Report preparation methodology

When developing the content of the Report, we analyze what information will be most material for stakeholders: which topics and indicators we need to cover, and which are less relevant. The materiality of information is assessed in terms of whether its absence, misrepresentation or concealment could influence the decisions of the main users of the reports.

In selecting the list of material topics, we use the principle of dual materiality: we look at the economic, social and environmental aspects where our impacts are greatest, and the sustainability aspects that may impact us and pose risks to the successful long-term development of the organization.

The approach to selecting material topics was based on the GRI Standards, which recommend a four-step process for selecting material sustainability issues for disclosure in reporting. We also considered the recommendations of IFRS S1 on sustainability disclosures, in particular, we used the principles for selecting material topics and the recommended sources for analyzing material topics. To maintain continuity in reporting, we used the list of material topics identified last year as a basis and checked it for relevance and the need for changes.

Approach to defining material topics



Step 1



Step 2

Understanding the sustainability context

- We have considered key topical issues of sustainable development that are currently gaining attention in Kazakhstan and globally.
- In Kazakhstan, we considered trends in the regulatory environment and government policy (in particular, the Environmental Code. Social Code. Carbon Neutrality Strategy), as well as Kazakhstan's international commitments (including under the Paris Agreement and the Sustainable Development Goals).
- At the international level, we considered the Global Risk Report 2023 published by the World Economic Forum, the results of COP28. We also considered recent changes in reporting standards that reflect changing stakeholder expectations, particularly those issued by GRI, ISSB (incl. TCFD, SASB).
- We also considered the Fund's strategic priorities and development plans and the feedback we received on the Report in previous periods.

Identification of the impacts

- We identified the economic, social, and ecosystem impacts that may arise for the Fund Group. The analysis was conducted for six key sectors that make up the Fund's Portfolio: oil and gas, chemicals, mining and metals, transportation and logistics, power generation, and communications.
- To assess impacts, we studied the profile of the companies in the Fund's portfolio and their sectoral characteristics. Among other things, we analyzed the applicable GRI industry standards and conducted a benchmark analysis of companies in each sector, using local and foreign companies for the benchmark analysis. We took into account the topics selected as material by the portfolio companies themselves.
- To identify ESG Risks, we used, among other things, SASB standards and criteria of rating agencies that identify ESG Risks for different industries (in particular, S&P Global, Sustainalytics, MSCI).
- In this step, a preliminary list of material topics was created.





Step 3



Step 4

Assessing the impact level

• For each topic, we analyzed the direction of influence: positive or negative. And the degree of influence on a three-point scale: from weak (1) to strong (3). We also looked at each company's business profile and operating model, and we took into account the impact analysis conducted by the portfolio companies themselves. We also analyzed how often the topic appears as significant in different sectors represented in the Fund's Portfolio – in other words, we analyzed the scale of impacts.

Prioritization.

- In prioritizing sustainability topics, we sought to identify those that would provide a full and balanced view of our impacts and allow stakeholders to assess our performance.
- After assessing the extent of our impacts, we identified the 15 most material topics and 38 indicators that would provide better disclosure. We used GRI and SASB standards to select the indicators.
- We checked the resulting list of material topics against the feedback received from stakeholders. We took into account the opinions and wishes of internal stakeholders. We also discussed the issues raised most frequently by external stakeholders and received by us through various formal feedback channels. We also took into account the issues raised at the Public Council meetings.
- Before publishing the Report, the Fund's senior management reviews and approves its content. Approves the list of significant topics at the Management Board level. GRI 2-14

| Material topics | Impact Type | Impact level | UN SGDs |
|--|-------------|--------------|------------|
| Environment protection | | | |
| Energy | -/+ | ••• | 7 |
| Water resources | - | • | 6, 14 |
| Biodiversity | - | • | 15 |
| Climate change (GHG emissions) | - | ••• | 13 |
| Air Quality (emissions) | - | ••• | 13, 15 |
| Waste | - | • | 15 |
| Society | | | |
| Ocupational Health and Safety | - | | 3 |
| Training and education | + | ••• | 4 |
| Non-discrimination and equal opportunities | -/+ | • | 5, 10 |
| Local communities | -/+ | • • | 11, 17 |
| Personal data protection | - | • | 9 |
| Economy | | | |
| Economic Performance | + | ••• | 8, 10 |
| Indirect economic impacts | -/+ | ••• | 9, 10, 11 |
| Procurement Practices | + | ••• | 10, 12, 16 |
| Business ethics and anti-corruption | - | | 16 |

Impact type: Impact level:

+ Positive

- Negative



Changes in the list of material topics

ENVIRONMENT

| Energy Energy Water and Effluence Water and wastewater Biodiversity Biodiversity Emissions Climate change (GHG emissions) Air Quality (emissions) Waste Society Ocupational Health and Safety Training and education Training and education Employee Engagement Non-discrimination and equal opportunities Human rights and non-discrimination Local communities Personal data protection Economy Economy Economic impact Economic Performance Indirect economic impacts Procurement practices Anti-corruption Business ethics and anti-corruption | Material topics 2022 | Material topics 2023 | |
|--|-------------------------------------|--|--|
| Water and Effluence Biodiversity Biodiversity Emissions Climate change (GHG emissions) Air Quality (emissions) Waste Society Ocupational Health and Safety Training and education Employee Engagement Non-discrimination and equal opportunities Human rights and non-discrimination Local communities Personal data protection Economy Economic impact Economic impact Indirect economic impacts Procurement practices Procurement Practices | Environment protection | | |
| Biodiversity Emissions Climate change (GHG emissions) Air Quality (emissions) Waste Society Ocupational Health and Safety Ocupational Health and Safety Training and education Employee Engagement Non-discrimination and equal opportunities Human rights and non-discrimination Local communities Personal data protection Economy Economic impact Indirect economic impacts Procurement practices Procurement Practices | Energy | Energy | |
| Emissions Climate change (GHG emissions) Air Quality (emissions) Waste Society Ocupational Health and Safety Training and education Employee Engagement Non-discrimination and equal opportunities Human rights and non-discrimination Local communities Personal data protection Economy Economic impact Indirect economic impacts Procurement practices Procurement Practices | Water and Effluence | Water and wastewater | |
| Air Quality (emissions) Waste Society Ocupational Health and Safety Training and education Employee Engagement Non-discrimination and equal opportunities Human rights and non-discrimination Local communities Personal data protection Economy Economic impact Indirect economic impacts Procurement practices Procurement Practices | Biodiversity | Biodiversity | |
| Society Coupational Health and Safety Ocupational Health and Safety Training and education Employee Engagement Non-discrimination and equal opportunities Human rights and non-discrimination Local communities Personal data protection Economy Economic impact Indirect economic impacts Procurement practices Procurement Practices | Emissions | Climate change (GHG emissions) | |
| Society Ocupational Health and Safety Ocupational Health and Safety Training and education Employee Engagement Non-discrimination and equal opportunities Human rights and non-discrimination Local communities Personal data protection Economy Economic impact Economic impact Indirect economic impacts Procurement practices Procurement Practices | | Air Quality (emissions) | |
| Ocupational Health and Safety Training and education Employee Engagement Non-discrimination and equal opportunities Human rights and non-discrimination Local communities Personal data protection Economy Economic impact Indirect economic impacts Procurement practices Ocupational Health and Safety Training and education Non-discrimination Local communities Personal data protection Economic Performance Indirect economic impacts | | Waste | |
| Training and education Employee Engagement Non-discrimination and equal opportunities Human rights and non-discrimination Local communities Personal data protection Economy Economic impact Economic impact Indirect economic impacts Procurement practices Procurement Practices | Society | | |
| Employee Engagement Human rights and non-discrimination Local communities Personal data protection Economy Economic impact Indirect economic impacts Procurement practices Non-discrimination and equal opportunities Local communities Personal data protection Indirect economic impacts Procurement Practices | Ocupational Health and Safety | Ocupational Health and Safety | |
| Human rights and non-discrimination Local communities Personal data protection Economy Economic impact Economic impact Indirect economic impacts Procurement practices Procurement Practices | Training and education | Training and education | |
| Local communities Personal data protection Economy Economic impact Economic impact Indirect economic impacts Procurement practices Procurement Practices | Employee Engagement | Non-discrimination and equal opportunities | |
| Economy Economic impact Economic Performance Indirect economic impacts Indirect economic impacts Procurement practices Procurement Practices | Human rights and non-discrimination | Local communities | |
| Economic impact Economic Performance Indirect economic impacts Indirect economic impacts Procurement practices Procurement Practices | Local communities | Personal data protection | |
| Indirect economic impacts Procurement practices Indirect economic impacts Procurement Practices | Economy | | |
| Procurement practices Procurement Practices | Economic impact | Economic Performance | |
| | Indirect economic impacts | Indirect economic impacts | |
| Anti-corruption Business ethics and anti-corruption | Procurement practices | Procurement Practices | |
| | Anti-corruption | Business ethics and anti-corruption | |

Management of material topics

GRI 3-3

This report contains detailed information about our work on each of the material sustainability topics presented in managing economic, environmental and social impacts. A number of priority material topics have targets against which progress is tracked (see Assessment of material topics), others are subject to targeted monitoring of the extent and scope of impacts and efforts are being made to reduce actual and potential negative impacts on the environment and society and expand positive influences.

To track the effectiveness of the work being carried out, official channels for submitting requests from stakeholders are used, interaction activities are carried out, and various impact monitoring tools are used. We are also working to expand the Fund Group's practice of obtaining ESG Ratings, which help monitor the quality of management of sustainability issues. At the Fund level, monitoring is carried out over the performance of portfolio companies, especially on priority projects.