order to improve the skills of employees in matters of safety and labor protection, fire safety, electrical safety, employees are trained annually. Certificates were received during the reporting period:

- Occupational Health and Safety ISO 45001 No.KZ.Q.01.0970.C23.02969;
- Environmental Management ISO 14001 No.KZ.Q.01.0970.C23

In addition, there were no cases related to employee injuries or accidents in the QIC during the reporting period.

- QIC is guided in its activities by the Labor Code of the Republic of Kazakhstan, the QIC Code of Business Ethics, the Declaration of the 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.



Goal 9. Building sustainable infrastructure, promoting inclusive and sustainable industrialization and innovation

9.1. Develop high-quality, reliable, sustainable and resilient infrastructure, including regional and cross-border infrastructure, in order to support economic development

9.2. Promote inclusive and sustainable industrialization and increase industrial employment and the share of industrial production in gross domestic product in accordance with national conditions

9.3. Expand the access of small industrial and other enterprises to financial services and human well-being

support for infrastructure projects:

- there are infrastructure projects in the QIC portfolio, including: a project for the gasification of Astana and the northern regions of the country, as a result of which 171 urban and rural settlements were connected to the gasification system; a project to modernize the 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 warehouses on the territory of the FEZ "Khorgos-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.

support for industrial enterprises:

- In 2023, QIC attracted financing from the Republican budget in the amount of 35 billion tenge to finance manufacturing industry projects in 2023 and 2024. Among other things, enterprises for the production of metering devices for electric and thermal energy, water, gas; production of car seats; production of dry building mixtures, etc. have been financed.



SDG 10. Reducing inequality within and between countries

10.2. Encourage the active participation of all people in social life, regardless of their age, gender, disability, race, ethnicity, origin, religion and economic or other status

support for socially vulnerable segments of the population through the implementation of charitable projects. The following charity projects have been implemented during 2023:

- In November 2023, the Company provided charitable assistance to 1 low-income family using funds from employees, and purchased 4 pairs of children's winter footwear;
- On August 19, 2023, the Company took part in a charity project dedicated to the Day of Protection of Homeless Animals. Assistance was provided in the form of pet food or financial support to the animals of the private foundation "StopOtlov" for the protection of homeless animals.
- in support of the victims of the forest fire in the Abai region, assistance was provided in the form of cash;
- on September 22, 2023, the Company participated in the event "Donor Day" organized by Baiterek NMH JSC together with the RSE "Scientific and Production Center of Transfusiology" (9 employees donated 3,600 ml of blood and its components);
- On December 15, 2023, the Company participated in the Charity Fair "Baiterek - Open Hearts," where the funds raised from the event were directed towards organizing a New Year's tree and purchasing gifts for children with disabilities.



Goal 12. Ensuring the transition to rational consumption and production models

12.2. Achieve effective use of natural resources

12.6. Recommend that companies reflect information on the rational use of resources in their reports

encouraging responsible attitude to the environment, responsible and rational consumption of natural resources and the use of resource-saving technologies in the office:

- QIC has a concept of a "green" office, which includes an integrated approach to the impact of QIC employees' daily activities on the environment;
- As part of the transition to "responsible" investing, the Corporation annually analyzes the commitment of portfolio companies to the ESG principles by interviewing 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 survey and provided to the QIC.



SDG 16. Promoting a peaceful and open society for sustainable development, ensuring access to justice for all and building effective, accountable and participatory institutions at all levels

16.6. Create accountable and transparent organizations

participation in increasing the investment attractiveness of the Republic of Kazakhstan and increasing transparency activities:

- as part of obtaining the status of a KASE listing company in 2021, QIC successfully fulfills its obligations to fully and qualitatively disclose information about its activities;
- according to research by PwC Kazakhstan, in 2023, in the overall ranking of the top 50 companies in terms of disclosure of ESG information in annual reports/reports on sustainable development (according to reports for 2022), QIC was ranked 34th.



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, 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

cooperation with international institutions and financial organizations on sustainable development issues:

- In April 2023, QIC joined the United Nations Global Compact (UN Global Compact), which in turn will contribute to the further implementation of the principles of corporate social responsibility, the implementation of joint educational, acceleration programs and the promotion of the ten universal principles and values of the United Nations among the stakeholders of the Corporation.

At the same time, the Company has also been a member of the UN Principles for Responsible Investment since 2022. Joining the Association will increase the internal competencies of the company's employees in the field of responsible investment through access to educational resources and the exchange of experience and best practices in the field of responsible investment.

1.2. INTERACTION WITH STAKEHOLDERS

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

The QIC has developed a Stakeholder Map in order to determine the list of key stakeholders, the degree and influence (direct or indirect). The stakeholder map allows to systematize and visualize information about the QIC environment in order to develop an effective strategy for working with each of the stakeholders. Identifying stakeholders and working with them is one of the tools that allows to improve the business reputation of a Corporation, establish effective and balanced relationships with all stakeholders.

During the reporting period, QIC received no complaints from external stakeholders regarding privacy violations, leaks, theft or loss of customer data. There have been no cases of violations by QIC of information security of customer data.

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

✓ respects and takes into account 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 regarding the implementation of government programs, certain internal procedures (procurement, competitive selection among external candidates for employment, provision of financial services), as well as the use of financial resources

✓ ensures open and productive cooperation with all stakeholders

✓ fulfills its obligations to stakeholders

✓ receives feedback from stakeholders on a regular basis

The main stakeholder groups and mechanisms of interaction with them

Groups	Mechanisms of interaction	Interests	Ongoing work
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 regulatory documents affecting the interests of QIC; ● preparing responses to incoming requests; ● publication of financial statements and annual report on the QIC website, as well as disclosure of other information in accordance with legislation and best practices. 	<ul style="list-style-type: none"> ● respect for the interests of the Sole Shareholder of the Company; ● implementation of the development strategy; ● transparency and disclosure of information. 	<ul style="list-style-type: none"> ● ensuring the exercise of the rights of the Sole Shareholder within the framework of corporate governance principles; ● providing reliable information on the results of the Company's financial and economic activities; ● implementation of the QIC Development Strategy; ● implementation of government programs and monitoring of results.

Groups	Mechanisms of interaction	Interests	Ongoing work
Workers	<ul style="list-style-type: none"> ● functioning of internal communication channels; ● creating optimal working conditions, medical insurance; ● employee benefits; ● training and development. 	<ul style="list-style-type: none"> ● competitive wages; ● safe working conditions; ● professional growth; ● high-quality social package (medical insurance, annual paid leave); ● professional development; ● a guarantee of respect for human rights and ethical standards. 	<ul style="list-style-type: none"> ● maintaining an open, transparent, personnel policy aimed at the formation of qualified and motivated personnel; ● ensuring equal opportunities for all employees to realize their potential in the course of their work, an impartial and fair assessment of their results, the selection and career development of employees solely on the basis of professional abilities, knowledge and skills; ● Introduction of the Ombudsman Institution; ● support in conducting training and/or improving the skills and competencies of employees; ● conducting cultural corporate events for employees; ● informing employees via e-mail about vacant positions.
Subsidiaries	<ul style="list-style-type: none"> ● conducting round tables/ competence centers with subsidiaries; ● correspondence and sending requests to subsidiaries. 	<ul style="list-style-type: none"> ● respect for the interests of shareholders/ participants. 	<ul style="list-style-type: none"> ● QIC's exercise of its rights as a shareholder/participant in a subsidiary.
Government agencies	<ul style="list-style-type: none"> ● consideration of program documents, draft regulatory documents affecting the interests of QIC; ● payment of taxes to the state budget; ● participation in the implementation of government programs and initiatives; 	<ul style="list-style-type: none"> ● government regulation. 	<ul style="list-style-type: none"> ● participation in working groups, forums, conferences; ● business correspondence and preparation of responses to requests.
Customers	<ul style="list-style-type: none"> ● publications in the media, on the QIC website. 	<ul style="list-style-type: none"> ● commercial interests; ● social interests. 	<ul style="list-style-type: none"> ● posting up-to-date public information about QIC and its activities on the QIC corporate website; ● business correspondence, meetings with (potential) clients; ● ensuring compliance with the expectations of consumers of financial products and services of QIC and its subsidiaries; ● conclusion of contracts, control over execution.

Groups	Mechanisms of interaction	Interests	Ongoing work
Suppliers	<ul style="list-style-type: none"> ● conducting purchases and concluding 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.
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 QIC corporate website. ● conducting negotiations and meetings with partners. ● conclusion of agreements and memoranda 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 activities of QIC and its subsidiaries; ● effective financial management; ● business correspondence, meetings with (potential) investors; ● attracting investments for the implementation of projects; ● getting 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"> ● conducting negotiations and meetings with representatives of financial institutions, rating agencies; ● publication of financial statements, annual report on the QIC website. 	<ul style="list-style-type: none"> ● placement of free funds in deposit accounts, maintenance of special accounts. 	<ul style="list-style-type: none"> ● conclusion of contracts, control over the execution of contractual relations; ● improving financial performance.
Portfolio companies	<ul style="list-style-type: none"> ● conducting negotiations and meetings; ● monitoring, field visits, collection of financial and management documentation; ● press releases, mass media, QIC online resource. 	<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 i within the bodies of collegial organs; ● development of investment policy, regulations and procedures for investment activities, financing conditions.

Groups	Mechanisms of interaction	Interests	Ongoing work
Mass media	<ul style="list-style-type: none"> ● development of annual media plans; ● holding press conferences and meetings with information recipients; ● posting information about QIC's activities in the media, on the Internet, on the QIC Internet resource at: https://qic.kz/about-the-company/. 	<ul style="list-style-type: none"> ● publications and information about the activities of QIC. 	<p>Organization of information activities by:</p> <ul style="list-style-type: none"> ● communicating the strengths and capabilities of QIC to the target audience; ● creating a positive public opinion; ● ensuring transparency of QIC's activities through reliable, regular, continuous and timely disclosure of information; ● maintaining the brand awareness of the Company; ● presentation to the public of the results of activities in the main areas of QIC activity; ● providing press releases and arranging interviews; ● placement of reports and other publications.

1.3. PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT

Within the framework of SDG 17, QIC recognizes that the successful implementation of the sustainable Development agenda is impossible without establishing inclusive partnerships between Governments, the private sector and society at the global, regional and local levels, based on principles and values, a common vision and common goals.

The UN Global Compact



In April 2023, QIC joined the United Nations Global Compact (UNGC). UNGC is the world's largest initiative in the field of human rights, labor, environment and anti-corruption. The companies signing up to UNGC commit to abide by these principles and incorporate them into their strategy, culture and operations. The agreement was created in order to promote sustainable and responsible business.

QIC's accession to UNGC will contribute to the further implementation of the principles of corporate social responsibility, the implementation of joint educational, acceleration programs and the promotion of the ten universal principles and values of the United Nations among the Corporation's stakeholders.

Women's Empowerment Principles (WEPs)



In 2022, QIC joined the Women's Empowerment Principles, developed by the UN Global Compact and the UN Women entity. WEPs are a set of principles offering guidance to businesses on how to promote gender equality and women's empowerment in the workplace, in the marketplace and in society.

By joining the WEPs community, QIC declares its commitment to this program at the highest level of the company and its collaboration in networks to develop business practices that empower women.

United Nations Association for Responsible Investment Principles (UN PRI)



In 2022, as part of the transition to the "responsible investment" model, the Corporation joined the UN Association for Responsible Investment becoming the first quasi-governmental financial institution in the CIS to join the leading international network of institutional investors committed to the concept of implementing ESG standards in their investment activities.

Members of the UN PRI are international private equity funds aimed at introducing and developing the practice of "responsible investment" in the industry.

QIC's membership in the Association will increase the visibility of the Corporation for institutional investors and provide an opportunity to assess progress in the field of responsible investment based on international industry standards.

The UN Principles for Responsible Investments website: <https://www.unpri.org/>

Council for Sustainable Development and ESG at NCE RK "Atameken"



The Council for Sustainable Development and ESG was established at the site of the National Chamber of Entrepreneurs of the Republic of Kazakhstan "Atameken". Within the framework of the established Council, a number of issues in the field of sustainable development are being discussed, including the decarbonization process, the implementation of the SDGs, the introduction of ESG principles into the country's economy, as well as the role of business in this issue. The Council for Sustainable Development and ESG included representatives of the private and quasi-public sectors, national holdings and development institutions, industrial companies, associations, international companies, expert associations and consulting companies, the financial sector and the deputy corps.

Website of the Council of NCE RK "Atameken" <https://atameken.kz/>

National ESG Club



In 2022, QIC joined the National ESG Club, a platform for the exchange of experience, knowledge and discussion of new ESG initiatives. The priority goals of the National ESG Club are to promote sustainable development practices, discuss the implementation of ESG principles, responsible investment, as well as promote the development of the green and sustainable projects market.



2. G - CORPORATE GOVERNANCE



2.1. CORPORATE GOVERNANCE SYSTEM

The QIC corporate governance system is a set of processes that ensure the management and control of QIC's activities, as well as a system of relationships between the Sole Shareholder, the Board of Directors, the Management Board, other bodies of the Corporation and interested parties in the interests of the Sole Shareholder, as well as the interaction of QIC with subsidiaries.

The QIC Corporate Governance Code was approved by the decision of Baiterek National Managing Holding JSC on January 12, 2018. The Code is a set of rules and recommendations that QIC follows in the course of its activities to ensure a high level of corporate governance in relations within the Company and with other market participants.

The fundamental principles of QIC 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 QIC by the Board of Directors and the Management Board; the principle of sustainable development; the principle of risk management, in-

ternal control and internal audit; the principle of regulating corporate conflicts and conflicts of interest; the principles of transparency and objectivity disclosure of information about the activities of QIC.

In accordance with the Code, QIC is obliged to strictly comply with its provisions in its activities and conduct an assessment of corporate governance by the Internal Audit Service once every two years, as well as an independent assessment of corporate governance with the involvement of external auditors at least once every three years, the results of which are posted on the Corporation's Internet resource.

Thus, on the basis of the annual audit plan for 2023, approved by the decision of the Board of Directors dated November 10, 2022 (Minutes No. 18/22), the Internal Audit Service completed the audit assignment "Assessment of the corporate governance system". According to the results of the diagnosis of corporate governance in JSC "Qazaqstan Investment Corporation", the assessment of compliance of the Company's management with the requirements of the best international practice amounted to 95.9%.

The corporate governance assessment was carried out according to 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 the Corporation.

According to the results of the assessment, the rating increased compared to the compliance level of 88.6% based on the results of the previous diagnosis of the Company's corporate governance conducted by the Internal Audit Service in 2021 (for 2020 and 2021), according to the results of which a Plan for improving Corporate Governance was approved. In connection with the implementation of the plan in 2022, in the reporting period, there was an increase in the level of compliance with the requirements of the best international practice in the components "processes" and "transparency", and in most sub-components of corporate governance.

In 2022, the consulting company PricewaterhouseCoopers LLP (hereinafter referred to as PwC) was engaged to conduct an independent assessment of the Company's corporate

governance system. According to the results of the diagnosis, the assessment of compliance of the Company's management with the requirements of the best international practice amounted to 93.81%. The corporate governance assessment was carried out according to three main components: structure, processes, transparency.

Based on the corporate governance assessment, by the decision of the Board of Directors dated February 21, 2023 (Protocol No. 01/23), an Action Plan was approved to improve the corporate governance system of Qazaqstan Investment Corporation for 2023-2025.

The action plan provides for 25 events for 2023-2025. By the end of 2023, 18 events were completed with a deadline in 2023.

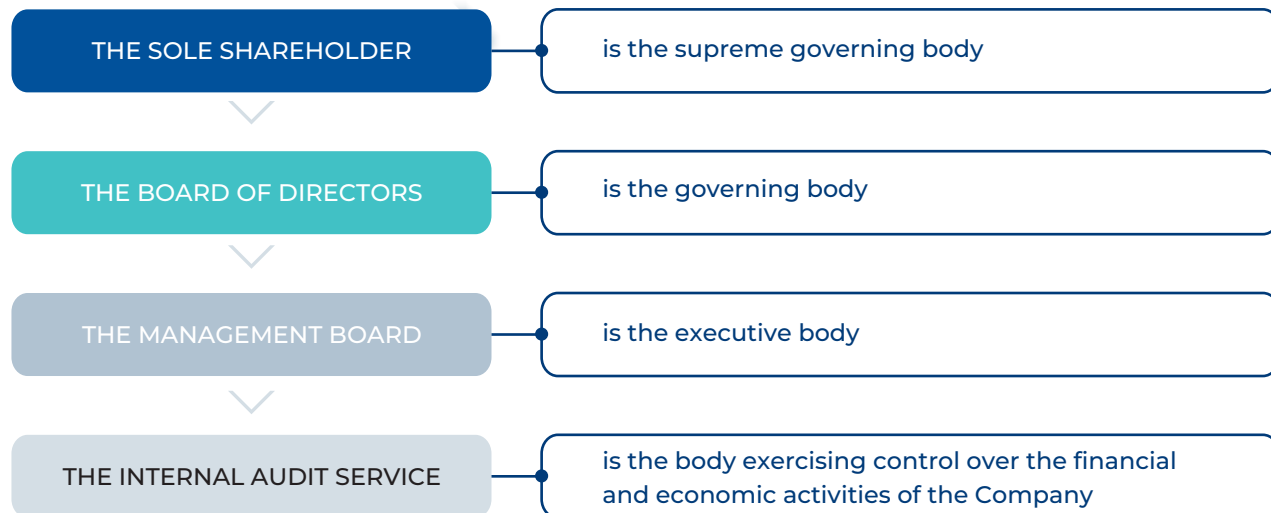
At the same time, 7 events are under execution, the deadline for which has not come.



2.2. CORPORATE GOVERNANCE STRUCTURE

The QIC corporate governance model is aimed at ensuring transparency and accountability and provides for a clear separation of powers and responsibilities between QIC bodies, officials and employees. In accordance with the Charter, the main bodies are:

In accordance with the Charter, the main bodies are:



In order to effectively organize the activities of the Board of Directors and the interaction of the Management Board with the Sole Shareholder, the Board of Directors appoints a Corporate Secretary who is not a member of the Board of Directors or the Management Board and is accountable to the Board of Directors of QIC.

There are committees under the Board of Directors of QIC, whose competence includes consideration of issues related to audit and risks, strategic planning and corporate

governance, human resources, remuneration and social issues.

Committees have been established to prepare advisory 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, including the Planning and Evaluation Committee, the Investment Committee, the Strategy and Corporate Development Committee.

«Qazaqstan Investment Corporation»



Since January 2022, an Anti-Corruption Compliance Service has been established in QIC, accountable to the Board of Directors of the Corporation, which is responsible for the functioning of the anti-corruption system in QIC.

In June 2022, an Ombudsman of the Corporation was appointed by the decision of the Board of Directors of QIC. The role of the Ombudsman is to advise employees, participants in labor disputes, and those involved in conflicts who approach them, and to assist in developing mutually acceptable, constructive, and feasible

solutions while ensuring compliance with the laws of the Republic of Kazakhstan (including maintaining confidentiality when necessary). The Ombudsman also assists in resolving problematic social and labor issues for both employees and QIC.

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

Composition of the Board of Directors

As of December 2023, 31, the Board of Directors of QIC was represented as follows:



**Vyacheslav
Son**

*Member of the Board
of Directors of the Company,
Deputy Chairman of
the Management Board
of Baiterek NMH JSC*



**Nicholas Robert
Page**

*Member of the Board
of Directors of the Company,
Independent Director*



**Anna
Fokina**

*Member of the Board
of Directors
of the Company,
Independent Director*



**Marcia Elizabeth
Christian Favale**

*Member of the Board
of Directors of the Company,
Independent Director*



**Yerbolat
Zholat**

*Member of the Board
of Directors of the Company,
Chairman of the Management
Board of the Company*

Structure of the QIC Board of Directors as of December 2023 ,31

Structure	Quantity
Independent Directors	3
Representative of the Sole Shareholder	1
QIC Representative	1

The structure of the QIC Board of Directors by gender and age as of December 2023 ,31

Gender	up to 41 years old	from 42 to 51 years old	from 52 to 62 years old
Men		2	1
Women	1		1

According to the requirements of the Law "On Joint Stock Companies" and the Articles of Association, determining the quantitative composition, term of office, election of members of the Board of Directors of the Corporation, as well as early termination of their powers is the exclusive competence of the Sole Shareholder represented by JSC National Managing Holding Baiterek.

The personal and quantitative composition of the Board of Directors is determined by the decision of the Sole Shareholder. The formation of the Board of Directors and the selection process for members of the Board of Directors, including independent directors, is carried out

in accordance with the Law, the Articles of Association, the Corporate Governance Code of the Corporation, the Regulations on the Board of Directors of QIC.

The Board of Directors is composed of representatives of the Sole Shareholder, the Chairman of the Board of QIC, independent directors and other persons.

The committees of the QIC Board of Directors consist of members of the QIC Board of Directors 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 independent directors.



Information on the activities of the Board of Directors and its Committees

The Board of Directors holds regular meetings to effectively perform its functions. Meetings of the Board of Directors are held in accordance with the work plan approved by the decision of the Board of Directors of the Company dated December 15, 2022 (Minutes No. 19/22), which includes a list of issues under consideration and a schedule of meetings with dates. Meetings of the Board of Directors and its committees are held through face-to-face or absentee voting.

During 2023, the Company's Board of Directors held 20 meetings (13 in-person and 7 in absentia), reviewed and made decisions on 137 issues.

9 meetings of the Audit and Risk Committee were held, 33 issues were considered; 10 meetings of the HR, Remuneration and Social Affairs Committee were held, 28 issues were considered; 9 meetings of the Strategic Planning and Corporate Development Committee were held, 25 issues were considered.

Selection of the management body

The sole shareholder of QIC elects the members of the Board of Directors on the basis of clear and transparent procedures, taking into account 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 QIC Board of Directors is taken into account.

The candidate for 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 his duties and organize the effective work of the entire Board of Directors in the interests of QIC and the Sole Shareholder.

In order to ensure gender diversity, in case of equal assessment of candidates' compliance with the requirements for the QIC Board of Directors, QIC strives to give preference to female candidates.

The Chairman of the Board of Directors of QIC is elected by the Board of Directors from among the members of the Board of Directors by open voting, taking into account the recommendation of the Sole Shareholder.

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

Management Board

The management of current activities is carried out by a collegial executive body - the Management Board, headed by the Chairman of the Management Board.

The Management Board consists of the Chairman of the Management Board and other persons elected by the Board of Directors of the Company. The quantitative composition of the Board may not be less than 3 (three) people. In 2023, at the reporting date, the Board consisted of 5 people.

The members of the Management Board, with the exception of the Chairman of the Management Board of QIC, are elected by the Board of Directors of QIC. The Chairman of the QIC Management Board is elected by the Sole Shareholder. When choosing representatives for appointment to the executive body, work experience is taken into account, including in senior positions in financial and other organizations similar in profile to QIC, education, high professional and personal qualities and other parameters that allow strengthening the role of the QIC Board.

Composition of the QIC Board (as of December 2023 ,31)



**Yerbolat
Zhola**
*Chairman of the
Management Board*



**Arman
Kassenov**
*Deputy Chairman
of the Management
Board*



**Timur
Beguliyev**
*Deputy Chairman
of the Management
Board*



**Yelnur
Baigeldiev**
*Deputy Chairman
of the Management
Board*



**Maksat
Iskendirov**
*Managing Director,
member of the Management Board*

Information on the activities of the Management Board and the Committees of the Management Board

The activities of the Management Board are regulated by the Regulation on the Management Board, approved by the decision of the Board of Directors of QIC on November 6, 2020.

In accordance with the Regulations for the Preparation, coordination, holding of meetings and execution of decisions of the Board of the Qazaqstan Investment Corporation Joint Stock Company, approved by the decision of the QIC Board on October 19, 2020, meetings of the QIC Board may be regular and extraordinary. The next meeting of the Management Board is held on the second working day of each week. If necessary, at the discretion of the Chairman of the Management Board, the date of the next meeting of the Management Board may be postponed to another day.

The following permanent committees have been established under the QIC Board, which consider issues related to various aspects of operational activities and make recommendations to the Board on their effective solution:

- Investment Committee;
- Activity Planning and Evaluation Committee;
- The Strategy and Corporate Development Committee.

In 64 ,2023 QIC Board meetings were held, including 1 in absentia, and 216 issues related to the Corporation's activities were considered. During the reporting period, the Committees held 91 meetings.

The role of the supreme body in the preparation of the Sustainable Development Report

According to the Corporation's Sustainable Development Policy, the QIC Board of Directors provides strategic guidance and control over the implementation of the principles of sustainable development, and the Management Board ensures the formation of an appropriate sustainable development management system and its implementation.

The Management Board submits a sustainability report to the Board of Directors on an annual basis.

On September 14, 2023, the QIC Sustainable Development Report for 2022 was approved by the decision of the Corporation's Board of Directors.

Collective knowledge of the members of the management body

The members of the Board of Directors constantly strive to improve their skills and professionalism, including in the management of economic, environmental and social aspects. At the annual meeting of the QIC Board of Directors, as part of the consideration of the

issue of approving the report on the sustainable development of the Corporation, topical topics within the ESG agenda (environmental, social and corporate governance) are discussed, including information on international trends and initiatives.

Advising stakeholders on economic, environmental and social issues

The Corporation's stakeholders are advised on economic, environmental and social issues through the release of the annual QIC Sustainability Report, which is the Corporation's main channel of communication with stakeholders on non-financial information disclosure in the field of sustainable development. Also, a feedback questionnaire on the disclosure of non-financial statements in the field of sustainable development is posted on the corporate website of the Corporation, at the link <https://qic.kz/ru/about-the-company/ustoychivoe-razvitie/>.

At the same time, the Corporation has various communication methods that allow for proper dialogue with stakeholders. Information for the investment community is posted here <https://qic.kz/ru/investment-activity/about-republic-of-Kazakhstan/>, questions related to employment are posted at the link <https://qic.kz/ru/about-the-company/career/career-in-kmc/>, on facts or possible cases of corruption and fraud, as well as other illegal actions in QIC at compliance@qic.kz or in the form of a link <https://qic.kz/ru/contacts/soobshit-o-popytke-moshenichestva/>.

Informing about critical issues

The Board of Directors of the Corporation is informed through reporting on the activities of QIC, including, but not limited to: annual separate and consolidated financial statements, annual report on sustainable development, annual report, reports on the implementation of the QIC Development Strategy, strategic key performance indicators, risk report, etc.

During 2023, there were no complaints about critical problems to the Board of Directors of QIC.

Conflict of interest

In order to prevent and resolve corporate conflicts and conflicts of interest in QIC, as well as coordinate the actions of all bodies and officials, the QIC Board of Directors approved a Policy on Resolving Corporate Conflicts and Conflicts of Interest on December 12, 2015, regulating the procedure and procedures for pre-trial conflict resolution, as well as the actions of QIC bodies, officials and employees in within the framework of these issues.

The members of the Board of Directors and the Management Board, as well as QIC employees, perform their duties in good faith and reasonably, with due care and prudence in the interests of QIC 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 Resolving Corporate Conflicts and Conflicts of Interest in 2023.

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

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

During 2023, the Corporate Secretary did not record any cases of corporate conflicts and conflicts of interest in the Corporation.

In order to implement the requirements of the legislation of the Republic of Kazakhstan and internal regulatory documents of the Corporation on combating corruption, resolving corporate conflicts and conflicts of interest, the institution of the Ombudsman has been introduced in QIC.

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 Corporation, clients, partners and other interested persons have the right to contact the Ombudsman.

If it is impossible to resolve corporate conflicts in the Corporation 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 Ombudsman of the Corporation initiates the consideration of disputes on violation of the provisions of the QIC 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 2023.

In order to prevent, or identify facts of corruption offenses and fraud, the Corporation operates feedback channels ("hotline") to collect and process relevant information. The service ensures the continuous operation of the available feedback channels, as well as the confidentiality of the information received.

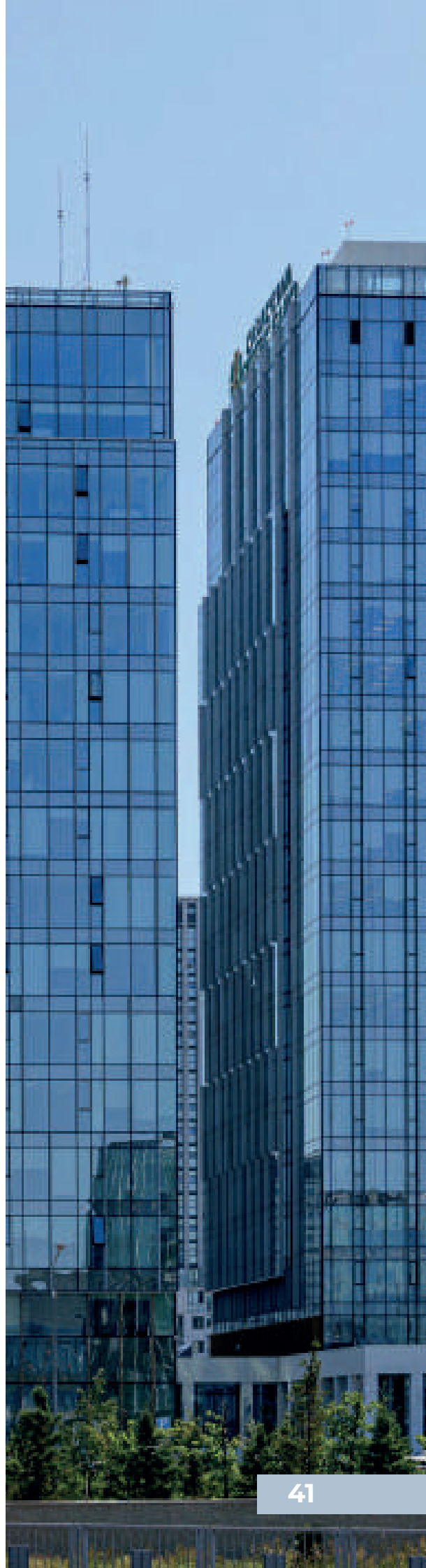
The QIC Anti-Corruption Compliance Service is part of the corporate governance system and is responsible for managing compliance risk and organizing a system to combat corruption in the Company and its subsidiaries.

The Corporation is actively working to combat corruption through the introduction of control functions for the prevention, and detection of corruption, as well as the formation of an atmosphere of strict rejection of corruption in any of its manifestations in the Corporation.

On July 26, 2022, the decision of the Board of Directors of QIC approved the Anti-Corruption Policy of the Qazaqstan Investment Corporation Joint Stock Company, which establishes the basic provisions and requirements for combating corruption in the Corporation, managerial and organizational foundations for the prevention of corruption offenses, anti-corruption measures, as well as minimizing and (or) eliminating offenses.

During the reporting period, all contractors who submitted applications for participation in the procurement of goods, works and services of the Corporation, as well as counterparties who submitted applications for sponsorship assistance were checked for conflicts of interest prevention.

No facts of corruption and fraud have been established in the Corporation during the reporting period.



2.3. EVALUATION OF THE ACTIVITIES OF THE BOARD OF DIRECTORS

The Board of Directors of the joint-stock company "Qazaqstan Investment Corporation" dated December 22, 2023 (Minutes No. 18/23) decided to evaluate the activities of the Board of Directors of the Company and its committees for 2023 by involving an independent professional organization and submit the results of the assessment to the Board of Directors of the Company by June 1, 2024.

However, by the decision of the Board of Directors of the Company dated April 25, 2024 (Protocol No.03/24), it was decided to evaluate the activities of the Board of Directors of the

Qazaqstan Investment Corporation and its committees for 2023 on their own, by means of a questionnaire, in accordance with the requirements of the Company's internal regulatory documents.

Based on the results of a four-point assessment questionnaire, the strengths of the Board of Directors and its committees were identified, as well as areas for improving the activities of the Board of Directors and its committees, noted by members of the Board of Directors.



2.4. INFORMATION ABOUT REWARDS

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

The total amount of remuneration accrued to independent directors of the Company, including taxes and other mandatory payments for 2023, amounted to 45,574,722 tenge.

The Board of Directors of QIC determines the amount of the official salary, the terms of remuneration of the Chairman and members of the Management Board (senior staff).

The remuneration system for QIC executives in 2023 was determined in accordance with the Rules of Remuneration, Performance Assessment and Rewards of QIC Executives approved by the decision of the QIC Board of Directors dated September 2019 and included an official salary, financial assistance for rehabilitation, remuneration based on the results of work for the relevant 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 assessment of the activities of senior employees in order to financially reward them for their achievements and improve work efficiency, depending on the degree to which senior employees 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.

The annual remuneration to the members of the Management Board is paid based on the results of the approval of the audit of the QIC financial statements, subject to the achievement of the approved efficiency of QIC executives.

Remuneration of members of the Management Board for the year ending December 31, 2023 totaled KZT 29,291 million (including taxes and other mandatory payments provided for by the tax legislation of the Republic of Kazakhstan).

Procurement in QIC is based on the following principles:

prevention of corruption providing support to domestic producers of goods, as well as domestic suppliers of works and services, to the extent that this does not contradict international treaties ratified by the Republic of Kazakhstan;

openness and transparency of the process with respect for the rights and (or) legitimate interests of suppliers for trade secrets (before summing up the tender results);

optimal and efficient spending of money used for procurement;

providing potential suppliers with equal opportunities to participate in the procurement procedure; respecting intellectual property rights contained in the purchased goods.

fair competition among potential suppliers, prevention of collusion between procurement participants;

responsibility of procurement participants;

purchasing innovative and high-tech goods, works and services;



QIC strives to support Kazakhstani producers of goods, suppliers of works and services. The Corporation's relations with suppliers are carried out in accordance with the Instructions

for Organizing and conducting purchases of goods, works and services in QIC, approved by the decision of the QIC Board on May 4, 2022, as well as the current legislation of the Republic of Kazakhstan and internal regulatory documents of QIC.

At the end of the reporting period, the total volume of purchases of QIC goods, works and services (the amount, according to purchase agreements, excluding VAT) amounted to KZT 502,387.92 thousand, of which from domestic suppliers – KZT 449,280.21 thousand. At the same time, the total share of local content in 2023 was 89.43%, which is 4.53% higher than in 2022 (84.9%).

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

Year	Goods		Works		Services	
	Volume, thousand tenge	Share, %	Volume, thousand tenge	Share, %	Volume, thousand tenge	Share, %
2021	41 920,58	0,4%	0	0%	368 287,34	89,84%
2022	47 598,98	1,51%	89 384,00	100%	267 142,67	94,79%
2023	35 533,43	1,11%	37 800,00	100%	429 054,49	95,81%

Compliance with legal requirements

During the reporting period, there were 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.

Since January 1, 2022, the QIC has established an Anti-Corruption Compliance Service, accountable to the Board of Directors of QIC, which is responsible for the functioning of the anti-corruption system in the Corporation.

Thus, in 2022, the QIC Board of Directors approved the updated QIC Anti-Corruption Policy (in accordance with the decision of the Board of Directors dated July 26, 2022). The anti-corruption Policy is posted on the official Internet resource of the Company – <https://www.qic.kz> / in order to inform clients, contractors, partners and the public about the anti-corruption standards and requirements adopted in QIC.

In addition, the Corporation continuously conducts anti-corruption monitoring using a wide range of information: media materials, reports from the Internal Audit Service and other auditing bodies, appeals from individuals and legal entities, including those received by the Anti-Corruption Compliance Service hotline.

In order to identify, resolve and prevent conflicts of interest, QIC maintains a register of affiliated persons of the Corporation and its officials on an ongoing basis, which reduces the possibility of close relatives working together, as well as reduces the risks of conflicts of interest in the framework of QIC's core activities and purchases of goods, works and services.

In 2023, 1 comprehensive anti-corruption and fraud training was conducted for all employees of the Company. On June 2, 2023, 54 (fifty-four) employees took part in this training. At the same time, during the reporting year, the Service conducted regular trainings for newly hired employees of the Corporation and its subsidiaries. In particular, on March 2, 2023, 7 (seven) employees, on August 3, 2023, 11 (eleven) employees and on November 10, 2023, 7 (seven) employees participated in the training.

QIC also has a "Know your Customer" policy and an institute for verifying counterparties for reliability, within which counterparties, potential partners and suppliers are constantly checked in order to exclude the possibility of interaction with dishonest and unscrupulous counterparties, minimize sanctions risks and conflicts of interest.

Special attention is paid to the formation of an anti-corruption culture, informing and raising awareness of employees and subsidiaries. Newly hired employees are required to familiarize themselves with the QIC Anti-Corruption Policy and Anti-Corruption Standards. Comprehensive training is conducted on a regular basis for employees of the Company and its subsidiaries on anti-corruption issues and compliance with the requirements of the relevant legislation of the Republic of Kazakhstan.

For facts or possible cases of corruption and fraud, as well as other illegal actions in the Corporation and its subsidiaries, you can contact the Anti-Corruption Compliance Service by phone + 7 (7172) 907 740, by e-mail compliance@qic.kz , as well as by filling out the form on the website <https://qic.kz/ru/o-nas/nash-podkhod/komplaens> .

During the reporting period, there were no confirmed cases of corruption, public investigations, criminal prosecutions and measures taken against QIC and its employees due to corruption-related violations.



3. E - THE ENVIRONMENTAL COMPONENT OF SUSTAINABLE DEVELOPMENT

3.1. QIC SUSTAINABLE ACTIVITY

The main environmental impact of the Corporation on the environment is indirect, through portfolio companies in which QIC invests through private equity funds. This report includes information within the framework of the QIC corporate center, as currently the environmental impacts of portfolio companies on the environment are not accounted for in QIC. At the same time, QIC plans to monitor the ESG aspects of portfolio companies in the near future. As ESG principles are implemented in the investment process, QIC will move to accounting, monitoring and mitigation of ESG-related risks during the life cycle of an investment project, and will disclose relevant information in sustainability reports.

QIC pays special attention to environmental issues in its operations, and also strives for the rational consumption of all resources used by increasing environmental awareness of the Corporation's employees.

At the same time, it should be noted that QIC does not have its own building and accommodation is carried out on the terms of renting class "A" premises in the Baiterek business center that meet modern standards.

The business center was built taking into account modern technologies of careful attitude to resources and provides for effective layouts, panoramic windows, providing rooms with plenty of natural light 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, taking into account the insolation, allows to save on electricity. Motion sensors are also installed in places of temporary residence to save electricity.

The Corporation encourages the use of environmentally friendly transport among employees. Parking spaces for bicycles and electric scooters are available next to the business center building.

Due to the specifics of QIC's activities, paper consumption is one of the most significant environmental impacts of the Corporation. In order to optimize paper document management, the Company switched to electronic document management.

The volume of paper consumption in 2023 amounted to 0.89 tons. Waste collection and disposal is carried out by the landlord. At the same time, the premises of the Corporation building are equipped with various types of containers for selective garbage collection.

Within the framework of rational water consumption, water meters have been installed in the building leased by the Corporation, and the proper condition of plumbing fixtures and water supply networks is being monitored. The Corporation does not discharge wastewater into water bodies: wastewater generated in urban areas is drained into a common sewer network.

The amount of QIC resource consumption¹

Name	UoM	2021	2022	2023
Water consumption (CWS)	cubic meters.	776,25	1033,2	1190,63
Thermal energy and HWS	Gcal	228,34	214,27	225,47
Electric power	kW/h	248 299,04	268 620,46	297 294,9
Paper consumption	tons	1,03	1,03	0,89
Waste (garbage)	tons	-	-	0,73

¹ - Data on the consumption of CWS, electricity, thermal energy and hot water are provided by the landlord.

According to the results of 2023, there is an increase in consumption of water, thermal energy and hot water, electricity compared to the indicators of 2022. At the same time, paper consumption in the Company decreased

significantly in the reporting period compared to 2022.

This report contains information on CO2 greenhouse gas emissions within the Company's corporate center.

Calculation of gross greenhouse gas emissions², tons of CO₂

Scope of coverage	Emissions	Source of emissions
1	-	no data available (from using machines to service employees and management)
2	130	from electricity
	115	from thermal energy and water heating
3	29,6	from air travel
	1,21	from railway trips
Gross emissions of CO₂	275,81	The total Scope1,2 and 3 emissions

The concept of a "green" office in QIC

On December 23, 2022, the QIC Board approved the Concept of a "green" office, which contains the goals, objectives and principles of a "green" office, and also includes an integrated approach to the impact of the daily activities of QIC employees on the environment. The principles of the "green" office are based on three rules of R – Reduce, Reuse, Recycle (Recycle):



Reduce – according to this principle, a "green" office should strive to reduce the use of resources: electricity, water, heat, paper through the use of modern technologies and equipment, as well as through employee awareness-raising activities;



Reuse – according to this principle, it is necessary to switch to the use of materials produced from recycled materials, such as paper, stationery;



Recycle – according to this principle, it is necessary to properly dispose of processed, used raw materials: sort waste, collect and deliver waste paper, properly dispose of office equipment, equipment and batteries.



An Action Plan has also been developed to implement the Concept of a "green" office, which has a number of measures aimed at environmental education and awareness of employees, resource conservation to promote

an environmentally responsible approach in the framework of business. Thus, the Concept provides for the following activities: consideration of the possibility of purchasing paper with the FSC/ECO mark for office needs; establishment of an energy-saving mode for laptop monitors, computer equipment; consideration of the possibility of planting trees by employees of the Company; carrying out measures to increase environmental awareness of employees; creation of corporate loyalty programs in the following areas: health, education, leisure; organization of space/zones for the free exchange of books for employees of the "Free Library", etc.

² - The calculation of gross greenhouse gas emissions was carried out by QIC employees in accordance with the methodology on the website <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>.

3.2. QIC "GREEN" PROJECTS

QIC recognizes the importance of combating and mitigating climate change. In this regard, QIC has developed an ESG risk register broken down by industry, including physical climate risks. It is planned to introduce this register into the general risk management system of the Company.

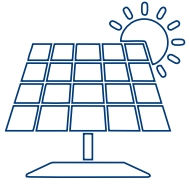
QIC pays special attention to the implementation of "green" projects aimed at reducing the amount of carbon dioxide emissions into the environment, improving the well-being and

quality of life of the country's population while minimizing the environmental burden and degradation of natural resources.

Investing in "green" projects directly affects the achievement of Kazakhstan's strategic goals to mitigate the effects of climate change in the region, as well as contributes to the influx of foreign investment.

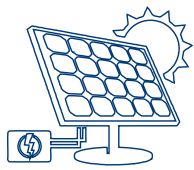
By the end of 2023, QIC's portfolio includes a number of projects in the field of "green" energy with a total capacity of 85 MW.





The Baikonur solar power plant with a capacity of 50 MW in the Shieli district of the Kyzylorda region

The project for the construction and operation of the Baikonur power plant is being implemented by Baikonur Solar LLP, a joint venture of Baiterek Venture Fund JSC (49%), and UG Energy Ltd. (51%, United Kingdom), the EBRD, ADB and CTF acted as partners in the project. 151 thousand solar panels and 14 inverter stations are installed on an area of 150 hectares. More than 20 people are engaged in their maintenance. Since the beginning of operation (commissioned in March 2020), more than 280 million kWh of "green" electricity has been generated. The amount of energy produced is sufficient to cover the energy shortage in the regional center and in neighboring areas.



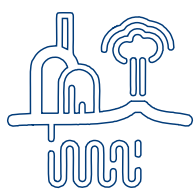
Construction of the Kengir solar power plant with a capacity of 10 MW in the Karaganda region, Zhezkazgan

Kaz Green Energy LLP has implemented a project for the construction of the Kengir solar power plant, which was commissioned in January 2020. Since the beginning of operation, more than 62 million kWh of "green" electricity has been generated. The generated "green" energy makes it possible to reduce emissions of harmful substances into the atmosphere, as well as reduce greenhouse gas emissions.



Construction of a hydroelectric power plant on the Koxu River, with a capacity of 7 MW in Zhetysu region

Commissioning is expected in December 2024. The project will cover the existing shortage of electricity supply in Zhetysu region. In this regard, the use of hydropower resources of Koxu, Karatal, Tentek rivers and other rivers of the northern and southern slopes of Zhetysu Alatau mountains to generate electricity through the construction of hydroelectric power plants and for the supply of regulating power is very relevant. 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. Small hydroelectric power plants can not only maintain the country's energy security, but also become one of the resources for sustainable economic development.



Arctic Green Energy China, geothermal resource exploration and geothermal energy production project

The company specializes in the exploration of geothermal resources and the production of geothermal energy.

The Corporation strives to consistently increase the share of the "green" portfolio in the total volume of funded projects. By the end of 2023, the share of "green" projects in the Corporation's investment portfolio is 9.2%.

In 2023, there was no placement of green, social or other bonds in order to finance sustainable development projects and a funded project on the environment and/or social environment.



4. THE ECONOMIC COMPONENT OF SUSTAINABLE DEVELOPMENT

4.1. ECONOMIC PERFORMANCE

The analysis of the financial condition and performance of QIC for the period 2021-2023 was carried out on the basis of the audited financial statements of QIC.

Income from core activities was received based on the results of portfolio and captive funds related to the payment of dividends, interest and changes in the fair value of FI, as well as from the treasury portfolio in the form of remuneration on deposits, securities, repos.

According to the audited financial statements for 2023, a positive financial result was obtained in the amount of 3,823 million tenge.

Indicator, million tenge	2021	2022	2023
Economic value created (income):	7 308	18 850	14 577
Income from core business	6 677	18 048	14 415
Other income	631	802	163
Distributed economic value:	5 751	8 186	10 755
Labor costs	1 052	1 425	1 621
Expenses on taxes and fees to the state budget	3 094	3 366	3 604
General and administrative expenses	1 094	1 164	1 512
Other expenses	511	2 231	4 018
Economic value to be distributed (net profit)	1 557	10 664	3 823

As of December 31, 2023, assets amounted to KZT 267,312 million, capital – KZT 213,526 million and liabilities at the same date amounted to KZT 53,786 million. At the same time, the size of the investment portfolio amounted to KZT 189,264 million.

More detailed information about the Corporation's financial results for the reporting period can be found in the QIC annual report for 2023, as well as in the QIC consolidated financial statements for the year ended December 31, 2023.

The sole shareholder of QIC is Baiterek National Managing Holding JSC, established in accordance with 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



Resolution 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".

4.2. IMPLEMENTATION OF ESG IN QIC PORTFOLIO COMPANIES

By the end of 2023, the Corporation evaluated the portfolio companies of private equity funds with the participation of QIC for the degree of commitment to ESG principles. Thus, a questionnaire was sent to QIC portfolio companies, including a section with general questions on the project and questions in the field of ESG (ESG/sustainable development management,

environment, social aspects and corporate governance).

Based on the results of the assessment, each portfolio company was assigned an average score of commitment to ESG principles in accordance with the data that the portfolio companies provided in the questionnaire.

Methodology for assessing the commitment of portfolio companies to the ESG principles

The assessment of each answer of the portfolio company was carried out according to a point system from 0 to 3 points, where "0" is the minimum score, and "3" is the maximum score (at the same time, the questions in the section "project passport" and "general questions" are not evaluated). The method of calculating points is presented below.

The value of the score	Description
0	<p>a) The applicant did not provide an answer to the question or answered negatively without a detailed explanation of the reasons for the negative response, i.e. the reasons for the lack of appropriate measures, mechanisms, information, policies, etc.</p> <p>b) The applicant answered in the affirmative to questions concerning violations of relevant legislation or standards, without explaining the reasons for these violations and an action plan to eliminate these violations and eliminate their consequences.</p>
1	<p>a) The applicant replied in the negative, but described the reason for the lack of appropriate measures, mechanisms, information, policies, etc., as well as plans to develop appropriate measures, policies, conduct appropriate activities (for example, trainings), etc.</p> <p>b) The applicant answered affirmatively to questions concerning violations of relevant legislation or standards, but described the reasons for these violations, and also provided an action plan to eliminate these violations and eliminate their consequences.</p>
2	<p>a) The applicant replied in the affirmative and briefly described the relevant measures, mechanisms, information, policies, etc., however, in the opinion of the Company's investment manager, the provided answer is not exhaustive and requires additional information or quantitative data.</p> <p>b) The applicant answered negatively to questions concerning violations of relevant legislation or standards, but provided insufficiently comprehensive information confirming the provided answer.</p>
3	<p>a) The applicant replied in the affirmative and described in detail the relevant measures, mechanisms, information, policies, etc., and also supported his answer with appropriate supporting documents, quantitative data, etc. In addition, the applicant's response indicates the applicant's clear plans to comply with the best international practices (for example, references to international guidelines, standards, etc. are included).</p> <p>b) The applicant answered negatively to questions concerning violations of relevant legislation or standards, and also provided detailed information on measures to prevent such violations and the applicant's plans to comply with best international practices (for example, links to international guidelines, standards, etc. are included).</p>

As a result of the assessment of the portfolio company, the final average score of commitment to ESG indicators is calculated.



ESG Management/ Sustainable Development

This section covers 18 issues, including information about the ESG system and processes in the company, resources (roles and responsibilities), competencies and training, corporate risk register, monitoring and reporting, etc.



Environment

This section covers 30 issues, including information on environmental policy, environmental protection training, certification, permits, licenses, violations and incidents, information on carbon dioxide emissions, resource efficiency, waste management, chemical/hazardous substances management, biodiversity, etc.



Social issues

This section covers 29 issues, including information on health and safety policy, accidents/incidents, anti-discrimination policy, equality and diversity policy, responsible procurement policy, etc.

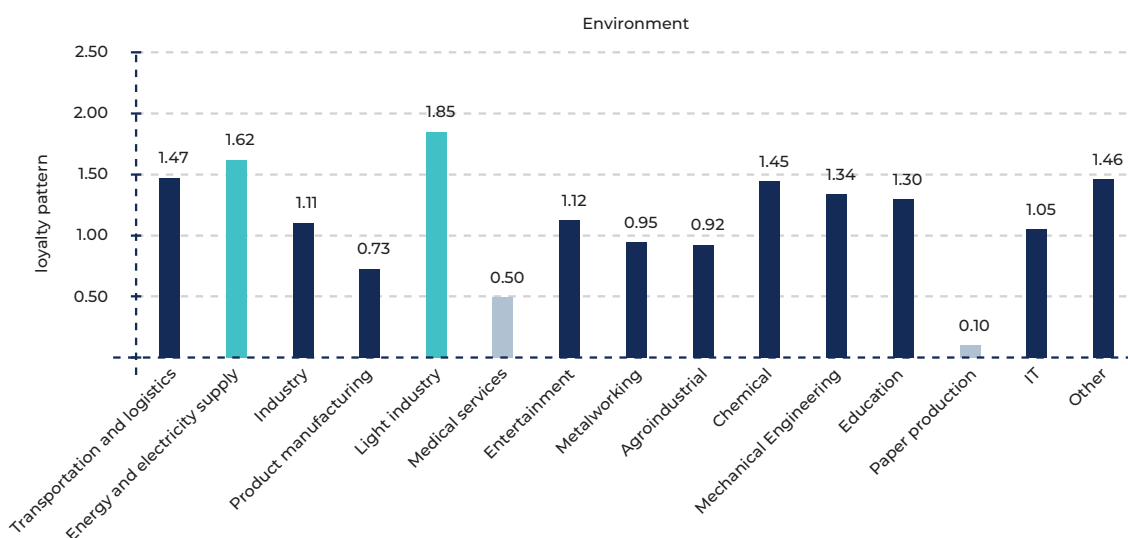


Corporate governance

This section covers 29 issues, including information on corporate governance, the structure and role of the Board of Directors/other authorized body, strategy, anti-corruption policy, and information disclosure.

The results of the assessment of the commitment of ESG portfolio companies to the principles

The degree of commitment to environmental indicators by industry

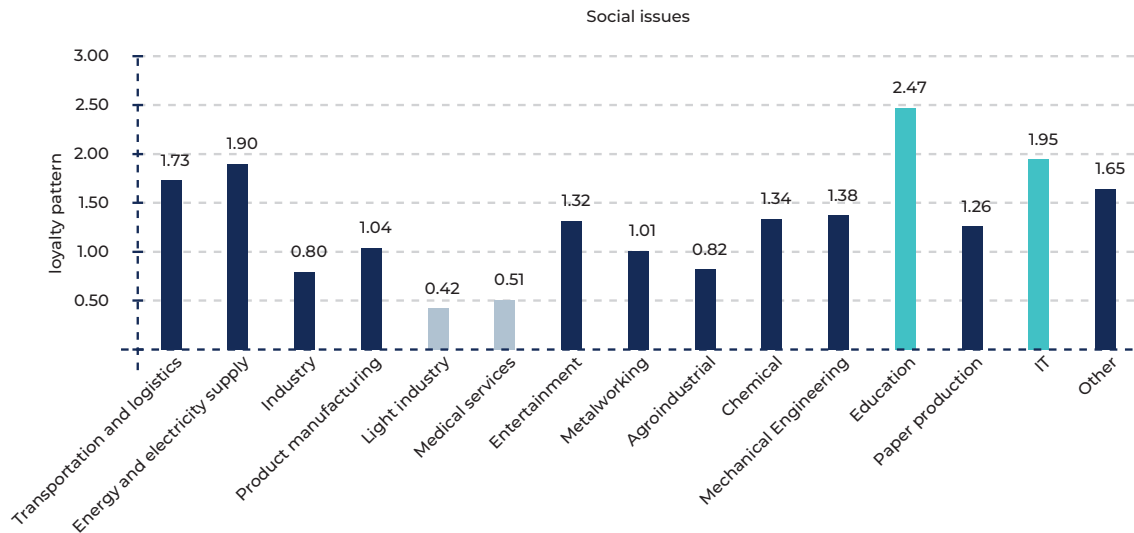


Assessment of portfolio companies' commitment to environmental indicators by industry:

- **The average** score for all industries is 1.13;
- **The highest** commitment score is observed in the field of light industry (1.85), followed by energy and electricity supply (1.62).
- **The lowest** commitment score is in the fields of medical services (0.5) and the production of paper and paper products (0.1).

On average, 65.25% of the surveyed portfolio companies track and disclose information on paper, electricity, water and waste consumption as a result of their activities. 29% of portfolio companies recycle some of their waste.

The degree of commitment to social indicators by industry



The assessment of the commitment of portfolio companies to social indicators by industry:

- **The average** score for all industries is 1.31;
- **The highest** commitment score is observed in education (2.47) and IT (1.95);
- **The lowest** commitment score was recorded in the field of medical services (0.51) and light industry (0.42);

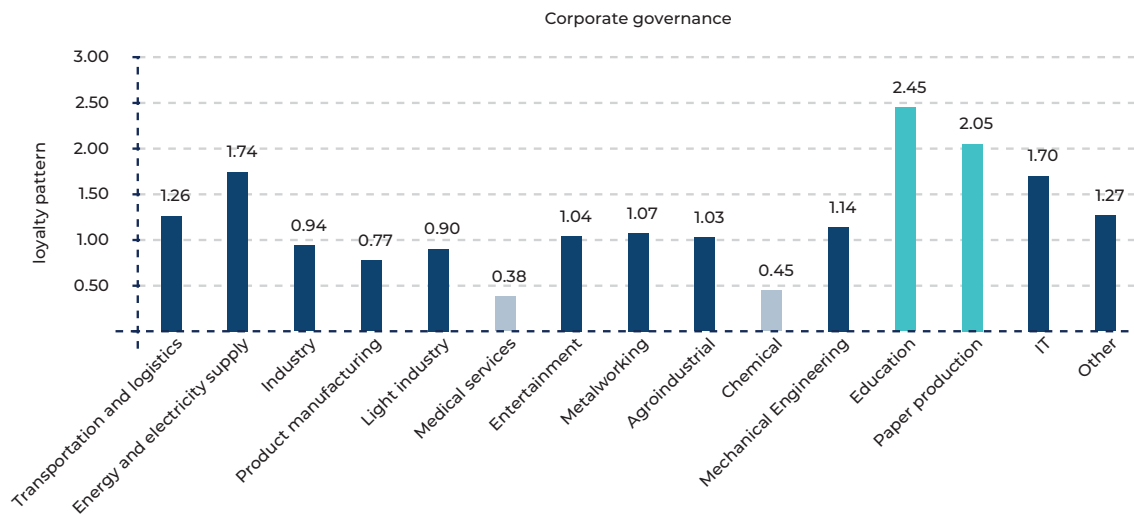
64% of the surveyed portfolio companies purchase more than **80%** of goods, works and services from domestic suppliers.

In **58%** of portfolio companies, the standard entry-level wages for men and women are at the same level.

72% of portfolio companies have a health and safety policy. At the same time, **78%** of portfolio companies during the reporting period had no incidents/accidents at the enterprise.



The degree of commitment to corporate governance indicators by industry



Assessment of portfolio companies' commitment to corporate governance indicators by industry:

- **The average** score for all industries is 1.21;
- **The highest** commitment score is observed in education (2.45) and paper and paper products (2.05);
- **The lowest** commitment score was recorded in the medical services industry (0.38) and the chemical industry (0.45).

There are no foreign top managers in **78%** of portfolio companies.

25% of portfolio companies have anti-corruption policies and/or conduct appropriate training/training.

The average rating of the surveyed portfolio companies for ESG commitment to indicators (ESG/sustainable development management, environment, social aspects and corporate governance) is 1.22. This assessment allows us to assess the level of ESG/sustainable development management in three areas in portfolio companies.



Classification of investment projects into categories depending on the level of environmental and social risks

In addition, in 2023, QIC classified investment projects into categories depending on the level of environmental and social risks in accordance with categories "A", "B", "C", "F1", according to the QIC Sustainable Development Policy.

This categorization of projects, in order to determine the scope of environmental and social risk assessment, will further allow QIC to implement a set of procedures for managing environmental and social risks of projects, namely:

- ✓ examination of environmental and social risks associated with the activities of investment recipients in order to assess potential risks, as well as identify mitigation measures necessary to reduce any identified environmental and social risks;
- ✓ making a decision on project support by the Corporation;
- ✓ monitoring of environmental and social performance indicators of the recipients of investments, in order to assess existing and emerging environmental and social risks associated with the activities of the recipient of investments throughout the life cycle of the project;
- ✓ taking measures in case of identified environmental and social problems based on the results of monitoring.



Summary data of portfolio companies on environmental, economic and social indicators³ for 2023

Economic indicators	Final results	
Revenue (billion tenge)	724,6	
Taxes paid to the budget (billion tenge)	65,5	
Number of jobs created	1406	
Export revenue (billion tenge)	189,1	

Environmental indicators	Final results on consumption	The share of portfolio companies by information disclosure
Total energy consumption, electricity (kW)	1 044 200 463	78%
Total energy consumption, heating (Gcal)	30 599,463	
Total gross greenhouse gas emissions, tons of CO ² Scope 2 (electric power, thermal energy and water heating)	450 167	78%
The total volume of paper consumption, tons	1 969 335,346	64%
The total volume of water consumption, m ³	1 532 494,07	72%
The total volume of waste, tons	2 442 097,09 (submitted for recycling 129 704,472)	47%

Social indicators	Final results	The share of portfolio companies by information disclosure
Average share of purchases from local suppliers (local content)	78,7%	69%
The average ratio of standard wages at the entry level for representatives of the two sexes	1,28	67%
The average ratio of the standard wage at the entry level to the local minimum wage in the region	2,41	17%
Average share (%) of foreign top managers out of the total number of top managers	6,7%	75%
Average number of accidents/incidents at enterprises	0,8	64%
The share of companies providing charity	54%	72%

³ - The report uses data from portfolio companies that participated in the survey and provided information about the indicators.

Report on the environmental performance of portfolio companies⁴ for 2023

Portfolio Company	The amount of energy consumption: - electricity (kW) - heating and hot water supply (Gcal)	Calculation of gross greenhouse gas emissions, tons of CO2e Scope 2 (- from electricity; - from thermal energy and water heating)	Volume paper consumption, tons	Volume of water consumption, m ³	Waste, in tons - of which, submitted for secondary (re-) cycling
Medical services					
Company A	-	-	-	-	-
Production of paper and paper products					
Company A	999,763 kW (electricity)	417	1954142,7	1743,07	74 (recycled 65)
Food and beverage production					
Company A	2,200,000 kW (electricity)	917	-	127 000	23 000
Company B	1,493,000 kW (electricity)	622	-	350	18 580
Company C	5,792,720 kW (electricity)	2415	-	-	-
Company D	-	-	-	-	-
Company E	686,913 kW (electricity)	286	0,0125	-	-
Company F	38,629,388 kW (electricity)	16 105	86	428 963	120,572,8372 (recycled 119914,6)
Company G	29,650,704 kW (electricity)	12 361	6,30	103 027	-
IT					
Company A	500,000 kW (electricity) 1300 gCal (heating)	208 630	<1	-	-
Transport and logistics					
Company A	438,219 kW (electricity)	183	-	3 195	0,36525
Company B	271,612 kW (electricity) 125,19 Gcal (heating)	113 60,7	0,0097	983	-
Company C	76,150,000 kW (electricity)	31 747	0	40	0
Company D	20 111 00 kW (electricity) 21,579 Gcal (heating)	8 384 10 463	26,365	370 041	16,150 (recycled 35,28)
Company E	-	-	-	-	-
Company F	-	-	0,01	3 800	-
Company G	10,753,333 kW (electricity)	4 483	13 050	40 712	0,6
Chemical industry					
Company A	2,592,000 kW (electricity)	1 081	0,12	300	-
Energy and electricity supply					
Company A	836,667,724 kW (electricity)	348 810	0,75	33 646 732	2,261,403,150 (recycled 9687,105)
Company B	212 960 kW (electricity)	88,8	-	0	-
Company C	75,912 kW (electricity)	31,6	0,0125	-	-
Company D	2,592,000 kW (electricity)	1 081	0,12	300	-
Light industry					
Company A	-	-	2 001	36 612	106

4 - The report uses data from portfolio companies that participated in the survey and provided information about the indicators.

5 - The calculation of gross greenhouse emissions (scope 2) was carried out by a QIC employee in accordance with the methodology on the website <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>. At the same time, the initial data for the calculation were provided by the portfolio companies that participated in the survey.

Portfolio Company	The amount of energy consumption: - electricity (kW) - heating and hot water supply (Gcal)	Calculation of gross greenhouse gas emissions, tons of CO25 Scope 2 (- from electricity; - from thermal energy and water heating)	Volume paper consumption, tons	Volume of water consumption, m ³	Waste, in tons - of which, submitted for secondary (re-) cycling
Mechanical engineering					
Company A	395 484 kW (electricity) 1586 gCal (heating)	165 769	3,3	4 335	72
Education					
Company A	125,000 kW (electricity) 580.365 gCal (heating)	52,1 281	0,7	8 600	-
Entertainments					
Company A	3,931,888.00 kW (electricity)	1 639	-	29 422,00	-
Company B	194,000 kW (electricity)	80,9	0,1	1 000	343,2
Company C	6,289,233 kW (electricity) 4072.858 gCal (heating)	2 622 1 975	4,596	19 784	5,368
Company D	-	-	-	-	-
Building Materials Industry					
Company A	-	-	-	-	-
Company B	1,561.9 kW (electricity) 1356.05 gCal (heating)	0,651 657	0,5	53 108	5,12 (2,487 recycled)
Metalworking					
Company A	-	-	-	-	-
Agro-industrial complex					
Company A	3,441.2 kW (electricity)	1,4	12	185 563	1 396
Company B	1,956,446 kW (electricity)	816	0,05	516	380,6
Company C	692,822 kW (electricity)	289	-	107 100	-
Others					
Company A	793,339 kW (electricity)	331	0,7	6 000	8

- the company did not provide information

Report on social indicators of portfolio companies⁶ for 2023

Portfolio Company	Share (%) of purchases from local suppliers (local content)	The ratio of the standard salary at the entry level for representatives of the two sexes (k = salary of women/ salary of men)	The ratio of the standard salary at the entry level to the local minimum wage in the region (k=standard. salary / local minimum salary in the region)	The share (%) of foreign top managers from the total number of top managers	Accidents/ incidents at the enterprise	Charitable activities
Medical services						
Company A	-	-	-	-	-	no
Production of paper and paper products						
Company A	40	1	3,1	-	0	no
Food and beverage production						
Company A	-	-	-	-	-	-
Company B	-	-	-	-	-	-
Company C	-	1	-	50	0	no
Company D	100	1,75	-	0	0	no
Company E	-	-	-	-	-	yes
Company F	70	1	-	100	13	yes
Company G	90	1,00	-	0	0	yes
IT						
Company A	100	1,5	-	0	0	yes
Transport and logistics						
Company A	-	2,4	-	0	0	-
Company B	50	1	-	0	0	yes
Company C	-	1	-	0	-	no
Company D	80	1	3,57	0	2	yes
Company E	100	-	-	-	-	-
Company F	60	1	-	0	0	no
Company G	95	1,4	-	0	1	no
Chemical industry						
Company A	95	1	-	0	-	no
Energy and electricity supply						
Company A	99,8	1	1,4	4,9	-	yes
Company B	100	-	-	0	0	yes
Company C	-	-	-	0	0	-
Company D	100	-	-	0	0	-
Light industry						
Company A	70	1,3	-	4	-	-
Mechanical engineering						
Company A	-	1,2	-	-	0	yes

6 - The report uses data from portfolio companies that participated in the survey and provided information about the indicators

Portfolio Company	Share (%) of purchases from local suppliers (local content)	The ratio of the standard salary at the entry level for representatives of the two sexes (k = salary of women/ salary of men)	The ratio of the standard salary at the entry level to the local minimum wage in the region (k=standard. salary / local minimum salary in the region)	The share (%) of foreign top managers from the total number of top managers	Accidents/ incidents at the enterprise	Charitable activities
Education						
Company A	100	1		0	0	yes
Entertainments						
Company A	95	1		0	0	yes
Company B	-	-		-	-	-
Company C	0	-		0	-	-
Company D	-	-		0	-	yes
Building Materials Industry						
Company A	30	-		-	-	-
Company B	100	1		0	0	no
Metalworking						
Company A	60	1,43	1,21	20	0	no
Agro-industrial complex						
Company A	47	1,17	0,95	0	1	no
Company B	100	1,1	4,2	0	0	no
Company C	95	1		2	1	yes
Others						
Company A	90	3,52		0	0	yes

- the company did not provide information

Information from portfolio companies ⁷ on internal regulatory documents and training

Portfolio Company	Anti-corruption politics	Anti-discrimination policy	Code of Business Ethics	Health and safety policy	Responsible procurement policy
Medical services					
Company A	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Production of paper and paper products					
Company A	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Food and beverage production					
Company A	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Company B	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Company C	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
Company D	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Company E	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Company F	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Company G	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
IT					
Company A	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Transport and logistics					
Company A	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Company B	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
Company C	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Company D	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
Company E	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
Company F	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
Company G	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
Chemical industry					
Company A	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Energy and electricity supply					
Company A	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
Company B	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
Company C	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
Company D	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Light industry					
Company A	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Mechanical engineering					
Company A	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
Entertainments					
Company A	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
Company B	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Company C	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Company D	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

⁷-The report uses data from portfolio companies that participated in the survey and provided information

Portfolio Company	Anti-corruption politics	Anti-discrimination policy	Code of Business Ethics	Health and safety policy	Responsible procurement policy
Building Materials Industry					
Company A	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Company B	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Metalworking					
Company A	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Agro-industrial complex					
Company A	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
Company B	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
Company C	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>
Others					
Company A	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>

there is a policy
 there is no policy
- the company did not provide information





5.5 - THE SOCIAL COMPONENT OF SUSTAINABLE DEVELOPMENT

The fundamental principle of QIC's activities is the protection and observance of human rights. Human rights are enshrined in Kazakhstani and international legislation, as well as in QIC internal regulatory documents: the Labor Code of the Republic of Kazakhstan; the QIC Code of Business Ethics; the Declaration of the International Labor Organization "On Fundamental Principles and Rights at Work"; the Universal Declaration of Human Rights; the Principles of the UN Global Compact.

Guided by the legislation of the Republic of Kazakhstan in the field of labor and labor relations, conventions of the International Labor Organization, the Corporation adheres to the following principles concerning fundamental rights: freedom of association and effective recognition of the right to collective bargaining; absence of all forms of forced or compulsory labor; prohibition of child labor; non-discrimination in the field of labor and occupation.

QIC complies with standards on wages, working hours and working conditions, remuneration of workers for work, social insurance, paid leave, occupational safety and others.

In the reporting period, there were no complaints filed against QIC for violations of labor relations practices, while in the case of such complaints, internal tools (Ombudsman and Compliance) were introduced for preliminary discussion and mediation of disputes.

The Corporation does not discriminate and strives to ensure equal opportunities for men and women, adhering to an equal approach to remuneration. It does not restrict the right of employees to establish or join public organizations representing their interests. QIC employees can engage in any educational, charitable or social activity, as long as it does not affect the performance of official duties, and also does not harm QIC. During the reporting period, there were no cases of discrimination on any grounds in QIC.

At the end of 2023, within the framework of the social partnership, a collective agreement between QIC and employees was not concluded, since neither side expressed a desire to start collective negotiations⁸.

QIC's activities are guided by the principle of providing equal opportunities for all employees in hiring, remuneration, evaluation, development, access to training, promotion, and dismissal.

Compliance with the principles of business ethics and optimal settlement of disputes on violation of the provisions of the QIC Code of Business Ethics are the responsibility of the Ombudsman. In 2023, there were no complaints or appeals to the Ombudsman regarding violations of business ethics and labor legislation in the Corporation.

For certain reasons, the working conditions of employees may be changed in QIC, in terms of: remuneration, labor rationing, performance of work duties, working hours and rest time, the order of combining positions, performing the duties of a temporarily absent employee, occupational safety and health, technical, industrial and living conditions, as well as others, by agreement of the parties, working conditions.

In such cases, QIC notifies employees in writing about possible changes in the working conditions of employees in accordance with the employment contract, the Labor Code of the Republic of Kazakhstan. When working conditions change, appropriate additions and changes are made to the employment contract.

The QIC employee motivation system creates conditions for attracting and retaining qualified personnel by providing employees with competitive material remuneration and non-material incentives for work.

⁸ - According to paragraph 2 of Article 156 of the Labor Code of the Republic of Kazakhstan, a collective agreement is concluded on a voluntary basis at the suggestion of one of the parties

In order to build an integrated corporate performance management system, the following documents have been approved:



a system of key performance indicators of QIC activities aimed at effective planning and organization of QIC activities, achieving its strategic goals and stimulating employees depending on the achieved results of its activities;



models of strategic, managerial and functional competencies and methods of their assessment aimed at improving the recruitment processes and determining the degree of compliance of candidates' competencies with the requirements for their positions, as well as identifying the potential of employees of the Corporation, determining the needs for training, development and career advancement.

The current remuneration systems provide for the establishment of official salaries taking into account qualifications and business qualities, additional payments and allowances for combining positions, remuneration based on the results of work for the company's management for the year and a one-time bonus for the development and implementation of measures aimed at saving costs, increasing profitability, as well as introducing innovative solutions and rationalization proposals.

The employee compensation system is aimed at increasing labor productivity, employee motivation and other indicators of production efficiency.

The Corporation strives to maintain a highly competitive wage level in the labor market in order to ensure fair pay for its employees.

In order to ensure uniform principles of employee performance management and transparency of criteria for employee incentives and bonuses, the effectiveness of all personnel is evaluated on a periodic basis, with the exception of employees on probation and employees on maternity leave or child care.

In 2023, the number of open vacancies in the Corporation amounted to 40, of which 33 vacancies for administrative positions and 7 vacancies for managerial and managerial positions. 21% of vacancies were closed by internal candidates, 73% of vacancies were closed by external candidates, 6% of vacancies were closed by candidates whose last place of work was the organization of the Holding group of companies.

The main purpose of the selection of candidates is to contribute to the achievement of QIC's strategic goals through the introduction of best practices in the field of personnel management in terms of attracting qualified candidates to fill vacant positions. Such tasks as the creation of an effective human resource management system remain a priority. Staff is seen as an important resource, and the role of employee professionalism plays an important role in the effective work of Society.

In accordance with the Regulations on the Recruitment, Selection, Hiring and Adaptation of QIC personnel, approved by the decision of the Company's Management Board dated April 7, 2015, when vacancies arise, an internal competition is primarily held among employees of the Company and its subsidiaries, as well as employees of the outsourcing sector. Then an external competition is announced. Information on the search for external candidates is necessarily published on the Company's website, in QSamruk and LinkedIn, applications are accepted by e-mail.



5.1. ABOUT EMPLOYEES

The total average number of employees of the Corporation is 72 people, for the Group of Companies – 84 people.

As of December 31, the average number of QIC employees is 76. The gender distribution of employees is as follows: 57% women and

43% men. In terms of age distribution, the structure of employees is as follows: 73.7% are aged between 30 and 50 years, 22.4% are younger than 30 years, and 3.9% are over 50 years old. The average age of employees at the Corporation at the end of 2023 is 36 years.

Dynamics of the average number of ⁹ employees

Name of the organization	2021	2022	2023
QIC	41	68	72
BVF	11	12	12
QTV	11	0	0
KPPF	18	0	0
Total for the group of companies	81	80	84

According to the data of 2023, the average age of the Corporation's employees is 36 years.

The structure of QIC staff by gender and age in 2023 at the reporting date is presented below:

Age	Women, people.	Men, people.	Total
up to 30 years old	5	5	10
from 30 to 50 years old	27	27	54
over 50 years old	4	-	4



⁹ - The average number of employees represents the average number of employees of the company for a certain period.

Staff turnover in the QIC group for 2023:

Name of the organization	The overall indicator for the group, %
QIC	9,72
BVF	0
QTV	0
KPPF	0
Total for the group of companies	8,34

QIC staff turnover by age and gender:

Name of the organization	Gender groups		Age groups		
	Men	Women	up to 30 years old	from 30 to 50 years old	over 50 years old
QIC	6	1	2	4	

At the end of the reporting period, the total number of QIC employees with whom contracts of a civil nature have been concluded is 21 people, in subsidiaries - 9 people. QIC employees, with whom civil law contracts have been concluded, perform the following types of work: international cooperation services, ESG development, economic planning, treasury operations, internal auditor services, corporate system development services, and risk management.

Category of employees	QIC		BVF	
	Male	Female	Male	Female
Full-time employees	32	36	8	4
Specialists	12	9	5	4
Total, people.	44	45	13	8

In 2023, the legal regulation of social and labor relations in the Corporation was implemented in accordance with the labor legislation of the Republic of Kazakhstan and internal regulatory documents of the QIC.

5.2.SOCIAL SUPPORT, HEALTH AND SAFETY

Social support is provided to QIC employees in order to create favorable conditions for effective work, as well as to retain and attract highly qualified employees.

On January 29, 2018, the decision of the QIC Board approved the Rules for providing social support to employees of the Corporation, which determine the types, conditions and procedure for providing social support to employees of the Corporation in accordance with the legislation of the Republic of Kazakhstan and internal regulatory documents of the QIC.

Social policy includes programs and activities aimed at solving the most urgent tasks of the social development of the team, improving working conditions, ensuring social protection of employees, organizing their recreation and medical care.

The Corporation considers its main task in the field of social policy to be the creation of conditions for the effective work of employees, their professional growth, providing opportunities for decent earnings and the development of a culture of production.

The Corporation provides the following types of social support:



financial assistance for recovery in the provision of annual leave, paid leave for significant events (marriage, death of a family member)



financial assistance in connection with maternity leave, vacation, adopted (adopted) a newborn child (newborn children)



financial assistance in connection with the birth of a child/adoption of children



financial assistance in connection with the treatment/surgery of an employee or persons who are members of his family



quarterly bonuses to employees, annual remuneration to members of the Management Board upon achievement of key performance indicators. At the same time, as in the best world practices, managers are approved indicators related to economic, environmental and social objectives

The amount of funds for the provision of social support provided for by the Rules is included in the annually approved budget of the Corporation.

Employees and their family members are provided with health insurance at the expense of funds provided in the QIC budget in accordance with the voluntary health insurance program. Funds for medical insurance are spent in case of illness of an

employee 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. At the same time, the cost of medical insurance per employee should not exceed 100 MCI for the corresponding financial year.

Information on maternity and child care leave at the end of 2023:

Indicator	total, people.	including	
		Men	Women
The number of employees who took maternity leave and parental leave in 2023	4	0	4
The number of employees who returned from maternity leave and parental leave in 2023	1	0	1

Workplace health and safety

An absolute priority for the Corporation and its subsidiaries is to ensure occupational safety and health in strict accordance with the requirements of the legislation of the Republic of Kazakhstan, international and national

standards, and internal QIC documents in this area. QIC strives to strictly comply with national and international requirements and continuously improve the level of occupational health and safety management.



Thanks to the coordinated work of all structural units, injuries and accidents were absent in 2023.

In order to improve the skills of employees in matters of safety and labor protection, fire safety, electrical safety, employees are trained annually.

Mechanisms for contacting Corporations

To prevent compliance with the rights of QIC employees, confidential and accessible means of informing about all facts of illegal actions are available.

Employees, in case of doubts about the legality of the actions of other employees or other persons, can inform the management, their immediate supervisor and the Anti-Corruption Compliance Service.

These messages can be transmitted via the following communication channels that ensure confidentiality:

For facts or possible cases of corruption and fraud, as well as other illegal actions in the Corporation and its subsidiaries, you can contact the Anti-Corruption Compliance Service by phone + 7 (7172) 907 740, as well as by e-mail compliance@qic.kz.

Regarding violations of the rights and legitimate interests of employees, assistance in resolving labor disputes and conflict situations, all employees have the right to contact the Ombudsman by phone + 7 (7172) 907 817, as well as by e-mail ombudsmen@baiterek.gov.kz.

Charity

At the same time, the Company's employees actively participate in the implementation of the Sustainable Development Goals. On a regular basis, they submit plastic bottles and batteries for recycling and, when possible, donate clothing, shoes, and bed linen to the Likekomek charity shop.

Additionally, in honor of the national holiday of Nauryz Meyrami and Finance Day, fairs and festive events were organized for the employees of the Company and its subsidiaries.

The following charity projects were implemented in 2023:



in November 2023, the Company provided charitable assistance to 1 low-income family using funds from employees, and purchased 4 pairs of children's winter shoes



On August 19, 2023, the Company took part in a charity project dedicated to the Day of Protection of Homeless Animals. Assistance was provided in the form of pet food or financial support to the animals of the private foundation "StopOtlov" for the protection of homeless animals.



assistance in the form of cash was provided to **support the victims of the forest fire in the Abai region;**



on September 22, 2023, the Company participated in the event "Donor Day" organized by Baiterek NMH JSC together with the RSE "Scientific and Production Center of Transfusiology" (9 employees donated 3,600 ml of blood and its components);



on December 15, 2023, the Company participated in the Charity Fair "Baiterek - Open Hearts," where the funds raised from the event were directed towards organizing a New Year's tree and purchasing gifts for children with disabilities.

5.3. DIVERSITY AND EQUAL OPPORTUNITIES

The Corporation strives to provide a positive and inclusive work environment where people are valued for the skills and experience, they bring to their work. Maintaining diversity and inclusivity among employees is key to the success of QIC development.

By welcoming different points of view, QIC creates a richer professional experience in the company and improves the company's ability to develop innovative ideas and concepts, as well as make more informed investment decisions.

QIC does not allow employees to restrict their labor rights and freedoms or receive any benefits based on gender, race, language, religious, political and other beliefs, citizenship,

national or social origin, limited opportunities, property, family, social and official status, or other circumstances unrelated to business qualities employees. During the reporting period, there were no cases of discrimination on any grounds in QIC.

As part of its activities, QIC is guided by the principle of providing equal opportunities for all employees in hiring, remuneration, evaluation, development, access to training, promotion, and dismissal.

Thus, the ratio of the base rate of remuneration for women to the base rate of remuneration for men for each category of QIC employees as of December 31, 2023:

Category of employees	QIC
female:male	0:1,00
Board members	0:1,00
Managing Directors	0:1,00
Directors	1,00:1,04
Chief Managers	1,00:1,04



Management compensation compared to employee compensation as of December 2023 ,31:

The name of the indicator	Ratio
Salary of the highest paid QIC employee/Salary of the median QIC employee	4,12:1,0

5.4. TRAINING AND EDUCATION

The needs of the Company's group in training and staff development depend on internal and external factors: changing strategic objectives, changing legislation, introducing new programs, professional growth and development of employees, setting new tasks and goals for them, etc.

On November 16, 2022, the QIC approved the training and professional development plan for the Company's employees for 2023.

The number of training events in the training and advanced training system in 2023, in

accordance with the approved training plan in the Company, amounted to 26, of which seminars, trainings,

- ▶ courses – **14**,
- ▶ conferences – **3**,
- ▶ professional certifications – **3**,
- ▶ language courses – **2**.

In total, an astronomical 845 hours were spent on educational activities in 2023. The total number of participants is 65 people. On average, there were 13 hours of training per participant.

Training of QIC employees in 2023 by gender

Indicator	male	female
The average annual number of hours of training per employee, man-hours	10,6	11,5

The main topics of the implemented training and advanced training programs for employees are: fire safety training, occupational health and safety at enterprises, economics and finance, personal and business development, compliance, project management, and sustainable development.

Employee evaluation

In order to ensure uniform principles of employee performance management, as well as transparent criteria for employee incentives and bonuses, a comprehensive assessment of employee performance is carried out on a periodic basis.

As part of a comprehensive assessment of the effectiveness of employees, the overall performance of an employee for the reporting

year and the level of his/her personal and business competencies are considered. The results are distributed according to the results of a comprehensive assessment on a 20-cell matrix. No bonus is paid based on the evaluation results, but the evaluation results influence decisions on further motivation and stimulation of the employee (training, promotion, etc).





6. APPLICATIONS

6.1. GRI CONTENT INDEX

Statement of Use

QIC has prepared a Report in accordance with GRI standards for the period from January 1 to December 31, 2023.

Indicator	The name of the indicator	Section and page in the Report/ comment
GRI 1: Fundamentals of 2021		
GRI 2: General Disclosures 2021		
2-1	Detailed information about the organization	About the Company, pp. 11-12
2-2	Reporting perimeter	About the report, page 7
2-3	Reporting period, frequency and contact information	About the report, page 7, Contact information, page 62
2-4	Clarification of information	About the report, page 7
2-5	External certification of financial statements	About the report, page 7
2-6	Information about activities, value chain and other business relationships	About the Company, pp. 11-12
2-7	Full-time employees of the organization	The social component of sustainable development, pp. 52-54
2-8	Employees who are not full-time employees	The social component of sustainable development, p. 54
2-9	The structure and composition of corporate governance	Corporate Governance, pp. 24-26
2-10	The procedure for the election and approval of the supreme body	Corporate Governance, pp. 26-27
2-11	Chairman of the Supreme Corporate Governance Body	Corporate governance, page 26
2-12	The role of the supreme governing body of corporate governance in overseeing the management of the impact on the economy, the environment and people	Corporate Governance, pp. 24-31
2-13	Delegating responsibility for managing the impact on the economy, the environment and people	Corporate Governance, pp. 24-31
2-14	The role of the supreme governing body of corporate governance in approving sustainability reporting	Corporate governance, page 28
2-15	Conflict of interest	Corporate Governance, pp. 29-30
2-16	Informing about critical issues	Corporate governance, p. 29
2-17	Collective knowledge of the highest corporate governance body	Corporate governance, page 28

Indicator	The name of the indicator	Section and page in the Report/ comment
2-18	Assessment of the activities of the supreme corporate governance body	Corporate governance, page 30
2-19	Remuneration Policy	Corporate governance, page 31
2-20	The procedure for determining remuneration	Corporate governance, page 31
2-21	Annual total remuneration ratio	Corporate governance, page 31, The social component of sustainable development, pp. 56-57
2-22	Sustainable Development Strategy Statement	Address by the Chairman of the Board of Directors, p. 3-4 Address by the Chairman of the Management Board, p. 5-6
2-23	Obligations stipulated in the internal documents of the organization	Sustainable development, pp. 12-13
2-24	Implementation of the obligations stipulated in the organization's internal documents into the organization's activities	Sustainable development, pp. 12-13
2-26	Mechanisms for seeking advice and reporting problems	The social component of sustainable development, pp. 55-56
2-27	Compliance with the law	Corporate governance, page 32
2-28	Membership in associations	Partnership for Sustainable Development, pp. 22-24
2-29	Approach to stakeholder engagement	Stakeholder engagement, pp. 19-22
2-30	Collective agreements	The social component of sustainable development, pp. 51-52

Essential topics

GRI 3: Essential topics of 2021

3-1	The procedure for determining the essential topics	About the report, pp. 7-9
3-2	List of significant topics	About the report, pp. 7-9
3-3	Managing essential topics	The management approach is presented in the Report as part of the disclosure of information on each significant topic

Indicator	The name of the indicator	Section and page in the Report/ comment
Category: Economic		
GRI 201: Economic Performance 2016		
201-1	Direct economic value created and distributed	The economic component of sustainable development, pp. 36-37
GRI 202: Market Presence 2016		
202-2	The proportion of senior management hired from the local community	The social component of sustainable development, pp. 52-54
GRI 204: Procurement Practices 2016		
204-1	Share of costs for local suppliers	Corporate Governance, pp. 31-32
GRI 205: Anti-Corruption 2016		
205-1	The total number and percentage of production operations assessed in terms of risks of corruption and identification of cases of significant risks	Corporate governance, pp. 32-33
205-2	Informing about anti-corruption policies and methods and teaching them	Corporate governance, pp. 32-33
205-3	Confirmed cases of corruption and measures taken	Corporate governance, pp. 32-33
GRI 206: Anti-competitive Behavior 2016		
Category: Environmental		
GRI 302: Energy 2016		
302-1	Energy consumption within the organization	The environmental component of sustainable development, pp. 33-34
302-4	Reducing energy consumption	The environmental component of sustainable development, pp. 33-34
GRI 303: Water and Wastewater 2018		
303-1	Interaction with shared water resources	The environmental component of sustainable development, pp. 33-34
303-2	Management of impacts related to wastewater disposal	The environmental component of sustainable development, pp. 33-34
303-4	Water discharge	The environmental component of sustainable development, pp. 33-34
303-5	Water consumption	The environmental component of sustainable development, pp. 33-34
GRI 305: Emissions 2016		
305-1	Direct greenhouse gas emissions (scope 1)	The environmental component of sustainable development, pp. 33-34
305-2	Indirect energy emissions of greenhouse gases (scope 2)	The environmental component of sustainable development, pp. 33-34
305-3	Other indirect greenhouse gas emissions (scope 3)	The environmental component of sustainable development, pp. 33-34

Indicator	The name of the indicator	Section and page in the Report/ comment
GRI 306: Waste 2020		
306-1	Waste generation and related significant impacts	The environmental component of sustainable development, pp. 33-34
306-2	Management of significant waste-related impacts	The environmental component of sustainable development, pp. 33-34
Category: Social		
GRI 401: Employment 2016		
401-1	Hiring new employees and employee turnover	The social component of sustainable development, pp. 52-54
401-2	Benefits provided to full-time employees that are not provided to employees who work on a temporary or part-time basis	The social component of sustainable development, pp. 54-55
401-3	Parental leave	The social component of sustainable development, pp. 54-55
GRI 402: Employee-Management Relations 2016		
402-1	Minimum notification period for changes in the organization's activities	The social component of sustainable development, pp. 51-52
GRI 403: Workplace Safety and Health 2018		
403-1	Occupational health and safety management system at the workplace	The social component of sustainable development, pp. 54-56
403-2	Identification and assessment of industrial risks and hazards, investigation of accidents related to the implementation of these risks	The social component of sustainable development, pp. 54-55
403-3	Occupational safety and health activities in the workplace	The social component of sustainable development, pp. 54-55
403-4	Participation, consulting and bringing to the attention of employees issues of occupational safety and health at the workplace	The social component of sustainable development, pp. 54-55
403-5	Employee training on occupational health and safety at the workplace	The social component of sustainable development, pp. 54-55
403-6	Prevention and protection of workers' health	The social component of sustainable development, pp. 54-55
403-7	Prevention and mitigation of occupational health and safety impacts directly related to business relationships	The social component of sustainable development, pp. 54-55
403-8	Employees who are subject to the requirements of the occupational health and safety management system	The social component of sustainable development, pp. 54-55
403-9	Occupational injuries	The social component of sustainable development, pp. 54-55

Indicator	The name of the indicator	Section and page in the Report/ comment
GRI 404: Training and Education 2016		
404-1	The average annual number of hours of training per employee	The social component of sustainable development, p. 57
404-2	Professional development programs designed to support the ability of employees to be employed	The social component of sustainable development, p. 57
404-3	The proportion of employees for whom periodic performance and career development assessments are conducted	The social component of sustainable development, p. 57
GRI 405: Diversity and Equal Opportunities 2016		
405-1	Diversity of corporate governance bodies and employees	The social component of sustainable development, pp. 52-54
405-2	The ratio of basic wages and remuneration of men and women	The social component of sustainable development, p. 57
GRI 406: Non-discrimination 2016		
406-1	The number of discrimination cases identified and actions taken	The social component of sustainable development, pp. 56-57
GRI 418: Client Privacy 2016		
418-1	Reasonable complaints about violations of customer confidentiality and loss of customer data	Interaction with stakeholders, p. 19



Qazaqstan Investment Corporation Joint Stock Company

Address: Astana city, Z05T3E2, 55A Mangilik El Avenue

Tel.: +7 (7172) 554-222 (ext. 100)

Email address: info@qic.kz

Website: <https://qic.kz/ru/>

Below are the contacts where you can request additional information on the issues reflected in the Report, as well as for feedback.

On sustainable development issues

Department of Strategic Development and International Cooperation:

Tel.: + 7 (7172) 554-222 (ext. 141), e-mail: d.bolatov@qic.kz

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