

ENVIRONMENT

Reducing our Company's environmental impact is a fundamental part of our sustainable development. With that in mind, our environmental protection programme includes the following key priorities:

- resource management, including the development and implementation of technologies to ensure efficient use of natural resources;
- taking steps to avoid contributing to man-made climate change and paying suitable compensation for any environmental damage caused;
- monitoring the environmental impact of our business operations;
- ensuring environmental protection in line with international standards.

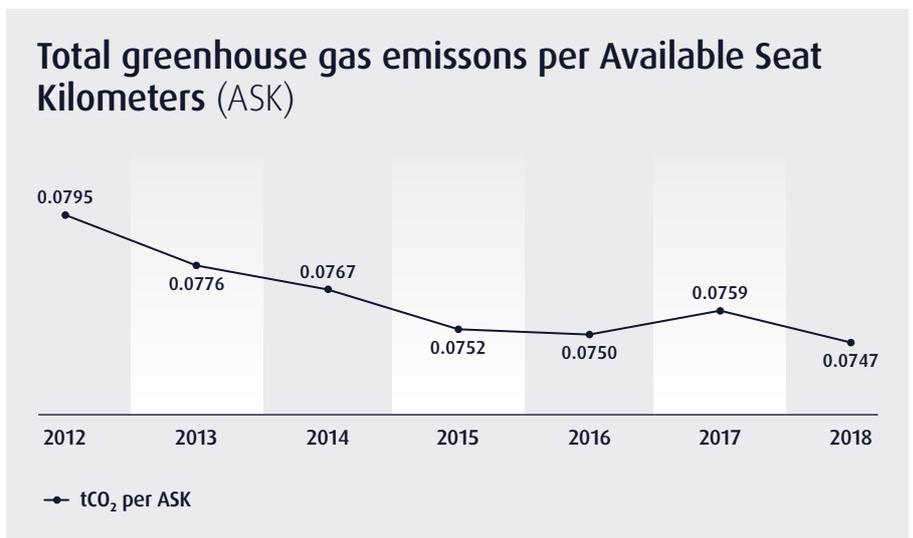
As part of our overall Policy on Health and Safety Management, we conduct regular audits to ensure stringent compliance with international standards on atmospheric emissions. We are able to keep our emissions at the lowest levels possible by operating a young and efficient fleet, and we are also taking steps to modify older aircraft that do not meet emissions standards.

In 2018 we carried out environmental activities in accordance with the requirements set out by the legislation of the Republic of Kazakhstan.

Fuel usage and GHG emissions

We recognise that carbon emissions from air travel contribute to climate change and that we are responsible for trying to minimise the impact of our operations. We are constantly seeking to reduce carbon emissions produced for each kilometre travelled by our customers, relying on cost advantage and safe ways to reduce fuel use, including prioritising the use of efficient aircraft and emissions-saving measures.

To that end, we have been monitoring and adjusting our greenhouse gas CO₂ emissions since 2011 from the introduction of monitoring requirements by the European Union. We disclose our CO₂ use to the German Emissions Trading Authority (DEHST) on an annual basis. Currently, we are working on a new Carbon Offsetting and Reduction Scheme (CORSIA) which will come into force early in 2019.



Air Astana's programme to acquire new aircraft and simultaneously phase out older ones is part of a number of major factors that contribute to the reduction of overall CO₂.

We are the only airline in Kazakhstan to operate aircraft from the Airbus A320/A321 family. These aircraft are the most fuel-efficient aircraft on the market, ensuring the best fuel economy and lowest levels of emissions in their class. The Airbus A320neo features innovative Pratt & Whitney engines that are 15% more fuel efficient than their predecessors.

Air Astana's first Airbus A320neo was delivered and put into service in November

2016. Air Astana also operates a number of Boeing 767-300ER and 757-200 aircraft, which feature innovative technologies enabling excellent fuel efficiency.

On existing aircraft, we have modified wings through the addition of winglets (Boeing) or sharklets (Airbus), which provide two benefits: first, they enable greater fuel efficiency; and, second, by improving aerodynamics, they make more rational flight routing possible.

Thus, we were able to reduce the amount of CO₂ emissions by 6% as indicated in the chart above.

OPERATING RESPONSIBLY CONTINUED

ENVIRONMENT

In line with the Environmental Code of the Republic of Kazakhstan, we also confirm that the volume of harmful substances from stationary sources released into the atmosphere did not exceed the established standards for maximum permissible emissions.

The Company is constantly seeking out ways to reduce the production of harmful substances from stationary sources, and is emitting substances at levels that fall well within its maximum permissible emissions of pollutants in both Almaty and Astana. Emissions volumes are listed in the table opposite.

Permission has been obtained on the basis of maximum permissible emissions standards based on Environmental Code of the Republic of Kazakhstan:

1. Almaty No 0003871 from 12.01.2015;
2. Astana No KZ33VDD00083495 from 12.12.2017.

The table opposite (The amount of implemented environmental measures) shows investments made to monitor industrial emissions and to develop an environmental action plan.

Activities carried out under the plan included:

- maintenance of fuel equipment and automotive equipment, which reduces emissions of pollutants into the atmosphere;
- organisation of and separate collection of waste;
- utilisation of instruments to carry out measurements of atmospheric air;
- training and education.

Noise

We seek to reduce the impact of aircraft noise on residents who live near airports or under flight paths. In doing so, we have chosen aircraft from the Airbus A320/A321 family and a number of Boeing 767-300ER, 757-200 aircraft, which feature innovative technologies ensuring the lowest levels of noise.

We work closely with our airports, to ensure the highest levels of compliance with noise reduction while always maintaining high safety standards.

The volume of harmful substances from stationary sources released into the atmosphere in 2018

Established standard, Almaty	Actual emissions, Almaty	Established standard, Astana	Actual emissions, Astana
33.1391 tons/year	14.7209 tons/year	71.61492 tons/year	10.5691 tons/year

The amount of implemented environmental measures

Almaty	USD 176,069
Astana	USD 30,984

Amount of waste transferred for disposal

Waste name	Almaty	Astana
Used tyres	1,060 kg	400 kg
Used filter	480 kg	85.4 kg
Used rechargeable batteries	274.21 kg	-
Oily rags	470 kg	70 kg
Paint and varnish tins	1,205.6 kg	-
Used oil products (used oil, Skydrol, other aggressive liquids)	-	1,270 kg
Waste water (from washing wheels and brakes)	166 m3	
Used fluorescent lamps	1,500 pcs	

Waste

Our environmental protection efforts focus on recycling. For example, we separate all of our waste paper and recycle PET bottles and used batteries. In 2017, we also began recycling two other types of waste: metal shavings and waste water used to wash wheels and brakes. Last year, some 130,000 litres of waste water were removed from our authorised contractor, PromTehnoResurs.

Industrial waste is exported and disposed as it accumulates according to contracts with specialised organisations. All hazardous waste is sorted and stored separately. Within the framework of the contract on the export of hazardous waste, the volumes transferred for disposal in 2018 are listed in the table above.

We also continue to collect waste paper. In 2018 we launched a project among the staff aimed at encouraging the collection and transfer of PET waste for further disposal. Employees collected 80 kg of PET waste which was sent away for recycling.

As part of our efforts to reduce paper usage, we launched a new ELMA system for more efficient business process management. The platform automated and digitised our workflow, which allowed us to reduce costs on paper and printing. Moreover, it also allowed for a more efficient use of our employees' time, as they now have an opportunity to work remotely. By improving our business processes, we decreased the volume of paper usage and its recycling by 22,023 kg in 2018 year-on-year.