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Board of Directors of
«Samruk-Energy» JSC
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CORPORATE MANAGEMENT SYSTEM

Environmental Policy of Samruk-Energy JSC

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1. Purpose

1. The Environmental Policy of «Samruk-Energy» JSC (hereinafter - the Policy) is developed in accordance with the laws and regulations of the Republic of Kazakhstan, international agreements and standards covering environmental issues, as well as the internal regulations governing the activities of «Samruk-Energy» JSC (hereinafter - the Company).

2. The Policy is an instrument of implementation of the Long-Term Strategy of the Company development in the field of environmental protection as one of the three directions of sustainable development of the Company.

3. The purpose of the Policy is to ensure environmental safety by minimizing the impact on the biological and physical nature systems, the optimal use of limited resources, the use of eco-friendly, energy- and material-saving technologies, creating environmentally friendly goods, minimization, recycling and waste disposal.

2. Field of Application

4. Policy applies to the Company and the organizations, more than fifty percent of voting shares (participation shares) of which belong to the Company on the right of ownership or asset management agreement (hereinafter - subsidiaries and affiliates).

5. For the subsidiaries and affiliates (hereinafter – S&A), with the membership of the voting shares (stakes) in the ownership or in asset management agreement of the Company is fifty percent or less, this Policy is recommended for approval by agreement with the other shareholder (participant).

3. Definitions and Abbreviations

6. The following definitions and abbreviations are used in this Policy:

- 1) Sole Shareholder of the Company – National Welfare Fund «Samruk Kazyna» JSC;
- 2) Company – Joint Stock Company «Samruk-Energy»;
- 3) S&A – subsidiaries and affiliated organizations of «Samruk-Energy» JSC;
- 4) Group of Companies of the Company – «Samruk-Energy» JSC and its S&A;
- 5) KPI – Key Performance Indicators;
- 6) EP – Environmental Protection;
- 7) OD – Subdivision Unit of the Company;
- 8) SUHSEP - Subdivision Unit of the Company, supervising areas of health and safety and environmental protection;
- 9) DES – Department of Environmental Service;
- 10) ASW– ashes and slag waste.

4. Responsibility

7. The head in charge of EP shall be responsible for the implementation, management, monitoring and control of compliance with the requirements of this Policy.

8. The head in charge of developing and asset management shall be responsible for implementation of activities under this Policy.

9. The head of SUHSEP shall be responsible for the management, organization and control over the implementation of activities under this Policy.

10. The employee of SUHSEP shall be responsible for the maintenance of the Policy up to date condition.

11. The heads of OD of the Company shall be responsible for presentation the Policy to OD employees.

12. OD employees of the Company shall be responsible for compliance with the requirements of this Policy.

5. Normative References

13. This Policy is developed to meet the requirements of the following legislative acts of the Republic of Kazakhstan and internal regulatory documents of the Company:

- 1) Constitution of the Republic of Kazakhstan;
- 2) Environmental Code of the Republic of Kazakhstan;
- 3) Long-Term Strategy of the Company development;
- 4) Corporate Governance Code of the Company;
- 5) Regulations of the internal regulatory documents of the Company;
- 6) International Standard ISO 14001;
- 7) Concept of the Republic of Kazakhstan for the Transition to the «Green Economy»;
- 8) Concept of Development of the Fuel and Energy Complex of the Republic of Kazakhstan till 2030.

6. General Provisions (statement of intent)

14. Climate change, caused by rising concentrations of greenhouse gases in the atmosphere, is recognized as one of the main climate threats. Issues of developing effective strategies of energy transition, that is, the use of more efficient and environmentally friendly technologies are systemic challenges for the Republic of Kazakhstan.

15. Society - as the largest multi-energy holding successfully integrated into the international power balance, is aware of the importance of the ecological environment

and responsibility towards present and future generations for the negative environmental impact of production activities of enterprises.

16. The Company recognizes the constitutional human right to a healthy environment.

17. The Company is committed to the principles of sustainable development, which is understood as a balanced and socially acceptable combination of economic growth and preservation of a favorable environment for future generations. The Company declares its intention to become a leader in sustainable Kazakhstan energy transition as in renewable energy and as well as in «pure coal». In accordance with the Concept of the Republic of Kazakhstan for the transition to «green economy», the Company intends to improve competence in the use of technologies of «pure coal» and the use of modern developments in terms of production, storage, management, the generation of renewable energy and its integration into the overall energy system of the Republic of Kazakhstan.

18. The Company adheres to, but is not limited to the principles of sustainable development enshrined in the United Nations Global Agreement.

19. The Company is developing management and investment decisions on the basis of multi-variant scenarios, taking into account environmental priorities.

20. The Company determines the main priorities of the Policy as follows:

- 1) priority of environmental safety as an integral part of the national security;
- 2) responsibility for ensuring the protection of the environment in the development of electricity in the regions of the Republic of Kazakhstan;
- 3) priority of preventive measures to eliminate the negative environmental impacts;
- 4) priority to the implementation of the best available technologies in comparison with efforts to minimize the environmental damage from existing equipment.

21. For the implementation of the priorities of the Policy, the Company intends to provide:

1) openness and accessibility of environmental information, immediate notification of all interested parties of accidents, their environmental consequences and measures to eliminate them;

2) an assessment of the environmental impact of any planned economic activity, considering the alternatives and selecting the best projects from the environmental and economic point of view;

3) creation of conditions for the progressive reduction of the negative impact of production processes and products on the climate, air, water and soil, improving the health of personnel and the population living in the zone of influence of the Company's S&As to preserve the economic potential, employment and social security of personnel;

4) reduction of the impact on the environment by finding and implementing the best from an environmental and economic point of view, technologies, optimization of production processes, identifying and preventing potential accidents;

5) implementation of investment projects to minimize the risk of negative impact on the environment at all stages, including natural objects and objects of increased vulnerability, protection and preservation of which is of particular importance;

6) reduction of energy consumption and emissions volume per unit of output;

7) insurance of high environmental risks;

8) Conducting staff trainings under the programs, which contribute to the strengthening of the level of their environmental consciousness and awareness.

9) International cooperation in the use of clean and energy-efficient technologies and the promotion of research of influence of energy facilities on the environment and climate change.

22. The Company shall carry out its activities in accordance with the requirements of environmental legislation of the Republic of Kazakhstan, as well as international standards in the field of ecology.

23. Society puts an essential condition for compliance by contractors performing work for S&A of the Company, standards and norms in the field of environmental safety, approved in the Republic of Kazakhstan.

24. The Company intends to maintain a fruitful cooperation with governmental and non-governmental organizations, scientific and educational institutions, effectively working in the field of environmental protection and ecological safety.

7. Organization

25. A responsible subdivision unit is established in the Company to achieve the goals in EP area. The responsible subdivision unit carries out its functions in accordance with the provisions on subdivisions. Effectiveness of the responsible unit is determined by the Company motivation system (KPI and goals and maps).

26. The first head of S&A creates an organized environmental management system, which provides a clear allocation of roles and responsibilities, as well as the efficiency of the transfer of authority and official relations to achieve the objectives in the field of environmental protection.

27. DES are created in the subsidiaries of the Company for the implementation of internal control over compliance with the requirements of environmental protection (in terms of production activity).

28. Fulfillment of the requirements set out in the international standards in the field of ecology is the basis for the establishment in subsidiaries of the Company effective and efficient management system in the field of environmental protection.

29. The environmental management system is an integral part of corporate governance and an essential part of the control system of non-financial risks.

30. The environmental management system provides:

1) regular environmental auditing of existing electricity enterprises;

2) assessment of the industrial and environmental risks, development and implementation of relevant mitigation measures, compensation for resulting losses;

3) adoption of measures for the prevention and liquidation of emergencies leading to environmental impacts;

4) planning of economic activity, taking into account environmental targets, evaluation and control of their achievement;

- 5) professional development of power facility personnel accountable for industrial and environmental security;
- 6) environmental monitoring, preparation of environmental reporting;
- 7) revision, adjustment and improvement, as appropriate, regulations, programs, the Company's Policy in the field of environmental protection.

8. Actions

31. The only Shareholder of the Company sets «Environmental Impact» KPI. It is a specific index of major pollutants emissions per unit of output (g/kWh). To this purpose, during the year a regular monitoring of S&A work indicators is conducted, based on which the necessary actions are analyzed and planned. Transformation group of the Company develops the project of process automation for monitoring key indicators of the technological process of S&A.

32. The Company provides the following activities in the field of environmental protection:

- 1) improving the system of environmental standards (regulations, programs, policies, procedures);
- 2) technological modernization and the gradual decommissioning of obsolete equipment, introduction of advanced technologies in the production, transmission and distribution of electricity and heat;
- 3) implementation of measures to save energy and reduce electricity losses by introducing reactive power compensation devices;
- 4) implementation of activities to improve the efficiency of fuel and energy resources;
- 5) the diversification of primary energy;
- 6) renewable energy development
- 7) introduction of new technologies for CHP of burning coal energy, modern methods of sulfur and nitrogen removal of flue gases;
- 8) reduction of specific emissions and discharges of pollutants and greenhouse gases per ton of fuel equivalent (kg / tce.) or unit of output (kWh, Gcal);
- 9) reduction of production waste and ensure safe handling. Increased use of ASW;
- 10) efficient use of water resources, thermal and hydroelectric power the;
- 11) prevention of pollution of water bodies and preservation of biological resources in the operation of hydroelectric power stations;
- 12) minimization of the negative impact of the activities of subsidiaries of the Company production facilities on flora and fauna.

33. The main activities to create conditions and mechanisms that minimize the negative impact of S&A on the environment include:

- 1) ensuring compliance with legal and other requirements in the field of environmental protection;
- 2) participate in the development of technical regulations and standards;

- 3) active participation in the improvement of the existing legislation in the field of environmental protection
- 4) Certification of all subsidiaries and affiliates in the system of environmental management (ISO 14001);
- 5) improvement and maintenance of the corporate environmental management system based on the requirements of international standards and best practices.

9. Final Provisions

34. Implementation of the Policy shall allow to:

- 1) reduce negative impact on environment;
- 2) increase competitiveness of electric power at external and internal markets;
- 3) increase capitalization of S&A of the Company and its investment attractiveness;
- 4) increase level of sociable responsibility of the Company This Policy shall come into force from the date of its approval by the Board of Directors.

35. This Policy shall come into force from the date of its approval by the Board of Directors.

36. Representatives of the Company's Boards of Directors / Supervisory Boards of S&A need to provide a development of their own Environmental Policies of S&A based on this Policy.