

Approving:
President-Rector
of JSC "Academy of Logistics and Transport"



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**Sustainable investment policy
of Joint Stock Company "Academy of Logistics and
Transport"**

SUSTAINABLE INVESTMENT POLICY

INTRODUCTION

The policy of sustainable investment of the Academy of Logistics and Transportation JSC (hereinafter – Academy) was developed in accordance with the Entrepreneurial Code of the Republic of Kazakhstan dated October 29, 2015, the Laws of the Republic of Kazakhstan dated July 7, 2004 "On Investment and Venture Funds" and other regulatory acts of the Republic of Kazakhstan.

The policy defines the procedures and format of decisions taken when considering, approving and monitoring the implementation of investment projects.

TERMS AND DEFINITIONS

The following terms and definitions are used in the Policy:

The Investment Project administrator is a structural unit responsible for planning, justification and execution of investment projects.

A business plan is a document containing a description of the purpose and justification of the feasibility of implementing an investment project in accordance with the acts of the Academy.

The life cycle of an investment project is a set of consistently changing states of an investment project from the idea to the retrospective analysis of the results of the project. The project life cycle consists of six stages: evaluation, selection, definition, implementation, operation, training, the definitions of which are given in the Policy.

Investments - spending money on the purchase, creation and maintenance of production and non-production fixed assets, and intangible assets.

Investment activity is the process of planning, monitoring and analyzing the results of spending own, borrowed or state funds for the purchase or construction (creation) or maintenance of production and non-production fixed assets and intangible assets.

Investment Memorandum (IM) is a document that is being prepared at a certain stage of the Life cycle of a strategic investment project (definition), including a justification of the economic feasibility, scope and timing of the investment project, the main purpose of which is to coordinate the results of the project and approve the right (mandate) to obtain the necessary financing and resources for the implementation of the project.

An investment project is a set of measures for the implementation of a separate investment initiative, which provides for investments in the creation of new, expansion and renewal of existing production facilities of structural divisions on a returnable basis;

The initiator of the project is either Academy or it's structural subdivision or a subsidiary organization, an official who, in accordance with the legislation of the Republic of Kazakhstan and regulatory acts of Academy, can initiate investment projects;

The capital investment plan is a document on the implementation of investment projects for a separate financial period, which reflects the main parameters of investment projects.

1. THE MAIN OBJECTIVES AND PROVISIONS OF THE INVESTMENT ACTIVITY

In its sustainable investment policy, Academy is guided by the current legislation of the Republic of Kazakhstan, this Policy and other internal documents regulating the investment activities of the Academy.

The Sustainable Investment Policy is approved by the Academy President. Changes to the Policy are made on the basis of a decision of the rectorate.

1.1 Key provisions of investment activity

The purpose of Academy investment activity is to increase the economic efficiency of the activities of structural divisions, subsidiaries by injecting funds for the purchase, creation and maintenance of production and non-production fixed assets, and intangible assets of the above-mentioned organizations on a returnable basis.

Academy bears full responsibility for the results of its investment activities and the execution of decisions of management bodies.

Academy investments should have an economic and strategic justification and should be formulated in the form of investment projects, for which a decision can be made on their feasibility based on the calculation of economic parameters of project effectiveness, verification of compliance with strategic goals defined by the Development Strategy. In order to ensure effective management of the investment activity, investment planning is carried out, within the framework of which similar and interdependent investment projects can be grouped into targeted investment programs and subprograms. Academy strives for environmental sustainability and social responsibility in its activities and invests its portfolio responsibly and ethically. Academy believes that in the long term, this commitment to responsible investment is consistent with its goal to generate a steady stream of income to support the university's activities. The investments of the Academy will not contradict the principles of sustainable development of the United Nations, but on the contrary are aimed at the development of these principles.

1.2. Investment of free funds of the Academy during the implementation of projects.

Academy, which has temporarily free funds, can invest these funds in projects of structural divisions and subsidiaries on the basis of a Business decisions in the form of debt financing on terms of urgency, payment and repayment.

The Board of Directors may recommend the use of free funds of the Academy in other directions, and also decides on the use of temporarily free funds as a source of financing for projects of structural divisions and subsidiaries.

2. INVESTMENT PROJECTS

2.1. Classification of investment projects

Investment projects must meet the integrity criteria of structural divisions and subsidiaries:

- all actions and resources necessary to achieve the goals set in the Business Plan should be included in the framework of one project:
- all actions within the framework of the project should be interrelated.

The investment project includes all capital investments for the creation, purchase or maintenance of fixed assets or intangible assets, as well as capitalized costs for the creation of the necessary infrastructure, where necessary, to ensure the continued functioning of the project results. Academy classifies investment projects by types of strategic priorities, depending on the nature of the changes that the project provides for and the scope of application of the project results.

Organic development projects are projects aimed at increasing the value of a Subsidiary by expanding activities in any area compared to the current state (new products, new regions). Projects of modernization or expansion of production, the main purpose of which is to increase capacity or economic efficiency or reduce production costs.

Repair projects are projects of structural divisions or Subsidiaries aimed at minimizing the risks associated with equipment failure and accidents, maintaining assets and production facilities, infrastructure facilities in technically sound condition, as well as maintaining activities in any area at the existing level (does not involve capacity expansion).

2.2. Stages of the investment project

2.2.1 Description of the stages of the project life cycle.

The life cycle of investment projects consists of several stages, which can be summarized as follows:

1. Evaluation - consideration of the possibility of implementing a project, its preliminary economic feasibility and compliance with the strategy of structural divisions and Subsidiaries, projects are selected from a set of potential opportunities.

The Evaluation stage begins with the submission of an investment application of structural divisions to Academy and ends with a decision on the need to develop a preliminary Business plan, as well as a decision on the development of an Investment memorandum on strategic investment projects between the Academy and structural divisions or Subsidiaries.

2. Choice - the study of alternative options for the implementation of the project and the choice of the preferred option in accordance with the objectives of the project, the choice of the method of implementation of the project.

The Selection stage ends with the approval of the project parameters according to the preliminary Business Plan of the structural divisions or Subsidiary.

3. Implementation - begins with preparatory work and registration of the necessary documentation for carrying out work on the investment part of the project and ends with the closing of the transaction.

Making investment decisions at all stages of an investment project must be pre-approved by Academy and approved at the stage of determination by its Board of Directors.

2.2.2. Persons responsible for the implementation of investment projects

For each investment project, the corresponding internal act of the Academy appoints a responsible structural unit to coordinate the implementation of this project.

It is personally responsible to the Board of Directors for ensuring timely, targeted and effective execution of investment projects. The supervisor is the person presenting the results of the project.

The supervisor is responsible for the development of the goals and objectives of the project and the implementation of other activities necessary for the implementation of the project.

2.2.3. Requirements for the transition of projects to subsequent stages

The Academy carries out step-by-step investment decision-making after each stage of the investment project, and authorizes subsequent stages only after the completion of the previous ones.

At the beginning of the investment project, Academy forms a schedule of activities indicating the amount of funding and other resources necessary for the implementation of the project.

Upon completion of the activities, Academy conducts a mandatory assessment and analysis of the results, on the basis of which it makes a recommendation regarding the decision to continue, finalize or terminate the project.

2.3. Documents accompanying the adoption of investment decisions

The main documents used for making investment decisions are:

- Business plan;
- Investment Memorandum (for the Definition stage);
- project monitoring report;
- report on the closure of the project.

A business plan is a document of a structural organization or Subsidiary used for making investment decisions on investment projects that do not meet the criteria of a strategic project.

The Investment Memorandum (IM) is the main document used for making investment decisions on strategic investment projects.

The main purpose of IM is to substantiate the economic feasibility of the scope and timing of the investment project, as well as to establish the expected results of the project and approve the right (mandate) to receive the necessary funding and resources for the implementation of the project.

After its approval, the content of this document is not subject to change and further serves as a basis for determining the effectiveness of the

implementation of the project stage by comparing the actual values with the planned values specified in it.

The project monitoring report is a document containing, among other things, information on the presence or absence of deviations of the actual project indicators from the planned ones approved in their respective format, indicating the reasons for the deviations, measures taken to manage critical risks for the project.

The project Closure report is a document containing information about the existing significant deviations from the implementation dates and the initially approved amount of project financing, the reasons for such deviations, information about other decisions taken within the framework of the implementation of this project and additional comments on the progress of the project.

Head of the financial control office

A handwritten signature in blue ink, consisting of several vertical and diagonal strokes, positioned above the name R.D. Gabdullin.

R.D. Gabdullin