

Freedom Holding Corp.

ENVIRONMENTAL POLICY



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INTRODUCTION

Freedom Holding Corp. (hereinafter referred to as the Company) is an international holding company specializing in providing various financial services, such as securities trading, market operations, retail brokerage services, investment banking, underwriting, commercial banking, insurance, and investment consulting. The Company also implements a number of projects in the non-financial sector, including projects in telecommunications, tourism, ticket sales, media, advertising, and digital markets.

The Environmental Policy (hereinafter referred to as the Policy) of Freedom Holding Corp. defines approaches to managing the Company's activities, which, despite the absence of a direct negative impact on the environment, can indirectly influence it through its business processes. This Policy has been developed to define the key principles and objective of the Company and its subsidiaries (hereinafter referred to as the Group) in the field of environmental protection, as well as measures for implementation.

This Policy has been developed in accordance with the requirements of the environmental legislation applicable in the regions of presence, international environmental protection initiatives, internal regulatory documents of the Company in the field of sustainable development and also considering the best international practices.

TERMS & DEFINITIONS



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| Company | Freedom Holding Corp. |
| Group | Freedom Holding Corp. and its subsidiaries. |
| Environment | The totality of conditions, substances, and objects of the material world surrounding a person, including the natural and the man-made environment. |
| Environmental protection | Practices and procedures aimed at preventing, minimizing, eliminating, or reversing the environmental damage and ecological systems. |
| Sustainable development | Development that meets the needs of the present without compromising the ability of future generations to meet their own needs. |
| Greenhouse gases | Any gases that have the property of absorbing infrared radiation emitted from the Earth's surface and returning it back to the Earth's surface, thereby contributing to the greenhouse effect, the main greenhouse gases include carbon dioxide, nitrous oxide, and methane. |
| ESG | Environmental, Social and Corporate governance. |
| Regions of presence | Geographical regions where the Group conducts its activities. |

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| Stakeholder | A party interested in the activities of the Company and its subsidiaries, and capable of influencing their activities or being affected by them. |
| Subsidiary | A dependent organization controlled by a parent company, directly or indirectly through one or more intermediaries. |
| United Nations Global Compact (UNGC) | A voluntary initiative based on the commitment of business leaders to implement universal principles of sustainable development and take measures to support the UN goals. |
| Greenhouse Gas (GHG) Protocol | A global initiative developed to standardize approaches to measuring and managing greenhouse gas (GHG) emissions. |
| United Nations Sustainable Development Goals (UN SDGs) | A set of 17 interrelated goals developed in 2015 by the United Nations General Assembly, as a plan to achieve a better and more sustainable future for all. The 17 global Sustainable Development Goals were adopted by General Assembly for the period until 2030. |

THE OBJECTIVE AND PRINCIPLES OF THE POLICY

The objective of this Policy is to prevent and minimize the negative impact of the Company on the environment. This Policy regulates the environmental impact of the Company in the following areas: efficient use of natural resources and energy, waste management, climate change impact management, stakeholder engagement, and raising environmental awareness among employees.

The Company's main principles in the field of environmental protection:

- The precautionary principle¹, which suggests taking preventive measures to protect the environment, even if scientific data on possible damage has not yet been fully confirmed.
- Compliance with the requirements of the national legislation of the regions of presence and ratified international agreements in the field of environmental protection.
- Stakeholder engagement through transparent reporting, consultation, and partnership to prevent and mitigate the Group's negative environmental impacts.
- Promoting environmental education and raising awareness among employees regarding the importance of environmental protection.
- Support and implementation of environmental initiatives within the Group and external environmental projects through the activities of the Freedom Shapagat Corporate Fund.
- Adherence to the principles of the UN Global Compact in the field of environmental protection² and striving to achieve the UN Sustainable Development Goals aimed at combating climate change³.

¹ According to Principle 15 enshrined in the Rio Declaration on Environment and Development (1992).

² The Ten Principles of the UN Global Compact, available at: <https://www.unglobalcompact.org/what-is-gc/mission/principles>

³ Sustainable Development Goal 13: Climate Action, available at: <https://www.un.org/sustainabledevelopment/climate-change/>

POLICY IMPLEMENTATION

Environmental impact management in Freedom Holding Corp. is a part of the sustainable development and ESG management system and is carried out within the framework of the general management of the Company's activities. The Company's management team undertakes to comply with the principles of the Policy and ensures that its activities comply with the objective of this Policy. The heads of the relevant business units of the Group are responsible for the timely implementation of the objective and the principles in the field of environmental protection set out in this Policy, as well as for ensuring compliance with the environmental requirements applicable in the regions of presence. The Company expects all its business partners to equally follow the principles and goals of this Policy.

To monitor the implementation of this Policy, the Company conducts internal audits where feasible and discloses information regarding its environmental impact management in its regular ESG (non-financial) reporting.

This Policy and its subsequent updates will be published on the Freedom Holding Corp. website in English, Kazakh and Russian. All employees shall be duly informed about this Policy and know where it is 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 not less than once every three years. Information on a revision of the Policy will be reflected in the Company's annual non-financial reporting.

MEASURE FOR IMPLEMENTATION OF THE OBJECTIVE OF THE POLICY

● Efficient Use of Resources and Energy

The Company and its subsidiaries recognize the importance of efficient resource management and minimizing the environmental impact. The Group is committed to implementing sustainable practices to improve energy efficiency, waste management, and rational use of water resources.

In this regard, the Company strives to apply the following measures:

01

Building a system for monitoring and recording data on consumption of energy, fuel, water, and waste generation to increase transparency and identify opportunities to optimize resource use.

02

Incentivising energy and water-saving practices among employees by raising awareness and implementing measures to reduce resource consumption.

03

Ensuring that energy efficiency classes are considered, with priority given to more energy efficient buildings, all other things equal, when acquiring or renting real estate.

04

Establishing a system for collecting paper and electronic waste from subsidiary offices and then transferring it for recycling or reuse through reliable service providers, where possible.

05

Continuous development and improvement of the electronic document management system to reduce paper waste.

Impact on Global Climate Change

The Company recognizes the importance of combating climate change and its impact on business, society, and the environment. Recognizing its role in global efforts to reduce greenhouse gas emissions and adapt to climate change, the Company integrates climate factors into its operations, seeking to minimize its carbon footprint and promote sustainable development.

In this regard, the Company strives to implement the following measures to combat climate change in its operating activities:

01

Building and improving the GHG emissions monitoring and disclosure system in accordance with international standards developed by the GHG Protocol initiative.

02

Promoting development and offering of products aimed at reducing environmental impact through implementation of digital technologies that optimize processes and minimize use of resources.

03

Supporting environmental initiatives through the Company's Corporate Fund Freedom Shapagat, including the projects aimed at combating climate change and adapting to its consequences.

● Stakeholders engagement in the field of environmental protection

The Company recognizes the importance of effective stakeholder engagement on environmental issues. The Company's stakeholders include the shareholders, capital providers, stock exchanges, governments, suppliers, non-governmental organizations, employees, clients, the media and rating agencies.

In this regard, the Company strives to adhere to the following principles and apply appropriate measures:

- 01** Annual publication of the Sustainability Report containing the data on the Group's environmental performance, in accordance with international standards and the results of environmental initiatives aimed at reducing the negative impact on the environment.
- 02** Timely and transparent disclosure of environmental data where required by environmental or other laws and regulations to support reasoned decisions and facilitate constructive interaction with stakeholders.
- 03** In cases stipulated by the environmental legislation applicable in the regions of presence, the Company undertakes to conduct public hearings and consultations with the stakeholders, regarding the environmental protection issues to ensure transparency and account for the public opinion when planning the projects with a potentially negative environmental impact.

● Raising Environmental Awareness

The Company aims to raise environmental awareness and promote sustainable practices among its employees. In this regard, the ESG Department undertakes to conduct periodic training and seminars for the Group's employees to raise environmental literacy and awareness of environmental impacts and measures to minimize them.

LIABILITY FOR NON-COMPLIANCE

Due to the differentiated nature of the activities of Freedom Holding Corp. subsidiaries and the differential standards of the applicable legislation, the liability for non-compliance with this Policy is determined by the rules and procedures of the subsidiaries, as well as local regulations and legal acts.

FEEDBACK

The Company is ready to address any questions from the stakeholders. Inquiries related to the content, application and suggestions for this Policy improvement should be sent by e-mail: **esg@frhc.group**. Alternatively, concerns or suggestions can be submitted through the Company's **Compliance hotline**.