

COMMUNICATION ON PROGRESS

“Kcell” JSC

Kcell and Activ trade marks



Introduction

“Kcell” JSC (Kcell) is the cellular operator of Kazakhstan. We provide mobile communications services that help people and companies communicate in an easy and efficient way. Our company plays an important role in Kazakhstan as a business structure, innovative company and responsible citizen.

Kcell operates with respect to local culture and traditions and with the principle of giving back to society. We have been driving the concept of socially responsible business in Kazakhstan. Every year, with the support of the company implements approximately 40 social programs and projects on such areas as education, cultural heritage and social sphere (children, people with disabilities, etc.).

At Kcell, we believe that socially responsible initiatives not only create strong and vital communities over the country – they also help to get alternative access to the market and enhance the company’s performance.

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The principle	Systems	Implementations	Outcomes
Human rights			

<p><i>The Principle 1:</i> Businesses should support and respect the protection of internationally proclaimed human rights and</p> <p><i>The Principle 2:</i> Make sure that they are not complicit in human rights abuses</p>	<p>Kcell code of ethics and conduct</p> <p>Personnel Policies</p> <p>Salary Policy</p> <p>Instruction on termination of EA</p> <p>Vacation regulation</p> <p>Recruitment regulation</p> <p>Regulation on financial assistance to employees</p> <p>List of employees' benefits and limits</p>	<p>In its day-to-day business Kcell is governed by the Kcell code of ethics and conduct which provides guidance for all Kcell employees in how to conduct our business with honesty, integrity and high standards of business ethics in relation to our customers, employees, shareholders, suppliers, business partners and competitors, the society in which we operate and the environment.</p> <p>Internal regulations as well as instructions are placed at the internal web-portal.</p> <p>The employment agreement is executed with each employee where all rights and responsibilities of the parties, conditions of labor, rest, labor payment etc. are provided.</p> <p>In addition, the Company offers to its employees a social package, which includes e.g. insurance program, soft lending in the leading banks of the country, meal service, daily transportation as well as a wide spectrum of training programs.</p> <p>Financial Assistance is provided to employees (up to Supervisor level inclusive) in case of serious illness or funeral of an employee's immediate family member or serious illness of an employee.</p> <p>Employees are granted with an unpaid leave up to 5 (five) calendar days in case of marriage registration, child birth or death of close relative (with payment in the amount of employee's three working day current salary).</p>	<p>Currently, 1 609 employees are with Kcell throughout Kazakhstan. In 2011 there were employed 1 516 employees.</p> <p>Periodically information are updated and available to all the Company's employees at the internal web-portal http://intra.kcell.kz, where the employees may freely express their opinions upon each issue and get necessary information about the Company, procedures, etc. The most interesting and important issues may be found in the company internal magazine "Kcell Magazine".</p> <p>Kcell launched an initiative for transformation of corporate culture in 2012 and designed internal social network for being more open and transparent and for getting feedback from all employees on different matters.</p> <p>Regularly updated information about the Company's projects and campaign are available to external auditoria at web-sites http://www.kcell.kz and http://www.activ.kz and in our customer care offices and standardized dealer points.</p> <p>Corporate groups on the most popular social platforms (www.facebook.com, www.twitter.com, www.mail.ru, www.vkontakte.ru) were created for feedback from our clients.</p> <p>"Consultative telephone line on women's matters" social project were lanced with the support of the Ministry of health of the republic of Kazakhstan and Business Women Association of Kazakhstan and Kcell. About 15,000 calls were received during one year.</p>
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Labour			
<p><i>The Principle 3:</i> Businesses should uphold freedom of association and the effective recognition of the right to collective bargaining</p>	<p>Kcell code of ethics and conduct</p> <p>Labor contract</p>	<p>The employment agreement is executed with each employee where all rights and responsibilities of the parties, conditions of labor, rest, labor payment etc. are provided for.</p> <p>Kcell to the utmost cooperate and render assistance to various public associations, protecting the rights of the socially vulnerable wide sections of the population.</p>	<p>The arrangement of the first charity SMS project aiming at children, needed in surgery to be done in the foreign countries, sponsors: the Charitable fund “Sabi” and the Charitable fund “Voluntary Society Miloserdiye”. For the date of August 17, 2012 about 359 children were treated.</p> <p>Opening and giving help to the center of social adaptation and labor rehabilitation for children with disabilities «Health for children: equipment of the special correctional class and programme for social adaptation.</p>
<p><i>The Principle 4:</i> The elimination of all forms of forced and compulsory labour</p> <p><i>The Principle 5:</i> The effective abolition of child labour</p> <p><i>The Principle 6:</i> The elimination of discrimination in respect of employment and occupation</p>	<p>Constitution of the Republic of Kazakhstan</p> <p>Kcell code of ethics and conduct</p> <p>Labour contract</p> <p>Insurance program</p> <p>Labour Code of the Republic of Kazakhstan</p>	<p>The Labor Code of the Republic of Kazakhstan prohibits using the child labor and Kcell operates in line with the labor laws.</p>	<p>All new employees are involved into the orientation program, which allows to make the fastest acquaintance of the company and become its integral part. As well there are continuously carried out contests for the employees of the company “Best Operator”, “Best Sales Representative”.</p> <p>The Company has in place a comprehensive performance review system to analyze periodically its employees’ performance (based on targets and competencies) in order to properly compensate, retain and promote its employees.</p>
Environment			

<p><i>The principle 7:</i> Business should support a precautionary approach to environmental challenges</p> <p><i>The Principle 8:</i> Undertake initiatives to promote greater environmental responsibility, and</p> <p><i>The Principle 9:</i> Encourage the development and diffusion of environmentally friendly technologies</p>	<p>Kcell code of ethics and conduct</p>	<p>To protect the health of the Company's employees there used the controlled systems of air conditioning depending on the outdoor temperature as well there performed a regular replacement of filters and cleaning of air supply and air conditioning systems.</p>	<p>Aiming at water saving there were installed the water saving taps, to decrease the level of power consumption there were installed the power saving fluorescent lighting, to decrease of oil and petrol consumption Kcell creates car pool and reduce the number of business trips by using the 3G technologies.</p>
<p>Anti-Corruption</p>			
<p><i>The Principle 10:</i> Businesses should work against corruption in all its forms, including extortion and bribery</p>	<p>Kcell code of ethics and conduct</p> <p>Gifts favour and hospitality procedure</p>	<p>Within the framework of implementation of this principle GSM Kazakhstan/Kcell follows the Code of ethics and conduct as well as the Gifts favour and hospitality procedure.</p> <p>A Security Service was established aiming at development of the system of preventive measures to react against the corruption and fraudulent-related practices.</p>	<p>For communication and fastest response to the inquiries of our clients the call center operates 24 hours a day.</p>