

POLICY
in the climate change field

1. Field of application

The given Policy of NPJSC "K.I. Satbayev Kazakh National Research Technical University" in the field of climate change (hereinafter referred to as Policy) establishes the basic principles of activities, commitments, initiatives, targets and management entities of "K.I. Satbayev Kazakh National Research Technical University" (hereinafter referred to as Holding) and corporate structure organizations that are part of Group companies of "NPJSC KazNRTU named after K.I. Satbayev" (hereinafter collectively referred to as Group) in the climate change field.

The given Policy requirements are mandatory for Company's employees. Requirements of this Policy apply to organizations of the corporate structure in which NPJSC "KazNRTU named after K.I. Satbayev" directly or indirectly owns more than 50% of the authorized capital and which are emitters of greenhouse gas emissions (hereinafter referred to as OCS NN).

2. General Information

Climate change is one of the most significant and urgent global problems, which poses a high risk to economic activity and society. As a member of UN Global Compact, Company fully supports UN Sustainable Development Goals (hereinafter – SDG), in particular, SDG 13 "Combating the climate change". Company recognizes that there is a need for joint action by the global community to counter global warming. Company shares the principles of Paris Climate Agreement and uses its capabilities to achieve its goals.

Company sees its task in cooperation with the authorities and the scientific community, in providing support and promoting scientific research on the natural and climatic conditions of the region, forming and expanding a climate monitoring network, developing and implementing measures to reduce greenhouse gas emissions and adapt to climate change.

Company recognizes the need to remain resilient to the risks associated with climate change, manage greenhouse gas emissions in accordance with the stated targets, as well as attract innovation to best prepare the business for the challenges it faces.

Company's significant contribution to countering global warming is made by supplying goods and raw materials produced in compliance with the principles of sustainable development to industries and organizations that play an important role in global de-carbonization.

Policy is the basis of the corporate sustainable development program, which creates conditions for improving energy efficiency, the use of renewable energy sources and "clean technologies" (including, among other things, carbon dioxide capture and disposal, energy storage technologies). Company's long-term goal is to reduce the use of energy sources based on the use of hydrocarbon raw materials in production activities and support the international climate agenda.

3. Commitments and principles of action in the climate change field

3.1. Development and regular updating of the climate change strategy¹.

3.2. Implementation of the management system and risk management tools related to climate change, as well as their integration into the corporate risk management system in

accordance with the requirements of the Working Group on Disclosure of Financial Information Related to Climate Change (TCFD)², including:

a. preparation of climate change scenarios to assess the risks and opportunities of the transition period 3 for Company and OCS NN and verification of sustainability of the corporate strategy in accordance with TCFD recommendations;

b. elaboration of climate change scenarios to assess the physical risks⁴ of Company and OCS NN.

3.3. Organization of regular audits in the following main areas:

a. risk management in connection with climate change;

b. publicly disclosed climate change indicators.

3.4. Identification and measurement of the contribution of Company's products and OCS NN to the low-carbon economy as part of the organizational life cycle assessment (Life Cycle Assessment.)

3.5. Consideration of commercially effective opportunities to reduce the carbon footprint, including:

a. introduction of assessment tools for responsible management of the value chain;

b. accounting and disclosure of greenhouse gas emissions in accordance with the methodology for calculating the carbon footprint of Company's products and OCS NN, including the requirements of Protocol on Greenhouse Gases (Greenhouse Gas Protocol), and implementation of measures to achieve the targets;

c. development of partnerships in the field of "clean technologies" to accelerate the de-carbonization of their own activities.

3.6. Organization of attraction and effective allocation of capital for executing Company's strategy in the field of climate change.

3.7. Encouraging the introduction of best practices and innovations, in particular:

a. energy efficiency measures;

b. renewable energy sources;

c. carbon dioxide capture and disposal technologies;

d. energy storage technologies;

e. implementation of the best available technologies⁵ and the best global practices of adaptation to climate change;

f. support for research and development in the field of adaptation to climate change;

g. implementing the mechanism of the internal carbon price in investment planning.

3.8. Introduction and application of mechanisms for compensating greenhouse gas emissions, including natural climate resolutions⁶ (including conservation and restoration of forests and other ecosystems that absorb carbon dioxide) in cases where the use of these solutions seems to be the most appropriate and commercially justified solution.

3.9. Introduction of key performance indicators related to the achievement of environmental goals climate change, for managers and employees of Company.

3.10. Expanding interaction and partnership with stakeholders⁷ on climate change issues, in particular:

¹ Hereafter: is part of Strategy in the field of ecology and climate change.

² TCFD – The Task Force on Climate-related Financial Disclosures - an international Working Group on the disclosure of financial information related to climate change, established under the G20 Financial Stability Board.

³ Risks and opportunities arising during the transition to a low-carbon development paradigm.

⁴ Risks arising from natural phenomena (acute) or long-term climate changes (chronic).

⁵ In particular, "The best available technologies, Article 113 of EC RK"

⁶ Measures for conservation and restoration of natural or transformed ecosystems and their sustainable management, which effectively and adaptively solve social problems, while providing benefits for human well-being and for biodiversity.

⁷ Interested parties (stakeholders) are individuals and legal entities, groups and associations, as well as other organizations external to Company whose interests may be affected by Company's activities, as well as parties that may influence it.

- a. ensuring compliance of Company's climate change strategy with the nationally determined contribution to reducing greenhouse gas emissions (INDC) and other national initiatives, including, but not limited to industry quotas;
- b. cooperation with federal, regional and municipal state bodies, and the scientific community to deepen understanding of issues related to climate change, as well as joint search for solutions within the framework of climate change adaptation programs;
- c. active participation in international and national initiatives to promote low-carbon development and research;
- d. considering the possibility of obtaining membership in key associations advocating the transition to a low-carbon economy;
- e. encouraging the suppliers and contractors to comply with Company's principles in the field of climate change and fulfill the obligations that Company has accepted;
- f. partnership with representatives of the scientific community and support for research work to deepen understanding of climatic factors that pose a potential physical risk to Group's assets;
- g. Ensuring the public disclosure of greenhouse gas emissions reporting in accordance with GHG Protocol (GHG Protocol);
- h. monitoring greenhouse gas emissions throughout the value chain;
- i. support the development of the carbon trading market for greenhouse gas emissions and relevant legislative and regulatory regulations at the sectoral, national and international levels, if these initiatives comply with international agreements.

3.11. Ensuring the transparent and regular disclosure of information on targets for greenhouse gas emissions, as well as other significant indicators and aspects in accordance with legislation and leading international standards, including GHG Protocol, Global Sustainability Reporting Initiative (GRI), the Financial Disclosure Working Group, related to climate change (TCFD), as well as other obligations, voluntarily accepted by Company within the framework of compliance with the requirements of certain standards and associations in the field of sustainable development.

4. Key initiatives and target indicators

With the purpose to achieve the goals and fulfill the obligations assumed, Company and OCS NN implement the following key activities:

- 4.1. Climate impact reduction:
 - a. Up-to-date information on climate change goals and performance is provided on the website and in public reports:
- 4.2. Adaptation to climate change:
 - a. Improving the practice of assessing and mitigating physical and transition risks;
 - b. strengthening risk management based on a scientific approach to their identification and assessment;
 - c. continuation of work on modernization and expansion of the existing climate monitoring system in the areas of Company's operational activities and OCS NN, including through support of relevant initiatives at the national, republican levels;
 - d. continued modernization of energy infrastructure;
 - e. assistance to the affected local community in the regions of presence of Company and OCS NN in the mitigation of physical risks associated with climate change and adaptation to their possible consequences: support of Almaty administration in organizing the municipal service for permafrost technical supervision; scaling of technologies successfully implemented in Company and OCS NN in order to support sustainable municipal development; providing access to Norilsk city administration to the scientific base for forming the solutions to ensure the sustainable development of the local community in the context of climate change.

5. Management

Subjects of management	Key functional responsibilities
1. Board of Directors	
Board of Directors of University	<p>Approves Climate Change Policy, as well as changes to the given Policy.</p> <p>Approves the strategy and risk appetite in the field of climate change.</p> <p>Provides supervision over the functioning of the risk management system in connection with climate change.</p>
2. Governance	
Chairman of Management Board - Rector	<p>Implements measures and procedures for risk management in connection with climate change</p> <p>Coordinates the parameters of University's risk appetite in the climate change field and provides recommendations to Board of Directors for its approval</p>
3. Structural divisions of Company's Headquarters	
Member of Management Board - Vice-Rector for Science and Corporate Development	<p>Participates in elaborating Strategy in the field of ecology and climate change in terms of compliance with the concept of sustainable development.</p> <p>Develops, monitors and coordinates the implementation of University's sustainable development policy</p>
Department of Sustainable Development	<p>Defines Company's ambitions and vision in the climate change field.</p> <p>Organizes and coordinates activities aimed at sustainable development of Company, including in the field of climate change. Monitors compliance of Company's activities and OCS NN in the field of climate change with international standards and requirements of external stakeholders.</p> <p>Organizes the entry of Company and ensures participation in organizations and associations related to climate change.</p> <p>Coordinates the process of risk management in connection with climate change.</p> <p>Provides disclosure of information in the field of sustainable development, including in the direction of climate change in public non-financial reporting</p>
Department of Finance and Accounting	<p>Organizes and controls the collection of data for reporting on climate change.</p> <p>Calculates financial indicators in the field of climate change in accordance with Recommendations of TCFD.</p> <p>Forms the methodology in accordance with Greenhouse Gas Protocol (GHG Protocol) in terms of Coverage 3 upstream and calculates the amount of greenhouse gas emissions Coverage 3 upstream.</p> <p>Calculates the actual carbon footprint of Company's products and OCS NN.</p> <p>Organizes the accounting of climate risks in accordance with</p>

	requirements of IFRS and other standards, and also reflects the financial assessment of significant risks in Group's financial statements
Department of Legal Support	Works on the issues of placing risks related to climate change in the insurance market
Public Procurement Department	Calculates the internal carbon price for making investment and operational decisions. Plans and forecasts the carbon footprint of Company's products and OCS NN for the short and medium term. Considers and evaluates the impact of climate change risks on Group's planned financial results in the short and medium term. Organizes the process of planning, budgeting and monitoring of data collection in climate change field in the short and medium term
Center for Performance Analysis and Goal Setting	Ensures the decomposition and inclusion of KPIs in the field of climate change in Company's team KPIs and OCS NN
Treasury Department	Organizes the attraction of financing, including tools linked to projects or key indicators of sustainable development, including for the implementation of Company's development strategy in the field of climate change
Department of Innovative Development	Forms recommendations on the conclusion of agreements on strategic partnerships in the field of innovation in terms of climate change
Strategic Planning Department	Integrates the climate change strategy into Company's development strategy
Marketing Department	Assesses the impact of risks and opportunities due to climate change on sustainability of the product portfolio and marketing strategy. Generates the methodology in accordance with Greenhouse Gas Protocol (GHG Protocol) and calculates the amount of greenhouse gas emissions from 3 downstream
Department of Ecology	Develops a climate change strategy and an action plan for its implementation, sets strategic goals in the field of climate change. Decomposes the objectives of the strategy in the field of ecology and climate change into branches of Company OCS NN.
	Supervises the development of action plans of Company's branches and OCS NN for executing the climate change strategy. Forms proposals on KPIs in the field of climate change for Company's employees and OCS NN Calculates the amount of greenhouse gas emissions of Coverage 1 and 2 in accordance with Greenhouse Gas Protocol (GHG Protocol)
Risk Management Service	Creates a map of key physical and transition risks due to climate change. Provides support to risk owners in developing the methodology for identifying, assessing and managing risks related to climate change and ensures the unity of the corporate methodology. Generates proposals on risk appetite parameters for risks related to climate change.

	Generates reports on key risks, including risks in the field of climate change
Department of Industrial Assets	Coordinates the development and controls the implementation of measures to mitigate physical risks due to climate change for the Company's facilities and OCS NN in Department's area of responsibility. Develops and implements energy efficiency initiatives for Company's facilities and OCS NN in Department's area of responsibility
Logistics Department	Coordinates the development and controls the implementation of measures to mitigate physical risks due to climate change for Company's facilities and OCS NN in Department's area of responsibility. Develops and implements initiatives for the transition to alternative fuels for Company's facilities and OCS NN in Department's area of responsibility
Department of Energy	Coordinates the development and controls the implementation of measures to mitigate physical risks due to climate change for Company's facilities and OCS NN in Department's area of responsibility. Develops and implements de-carbonization initiatives for Company's facilities and OCS NN in Department's area of responsibility
Production and Technical Department	Coordinates the development and controls the implementation of measures to mitigate physical risks due to climate change for Company's facilities and OCS NN in Department's area of responsibility
Internal Audit Department	Conducts an audit of the effectiveness of the corporate risk management system, including risks related to climate change
Department of Public Relations	Forms the methodology, identifies and evaluates reputational risks of the transition period due to climate change, develops and implements an action plan to manage these risks
HR	Organizes the allocation and training of personnel for advancing the competencies on climate topics and the implementation of a climate change strategy
Policy Department	Organizes Company's work on issues of interaction with state, regional and municipal authorities, expert, scientific and public organizations in the climate change field
4. Branches of Company and OCS NN	
Branches of Company and OCS NN	Develop proposals for the implementation plan of the strategy in the climate change field. Ensure the availability of financial and other resources related to executing the climate change strategy, including for measures to mitigate risks in the field of climate change. Form the methodology, identify and assess physical risks associated with climate change. Develop and implement climate change strategy measures, including mitigation of physical risks due to climate change

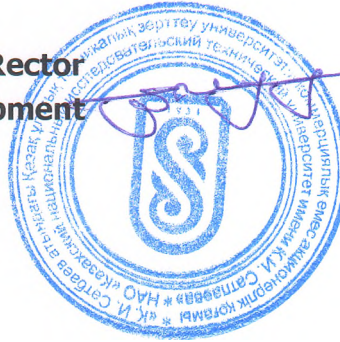
6. Responsibility

6.1. Vice-Rector for Science and Corporate Development is responsible for untimely amendments and additions to the given Policy.

7. General provisions

a. The given Policy is subject to regular review by Board of Directors of University (at least once every 3 years).

**Governing Board member – Vice-Rector
for Science and Corporate Development**



Ye. Kuldeyev