

1) Statement by the President of the Company (unsigned) to support the 10 principles of the UN.

September 3, 2014

To interested persons:

I am pleased to confirm that JSC “NC “KTZh”, reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions in years 2013-2014 to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to declare membership of the Global Compact in our internet page and share this information with our stakeholders using our primary channels of communication.

Sincerely yours,

A. Mamin

President of JSC “National Company “Kazakhstan Temir Zholy”

2) Human rights

In JSC “National Company “Kazakhstan Temir Zholy” we support the Universal Declaration of Human rights. Furthermore, we have developed a number of major principles and core values that highlight our company's position towards the Universal Declaration of Human rights.

The company has produced such documents as: Strategy of Corporate Social Responsibility of the JSC “NC “KTZ”, the Policy of the JSC “NC “KTZ” of the corporate ideology and business philosophy, The Code of Ethics and number of other documents and policies to adhere to the Declaration of Human Rights.

In JSC “National Company “Kazakhstan Temir Zholy” we have set up a specific services for company's employees, costumers and also third parties. Such services include: hotline (+7 7172 60 40 70), and presence of the Ombudsman Institution (+7 7172 60 43 55).

Also, our Company has created social programs, such as: Pensioners’ care, Housing programm, Care for children, Youth policy, Physical Training and sport and others.

Moreover, the Company guarantees for employees a personal reception from the executives through the operation of the Public reception. Reception of citizens is carried out according to the approved schedule by the President of the Company for the respective year.

3) Working conditions

In JSC “National Company “Kazakhstan Temir Zholy” has been OHSAS 18001:2007 assessed and certified, and adheres to all requirements regarding this certification. The Company is a subject of regular internal and external audits ensuring that the requirements are continuously obeyed to.

Specific character of rail industry makes solving social issue is a one of the priority areas for the Company. Railway workers works in every corner of our country in the most difficult conditions: at small stations and sidings, where considering our nature-climate conditions may have problems with housing, delivery of drinking water, medical care and etc.

The working conditions of railway workers are accompanied with a number of adverse factors such as: significant physical, psychological and emotional overloads, itinerant nature of work as well as the amount of time spent outside.

All of the above, obviously, is a major risk factor for the development of a number of diseases of respiratory, cardio-vascular, digestive, musculoskeletal systems, professional intoxications.

One of the main methods to prevent these diseases as well as their exacerbation is sanatorium-and-spa treatment for railway workers.

Every year the group of company of JSC “National company “Kazakhstan temir zholy” takes health improvement measures for workers and retirees living in different regions of Kazakhstan.

As previously mentioned, the Company is internally and externally audited on regular bases on its working environment.

We constantly monitor and keep track of all accidents and fatalities and make sure all subsequent measures are taken in order to prevent any future possibilities for staff, customers, third parties or animals to get hurt or injured.

4) Ecology

Being ISO 14001:2004, ISO 9001:2008 assessed and certified, JSC “National Company “Kazakhstan Temir Zholy” has always had environmentally friendly approach to operate and run business. The Company operates in a full accordance with national laws on environment, and also international laws, that have been ratified by Republic of Kazakhstan in that regard.

JSC “National Company “Kazakhstan Temir Zholy”, through its agreement with insurance company, offers a corporate health insurance package for its employees and their families.

Within the Company's program "Improvement of environment through energy saving for years 2013-2020" we're reducing emission of greenhouse gases while providing railway services.

There are also special rules applied to the carriage of hazardous materials by freight railway companies.

5) Anti-corruption measures

Being a monopolist company, JSC “National Company “Kazakhstan Temir Zholy” operates its services in full compliance with Natural monopoly law, Railway law and other relative laws and regulations of Republic of Kazakhstan.

Similar principles are also supported and reflected in EU Railway Directive 2001/14/EU of February 26, 2001.

In order to fight the corruption in the Company was created the Council to fight corruption the purpose of which is, among other things, to monitor all the cases of corruption, coordinate actions against corruption in subsidiary companies of JSC "NC "Kazakhstan Temir Zholy", prepare recommendations for establishing systematic measures against corruption, ect.

JSC “National Company “Kazakhstan Temir Zholy” has approved Methodical recommendations to identify and prevent fraud in the Company and the Policy to protect employee(s), which reported information on the cases of corruption in JSC “NC “KTZ”

The Policy establishes as follows: no retaliation shall be taken against any employee who reports any suspected violation while acting in good faith. Supervisors or other employees who retaliate against any other employee in violation of this policy are subject to disciplinary action up to and including termination.

There is also a hotline, which could be used to report: +7 7172 60 40 70