

Reporting on progress
AAbout "KazakhExport ESC" within the framework of the UN Global Compact

(Reporting period January 2022 – September 2022)

We are pleased to present to your attention the next Report on Sustainable Development of KazakhExport ESC JSC (hereinafter referred to as the Company). Every year we strive to improve the quality of our non-financial reporting, reflecting the commitment to sustainable development in all business processes of the Company.

In the reporting year, we reflected progress towards the goals in each priority area.

We have expanded the list of topics whose management approach we have disclosed in our reporting, including occupational safety, information security and human rights.

We strive to develop our reporting in terms of the applicable international standards.

In 2021, we focused on analyzing our Company's contribution to the UN Sustainable Development Goals, analyzing in detail all our projects and initiatives and their compliance with the subtasks of each of the goals.

Our top priority has always been and will continue to be to ensure the interests of our stakeholders. As our long history of presence in the market shows, we remain a reliable employer and business partner even in unstable situations, thanks to the available infrastructure and resources, as well as responsible business conduct, and sustainable corporate governance.

At the heart of all change is our commitment to sustainable development. In the reporting year, despite the continuing uncertainty due to the COVID-19 pandemic, we were able to achieve a lot and provide our customers and employees with favorable operating conditions.

We recognize the importance of the climate change agenda and the role that big business can play in minimizing climate risks, so we continue to make changes to our business processes aimed at providing a responsible approach to providing insurance support to our customers.

The progress made in the field of sustainable development would not have been possible without the hard work and high involvement of our employees.

Our goal is to maintain a leading position in the field of sustainable development for many years, so we continue to look for effective ways to promote healthy lifestyles, reduce waste and carbon dioxide emissions, and increase the environmental friendliness and social responsibility of our supply chain.

One of the main strategic initiatives is the commitment to the principles of sustainable development in the Company's activities.

The Company is aware of the importance of its impact on the economy, ecology and society to ensure sustainable development in the long term, respecting the balance of interests of stakeholders. The approach of responsible, thoughtful and rational interaction with stakeholders will contribute to the sustainable development of the Company. The Company strives for profitability, ensures sustainable development, and observes the balance of interests of stakeholders. When implementing tasks in the field of sustainable development, the Company adheres to the main provisions of its Development Plan, as well as international norms of conduct and principles enshrined in international standards in the field of sustainable development. The company integrates the principles of sustainable development into key processes. The company ensures the coherence of its economic, environmental and social goals for sustainable development in the long term.

Sustainable development in the Company consists of three components: economic, environmental and social. The economic component directs the Company's activities to the profitability of its activities, ensuring the interests of the Sole Shareholder and investors, increasing the efficiency of processes, increasing investments in the creation and development of more advanced technologies, increasing labor productivity. The environmental component helps to minimize the impact on biological and physical natural systems, optimal use of limited resources, application of environmentally friendly, energy- and material-saving technologies.

The social component is focused on the principles of social responsibility, which include, among other things, ensuring occupational safety and preserving the health of employees, fair remuneration and observance of workers' rights, individual development of personnel, implementation of social programs for staff, creation of new jobs, sponsorship and charity, environmental and educational actions.

Management of sustainable development activities.


The company, as a member of the UN Global Compact, is aware of its responsibility to stakeholders and supports the 2030 Agenda for Sustainable Development, adopted by the UN General Assembly resolution in 2015, and seeks to contribute to the achievement of some of the 17 UN Sustainable Development Goals presented in it.

Sustainability management is part of the Company's corporate governance system.

Adhering to the principles of corporate governance, the Company has an increased responsibility to customers, ensuring the safety of their personal data, countering fraud, and the availability of insurance services.



All these and many other issues are an integral part of our business, how we manage the impact of our activities on the economy, society, and the ecological environment. We have much to be proud of, but we realize that we can do even more. We are not afraid to take responsibility – neither for financial activities, nor for business methods, nor for our people, nor for the impact on the environment.

The company takes part in international discussions on issues related to sustainable development, in the discussion of actions necessary to mitigate the effects of climate change. The Company is aware of its responsibility to society and declares its unwavering commitment to the integration of the goals of the UN Sustainable Development Agenda. Both the Company's management and its employees take part in achieving sustainable development. The Company's Management Board provides general guidance on the aspects of sustainable development. The Company's commitment to sustainable development the principles of sustainable development are regulated in key internal regulatory documents, the owners of which are the relevant structural units.

	Significant direction	Objectives of ESG factors	Key events of 2021	UN Global Compact Principles	UN SDGs
E 	Ecology	<ul style="list-style-type: none"> - reduction of consumption of paper transferred to archival storage; - full transition to document management ; - Participation in the contest "Green Office". 	<ul style="list-style-type: none"> - Environmental and social policy adopted; - a clause on the commitment to the principles of sustainable development by the Parties is included in business processes and underwriting policies; - the Concept "Green Office" and the Action Plan for the implementation of this Concept were approved; - Separate collection of waste is carried out; - saving technologies for water, heat and electricity are used; - training on the implementation of the principles of sustainable 	<ul style="list-style-type: none"> Principle 7 Principle 8 Principle 9 	<ul style="list-style-type: none"> 12 (responsible consumption and production); 13 (combating climate change)

development for the Company's employees was conducted;

- Training on environmental education of employees was carried out.

S 	Security	Conducting safety training activities for employees	Safety training, including fire safety, was conducted.		3 (good health and well-being)
	Employee Welfare	<ul style="list-style-type: none"> - formation of the personnel reserve base at all management levels; - organization of exchange of experience of employees in foreign export credit agencies; - awarding the best employees, in order to express gratitude; - Holding of the event "Day without a car". 	<ul style="list-style-type: none"> - provided social support and medical insurance to the Company's employees; - Equal working conditions and career opportunities have been created; -Held - Equal systems of performance evaluation and remuneration have been ensured; - internal and external training activities for employees were carried out; - corporate unifying events (team building) were held; - Football and chess tournaments were held. 	Principle 3 Principle 4 Principle 5 Principle 6	3 (good health and well-being); 4 (quality education); 5 (gender equality); ; 8 (decent work and economic growth)
G 	Anti-Corruption	- development of a new edition of the	- A training program on combating corruption and fraud was conducted;	Principle 10	16 (peace, justice and

	Internal Control Rules to counteract the legalization of proceeds from crime;	- anti-corruption monitoring of the Company's activities was carried out; - the Company's clients were checked for connectivity and reliability; - The anti-corruption clause was included in business processes and underwriting policy.	effective institutions)
Innovation	- implementation of automated crm/BPM data processing systems; - Full transition to electronic document management .	Key business processes are automated	9 (industrialization, innovation, infrastructure); 12 (responsible consumption and production)
Sustainable financial, insurance and non-financial support for exporters	- providing comprehensive support to exporters within the framework of insurance and reinsurance;	- 93 enterprises received financial and insurance support; - Training of external stakeholders (clients, partners, second-tier banks) was conducted.	4 (quality education); 8 (decent work and economic growth);

- Receiving subsidies;
- increase in the limit of the state guarantee to support exports;
- conducting training events

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(Partnership for Sustainable Development)

With the increasing importance of environmental, social and managerial aspects of work, the role of sustainability specialists is becoming increasingly important.

Internal regulatory documents of any company are designed to regulate its internal activities. Along with legislative and legal acts, they define a set of rules that form the norms of the internal life of the organization, the procedure and conditions for compliance with administrative decisions. On their basis, depending on the degree of coverage and detail of the issue, the main strategic guidelines are identified and development goals are structured.

The Company comprehensively approached the analysis of the database of regulatory documents for amendments and additions aimed at ensuring the sustainable development of the Company. A list of regulatory documents was determined and additions were made that provide for the principles of sustainable development.

For the continuous functioning of the company and the stability of the business, an effective approach to risk management and well-functioning of the internal control system are necessary.

I support the company's risk-oriented management, which includes constant updating and improving the effectiveness of the risk management system, the formation of a risk management culture, contributes to the identification of risks and the openness of their discussion.

The main document in the field of risk management in the Company is the Risk Management Policy. The risk of sustainable development in the risk register is reflected as a reputational risk, the implementation of which is possible if the principles of sustainable development are not observed. In addition, the "Risk of improper implementation of measures to implement the Company's Sustainable Development Policy" is included. ", which can also lead to such consequences as non-implementation of the principles of sustainable development.

In its activities, the Company is guided by the principles of maximum openness, transparency, reliability, providing equal access to information about

the company for all interested parties. To interact with the population, an interactive window of a business messenger operates on the Internet resource, through which all requests of citizens are promptly worked out. It is also planned to open a personal blog of the Chairman of the Board in three languages, with integration on the open dialog platform.

The corporate website discloses information on sustainable development in the "Corporate Governance" section. Periodically, based on the results of the measures taken on the implementation of sustainable development in the Company, information is updated. There is a special focus on the selection and training of personnel. Talented and competent personnel ensure the success and sustainable development of the company.

In order to protect the personnel of key positions (the positions of heads of structural divisions and employees who are not part of structural units), a personnel reserve system (Reservists' Base) has been introduced, which stimulates the Company's employees to professional growth, as well as contributing to the preservation of the best employees, thereby reducing staff turnover. The Database of Reservists contains information about the experience of candidates, achievements and value orientations, motivation for personnel moving.

Posting in the public domain about the availability of vacancies and posting information about the competitive selection implies disclosure of information and provides equal opportunities for all potential candidates for certain positions, facilitates the search for narrow highly qualified specialists. In addition, it makes it possible to cover many regions of the country, as well as when searching for personnel to occupy vacant places in foreign representative offices of the Company, or when opening new foreign representative offices.

The Company's Management Board exercises general management of the sustainable development aspects. The Company's structural divisions carry out an integrated approach to the implementation of the principles of sustainable development in the field of their competence. A number of internal regulatory documents of the Company regulates activities in the field of sustainable development.

The company contributes to the achievement of sustainable development goals in such areas as:

- 1) effective and transparent system of interaction with stakeholders;
- 2) improvement of the corporate governance system;
- 3) providing social support, good health and well-being of the Company's employees;
- 4) opportunities for self-realization and development of talents;
- 5) decent, efficient work and economic growth;
- 6) digital transformation;
- 7) Responsible consumption and production.

Prevention and counteraction to corruption

The business reputation and status of the Company as a national company largely depends on compliance with the norms of the current legislation of the Republic of Kazakhstan on combating corruption.

Employees of the Company are obliged to strictly and fully comply with all the requirements of the current legislation of the Republic of Kazakhstan, as well as internal regulatory documents on combating and preventing cases of corruption.

In its current activities, the Company supports the measures of the Kazakh and world communities to combat bribery and corruption.

The Company in its current activities categorically excludes any forms of bribery or corruption and undertakes to counteract them.

Compliance with this obligation in business relations with customers and partners is a guarantee of strengthening the Company's reputation.

The Company regulates and implements internal procedures for ensuring the functioning of the anti-corruption and fraud system.

These procedures are reflected in the following corporate regulatory documents approved by the decisions of the Sole Shareholder, the Board of Directors and the Management Board of the Company:

- Corporate Governance Code;
- Code of Conduct;
- Policy on the settlement of conflicts of interest and corporate conflicts;
- Anti-corruption policy;
- Rules for the prevention and counteraction of fraud and corruption.

Total number and percentage of units for which corruption risk assessments were carried out and significant risks identified

During the 10 months of 2022, such events were not planned in the Company.

Informing and training on anti-corruption policies and practices. As part of the implementation of the corporate anti-corruption policy in the Company for 10 months of 2022, the following measures were taken to improve the anti-corruption culture:

- when new employees are employed in the Company's staff, the opportunity for them to familiarize themselves with the rules of labor regulations and internal regulatory documents on combating and preventing fraud and corruption is automated;

- Internal training was conducted in the form of a seminar on the topic "Fraud schemes in the company and measures to prevent them", intended for the Company's employees.

23 employees took part in the training.

Based on its results, testing was conducted, in which 21 employees took part. Of these: 7 employees showed a result of "good" and 14 employees - "excellent".

On October 28, 2022, internal training was conducted in the form of a seminar on the topic "Implementation of the company's anti-corruption policy", in which about 86 employees took part.

In order to improve professional qualifications, the Head of the Compliance Service in September 2022 accepted training in a conference and seminar organized in Astana by Kompra LLP and the Association of Compliance and Business Ethics on the topic "Compliance and Security" for organizations of the quasi-public and financial sectors.

Confirmed cases of corruption and actions taken

For 10 months of 2022, there were no confirmed cases of official abuse and corruption among employees and officials in the Company's activities.

Law enforcement and other state bodies have not filed claims against the Company related to non-compliance with the requirements of anti-corruption legislation.

The Sole Shareholder, the management body, the Company's officials, the Compliance Service, have not received any appeals orally, in writing, by sending messages to electronic mail addresses or through the Channels of the Senim Hotline of Trust.

There were no cases of publications about illegal actions of officials or employees of the Company.

Judicial acts confirming the facts of corruption offenses in the activities of the Company, its officials or employees, were not issued for 10 months of 2022.

Pre-trial investigation against officials and employees of the Company on corruption offenses for 10 months of 2022 was not conducted due to the absence of such facts.

Social dimension

The result of production activities depends on qualified and motivated personnel. The professionalism of the employees of the structural divisions contributes to the implementation of the Company's goals to achieve high results in the industry. The company is interested in attracting and retaining qualified specialists, as well as in ensuring their well-being. The Company offers its employees a decent level of wages and an attractive social package, assists in training and advanced training of personnel, supports the rights and freedoms of employees. Considerable attention is paid to ensuring the effectiveness of personnel policy, the Company implements measures aimed at reducing staff

turnover, and also provides equal opportunities for its employees in career development, remuneration and passing training programs.

In the field of human rights

The Company recognizes, respects and strictly observes human rights, is guided in its activities by the Labor and Civil Codes of the Republic of Kazakhstan, the Constitution of the Republic of Kazakhstan, as well as other legislative and regulatory acts aimed at compliance with international standards of freedoms and human rights.

The Company has approved a Code of Business Ethics, which regulates that relations between all employees of the Company are based on equality. The provisions of this Code apply to management and all employees who undertake to be guided by them in their work with colleagues, customers, business partners and society as a whole.

The company is guided by the principles of the Labor Code of the Republic of Kazakhstan, according to which no one can be subjected to any discrimination in the exercise of labor rights on the grounds of origin, social, official and property status, sex, race, nationality, language, attitude to religion, beliefs, place of residence, age or physical disabilities, as well as membership in public associations.

All questions about possible violations of the labor rights of employees can always be sent to the Company's Ombudsman, both orally and in writing. For a long period, the Company has not recorded a single case related to discrimination and non-observance of human rights.

Cadre

In the period from January to September 2022, years and the list number of employees of the Company amounted to 94 people.

Staff turnover for 9 months = 24%, of which 6% - dismissed under the age of 30, 17% - aged 31 to 50 years, when divided by sex 6% - dismissed female, 17% - male.

Men accounted for 55% of all employees of the Company, while women accounted for 45%.

The age structure in the reporting period prevailed in the age category from 30 to 50 years.

Personnel training and development

The implementation of most of the Company's tasks largely depends on the level of professionalism and work of employees. The Company pays great attention to the development of human capital and invests considerable efforts in

order to provide its employees with a wide range of opportunities for self-development, training. Training and development of the Company's employees is fixed as a priority direction of the social sphere of the Sustainable Development Policy. Employees have access to various educational programs. For this, it is planned to conduct trainings, trainings and courses on different themes. For employees of the Company, in coordination with the management, it is possible to choose appropriate courses and trainings. For new employees, adaptation trainings are conducted, consisting of basic and basic knowledge (anti-corruption and compliance with business ethics, on occupational safety and health issues). Training materials have high-quality development and favorable visual perception. In the period from January to September 2022 21 training events were held during the year, with the exception of language courses and corporate training: team building.

The Company conducted training on the implementation of the principles of sustainable development in the Company's activities, followed by testing for the degree of understanding by the Company's employees of the materiality of the norms of sustainable development. The effectiveness based on the results of computer testing is 100%, all employees of the Company have a positive integrated view of sustainable development, how the Company is applies the principles of sustainable development to their own business processes, as well as what contribution each employee can make to the achievement of sustainable development goals.

Staff well-being

Staff motivation, both financial and non-financial, is an important element in encouraging the performance of the Company's employees. The company's staff has competitive salaries and an extended social package. The company provides equal opportunities for men and women. When hiring and promoting employees, first of all, their professionalism, leadership qualities, result orientation and ability to work in a team are evaluated.

The Company has a transparent, fair and uniform remuneration system for all categories of employees. In addition, the grading system and performance evaluation makes it possible to objectively assess the effectiveness of personnel. Remuneration policy is based on the recognition of the professional qualities and abilities of employees, their performance and the achievement of key performance indicators. There is no division of the basic salary of men and women in the breakdown by categories of workers. Salaries are set depending on the qualifications, knowledge and professional level of employees. There is health insurance for employees and their families. The Company's personnel reserve consists of employees trained for managerial work in modern conditions.

The Company conducts periodic performance evaluations for all employees, broken down by category of job titles, and not by gender.

To motivate and strengthen the sports spirit of employees, sports events and active "team building" are held. To hold such events, a football club was organized for the Company's employees.

For the first time, a chess tournament was held online among the Company's employees, organized jointly with the Kazakhstan Chess Federation. Employees took an active part in the event, and at the end of the tournament, the employees were presented with memorable gifts.

Despite the restrictive measures, the Company conducted creative "team building".

Studies of the level of involvement and satisfaction are conducted annually.

Personnel safety

Occupational safety, safety and health are at the heart of the Company's activities. Safety and health of employees have always been key priorities for the Company. Fire safety training and exercises are held on a regular basis.

In the field of labor relations

With regard to labor rights, the Company complies with all established working hours, creates conditions for training and career development, and ensures equal remuneration for employees.

The Company has a systematic approach to strengthening corporate culture, preventing and regulating labor conflicts, establishing rules of conduct and staff loyalty.

The main resource of the Company is a team of professionals. The company creates and maintains an atmosphere in which each employee can maximize his opportunities, feel like an integral part of the common cause.

The Company employs specialists of different ages, about half of our employees belong to the age category of 25-40 years. All employees of the Company have higher education.

The company provides equal opportunities for men and women. When hiring and promoting employees, first of all, their professionalism, leadership qualities, result orientation and ability to work in a team are evaluated.

The company respects the rights of its employees in the field of labor, is guided by the principles of the Labor Code of the Republic of Kazakhstan, according to which discrimination in the field of labor, on sexual, national, religious and other grounds, forced labor and the worst forms of child labor is not allowed.

The Code of Business Ethics regulates the ethics of relations between employees and managers of the company.

Officials of the Company are responsible for creating a system for preventing, identifying and resolving situations related to violations of the requirements of business ethics and rules of conduct.

The company in its activities not only follows the requirements of labor protection, the environment and industrial safety, but also strives to create for its employees the most comfortable working conditions, physical activity and medical support.

The Company complies with the minimum wage standards. In accordance with the Code of Business Ethics of KazakhExport ESC JSC, the Company provides favorable working conditions to its employees, providing a decent level of wages, social support, motivation, and opportunities for professional growth.

The Company's remuneration policy is based on the recognition of the professional qualities and abilities of employees, the results of their work and the achievement of key performance indicators and on the proposal of a social package for motivation purposes in accordance with the Company's internal documents.

The Company conducts an open and transparent selection of candidates for vacant positions on a competitive basis. The recruitment system is based on equal treatment of candidates in employment and the prohibition of restrictions on the rights of candidates. The selection of personnel is based on the assessment of the professional and personal competencies of the candidate.

Social activity

The company declares itself as a socially responsible company, and actively participated in the action "Donor Day". Participation in such a voluntary donation campaign is a new direction of activity within the framework of corporate social responsibility of the Company's employees.

In addition, the Company's employees took part in the charity event "The Road to School". The purpose of this action was to help children from low-income and large families.

School bags with all the necessary stationery for studying were purchased.

This action has already become a good tradition, every year the event finds more and more support among employees.

Supply Chain

The company annually purchases a significant amount of goods, works and services and interacts with a large number of suppliers from different sectors of the economy.

In order to improve and improve the quality of procurement procedures, the Company has introduced modern electronic procurement tools. In particular, the

Company continues to use the mitwork e-procurement platform. kz, where any potential supplier can register and submit relevant applications.

In order to comply with generally accepted procurement principles, including the optimal and efficient spending of money used for procurement, as well as the openness and transparency of the procurement process, the Company strives to increase the competitive mass of potential suppliers and competition among them.

The company has implemented an electronic procurement system, which significantly reflects transparency in relations with suppliers. In addition, the document, when concluding a transaction, provides for compliance by the parties with the principles of sustainable development of the Company and environmental responsibility.

In the field of environmental protection

The Company's activities are not production, therefore, do not have a significant negative impact on the environment. The main resources consumed are electricity, thermal energy and water.

However, the Company is aware of the importance and necessity of continuous improvement of processes and the use of new technologies that can significantly reduce the burden on ecosystems, achieve comfortable production and social conditions for employees.

For the first time, a new position of the responsible employee for the implementation of the sustainable development system in the Company's activities appeared which indicates the Company's commitment to the principles of sustainable development.

The Company's activities are carried out in accordance with the requirements of legislative and other mandatory requirements of labor protection, fire safety and environmental protection.

The company introduces modern environmentally friendly and energy-efficient technologies, inspires employees to take care of the environment, completely switched to electronic document management, thereby reducing the consumption of office paper and increasing mobility in the process of work.

The introduction of digital technologies is an important tool for improving the efficiency of corporate governance and achieving the Company's strategic goals. Currently, a number of projects on the introduction of digital technologies are being actively implemented. The strict quarantine made it possible to make sure of the full-scale organization of remote work of the Company's employees in the face of restrictions on the spread of coronavirus infection. By the end of 2022, it is planned to automate all business processes used by the Company and transfer many client operations to paperless partial maintenance.

Currently, the Company has provided financial support to projects that have a completely environmental impact, as well as projects that have a socio-economic effect, in terms of creating additional jobs.

Tverden has the "Green Office" concept, which involves increasing the environmental responsibility of the Company's employees, increasing the efficiency and productivity of their work, and increasing their image in the eyes of the public.

It should be noted that the Company does not have a significant negative impact on the environment.