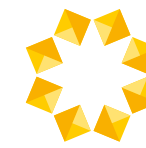


2022 Impact Report Verny Capital



VERNY CAPITAL



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I am pleased to present you with Verny Capital's first Impact Report, which highlights our commitment to creating positive social and environmental impact alongside our business success.

Verny Capital is committed to adhering to the highest standards of corporate social responsibility throughout its activities, and our long-term development strategy focuses on corporate governance, our impact on the environment and the communities in which we operate.

Our business is built on strong financial returns, but we see the purpose of our investments as so much more than this, presenting a tangible opportunity to bring about positive change in society. This philosophy is instilled throughout our portfolio companies, with a common goal of sustainable development for the benefit of present and future generations.

This goal is closely linked to our five key values that underpin everything that we do – Competence, Ethics, Esteem and Confidence, Leadership and above all, Excellence – and these values are at the core of this report. Our teams have expert knowledge of our markets and are highly qualified. We prioritize acting responsibly and adhering to the highest ethical standards in all our operations. We believe in supporting our employees so they can flourish at work and develop to their full potential. We strive to create a work environment that is safe and inclusive. We are at the forefront of our sector and hope to inspire others to follow our vision of responsible business. We seek to deliver only the best results and are committed to continuous learning and development at every level of our business.

These core values are the driving force of our success, and I am proud to report that our commitment to them has enabled us to achieve a strong financial and operational performance across our portfolio. But more importantly, it has enabled us to make a positive impact on the lives of the wider community in which we work. Whether it is through volunteering in our local communities or reducing our impact on the environment, we are making a difference in meaningful ways.

We support the UN's Sustainable Development Goals, which provide a shared blueprint for peace and prosperity, now and into the future, and which serve as a framework for our CSR activity.

This report details our progress in four major areas: operating responsibly, empowering people, strengthening communities, and creating environmental value. Each section highlights the best examples from across the Group.

In many ways, 2022 was an unprecedented year as we dealt with internal and external geopolitical and economic shocks whose reverberations we are still feeling today. That is why it is more important than ever to reaffirm our commitment to acting responsibly and sustainably.

Looking forward, I am excited to see how our commitment to our values will continue to propel our success. We have already seen progress in 2023, with ForteBank and RG Gold both announcing new ESG strategies. ForteBank intends to apply for an ESG rating in the near future, while RG Gold has established sustainability goals and is cascading its new ESG KPIs across senior management. We look forward to giving further updates on their progress in our next report.

By remaining true to our principles, I am confident we will be able to achieve even greater things in the years to come.

I want to thank our teams for their dedication and hard work this year, and we are grateful to our partners for their continued support.

Yours sincerely,
CEO of Verny Capital Group of Companies
Erlan Ospanov

About Verny Capital

OUR BUSINESS

As one of the largest groups in Kazakhstan, Verny Capital is a specialist direct equity investor in private companies. Founded in 2006, it acquires controlling or significant minority stakes in companies in Kazakhstan and abroad, with active involvement in their strategy and operations. Verny Capital helps companies improve their operational performance, attract financing, manage risk and implement market-leading corporate governance and financial reporting practices.

We target mature companies, developing them at an operational level, helping them enter new markets and increase their value. Our success is built on a strict set of investment parameters, focused on:

- Market knowledge and expertise – operating primarily in Kazakhstan, the market that we understand well.
- Partnership – attracting leading international and domestic partners to maximize the use of their sector expertise.
- Private sector focus – only investing in private companies and projects. Verny Capital does not invest in state owned entities and does not participate in government auctions.
- Active management – we are closely involved in management of our portfolio companies to drive performance

Portfolio companies

Our portfolio companies are active across a wide variety of sectors, giving our Group a diversified operational and financial footprint. Where beneficial we partner with leading international corporations, combining their expertise with our deep regional knowledge.



REAL ESTATE

- **Global Development**
A leading commercial real estate company in Kazakhstan and Central Asia
- **The Ritz-Carlton, Astana и The Ritz-Carlton, Vienna***
Luxury hotels with leading global partner Marriott International
- **The Carlton, Moscow**
A luxury hotel in Moscow
- **Rixos Borovoe***
An all-season five-star resort hotel with global partner Accor



TRANSPORT AND LOGISTICS

- **Sary-Arka Airport**
One of the biggest airports in Kazakhstan and an integral part of the air corridor between Europe and Asia



FINANCE

- **ForteBank**
One of the leading banks in Kazakhstan with a 20+ year operating history



NATURAL RESOURCES

- **RG Gold***
A gold mining company developing the Raygorodok deposit, one of the largest mono-gold deposits in Kazakhstan. RG Gold is owned with partner Resource Capital Funds



CONSUMER GOODS AND SERVICES

- **Burger King***
Kazakhstan franchise of the international fast-food chain Burger King



TELECOMMUNICATIONS AND MEDIA

- **Beeline Kazakhstan and Beeline Kyrgyzstan***
A partnership with international telecommunications company VEON providing mobile communications and internet
- **Channel 31**
The family-centered Kazakh entertainment channel with national coverage
- **Informburo.kz**
Multimedia information and analytical portal, which ranks among the three largest news websites in Kazakhstan
- **Vi Kazakhstan**
One of the largest media advertising companies in Kazakhstan

* Denotes an international partnership



Evgeniy Nastradin,
CEO of Beeline Kazakhstan

"While we innovate and generate groundbreaking digital solutions at Beeline, we also invest in the people of Kazakhstan - from world class software engineers to school children across the country. We demonstrate our commitment through university and research partnerships, hackathons, the annual BeeTech event, connectivity projects reaching schools in remote areas, and our relentless efforts to bridge the digital divide, ensuring that no one is left behind.

In May 2023, Beeline Kazakhstan was awarded the Best Social Project in 2022 by the American Chamber of Commerce in Kazakhstan. The Rural Hub School Capacity Development project aimed at granting rural children equal opportunities for development and quality education, won the Best Community Development Project category. The KZT 2 billion project provided new educational opportunities to over 4600 children through the renovation of 8 rural schools and transformation of 280 classrooms. As a part of our commitment to the country and owing to the Beeline IT team's expertise, Beeline has also trained AI tools in the Kazakh language and shared this with the broader ecosystem as an open-source technology. We are proud to contribute to the overall growth of the nation, bridging the digital divide between cities and villages and nurturing talent across industries."



Social Investments

In addition to its portfolio company investments, Verny Capital is committed to making socially important investments in education in Kazakhstan.

Narxoz University

a leading private university in Almaty that trains specialists in economics, finance, accounting, international relations, marketing, law, management, digital technologies, tourism, hospitality, and public administration.

Haileybury Schools Kazakhstan*

British curriculum private schools in Almaty and Astana, set up in partnership with Haileybury School in the United Kingdom.

Narxoz University and Haileybury Schools both offer scholarships and reinvest proceeds to further their educational objectives.

* Denotes an international partnership



"Sustainability is both a philosophy of success and a development strategy for leading companies in today's turbulent world. At Narxoz University, we translate this concept into specific actions aimed at the comprehensive and consistent improvement of all business processes, as well as the creation and promotion of a culture of academic integrity, freedom, nurturing creative thinking among our students in our new, environmentally friendly and high-tech campus.

In 2022, Narxoz University ranked highly in the British Times Higher Education Impact Rankings, where it was evaluated on all 17 UN Sustainable Development Goals and recognized as the best private university in Kazakhstan.

Miras Daulenov,
President of Narxoz University, Chairman of the Management Board

We are confident that we are on the right track to strengthen our position in international rankings and expand the range of inclusive, high-quality courses that we provide."



UN Sustainable Development Goals

Verny Capital supports the UN Sustainable Development Goals, which serve as a global call to action to protect the environment, eliminate inequality and improve living standards of people around the world. In our activities, we are guided by these underlying principles to create a sustainable future for all.



Verny Capital companies

- 
Make a significant direct and indirect economic contribution to Kazakhstan and local economies
- 
Support children and adults with disabilities through social and employment initiatives
- 
Provide workforce training and fair and transparent remuneration for employees
- 
Fund and construct educational and recreational facilities for local communities
- 
Ensure strong female representation and a diverse workforce



Operating responsibly

Operating responsibly is central to everything VERNY Capital and its portfolio companies do. We have implemented robust policies and procedures across our Group to ensure responsible and transparent practices – in line with leading standards of corporate governance, ethics and supply chain management.

CORPORATE GOVERNANCE

VERNY Capital adheres to the highest standards of corporate governance throughout its own operations and those of its portfolio companies. It has developed strong policies and created robust board structures while conducting regular training to ensure compliance with best practice.

VERNY Capital's **Beeline** telecommunications businesses in Kazakhstan and Kyrgyzstan have supervisory Boards and an executive body, with internal committees to ensure decisions are taken and executed in a transparent manner. These are governed by the company's Charter, Regulations on the Supervisory Board, and Code of Conduct.

Similarly, **ForteBank** has developed a detailed and

sophisticated Corporate Governance Code, Code of Conduct and Charter, which are publicly available, along with regulations for the Board of Directors. These provide a detailed framework of principles and values that are followed by employees and leadership of the bank in their internal communications and external stakeholder engagement. The bank is also a member of external bodies, including the Kazakhstan Deposit Guarantee Fund, the Kazakhstan Stock Exchange, the Association of Financiers of Kazakhstan and Swift.

Operating in accordance with leading global standards, several of VERNY Capital's real estate companies have also adopted their international partner's governance codes. For example, VERNY Capital's **Ritz-Carlton hotels** operate in accordance

with Marriott International's standards and procedures, while **Rixos Borovoe** adheres to Accor's Code of Ethics and Corporate Social Responsibility, as well as its Planet 21 Program.

Haileybury Schools and Narxoz University also have detailed corporate governance codes on areas including competency of the Board of Directors and their election, role, powers and responsibilities.

ETHICS

VERNY Capital prides itself on adhering to the highest ethical standards, with strict policies and procedures in place covering areas including anti-bribery, anti-money laundering and conflicts of interest. This has instilled a responsible and ethical culture throughout the Group, to further support its corporate governance activities.

As one of the leading banks in Kazakhstan, **ForteBank** has a strict Code of Corporate Ethics and a Conflict-of-Interest management policy. It has also implemented anti-money laundering and counter terrorist financing rules, to ensure business is conducted to the highest standards in these critical areas.

At **Narxoz University**, academic integrity and research ethics are a priority for both staff and students. To support this, the University has a Code of Ethical Conduct and an Ethics Commission.

Along with a Code of Conduct, **Beeline Kyrgyzstan** has policies on anti-bribery and corruption, conflicts of interest, anti-money laundering and anti-terrorist financing rules, as well as whistleblowing and investigation management.

Multimedia information and analytical portal **Informburo.kz** has a stringent editorial policy, ensuring that it operates in a clear and transparent manner. This includes only publishing well-checked information, and rules for written materials and headlines (for example, forbidding the use of clickbait headlines). This approach has enabled **Informburo.kz** to become one of the most reliable and trusted media organizations in Kazakhstan.

In a similar manner, **Global Development** has created a Corporate Culture Code, with detailed rules and business ethics principles, covering issues including combating corruption, as well as the tendering and expenses policies, which ensures compliance with anti-corruption standards.

RG Gold has also adopted a Code of Conduct, Supplier Code of Business Conduct, Instructions on Competitive Procurement Procedures and Regulations on Conflict of Interests.

SUPPLY CHAIN

Creating robust and transparent supply chains is a central part of VERNY Capital's responsible business commitments. Conducting rigorous checks on suppliers is key, with codes

"We invested in RG Gold in 2018. It was the first time that we invested in Kazakhstan as a firm, and from the very beginning of the due diligence process, we were impressed with the quality of the people, the quality of the institutions, and the commitment from everyone to do mining in an environmentally friendly way and with the best interest of all stakeholders in front of everything else, especially for the local communities. RG Gold's new production facility was built to leading industry standards which will enable the company to gain access to further growth and expansion."

Resource Capital Funds

of conduct and audits to ensure suppliers are operating in accordance with our standards and values.

Beeline Kazakhstan conducts detailed business partner due diligence, requiring all suppliers to sign a compliance clause. This includes complying with the requirements of applicable legislation (including Republic of Kazakhstan, USA and EU) on anti-corruption, enforcement of sanctions requirements, AML / CTF and export control requirements. For tenders and competitions, electronic auctions are held to ensure efficiency and transparency.

As a mining company, **RG Gold** carries out all procurement in accordance with the Code of the Republic of Kazakhstan "On subsoil and subsoil use" and the regulations for subsoil users and their contractors to purchase goods, works and services used in mining operations. This ensures suppliers have the correct legal status and expertise, and conduct business in accordance with applicable legislation, while applying key principles of quality, transparency and cost during the tendering process. A special hotline has been created for workers and vendors to prevent abuse and any cases of corruption. RG Gold acts in full compliance with local content requirements. 85% of goods and services sourced by the company in 2022 were produced domestically.

Burger King complies with international food safety standards, only working with suppliers that are regularly audited for the Global Food Safety (GFSI) certification. The company also ensures that its equipment and raw materials meet strict quality requirements.

Channel 31 has a strict tendering policy that governs its procurement procedures, prevents lobbying by third-party suppliers and ensures that business is conducted in a fair and transparent manner. The company also audits its suppliers to ensure compliance with its policies.

The procurement of goods, works and services for **VI Kazakhstan** is also carried out in accordance with the tender policy and has a policy on contracting.

All procurements of **Haileybury schools** are made in accordance with the Policy on Procurement of Goods, Works, and Services. In 2022, the share of local content in the procurement of goods, works and services was 87%.



Lawrence Rossouw,
CEO of RG Gold

"2022 was a significant year for RG Gold in many respects - we launched a new mining facility with a capacity of 5 million tons of ore per year, almost tripled the company's production indicators, and significantly increased the number of employees. We also successfully implemented a policy of transparency and ethics in all company processes.

As our business grows, we feel a greater responsibility towards managing our use of natural resources, as well as to our employees and the local people in the regions where we operate. This sense of responsibility has always been, and remains, the main driving force behind our commitment to sustainable development principles, in accordance with the best local and international standards.

We are continuing to strive to get to net-zero emissions in our production output, and implement a wide range of environmental initiatives to this end. We also prioritize the safety of our employees and for several years, our company has been actively engaged in social and charitable activities in the local community."



Empowering people

At Verna Capital, we pride ourselves in being a people-focused business, with our employees at the core of everything we do. We work to create a truly inclusive and supportive culture at all our portfolio companies, empowering our people to thrive both professionally and personally.

HEALTH AND SAFETY

Health and safety is a major concern for any responsible business, and Verna Capital ensures that all its portfolio companies have robust H&S policies in place. Based on detailed risk assessment, these policies help us build a safe and comfortable work environment, introduce new practices as our businesses evolve, and train our colleagues to support and promote safety culture at their workplaces.

The policy on occupational health, safety and environmental protection at **Sary-Arka Airport** includes relevant training for employees who are also offered pre-shift medical examinations, along with annual medical testing for all employees.

RG Gold pays special attention to occupational risk assessment and mitigation – with the active involvement of its employees in creating and implementing policies. The company also ensures well-balanced work schedules, provides regular medical checkups and medical insurance for its employees, and has a collective agreement in place to ensure that employees' rights are protected.

Similar practices exist at **Beeline Kazakhstan and Beeline Kyrgyzstan** where employees benefit from professional training (including the first aid courses), regular medical testing, and have insurance against work-related accidents.

ForteBank, in addition to medical insurance and annual medical examinations, offers a fitness instalment plan, and provides financial assistance in cases not covered by health insurance, such as complex operations.

Burger King employees undergo regular safety trainings. The company has qualified technicians who are responsible for maintaining and ensuring that the equipment used in restaurants is in a good working condition. In addition, every six months restaurant employees undergo a mandatory medical examination paid for by the company.

DIVERSITY AND INCLUSION

All our companies are committed to creating properly inclusive and diverse workplaces – empowering their employees and valuing their differences. Our companies promote gender equality, provide workplace adjustments for people with disabilities, encourage a culture of empathy, and support professional development.

Our actions are supported by targeted frameworks. For example, in 2022, **Narxoz University** adopted a policy for ensuring equal access to education for students with special needs. It also established a Committee on Academic Diversity, Equality and Inclusion which promotes DE&I values and involves student and teacher representatives.

Beeline Kazakhstan organized the Beeline Digithon,

"We are proud to have supplied RG Gold with geological sample bags for several years. At the beginning of our collaboration, RG Gold employees carried out input quality control of the bags. We worked together to improve the quality of the product to ensure it meets production requirements. In 2022, we delivered 84,516 geological bags, and in 2023, that number will increase several-fold.

Thanks to our collaboration with RG Gold, we have been able to maintain 25 jobs, 17 of which are held by people with disabilities. We are grateful for the productive partnership, and its social contribution to support the Society of People with Disabilities."

A. Nikitin, Chairman of the Corporate Fund «Arman-Kokshe», Kazakhstan Society of the Deaf

where employees developed solutions to make digital products more inclusive and accessible **Beeline Kazakhstan** also works to provide support for women at the organization with programs for maternity leave. In addition, 33% of the company's top managers are women. Overall, 52% of our Group's employees are female. Two out of five board members of **ForteBank** are women, and they make up over 65% of the employees of the bank. Females account for up to 70% of the staff at **The Ritz-Carlton, Astana and The Carlton, Moscow**.

EMPLOYEE WELL-BEING

Employee well-being is key to our business productivity. Our companies have been working hard to retain top talent by creating inclusive environments, offering competitive pay and attractive benefits, and providing career development opportunities.

Due to high inflation in 2022, **ForteBank** increased salaries for certain categories of employees in its branches and in the head office. The increase affected about 70% of **ForteBank's** employees, who were more

strongly affected by the rise in inflation.

Beeline Kazakhstan also provided support to its employees, raising their salaries and bonus payments, with the overall remuneration level increasing by around 26%. The company also made an advance payment of 40% of employees' annual bonus. In addition, Beeline covered costs of sporting activities, childcare, and various training programs for its employees, as well as partial repayment of their mortgage loans.

Beeline Kyrgyzstan introduced mandatory professional training and supported a wide range of opportunities for self-development of employees. It used the [proprietary corporate] learning platform Veon Crossknowledge for the development of employees' soft and hard skills, with the focus on the Work & Life Balance topic. It created Learning & Development group in Workplace, which provides access to various learning resources on a broad range of topics. It also opened a corporate digital library and launched a "Hack Your Brain" project with mastermind sessions on various subjects. In addition, **Beeline Kyrgyzstan** launched a "Developing Together" Telegram channel with over 20 podcasts.

RG Gold workers received a monthly bonus of 20% and an annual bonus of up to 20% of their annual salary – linked to their production KPIs, while the company managers were awarded an annual bonus of 30% of their annual income. In accordance with the Collective Agreement in 2022, the company provided financial aid to its employees of more than KZT 117 million for significant occasions, such as childbirth, marriage, death of close relatives, preparation of children for school, presents to employees' children for the new year, material and social assistance.

Rixos Borovoe introduced bonus systems based on financial performance and guest satisfaction scores for several operational departments. The company selected and rewarded the highest performing employees quarterly and annually, as well as the best employees of the month based on guest feedback. It also organized internal and external training, including at other hotels and restaurants.

Burger King developed motivational programs for employees. The company's training department provides support in developing employees' professional skills through individual and group training programs.

Within the framework of its newly introduced "Regulation on the system of remuneration and material incentives for employees", **Channel 31** provided financial support to its employees with 10-15 years of service, as well as to those with a new-born child.

The Carlton, Moscow offers voluntary health insurance, life and personal accident insurance, as well as free meals and English language lessons to its employees. It also provides discount deals on its partner hotels.



"In my opinion, the Beeline Digithon is valuable not only for the products that were developed and, hopefully, will reach consumers in the form of specific solutions that improve the quality of life for people with disabilities, but also because of the experience gained by the participants. All the teams worked hard, conducting serious research to better understand customer experience and the needs of their target audience. Ultimately, projects like Digithon help to break down barriers and foster inclusivity among Kazakhstani people."

Ziyat Abdykaimov, Expert Manager on Assistive Technologies at Nazarbayev University and member of the jury of the Digithon



Bekzhan Pirmatov,
CEO of ForteBank

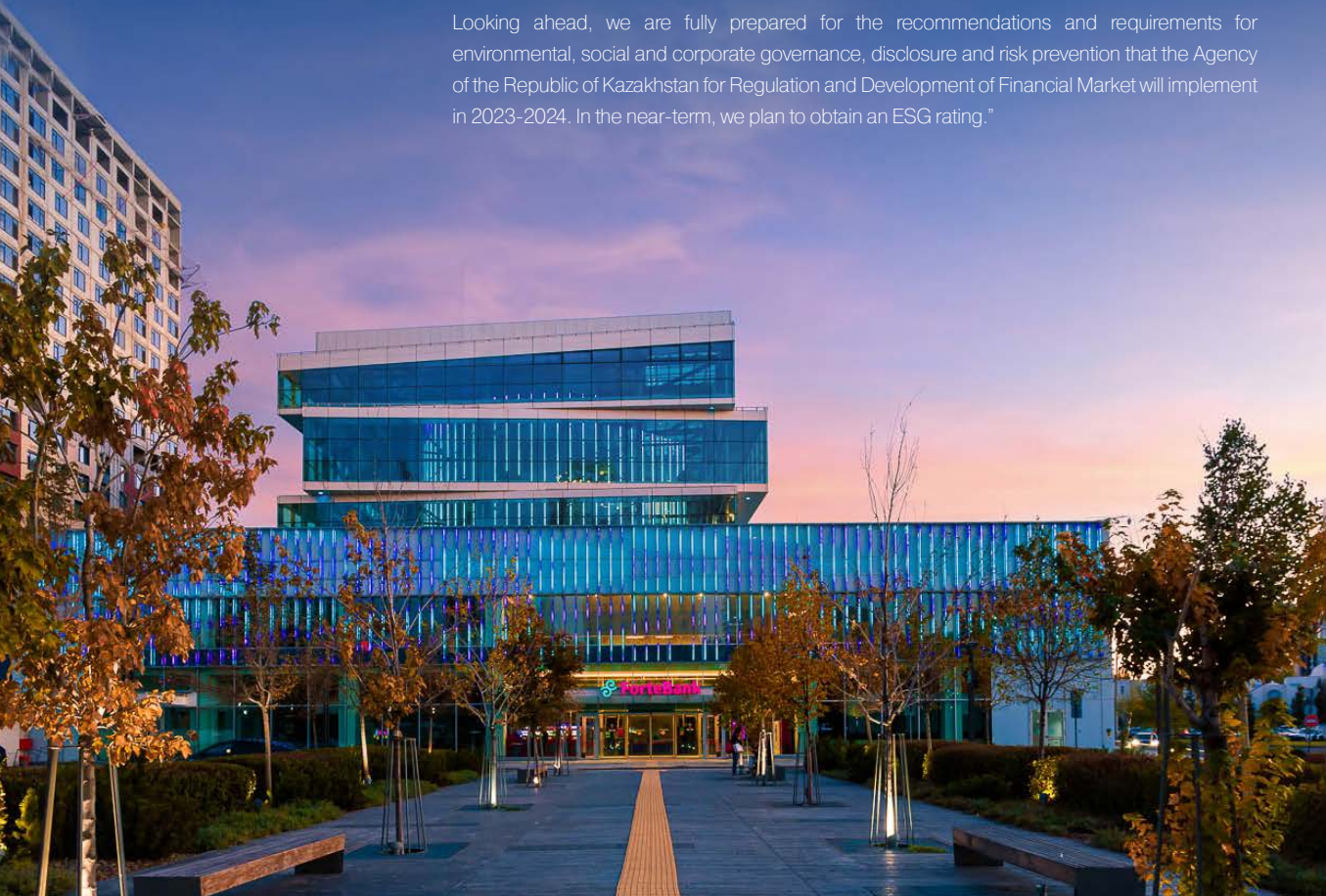
"ForteBank is committed to integrating sustainability principles into its strategy and corporate governance. In 2022, a working group of more than 40 employees representing different divisions analyzed and proposed priority areas and key indicators for the development of ESG practices. This led to the creation of a strategy for environmental, social, and corporate governance.

This ESG transformation is built on a solid foundation. ForteBank has a long-standing reputation as a responsible employer, that guarantees equal rights for women and men. In 2022, 48% of leadership positions were held by women, with this figure exceeding 49% in the branch network. These achievements led to the World Economic Forum inviting us to join its «Glosing the Gender Gap» initiative, as one of the first commercial organizations of Kazakhstan. The bank also became a member of the National ESG Club which brings together Kazakhstan's leading companies in ESG transformation.

Together with our partner company ECO Network, we are developing a green office concept in our workspaces. Bank employees are trained in smart consumption and recycling to minimize waste in our offices.

Since its establishment, ForteBank has supported social projects in education, sport, and culture. Our largest is the construction of a school in Esik, Almaty region which began in 2023. It will be equipped with the latest educational technologies and will accommodate 900 local children.

Looking ahead, we are fully prepared for the recommendations and requirements for environmental, social and corporate governance, disclosure and risk prevention that the Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market will implement in 2023-2024. In the near-term, we plan to obtain an ESG rating."



Strengthening communities

Our local communities are at the very heart of our business and providing them with support and assistance is central to our license to operate. We focus on social projects, charity and sponsorship, as well as volunteering, targeting initiatives through which we can make the greatest difference, including in education, health and improving living standards.



SOCIAL PROJECTS

Social projects are a crucial part of our CSR activities, and our portfolio companies actively support local communities on the ground. We are committed to improving the lives of both our employees and our external stakeholders.

Narxoz University has a strong social focus and its aims include broadening access to education in Kazakhstan. The University offers discounts to tuition fees for orphans and people with disabilities, as well as educational grants and scholarships for talented students. In 2022, 50 grants were allocated by Verny Capital Group.

Together with **Narxoz University, The Ritz-Carlton, Astana and Rixos Borovoe** launched a hotel business program offering students the opportunity to gain experience in international hotel management. With the hotels' employees serving as mentors and coaches **The Ritz-Carlton, Astana and Rixos Borovoe** hosted 120 students, with some of them subsequently taking up permanent job offers.

The Ritz-Carlton, Vienna launched the "Succeed Through Service" week in cooperation with a socio-cultural centre WUK Arbeitsassistentz to introduce teenagers to the hospitality industry, and organised a cooking class for Kinderhospiz, a children's hospice.

Haileybury Astana and Haileybury Almaty provide grants each year to support talented students. In 2022, 10 grants each were awarded for the A-level program at Haileybury Almaty and the International Baccalaureate at Haileybury Astana. In addition, tuition discounts were awarded.

Beeline Kazakhstan has implemented several initiatives in areas including education and disability support. For example, since 2014 its "Endless Opportunities" project has provided free internet to 20 social institutions for children and adults with disabilities, while it recently hosted a hackathon to develop ideas and IT solutions to improve the lives of people with disabilities. In education, it has partnered with Bilim Media Group, the largest educational platform in Kazakhstan, to promote digital literacy lessons in secondary schools, while its Beeline Bootcamp hosts workshops and networking events for people looking to start digital careers. Beeline also leads the Children's Online Safety Business Working Group at UNICEF.

Beeline Kyrgyzstan supports digital educational projects aimed at developing young generation. The company launched the second stream of training in IT, thanks to which 75 young people from all regions of Kyrgyzstan had the opportunity to study for free. In addition, **Beeline Kyrgyzstan** financed the opening of a new free access co-working center for young people in Bishkek. It also launched a road safety project which involved attending local schools and discussing the basic rules of the road with children.

RG Gold is also actively engaged in its local communities. In 2022 the company allocated 11 educational grants worth KZT 4,909,100 to students of Akmola Oblast and Astana City to support talented young people. The grants included full

tuition fees, a monthly scholarship, on-site internships and an opportunity for employment with the company. Recent activities have included building football fields and playgrounds in the villages of Nikolaevka and Raigorodok, upgrading water and sewage infrastructure in the village of Gordeevka, while also providing medical services to local residents and supporting children's education.

Channel 31 and **Informburo.kz** provide media support for various social initiatives, such as the activities of the Bulat Utemuratov Foundation, the Kazakhstan Tennis Federation, and Narxoz University, as well as other sport projects and programs aimed at helping disabled people.

CHARITY AND SPONSORSHIP

Our Group has a longstanding tradition of charity and sponsorship, supporting a wide range of worthwhile causes in Kazakhstan. Activities include disaster relief and education, helping us reach those most in need.

ForteBank, together with the Tennis Federation of Kazakhstan, has been a long-term supporter of tennis in Kazakhstan. In 2022, ForteBank sponsored the Kazakhstan tennis tournaments, and international tournaments such as Forte60, President's Cup Forte Series, and Astana Open ATP 500. In addition, the bank participates in the «Aid Card» project, a joint initiative between the Bulat Utemuratov Foundation and the Red Crescent Society of Kazakhstan, to provide financial support to victims of natural and man-made disasters.

Beeline Kazakhstan also has a strong focus on emergency relief. In 2022, following social unrest in Kazakhstan, Beeline contributed KZT2 billion to the «Kazakhstan Khalkyna» ("Qazaqstan Halqyna") public social fund to provide healthcare,



education and social support. As part of this, Beeline focused on a project for rural schools, supplying materials and technical equipment. This project also promoted equal opportunities by providing rural children with access to quality education, covering 4,000 rural schoolchildren. It has also provided free internet to victims of natural disasters – fire victims in the Kostanay region in September 2022, and to the residents of Ekibastuz, who were left without heat in December 2022.

Similarly, **RG Gold** is active in the field of children's education and youth development. It provided school supplies, equipment for kitchens, sports and offices, as well as New Year presents to three schools in the villages of Uspenjuryevka, Nikolaevka and Gordeevka. To celebrate International Children's Day, RG Gold employees donated books to Gordeevka's children's center. Meanwhile, Verny Capital's **Sary-Arka Airport** hosted charitable events and excursions for orphans with catering and souvenirs.

VOLUNTEERING

While direct financial and charitable sponsorship is vital to strengthening communities, our employees themselves are a valuable resource who play a key part in our charitable objectives. Volunteering is actively encouraged across our Group, with many of our colleagues donating their time to worthwhile causes.

For example, employees of **Rixos Borovoe** volunteer in the Burabay National Park, undertaking cleaning and maintenance activities on an annual basis, while 598 volunteers from **The Ritz-Carlton, Astana** also completed 900 volunteer hours in 2022. Employees of **The Ritz-Carlton, Vienna** regularly take part in SOS Kinderdorf's volunteer initiatives, while **The Carlton, Moscow** works with several charitable organizations supporting children with disabilities, orphans, homeless people, and pets.

Beeline Kazakhstan runs a volunteer program: each regional office of the company has volunteer leaders (with more than 50 volunteer leaders acting in this position), and in total, 1,500 employees participate in its projects every year. Activities involve providing support for children from orphanages, including preparation for school, New Year's gifts, organization of festive events, tree planting, charity auctions and emergency assistance.

ForteBank organized the Wish Tree charity event in conjunction with the World of Equal Opportunities Public Foundation in Astana, Aktobe and Shymkent. 160 children with special needs attended, with the bank's employees playing the role of magicians who purchased and delivered gifts. In addition, twice a year the bank hosts Donor Days to enable its employees to participate in charitable activities.



Creating environmental value

At Verny Capital, we believe that we have a responsibility to protect the environment as part of our work to create a sustainable future. Our aim is twofold: firstly, encouraging our portfolio companies to reduce their negative impact on the environment, and secondly, urging them to go beyond this to make a truly positive impact.



The reconstruction of the main building of Narxoz University was carried out as part of the university's strategic development plan. It runs until 2025 and aims to create comfortable conditions for learning and sharing knowledge, and the renovation of the building was a significant step towards achieving this goal.

Thanks to creative architectural solutions and bionic-style design, the outdated building was transformed into a modern space filled with natural light. The new campus is equipped with modern laboratories, a 24-hour library, and classrooms with technical facilities and ergonomic teaching furniture to create a comfortable and conducive learning environment.

The renovation project was focused on sustainability, with the use of modern environmentally friendly technologies, materials and equipment in its construction. The introduction of advanced green solutions has significantly reduced emissions throughout the campus, with carbon monoxide emissions decreasing by 78% and pollutant emissions- by 74%. Energy-saving lighting fixtures have been installed, leading to annual energy savings of about 120,000 kilovolts. In addition, more than 30,000 trees and shrubs were planted throughout the university.

LEAN BUSINESS MODEL

Adopting a lean business model is essential for reducing a company's negative impact on the environment. Each business within our portfolio strives to prioritize value, while minimizing waste.

The construction of **RG Gold's** new CIP plant was designed to reduce the emissions released into the environment. In particular, the cyanide used will be neutralized in accordance with international requirements. Additionally, after pre-treatment and decontamination, all waste will be sent to a tailings dump with a volume of over 8 million cubic meters, specially built under the supervision of international experts.

Sary-Arka Airport has undertaken work to make three key areas of its operations more efficient: water consumption, sewerage, and heat consumption. For example, it has installed water meters throughout its facilities to track water consumption used for drinking and technical needs. Annual repairs and cleaning are also carried out in each area to ensure equipment is maintained to the highest standards and to prevent spills or leaks.

In 2022, the reconstruction of **Narxoz University's** main campus in Almaty was undertaken as part of the University's development strategy. Strong sustainability credentials are a key feature of the renovation: environmentally friendly technologies, materials and equipment were used during construction, and more than 30,000 green spaces were planted throughout the campus. The use of advanced «green» solutions in construction significantly reduced emissions of harmful substances, and thanks to the introduction of energy-efficient lighting fixtures, energy savings will amount to about 120,000 kilowatts annually.

Haileybury Astana and **Haileybury Almaty** schools have a strong focus on environmental education. The curriculum includes subjects aimed at increasing students' understanding of sustainable development, climate change, and the importance of conserving natural resources. In addition, students are engaged in environmental projects and actively participate in the program for the collection of paper, plastic, and other recyclable materials. Thanks to the energy efficient lighting systems, in 2022, **Haileybury Astana** and **Haileybury Almaty** reduced their energy consumption by 56,240 kW and 24,358 kW, respectively.

The Ritz-Carlton, Astana is also focused on reducing its environmental footprint. For example, to reduce waste, it collects left-over baked goods and donates them to a nursery in Astana each week. It has switched from disposable toiletries to full-sized toiletries as part of Marriott International's sustainability program. 500 million single-use small bottles are expected to avoid landfill every year: that's roughly 1.7 million pounds of plastic (~770,000 kilograms) and a 30% reduction compared to present, when plastic is used for household purposes.

The Ritz-Carlton, Vienna introduced monthly reporting and tracking of energy, water, waste and CO2 emissions using MESH, the Marriott's internal Carbon Tracking Tool. There are also specific goals and KPIs in place based on Marriott's environmental commitments.

The Carlton, Moscow switched to the use of glassware to reduce plastic waste. Aerators were installed in all hotel rooms to reduce water consumption.

SUSTAINABILITY AT HAILEYBURY ALMATY

Environmental education and awareness are integral parts of the curriculum at Haileybury Almaty. The pupils engage in sustainability-focused subjects, delving into ecological principles, climate change, and the crucial significance of preserving natural resources. Through immersive field trips, engaging workshops, and enlightening guest lectures, the students are exposed to real-world environmental challenges, empowering them to develop innovative solutions.

The school has undertaken numerous initiatives to reduce its environmental footprint and cultivate eco-consciousness among its pupils, staff, and stakeholders. Furthermore, the school is exploring the use of renewable energy sources such as solar panels to reduce reliance on non-renewable resources and minimize carbon emissions.

Waste management is also a high priority. Haileybury Almaty champions recycling and waste reduction practices throughout its facilities, ensuring responsible disposal of paper, plastic, and other recyclable materials. The pupils actively participate in recycling programs, gaining firsthand knowledge about waste sorting and its positive impact on the environment. Additionally, the school strongly encourages the use of reusable materials and discourages single-use items to reduce overall waste generation.

Haileybury Almaty recently joined the esteemed ranks of the International Alliance for Sustainability Schools (TASS). It has also become the first school in Kazakhstan to receive the prestigious Green Flag Award in recognition of its eco-initiatives.



"In 2019, ForteBank was the first bank to join ECO Network's Green Office program, which was developed to provide a comprehensive framework for smart consumption and waste collection within companies. An important factor in the program's success is that all the data is constantly updated and displayed on a corporate portal which is accessible to all bank employees.

We applaud the high engagement of both ForteBank's management and employees in the project. During the program, we held more than 100 training sessions in various formats, and plan to continue this training in the coming year.

To date, the bank has collected and recycled over 15 tons of waste, including wastepaper (12,374 kg), glass bottles (2,126 kg), plastic bottles (537 kg), packages and packaging film (302 kg), and aluminum cans (25 kg). We are grateful to the shareholders and employees of the bank for their responsible approach to lean consumption and waste collection."

Evgeniy Mukhamedzhanov, Founder of ECO Network

Global Development operates two landmark offices in Almaty and Astana – Class A Park View Office Tower and Class A Talan Towers business offices. Talan Towers is the first building in Kazakhstan designed and built in accordance with LEED international standards. Moreover, the company has created a detailed plan around reducing its negative impact on the environment, including reducing energy and water consumption through tracking its use against a 2019 baseline.

ForteBank is working on reducing its environmental footprint too – in 2022, within the Green Office pilot project, six bank branches operating in Astana, Almaty, Kokshetau, Karaganda, Aktobe and Atyrau recycled over 130 kilograms of paper, 55 kilograms of plastic and 290 kilograms of glass.

Finally, **Burger King** launched energy saving measures including daily tracking of energy consumption in kWh. The measures paid off, and in 2022, the electricity consumption by **Burger King’s** employees dropped by 20% vs the previous year.

R&D AND INNOVATIONS

We are constantly looking for new ways to improve our environmental footprint and make our operations more efficient through research and development projects.

The businesses across our portfolio are focused on ensuring that

they seek new opportunities to innovate their processes. **Narxoz University** is a leader in this area, implementing KZT 830 million worth of research grants. In 2022, the United Nations Economic Commission for Europe (ECE) recognized the “phytocapture” technology developed by the University’s Sustainable Kazakhstan Research Institute as one of the best global practices.

Beeline Kazakhstan, as a technology company with its own digital ecosystem and over 6.5 million users, has around 50 IT product teams who are creating and testing new products and working on improving the current technological stacks of the company.

Global Development has invested in its innovation capabilities, with the implementation of an environmental management system. It has also created a system of checks and balances to ensure that environmental aspects are taken into account in project development, and environmental risks are reduced at all stages of production activity. The business also prioritizes biodiversity and conducts an audit on the ecological value of the land it is working on, including monitoring the habitat and adding plant and animal-friendly features in its projects, such as insect houses and bird feeders. It is currently working on a five-year plan for the conservation and enhancement of biodiversity around the business offices.



“At this time in history, economic fate and competitiveness of nations depend profoundly on their level of digitalization, availability of connectivity and digital services, and development of local IT skills. It is through telecommunications that the gateway to digital services is unlocked, empowering governments, businesses, and citizens alike. Within VEON Group, we take pride in providing this foundation in six emerging economies, encompassing an impressive population of 510 million. Among them, Kazakhstan is a remarkable example of digital acceleration, a true jewel in our portfolio. In partnership with VERNY Capital, we develop Beeline Kazakhstan’s business as great example of Digital Operator strategy addressing real needs of communities in Kazakhstan, championing local content, relevant services and

harnessing the talent within the country. Kazakhstan occupies a special position within our business, spearheading the adoption of advanced technologies and digital solutions for the benefit of our customers in Kazakhstan and the Kazakh nation as a whole.”

Kaan Terzioğlu, CEO of VEON Group



Ian Hunt,
Chair of the Board of
Governors Haileybury Almaty
and Haileybury Astana

“Haileybury schools are committed to developing and promoting a more sustainable world.

Haileybury Almaty has launched a pupil and staff bus service in order to reduce the number of cars on the road to reduce carbon emissions. In 2023/24, a further two routes will be created, and the number of places served increased further.

The school has become the first to receive the prestigious Global Schools Eco Sustainability award, which also carries the status of a Green Flag school. This acknowledges the importance of the work that is being carried out in the school to promote sustainability.

Both schools are also working with outside agencies to provide courses on sustainability, which are aimed at embedding in our students the culture of developing a more sustainable world. Students attended the Beyond COP21 Symposium that shared ideas and thoughts on the climate crisis. In addition, pupils have met The Almaty Management University and LeHigh Air Quality Team to discuss collaboration on air quality and cognitive studies.”





Looking to the future

Verny Capital's inaugural Impact Report represents an important milestone for our business, providing a detailed overview of how we create shared value for society and improve the communities in which we operate. But this is only the start, and with our culture of continuous improvement and a commitment to progress across our Group, there is more to come.

We are working hard, reviewing how we can make our existing activities more effective while developing new initiatives to generate further value for our stakeholders. With a keen focus

on maximizing our impact, we are intent on further embedding the UN Sustainable Development Goals in every aspect of our business as we strive to protect the environment, eliminate inequality and improve living standards.

Looking forward, we are exploring ways to further improve and formalize our impact reporting, to gauge the effectiveness of our actions and enhance accountability for our sustainability performance, and we look forward to sharing new data in our next report.