

ESG POLICY

of Freedom Holding Corp.





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Introduction

Freedom Holding Corp. is an international holding company specializing in diverse financial services such as securities trading, market making, retail brokerage, investment banking, underwriting, commercial banking, insurance and investment advisory services. The Company also has a number of projects in the non-financial sphere, which include projects in the telecommunications, tourism, ticketing, media, advertising, and digital marketplace areas.

As a signatory to the UN GC, the Company emphasizes the pivotal role businesses play in realizing the UN SDGs. The Company's operations focus on enhancing social and economic growth in the regions we operate by facilitating access to financial markets, fostering job creation, and promoting responsible business practices. By aligning with the UN SDGs, we aim to establish a sustainable framework within our organization, ensuring a prosperous future for all generations.



Terms and Definitions

Term	Full designations/Definition
Action plan	Set of measures aimed to facilitate the achievement of the Policy's objectives over the course of its implementation.
Benchmarking (benchmark analysis)	A process in which a company compares its products and methods with those of the most successful companies in its field, in order to try to improve its own performance.
Business partners	Suppliers, contractors, and clients of the Group.
Company	Freedom Holding Corp.
ESG	Environmental, Social and Corporate Governance.
Group	Freedom Holding Corp. and its subsidiaries.
Highest Governing Body (HGB)	Supervisory Board or Managing Board (depending on the governance structure of a subsidiary).
IFC	International Finance Corporation.
ILO	The International Labor Organization.
Regions of operation	Geographic areas where the Group conducts business activity.
Stakeholder	A party that has an interest in the Company and its subsidiaries and can either affect or be affected by their business activity.
Subsidiary	An affiliate controlled by the parental entity directly, or indirectly through one or more intermediaries.
Sustainable Finance	An investment process accounting for and promoting environmental and social factors.
The United Nations Global Compact (UN GC)	A voluntary initiative based on CEO commitments to implement universal sustainability principles and to take steps to support the UN's goals.
The United Nations Sustainable Development Goals (UN SDGs)	A set of 17 interconnected goals developed in 2015 by the UN General Assembly as a "blueprint for achieving a better and more sustainable future for all". These goals were named the "2030 Agenda" in the General Assembly resolution and they replaced the Millennium Development Goals. The final document of the General Assembly, "Transforming Our World: The 2030 Agenda for Sustainable Development", contains 17 global goals and 169 corresponding targets.
UN	The United Nations.

General Provisions

Statement of Objective

The ESG Policy (hereinafter - the "Policy") is the Company's main document that describes the Company's approach towards the management of ESG-related matters and activities. The Policy formulates a Group-wide approach to prevention and/or mitigation of negative impacts on the environment, people and corporate governance. Thus, it stipulates the key principles of ESG-management within the Group and emphasizes specific tasks and objectives associated with sustainable development and ESG.

Freedom Holding Corp. realizes that effective and successful resolution of environmental and socio-economic problems in the regions where it operates and on a global scale requires real and comprehensive involvement of the business community.

Freedom Holding Corp. endeavors to adhere to the principles of sustainable development set forth in the UN GC and believes that adherence to the UN SDGs will not only help build an effective ESG management system in the Company, but also contribute to a stable future for present and future generations.

Freedom Holding Corp. recognizes the important role of the financial sector in ensuring sustainable development in the regions where it operates through innovative products and services, integrating systems with government databases, and using Big Data to make informed and progressive decisions. The Group strives to stay ahead of current trends in the financial sector and plans to expand the innovative integrated financial technologies introduced in Kazakhstan and regions of operation to other markets around the world.

Scope of Implementation

Adherence to the objectives of the Policy is compulsory for all directors, employees of the Group, and individuals acting on behalf of it, when planning and carrying out their activities: stakeholder engagement, development of internal regulatory documents (policies, regulations, methodologies, standards, etc.), reporting, and communication. The Company also expects that all its business partners demonstrate equal adherence to the spirit of the Policy, its principles, and objectives.

The Policy establishes uniform principles of ESG activities for all subsidiaries of Freedom Holding Corp. regardless of their location. Subsidiaries of the Company may establish their own ESG management policies, rules, and procedures, provided that they align with this Policy. Such alignment should consider materiality assessments, relevant corporate governance standards, and applicable legislation.

This Policy is a public document available on the Company's information resources. The data presented in the Policy is up to date at the time of its approval.

Theoretical Framework

The Policy is composed with reference to the following principles, guidelines, and standards:

- [Ten Principles of UN GC;](#)
 - [UN SDGs;](#)
 - [Nasdaq's 'ESG Reporting Guide 2.0';](#)
 - [UN Guiding Principles on Business and Human Rights;](#)
 - [IFC Performance Standards on Environmental and Social Sustainability.](#)
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Additionally, it considers other Group-wide ESG management policies, rules, and procedures, especially concerning ESG risk management.

Policy Implementation



This Policy is interrelated with the Company's Code of Ethics and Business Conduct and Human Rights Policy and it should be interpreted in a spirit of their principles and approaches. These documents are available on the Freedom Holding Corp. website. All employees should be properly informed of the existence of these policies and should know where they are posted.

The Policy will be reviewed for relevance and compliance with applicable standards and practices by the Company's Chief Sustainability Officer as necessary, but at least once every three years. The Chief Sustainability Officer shall submit any changes suggested for the Company's Board of Director's review. The Company's management pledges to regularly assess compliance with the principles of this Policy, as well as with internal policies and procedures, to ensure that operations are congruent with the approach defined in this Policy.



Principles of Sustainable Operation

Freedom Holding Corp.'s activities are governed by 7 principles of sustainable operation.

01

Principle 1. Ethical and responsible conduct of business

The Company upholds the highest standards of business ethics and conduct. This includes the ethical handling of potential or apparent conflicts of interest across the Group.

02

Principle 2. Credibility and transparency

As a public entity and a listed member of Nasdaq, the Company endeavors to ensure full, fair, accurate, timely and accessible disclosure in reports and documents, that the Company and/or its subsidiaries file with, or submit to, the regulatory authorities and in other public communications made by the Company and/or its subsidiaries.

03

Principle 3. Compliance with law and regulations

The Company is bound by applicable laws and regulations. Therefore, all of the Group's employees, officers and directors must comply, both in letter and spirit, with all applicable laws, rules and regulations in the cities, states, and countries in which they operate.

04

Principle 4. Creation of long-term added value for the Company's stakeholders

By implementing ESG principles into its operation, the Group will facilitate creation of an environment which enables development of its business and, subsequently, enhances public well-being and increases environmental resilience. Freedom Holding Corp. endeavors to act in the long-term interest of its stakeholders by securing shareholder value, fulfilling its commitments to public authorities, and contributing to local communities.

05

Principle 5. Adherence to Human Rights, equality, and promotion of equal opportunities

Freedom Holding Corp. and its subsidiaries recognize and unconditionally respect Human Rights, as determined under International Human Rights Law, within the Group's value-added chain, and the Company expects the same of its business partners. The Company endorses diversity and inclusion, supports the creation of a barrier-free environment, and seeks to enable individuals by providing them with access to services and facilities. Freedom Holding Corp. seeks to ensure equal opportunities for its employees regardless of gender, socio-economic, ethnic, or cultural background.

06

Principle 6. Cautious and responsible stance towards environment

Freedom Holding Corp. is implementing the 'precautionary approach' as stipulated by the [Rio Declaration of the UN Conference on Environment and Development \(1992\)](#). The Company aims to prevent, mitigate, and compensate for the negative impact of its operation on climate and environment. It does so by means of improving its environmental risk management practices, working towards minimizing its carbon footprint, and increasing resource-efficiency and thoughtful waste management. Freedom Holding Corp. is positioning itself as a facilitator of the transition towards low-carbon, circular and sustainable economy in the regions of its operation.

07

Principle 7. Promotion of sustainable finance principles

The Company's business model aims to ensure the maximum positive impact on society and environment, while enabling Freedom Holding Corp. to achieve excellent financial performance. The implementation of ESG principles within its operation seeks to increase the Company's long-term resilience and secure a competitive position among its peers. The development of sustainable finance products and services and the integration of comprehensive ESG risk management practices are important steps towards the achievement of the Company's sustainability goals.

Purpose and Mechanisms of the ESG Management System of Freedom Holding Corp.

The goals of the ESG management system of Freedom Holding Corp. are:

01 To secure sustainable long-term development of the Group's business with consideration for environmental, social, and corporate governance indicators.

02 To minimize the negative impact of the Group's operation, ensure effective ESG risk management, and identify ESG-related opportunities for the Group and its stakeholders.

03 To maximize the value for the Company's shareholders and other stakeholder groups.

04 To systematize and optimize the data collection processes on environmental, social, and governance aspects of sustainable development in order to enable strategic decision-making, as well as credible and timely corporate non-financial reporting.

05 To ensure compliance with applicable laws and regulations, as well as voluntary commitments the Company has made in the field of sustainability and responsible business conduct.

06 To foster ties with the Company's stakeholders and promote cooperation within the Group and among its business partners to fulfill of the Group's sustainability agenda. The agenda is to be channeled via internal and public trainings, events and other public relations activities, expansion of a range of products and services, participation in local and international industry and intergovernmental organizations dedicated to the promotion of sustainability.

07 To guide and inform the Company's strategy with respect to ESG concerns and continuous improvement of ESG practices.



The mechanisms of the ESG management system of Freedom Holding Corp. are:



Stakeholder Engagement

The Company values highly opinions, expectations, and interests of its stakeholders. The approach of Freedom Holding Corp. towards stakeholders' engagement is based on the principles of openness, trust, and mutual respect. In the course of its operation, the Company strives to secure the interest of its stakeholders by responding to their requests and feedback. Considering its wide range of services, complex organizational structure, and large scale of operations, Freedom Holding Corp. interacts with a wide range of stakeholders.

The Company acknowledges the engagement of stakeholders as an important tool of maintaining effective and balanced relationships with all parties affected by or able to affect the Group's business. Stakeholders engagement is an essential prerequisite for this Policy implementation. In order to ensure the effectiveness of the Company's approach to stakeholder engagement, it falls within responsibility of the subsidiaries' departments to identify the main groups of stakeholders, update the Company's map of stakeholders accordingly if needed, and coordinate interaction with the identified stakeholder groups on an ongoing basis.

This Policy provides for the following general tools and mechanisms of stakeholder engagement:

- corporate public reporting;
- websites of the Company and its subsidiaries;
- participation in themed task forces and working groups;
- membership in public, business and industry associations and professional communities;
- participation in public events, such as forums, exhibitions, conferences and meetings; and
- publications in the media, including the Group's official accounts on social media.



With respect to the various categories of stakeholders, this Policy sets out the following mechanisms of engagement:

<i>Category of stakeholders</i>	<i>Engagement mechanisms</i>
 Shareholders	<ul style="list-style-type: none">• Annual Shareholders Meetings;• Annual and quarterly filing with the SEC;• Annual Proxy Statement; and• Annual Audit Report and Opinion.
 Capital providers	<ul style="list-style-type: none">• Investors surveys;• Preparation of presentations for investors;• Regular filing of financial statements with the SEC; and• Regular publication of non-financial reports.
 Exchanges	<ul style="list-style-type: none">• Engaging in regular communications with representatives of stock exchanges;• Information disclosure on the webpages of the Company and the exchanges; and• Regular filing of financial statements and reports for Nasdaq and regional exchanges.
 Governments	<ul style="list-style-type: none">• Exhaustive and timely information disclosure on compliance with applicable laws, rules, and regulations;• Participation in public events and forums;• Payment of taxes and fees in accordance with applicable law;• Obtaining licenses, permits, and conclusions necessary for compliance with applicable laws; and• Disclosure of financial data and material non-financial information.
 Suppliers	<ul style="list-style-type: none">• Awareness raising campaigns on sustainability issues for suppliers.

Category of stakeholders
Engagement mechanisms

Non-Governmental Organizations

- Participation in conferences and forums;
- Engagement in partnership, sponsorship, and other forms of collaboration under signed agreements, contracts, or memorandums; and
- Participation in themed or project-specific taskforces.


Employees

- Ensuring fair and transparent conditions for personnel remuneration and professional development;
- Provision of social support for employees;
- Awareness raising campaigns about the Company's activity and opportunities for professional development; and
- Internal corporate communication via official social media, subsidiaries' webpages, corporate email, etc.


Customers

- Delivery of customer service and product;
- Customer satisfaction survey;
- Information disclosure on the Company's financial services and products for various categories of customers;
- Communication via the Group's call-centers, digital channels of communication and social media;
- Corporate press releases;
- Educational campaigns and initiatives aimed to increase financial literacy; and
- Disclosure of financial results and non-financial data.


Media

- Information disclosure on the Company's corporate webpage; and
- Corporate press releases.


Rankers, Raters, and Reporters

- Application for credit and ESG ratings issuance/review;
- Ongoing monitoring of the requirements and methodology used by rating agencies; and
- Proactive communication with representatives of rating agencies and their researchers, disclosure of data required for the Company to receive an assessment.

Monitoring and Reporting

Freedom Holding Corp. recognizes the importance of continuous monitoring and reporting on the Compliance of the Company's operations with the provisions of this policy.

The Company constantly monitors external factors, stakeholders' interests, and regulatory requirements due to their changing nature. Thus, Freedom Holding Corp. continuously analyzes the Policy's implementation and looks for necessary updates. The Company also reserves the right to amend it whenever it is deemed necessary based on the results from monitoring.

This Policy and its subsequent updates will be published on the Company's websites in English, Kazakh and Russian. Information on the revision of the Policy will be reflected in the Company's annual non-financial reporting. The Company reports on its ESG-activities, progress towards this Policy's goals, and significant amendments to this Policy in Freedom Holding Corp.'s annual sustainability reports.



Feedback

The Company is ready to address any questions of interested parties and stakeholders. Inquiries related ESG and the content and application of this Policy should be submitted by email:

esg@ffin.kz