

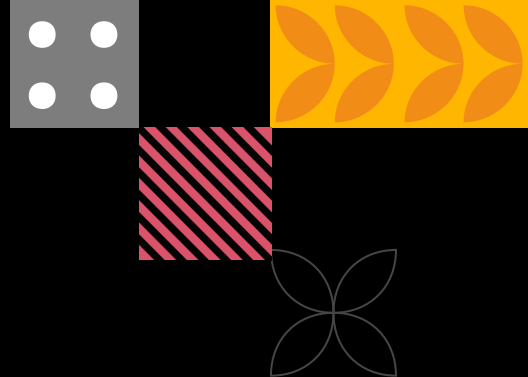


Third edition
(based on the
reports of 2021)

December 2022



Top 50 ESG Disclosure Companies





Natalya Lim,
Partner,
Eurasia Advisory Leader

Introduction

Today's world is faced with existential threats that require immediate solutions, including issues of climate change, famine, water scarcity, poverty and inequality. These are issues that have remained unresolved and continue to worsen with each passing year. They are real issues and impact countries and economies, putting into question the very survival of humanity. **But, it is impossible to solve these problems acting alone. They require a global and collective approach.**

Crucially, we need to learn how to think and live beyond today and look decades ahead in order to understand how our actions can affect the lives of future generations. This change in approach is needed now so that we all make the right decisions. Most of us are not used to this. For generations, people have focused on short-term results, driven primarily by profitability. **It will be extremely difficult to take the necessary steps in order to mitigate risks, but we have a responsibility to try.**

The private sector plays a crucial role in meeting these global challenges. Without the sustainable transition of corporations, we will not be able to adequately address environmental, social and economic problems. However there **organizations around the world, including in Kazakhstan, which are ready to take on responsibility and change.**

Our Rating assesses the quality of ESG information disclosure. An ESG report is a tool to facilitate a company's relationship with a wide range of stakeholders, including shareholders, investors, regulators, employees, customers and other representatives of society. Through its reporting, a company is able to show its priorities and values, declare its intentions and show its work in integrating ESG principles into its activities. It is a powerful tool that can help coordinate all our efforts and, ultimately, create conditions for long-term sustainable development.

While preparing our ESG Disclosure Rating and coordinating with its participants, we observe that the quality of reporting tends to correlate with level of ESG development of the business. If a company is committed to sustainable development, then its ESG report will contain a description of their sustainability management system and its ESG strategy. This report will reflect in its business strategy, detailed disclosure and the status of sustainable implementation. To reach this quality of reporting, the company must have a good understanding of the ESG agenda, and work intensively to transform its business model.

As part of our research, we not only consider reporting, but also a company's sustainable development as a whole. We hope **that our research will help all interested parties to discover important information for their sustainable development and decision making.**



Table of contents



Our evaluation approach	04	5. Reporting practices	38
Summary	05	6. Addendum 1: Definition of materiality	44
Key figures	08	7. Addendum 2: Reporting Standards	52
1. ESG strategy	10	TOP-50 of ESG Information Disclosure Rating	57
2. [E]nvironment	19	Key Takeaways	60
3. [S]ocial	25	Report evaluation methodology and criteria	61
4. [G]overnance	32	Contacts	70



Our evaluation approach

What we evaluated

In compiling this ESG Disclosure Rating (the “Rating”), we reviewed the companies’ annual reports and sustainability reports (including integrated reports, ESG reports, and social reports), referred to as the “Reports.” We evaluate the completeness, quality and availability of ESG information. We assessed how easy we think it would be for stakeholders to find the necessary ESG data.

When compiling the current Rating, we evaluated the Reports prepared by companies based on the results of their activities for **2021**. The total sample included **98 companies** operating in Kazakhstan. The sample included companies that submitted official applications for participation in the Rating, as well as Reports from the year 2021, which we found in the public domain. Based on the results of the evaluation, **a list of the top 50 companies based on the level of ESG disclosure** was prepared (p. 58)

When compiling the Rating, we evaluated only the existence of information, and not its reliability or accuracy. However, if we had a concern that the company's report is misleading to readers and the information presented in the report does not correlate with established facts and company's statements, we reserve the right to downgrade the company's report by assigning it a penalty score(s) from -1 to -3, or completely exclude the report from the list.

How we evaluated

Our ESG disclosure evaluation methodology includes 76 criteria. Each criterion is scored on a scale from 1 to 10, where 10 means the leading disclosure quality. The final rating functional is calculated as a weighted average of ratings by criteria. Depending on the score obtained, the company is assigned the correlated Rating value.

The evaluation criteria are divided into four main disclosure pieces (hereinafter referred to as the “**Analysis of the Four**”):

- sustainable development management,
- social policies,
- environmental impacts,
- corporate governance.

Additional scores were awarded for clarity, relevance and quality of information presented.

Further, we checked only the availability of information, but not its reliability or accuracy.

When compiling the Ranking, we place greater focus on the independence of the panel of experts conducting the evaluation and quality management (see page 65 for more details).

A more detailed evaluation methodology can be found on page 61.

Summary (1/3)

Development of reporting

This year, the average score of the TOP-50 company reports was 5.5 points on a 10-point scale (the average score for last year was 5.1 points). Further, the average rating for the TOP-10 companies were 7.4 points, which is significantly higher than the average last year which was 6.7.

The average score for the 98 companies on the list that were evaluated this year was 4.1 points (3.9 points last year).

In the absence of incentives from the regulatory environment, many Kazakhstani companies are reluctant to develop an ESG reporting practice. Despite this, there are a number of companies that continue to develop a reporting practice on a voluntary basis. They improve their practices and set the standard for others to follow, raising the overall standard.

As part of this Rating, only the quality of the disclosure of information was assessed. However, we see a strong correlation between the quality of reports with the state of ESG development in a company. One of the most difficult disclosures is the issues of sustainable development management (which includes ESG policies, strategies, SDGs, etc.)

This year, companies demonstrated good progress in disclosing social matters (primarily in employee management) and are building on this to begin to address more complex topics.

The quality of disclosure of environmental topics remain at the same level as previous years. Many companies have come to the threshold of their sustainable development where further improvement will require significant changes and investments.

Kazakhstani companies tend to follow international standards when disclosing information and more often discuss the UN Sustainable Development Goals.

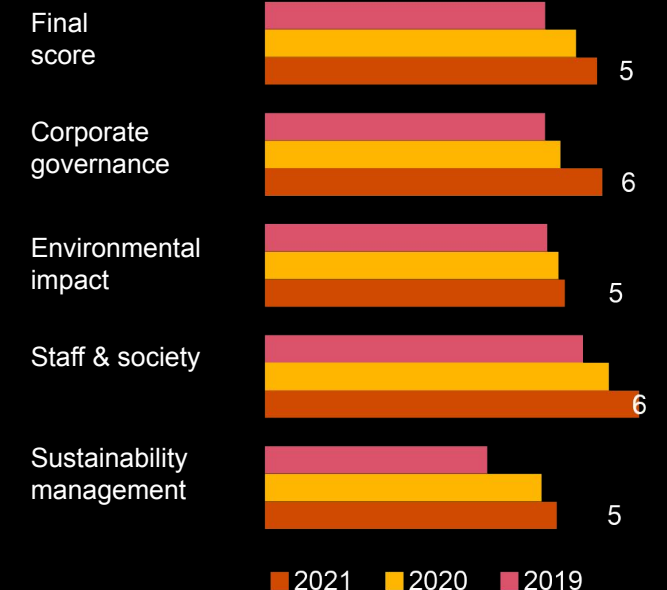
We also saw a trend towards greater integration, where the sustainability report is not published separately but is combined within the annual report. This greatly contributes to a deeper integration of the ESG agenda into the company strategy.

Currently, information on climate change, diversity and inclusion, and human rights are rarely disclosed.



Sustainability management remain among the most challenging for companies

Scores for the section of the report of this year for the TOP-50 companies



Summary (2/3)

Rating Leaders

Seven of the Top 10 companies on the list were also on the top of the list last year - these are companies that consistently provide good reports. Among the Top 10, there are many state-owned companies, exemplifying the state-level interest and support of sustainable development. Specifically, we would like to highlight the performance of the **financial sector** (namely KazAgroFinance and Halyk Bank of Kazakhstan, which remain the leaders of the financial industry in terms of ESG reporting disclosures) and the **mining industry** (Kazatomprom, Altynalmas and Inkai JV - as some of the industry leaders). In addition, four representatives of the **energy sector** are among the leaders of the rating.

These 10 companies, in our opinion, represent the leading ESG reporting practices in Kazakhstan. The reports are all prepared to a high standard of quality, and at a higher level than the average ESG reporting practices in Kazakhstan. All these reports use international standards (usually GRI) and show fairly rigorous adherence to them.

In some respects, the top-ranking companies are comparable to the global leaders in ESG reporting disclosures. However, even the leaders of the Rating still have potential for continued development and improvement.

Rating 2021	Rating 2020	Company	Rating
1	2	NAC Kazatomprom	A
2	1	NC KazMunayGas	B+
3	3	KazTransOil	B+
4	5	Kazakhtelecom	B+
5	11	KazAgroFinance	B+
6	30	Altynalmas JSC	B+
7	7	Samruk-Energy	B+
8	-	Joint venture Inkai	B
9	12	Karachaganak Petroleum Operating B.V.	B
10	8	Halyk Bank of Kazakhstan	B

Summary (3/3)

Second ten

It is worth paying attention to the next ten companies in the 2021 Report Rating. These companies did not make the top list of of the Rating based on their final score, however their ESG disclosure is of a very high quality and is comparable to the leading international practices. These are also the main contenders to enter the Top 10 next year.

Five of companies in this list are companies from the energy sector. The energy industry is at the forefront of the climate transformation. It is under strong influence from stakeholders not only to improve reporting but its sustainable development in terms of the ESG agenda.

As can be seen from the table, the positions of companies on the leader board can change significantly from year to year. We see that those companies that maintained their level of reporting without improvement lost their leading positions to those who continued to improve their ESG disclosure practices.

Rating 2021	Rating 2020	Company	Rating
11	6	NMH Baiterek	B
12	4	KEGOC	B
13	13	Kazakhstan Housing Company	B
14	16	NOSTRUM OIL & GAS PLC	B
15	9	CAEP (Central-Asian Electric Power Corporation)	B
16	17	NC Kazakhstan Temir Zholy	B
17	21	NMC Tau-Ken Samruk	C
18	36	Kazakhstan Utility Systems	C
19	15	SevKazEnergo	C
20	42	Kazyna Capital Management	C

Key figures (1/2)



98 | (96 in 2020)

companies have prepared annual reports and/or sustainability reports fin 2021

Page 4

7.4 | (6,7 in 2020)

is the average rating of the top 10 reports on a 10-point scale

Page 6

34 | (30 in 2020)

companies declared their adherence to the GRI Standards in the disclosure of non-financial information

Page 40

29 | (23 in 2020)

companies stated in their Reports their support for the UN Sustainable Development Goals

Page 13

Key figures (2/2)



Out of the TOP 50 companies:

70%

(52% in 2020)

identified ESG material topics for the company

Page 12

52%

(40% in 2020)

indicated strategic directions of work in the field of sustainable development

Page 12

60%

(42% in 2020)

revealed the personnel structure for each category of employees

Page 27

18%

(20% in 2020)

indicated climate risks in the Reports

Page 21

66%

(54% in 2020)

disclosed greenhouse gas emissions in the first category

Page 21

1 ESG Strategy



Approach to disclosure



What are the company's ambitions? What commitments is it willing to make?

What voluntary sustainability commitments is your organization willing to make? What actions is your company making to protect ecosystems and to fight climate change? How actively do you ensure an inclusive environment in the workplace? How do you provide support to local communities in areas of operation?

The commitment statement is a key message a company will make during communication with stakeholders, both within the report and beyond. Within the commitment statements, the set goals should be ambitious enough to show that the organization is ready to make real efforts to foster actual changes. Stakeholders have seen enough companies with small goals and ambitions, and the subsequent minimal real impact that it generated.

Quality ESG goals and objectives, in addition to ambition, should consider their **verifiability**. Goals can be formulated in both quantitative and qualitative terms, but they should always be clearly measurable against an established standard. Goals that are generically phrased like “promote society’s development” are unverifiable - they create the feeling that the company is trying to avoid answering the question and can potentially provoke a negative reaction from stakeholders. On the contrary, a goal phrased like “to provide higher education to 5,000 young people in 5 years,” says that the company is focused on results.

Since these goals require long-term action, they often have key indicators linked to them that help track progress year after year and can be published in the report. This is important information for the reporting user, showing that the company is really moving in the right direction. Even if the KPI for the reporting year is not fulfilled, it can still serve as an indicator of the efforts being made.

Clear ESG goals and progress indicators are not only important for stakeholders. This is also an **opportunity** for the company’s management to clearly see the **results of their actions**. We often notice a set of uncoordinated environmental, social and governance initiatives in Kazakhstani companies that, despite the resources and efforts spent on them, do not lead to clear achievements. Managers need to ask, what issues is the company solving? In what ways did their initiatives contribute to its solution?

When a company has clear KPIs, with specific verifiable goals, such that the result of their initiative can be clearly measured against set standards. Based on the results, management can also decide which initiatives to focus on and will understand which ones are achieving the concrete results.

This is exactly the case for encouraging a reporting practice, since it directly contributes to sustainable development of the company and its **ESG practice**.

Current practice (1/2)



Results of the analysis of Kazakhstani Reports (TOP-50 Rating)

Strategy

The first step in successfully building an ESG strategy is a materiality analysis. During this stage it's necessary to determine which of the many aspects of sustainable development are the most important for the organization. This step is critical, since the identified material topics will form the basis of both the company's strategy and report. In the Top 50 Reports this year, 72% of companies described how they approached the **choice of material topics**. Last year, this indicator was only 52%. This shows a noticeable general shift in the development of sustainable development practices - companies have taken these first steps towards an ESG strategy.

Although the issue of goal setting in sustainable development is still challenging for Kazakhstani companies, progress is also visible here. **ESG goals** in qualitative formulations (i.e., approaches in the field of ESG) were indicated in the Reports by more than half of the companies (40% in the previous Rating). But less than one-fifth of the Reports also cited quantitative goals.

Further, as part of corporate communication, it is important for a company to show how they create value for their stakeholders. Does the company hear and take interest in their stakeholders?

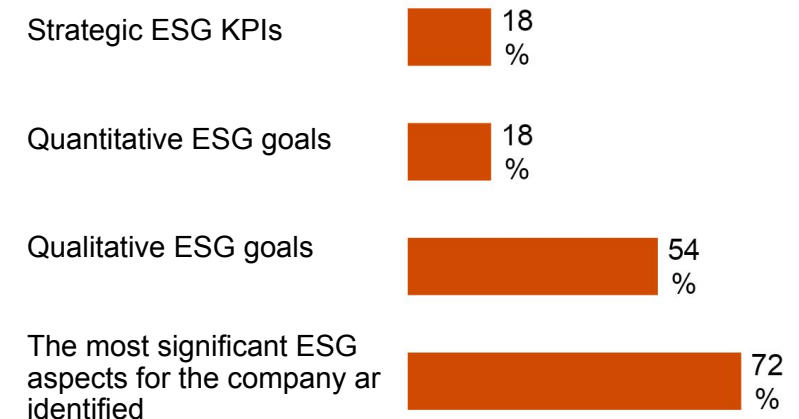
In the Top 50 Reports, 54% of organizations mentioned other stakeholders, besides the holders, as part of their **mission**. 34% of companies, describing the **business model**, showed how it created value for various stakeholders (more often owners, employees, the state, and society).

A separate section of the report is dedicated to a company's interaction with its stakeholders - feedback from them provides the company with information both for disclosure and for strategy building. In the Top 50 Reports, 76% describe the **process of interaction with stakeholders** and what are the interests of stakeholders. The Reporting leaders go further and discuss the value added to each of their stakeholder groups.

76% disclosed information about stakeholder engagement processes

Further, 18% described steps and initiatives taken in the interests of stakeholders

How do TOP-50 companies disclose their ESG strategy?

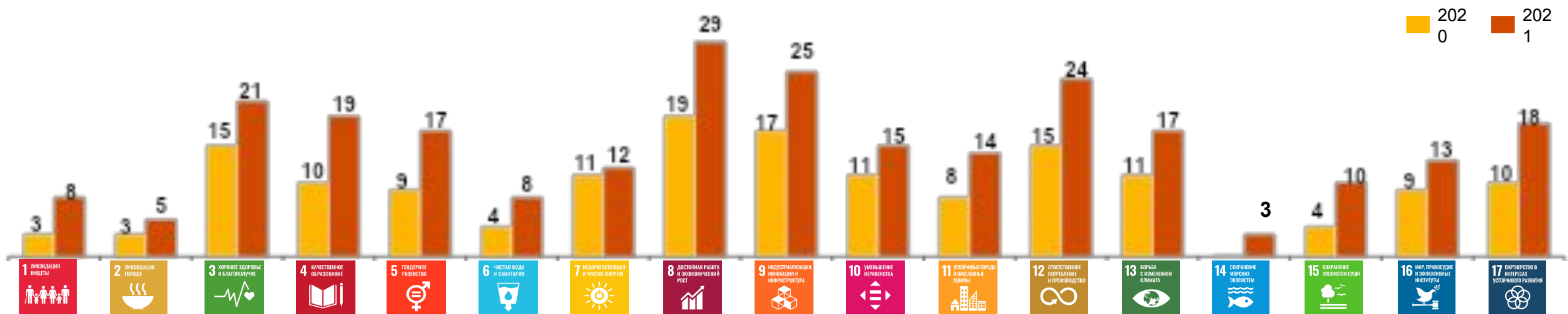


Current practice (2/2)



Results of the analysis of Kazakhstani Reports (TOP-50 Rating)

Number of companies that made a reference to a specific UN Sustainable Development Goal



Sustainable Development Goals

In the Top 50 Reports for 2021, more than half of the companies shared their commitment to the UN Sustainable Development Goals and their willingness to participate in solving the most pressing challenges as part of their operating activities. This is an important aspect of the developed ESG strategy - its alignment with global initiatives and programs. It's important for a company to identify which of the 17 Goals best aligns with their operations. In the Top 50 half of the companies conducted this materiality analysis. The leaders of our Rating also described how their companies work in the reporting year contributed to the identified SDGs, showing a practical approach to contributing to the Goals.

56% of companies declared support for the UN SDGs (46% in Reports for 2020)

50% showcased a list of SDG Goals relevant to their company and 10% also provided a list of relevant indicators for each Goal (36% and 4%).

24% described initiatives aimed at achieving specific goals (20%).



What to focus on in the next report

Context of sustainable development

To achieve goals of sustainable development they require coordinated and collective efforts at the global level. Therefore, it is important that the ESG strategy of the organization and the activities carried out be consistent with the international agenda.

Accordingly the reports should show the connection of the companies ESG strategy to the UN Sustainable Development Goals or the Global Compact. Companies should make sure that in their key message they pay attention to the spotlight issues - climate change, inclusiveness, human rights, etc. It is necessary to show the commitment of the company and how these global issues are taken into account in their ESG strategy.

The materiality analysis goes through four stages: understanding the global context, regional context, industry context, and then company level context.

Focus on results

The focus on description of individual sustainability initiatives is losing its importance within ESG reporting. Some companies showcase themselves in a better light than they actually are. They talk about initiatives that are not significant (for example, minor initiatives such as planting trees and not significant initiatives such as the quality of wastewater), or about initiatives that have only a small effect (for example, the bank talks about reducing electricity consumption, instead of discussing the carbon footprint of the portfolio).

Therefore, in the analysis of reports, it's important to focus on the results being achieved. What is the effect of the activities carried out? How was the specific problem solved or what is the progress in solving it? It is important for a company to understand its impact on society and the environment and show how it is changing for the better.

The organization's commitments

To what extent is the company focused on achieving concrete results in the area of sustainable development? What commitments is it willing to make? And how is it going to fulfil them? These are important questions to answer in a public communication with stakeholders.

From this perspective, verifiable ambitious mid- and long-term ESG goals become especially sought-after information, and their presence largely determines the quality of the report.

But it is also worth indicating what resources the company allocates and is ready to allocate to fulfil its ESG commitments, including financial resources and investments, people and their time and efforts of business units, etc. This information will help show the relevance of the created activities and the willingness to invest in the ESG transformation.

Examples of disclosures (KZ)



Eurasian Resources Group: in its 2021 sustainability report, it showed how the company creates value for their stakeholders as part of its business model

Создание ценности для широкого круга стейкхолдеров

Интегрированное производство



Ресурсы

ФИНАНСОВЫЙ КАПИТАЛ

Мы стремимся эффективно использовать финансовые ресурсы, полученные из внешних источников финансирования или в результате нашей производственной и инвестиционной деятельности.

ПРИРОДНЫЙ КАПИТАЛ

Ответственное обращение с природными ресурсами в процессе нашей деятельности является крайне важным компонентом нашей производственной и инвестиционной деятельности.

ПРОИЗВОДСТВЕННЫЙ КАПИТАЛ

Значительные инвестиции в приобретение, развитие и поддержание активов, технологий и инфраструктуры позволяют нам создавать ценность в долгосрочной перспективе.

СОЦИАЛЬНЫЙ КАПИТАЛ

Мы стремимся выстраивать и сохранять устойчивые взаимоотношения со всеми нашими стейкхолдерами, основанные на взаимном уважении, прозрачности и доверии.

ЧЕЛОВЕЧЕСКИЙ КАПИТАЛ

В создании ценности мы зависим от компетентности, благополучия и мотивации наших сотрудников, партнеров и поставщиков услуг.

ИНТЕЛЛЕКТУАЛЬНЫЙ КАПИТАЛ

Мы стремимся выстраивать и сохранять устойчивые взаимоотношения со всеми нашими стейкхолдерами, основанные на взаимном уважении, прозрачности и доверии.

Наша продукция и сферы ее использования...

МЕТАЛЛЫ БУДУЩЕГО/ЗЕЛЕНАЯ ЭНЕРГЕТИКА



ДРУГИЕ МЕТАЛЛЫ/ВИДЫ ПРОДУКЦИИ



...и результаты нашей деятельности

0,93 LTPIA

67 901
Численность персонала

25,1 МЛН ТОНН CO₂e
Высоки парниковых газов

2 069 МЛН М³
Потребление воды

\$4 210 МЛН
Базовый показатель EBITDA

\$8 530 МЛН
Выручка

Распределение экономической стоимости...

ОБЩЕСТВО
\$6 240 МЛН¹
Распределенная экономическая стоимость

ГОСУДАРСТВА
\$1 426 МЛН
Расходы на уплату налогов

СОТРУДНИКИ
\$956 МЛН
Заработная плата и льготы, выплачиваемые сотрудникам

МЕСТНЫЕ СООБЩЕСТВА
\$65 МЛН
Социальные инвестиции

ДЕЛОВОЕ ПАРТНЕРСТВО
\$2 412 МЛН
Платежи поставщикам

АКЦИОНЕРЫ И КРЕДИТОРЫ
\$677 МЛН
Платежи акционерам и кредиторам

...и создание долгосрочного воздействия

Содействие переходу на новые источники энергии

Содействие развитию на местном, региональном и национальном уровне в Казахстане

Содействие модернизации промышленного производства в Казахстане

Формирование ответственных цепочек поставок кобальта

Улучшение социально-экономических условий в ДРК

Содействие развитию экономики Бразилии

Ценности подробнее на стр. 102	Стратегия подробнее на стр. 8	Корпоративное управление подробнее на стр. 10	Внешняя среда подробнее на стр. 12	Стейкхолдеры подробнее на стр. 112	Риски подробнее на стр. 98	Существенные вопросы подробнее на стр. 14
-----------------------------------	----------------------------------	--	---------------------------------------	---------------------------------------	-------------------------------	--

KazAgroFinance: in its 2021 annual report, it not only discussed the methods used to engage stakeholders, but showed stakeholder's perspectives and how these are being integrated into the company

Компания определила внутренние и внешние заинтересованные стороны и провела анализ их требований и ожиданий.

Заинтересованные стороны	Требования и ожидания	Как мы взаимодействуем?	Что мы делаем?
Потребители (заемщики), клиенты – ключевой стейкхолдер Компании. KazAgroFinance заинтересован в расширении клиентской базы и повышении качества оказываемых услуг.	Увеличение перечня предлагаемой техники. Упрощение процедур по получению услуг Компании. Снижение процентной ставки. Сокращение сроков рассмотрения. Повышение со стороны Компании качества обслуживания. Получение финансовых консультационных услуг по формированию пакета документов. Совершенствование ведения и пополнение официального сайта Компании необходимой для потребителей информацией. Повышение доступности информации об услугах, предложениях, акциях.	Наличие структурного подразделения по работе с клиентами. Усовершенствование бизнес-процессов и их автоматизация. Наличие обратной связи на корпоративном сайте.	Повышение доступности услуг и удовлетворенности клиентов является важным стратегическим направлением развития Компании. Мы продолжаем работать над совершенствованием продуктовой линейки, чтобы создать максимально эффективные инструменты. Кроме того, постоянно идет работа по развитию бизнес-процессов, благодаря чему в минувшем году удалось сократить срок рассмотрения заявок и пакет необходимых документов. На корпоративном сайте введена функция обратного звонка.
Поставщики. Построение партнерских отношений – одна из основных задач эффективного взаимодействия.	Заключение и сохранение долгосрочных партнерских отношений. Увеличение объемов приобретаемой техники и оборудования. Полное и своевременное получение оплаты товаров и услуг согласно оговоренным условиям. Точное описание марки, модели запрашиваемого предмета лизинга и его спецификации.	Формирование взаимовыгодного партнерства путем заключения договоров и выполнения договорных обязательств. Наличие системы проведения закупок. Участие в форуме, выставках. Осуществление совместных проектов.	Требования Компании к поставщикам предмета лизинга являются едиными для всех и размещены на сайте Компании, что упрощает для поставщиков процесс взаимодействия с Компанией. Процедура приобретения Компанией предмета лизинга осуществляется согласно утвержденным внутренним документам. Для удобства поиска клиентами нужных поставщиков на корпоративном сайте Компании www.kazafz опубликована база поставщиков сельскохозяйственной техники, оборудования и КРС, с которыми Компа-
Кредиторы Инвесторы. Компания заинтересована в спонсировании, обеспечивает исполнение принятых обязательств.	Безопасность капиталовложения, платежеспособность и доходность Компании с последующим получением прибыли. Соблюдение и своевременное исполнение принятых на себя обязательств.	Наличие структурного подразделения, осуществляющего работу по привлечению инвесторов. Участие в двусторонних, трехсторонних деловых переговорах. Подписание договоров, меморандумов.	Департамент заимствования Компании осуществляет работу по привлечению инвесторов. Компания придерживается политики диверсификации источников финансирования и инвесторской базы и имеет широкую базу инвесторов, с которыми сотрудничает на протяжении многих лет. Эффективное управление капиталом и активами позволяет Компании поддерживать высокий уровень финансовой устойчивости, что подтверждается оценками рейтинговых агентств.
Государственные органы и регуляторы – стратегически важные институты страны. Компания ответственно исполняет требования законодательства.	Осуществление Компанией своей деятельности в соответствии с законодательством, выполнение требований и нормативов. Своевременные платежи и бюджет. Исполнение предписаний по итогам проведенных проверок.	Соблюдение требований законодательства. Наличие ответственного структурного подразделения, осуществляющего взаимодействие с контролирующими органами. Своевременное рассмотрение и исполнение предписаний.	Система внутреннего контроля обеспечивает эффективный надзор за финансово-хозяйственной деятельностью и направлена на достижение Компанией своих целей и минимизацию рисков при осуществлении деятельности. Система менеджмента в Компании обеспечивает нерушимость соблюдения законодательства.

Examples of disclosures (KZ)

Kazakhtelecom, in the integrated annual report for 2021, it showcased strategic directions for sustainable development, as well as clear goals and KPIs

NC KazMunayGas described ongoing projects for each priority UN Sustainable Development Goal, with a focus on achieved or expected results

4. Отчет об устойчивом развитии

Стратегические направления АО «Казакhtelecom» в области устойчивого развития:

- внедрение инновационных информационно-коммуникационных технологий и повышение качества предоставляемых услуг в целях улучшения жизни людей;
- стабильный экономический рост;
- сокращение воздействия на окружающую среду;
- создание привлекательных условий работы и обеспечение безопасности сотрудников.

Стратегия устойчивого развития отражает намерение АО «Казакhtelecom» внести наибольший вклад в тех сферах охраны окружающей среды, в которых Компания имеет больше влияния и возможностей воздействия.

Стратегические цели в области ESG

Экология

Одним из главных ресурсов, который потребляет АО «Казакhtelecom», является электроэнергия. И именно в этой сфере Компания видит возможность внести наибольший вклад в борьбу с изменением климата.

Общество

АО «Казакhtelecom» является не только лидирующим провайдером связи в Казахстане, но и крупным работодателем, создающим рабочие места по всей стране. Компания осознает свое влияние как на уровень жизни работников, так и на жителей в регионах присутствия.

Компания стремится повышать благополучие своих работников. Для определения уровня социальной стабильности и реализуются мероприятия по его повышению. Стремимся способствовать качественному развитию, АО «Казакhtelecom» реализует проекты, способствующие улучшению качества жизни людей и снижению цифрового неравенства.

Корпоративное управление (Governance)

- права акционеров
- лучшие практики корпоративного управления
- справедливое вознаграждение

В 2021 году был разработан и утвержден План мероприятий АО «Казакhtelecom» по получению ESG рейтинга на 2022-2023 годы. План включает в себя следующие мероприятия и инициативы по:

- раскрытию климатической информации в соответствии с ведущими мировыми Стандартами GRI, определяющими порядок раскрытия информации в области устойчивого развития;
- подготовке получения рейтинга ESG;
- осведомленности ответственных лиц Компании об основных направлениях дедарбионации и системы ESG.

Окружающая среда (Environment)

- снижение потребления природных ресурсов
- энергоэффективность

Общество (Society)

- обучение и развитие персонала
- рост уровня вовлеченности персонала
- обеспечение безопасности и охраны труда
- снижение цифрового неравенства

Корпоративное управление (Governance)

В 2021 году был разработан и утвержден План мероприятий АО «Казакhtelecom» по получению ESG рейтинга на 2022-2023 годы. План включает в себя следующие мероприятия и инициативы по:

- раскрытию климатической информации в соответствии с ведущими мировыми Стандартами GRI, определяющими порядок раскрытия информации в области устойчивого развития;
- подготовке получения рейтинга ESG;
- осведомленности ответственных лиц Компании об основных направлениях дедарбионации и системы ESG.

КПД:	Цель до 2030 г.:	В 2021 году:
«Снижение потребления энергетических и природных ресурсов»	Снижение потребления электроэнергии на 1-3 % в год	Потребление электроэнергии увеличилось на 11 %*
«Индекс социальной стабильности»	Поддержание на уровне 64-73 %	78 %
«Мульти-травматизм»	0 % несчастных случаев	0,025

* В 2021 году увеличилось общее потребление связи трансферами на 11 % по сравнению с 2020 годом в результате реализации проекта на ЦССТ-2, переводом абонентов в ядро, переводом абонентов на ядро трансферами на ядро трансферами, а также увеличением коллцентров на ЦССТ.

ЦЕЛИ УСТОЙЧИВОГО РАЗВИТИЯ	ПРИОРИТЕТНЫЕ ЗАДАЧИ	ВКЛАД КМГ
13. Изменение климата	13.2. Включить меры реагирования на изменение климата в политику и планирование на уровне	Низкоуглеродное развитие Создан Проектный офис по низкоуглеродному развитию.
9. Промышленность, инновации и инфраструктура	9.1. Развивать качественную, надежную, устойчивую и стойкую инфраструктуру, включая региональную и трансграничную инфраструктуру, в целях поддержки экономического развития и благосостояния людей, уделяя особое внимание обеспечению надежного и равноправного доступа для всех	Программа цифровой трансформации КМГ способствует
7. Недорогой и чистый энергетический	7.1. К 2030 году обеспечить всеобщий доступ к недорогой, надежной и современной энергетике	Основное стратегическое направление развития энергосбережения и энергоэффективности Группы - модернизация технологического оборудования, внедрение энергоэффективных технологий, оптимизация выработки и потребления тепловой энергии, а также развитие собственных источников генерации, в том числе с использованием ВЭС.
7. Недорогой и чистый энергетический	7.2. К 2030 году обеспечить всеобщий доступ к недорогой, надежной и современной энергетике	Утверждена Программа низкоуглеродного развития до 2031 года.
7. Недорогой и чистый энергетический	7.3. Улучшить распространение и возможности и укреплений островов и островных сообществ на адаптации к ним предупреждения	Развитие проектов ВЭС: проекты ВЭС не только класса; проекты ВЭС для использования в коммунально-бытовом секторе; проекты ВЭС, встраиваемые в технологический цикл промышленности; логистка зеленой электроэнергии.
7. Недорогой и чистый энергетический	7.3. Улучшить распространение и возможности и укреплений островов и островных сообществ на адаптации к ним предупреждения	100%-ый охват ДЗО службами энергоснабжения; снижение энергопотребления на 10% от уровня 2019 года; 10% - доля ВЭС в балансе электропотребления КМГ.
7. Недорогой и чистый энергетический	7.3. Улучшить распространение и возможности и укреплений островов и островных сообществ на адаптации к ним предупреждения	Более подробная информация представлена в разделе «Программа энергопотребления».
8. Экономический рост	8.1. К 2030 году модернизировать инфраструктуру и переоборудовать промышленные предприятия, сделав их устойчивыми за счет повышения эффективности использования ресурсов и более широкого применения чистой и экологически безопасных технологий и промышленных процессов, с участием всех стран в соответствии с их индивидуальными возможностями.	Проект «Создание Многофункционального общего центра обслуживания Группы компаний АО «КазМунайГаз» нацелен на повышение производительности (снижение затрат, увеличение клиентской ценности, сроков, прозрачности, управляемости, анализа достоверных данных) в Группе компаний КМГ за счет выезда общих вспомогательных процессов из отдельных компаний Группы КМГ и перевода для выполнения в единый центр обслуживания.
8. Экономический рост	8.1. К 2030 году модернизировать инфраструктуру и переоборудовать промышленные предприятия, сделав их устойчивыми за счет повышения эффективности использования ресурсов и более широкого применения чистой и экологически безопасных технологий и промышленных процессов, с участием всех стран в соответствии с их индивидуальными возможностями.	Бизнес КМГ обязуется от рутинных и дублирующих функций, концентрируясь на основных процессах с высокой добавленной стоимостью.
8. Экономический рост	8.1. К 2030 году модернизировать инфраструктуру и переоборудовать промышленные предприятия, сделав их устойчивыми за счет повышения эффективности использования ресурсов и более широкого применения чистой и экологически безопасных технологий и промышленных процессов, с участием всех стран в соответствии с их индивидуальными возможностями.	2024 год: функции 26 компаний КМГ переведены в СЦО.
8. Экономический рост	8.1. К 2030 году модернизировать инфраструктуру и переоборудовать промышленные предприятия, сделав их устойчивыми за счет повышения эффективности использования ресурсов и более широкого применения чистой и экологически безопасных технологий и промышленных процессов, с участием всех стран в соответствии с их индивидуальными возможностями.	«Жас Оркени» В Группе компаний КМГ действует программа ротации молодых специалистов «Жас Оркени». Целью программы «Жас Оркени» является развитие талантов молодой казахстанки.
8. Экономический рост	8.1. К 2030 году модернизировать инфраструктуру и переоборудовать промышленные предприятия, сделав их устойчивыми за счет повышения эффективности использования ресурсов и более широкого применения чистой и экологически безопасных технологий и промышленных процессов, с участием всех стран в соответствии с их индивидуальными возможностями.	За период реализации программы ротации по программе «Жас Оркени» по Группе КМГ прошли 61 молодой специалист, 16 из которых трудоустроены по программе «Жас Оркени» в 18 молодых специалистов, в том числе действующих студентов, 3 выпускников программы трудоустроены.
8. Экономический рост	8.1. К 2030 году модернизировать инфраструктуру и переоборудовать промышленные предприятия, сделав их устойчивыми за счет повышения эффективности использования ресурсов и более широкого применения чистой и экологически безопасных технологий и промышленных процессов, с участием всех стран в соответствии с их индивидуальными возможностями.	Типовые правила оказания социальной поддержки Социальная поддержка работников ДЗО КМГ определяется в их коллективных договорах и правилах оказания социальной поддержки. В целях унификации видов и норм социальной поддержки по всем подразделениям Группы компаний КМГ приняты Типовые правила оказания социальной поддержки.

Examples of disclosures (International)

The KPI system helped **Stora Enso** track progress in its ESG strategy and demonstrated this in its annual report. The company also had clear goals for each indicator and was comfortable to discuss their failure to achieve certain targets

Stora Enso's sustainability targets and key performance indicators (KPIs)

Sustainability topic	Key performance indicator (KPI)	2021	2020	2019	Targets	Progress comment
Transformation						
Climate	Reduction of production units' fossil CO ₂ e emissions (scope 1 and 2)	-14%	-13%	Baseline year	-50% by the end of 2030 from a 2019 base-year	In progress – the emissions continued to decrease slightly, partly due to less fossil-intensive electricity purchased for sites in Finland.
	Reduction of fossil CO ₂ e emissions in supply chain, transportation and customer operations (scope 3) ¹	-2%	-11%	Baseline year	-50% by the end of 2030 from a 2019 base-year	In progress – the scope 3 emissions increased compared to 2020, partly due to recovered production.
Circularity	% of technically recyclable products ²	93%	n/a	n/a	100% by the end of 2030	In progress – strong baseline. Reporting started in 2021 covering Stora Enso's packaging, pulp, paper and solid wood products as well as biochemical by-products.
Biodiversity	% of the owned and leased lands in wood production and harvesting covered by forest certification schemes ³	99%	99%	99%	Maintain at least the coverage level of 96%	Achieved – certain purchased areas in Stora Enso's joint operations in Brazil and Uruguay were in the certification process but not yet certified by the end of 2021. During 2022, the reporting on biodiversity will be complemented with specific biodiversity indicators in a new online reporting tool.
Responsible business practices						
Environmental incidents	Number of significant non-compliance events ⁴	6	8	9	Zero non-compliance events	Not achieved – significant non-compliance events occurred despite prevention measures. For detailed incident descriptions, see Environmental Incidents.
Energy efficiency	Projected energy savings, % (MWh saved/MWh total energy used, electricity and heat) ⁵	-0.6%	-0.9%	-1.4%	-0.8% annual energy saving until 2030	Not achieved – the Group's projected energy efficiency savings were partly affected by the pandemic-related work limitations at units.
Materials, residuals and waste	Process residuals utilisation rate (%) ⁶	98%	98%	98%	Maintain at least the coverage level of 98%	Achieved – stable performance with a high utilisation rate of process waste and residuals.
Water	Process water discharge per saleable tonne of pulp, paper and board (m ³ /t)	31	31	29	Decreasing trend from 2016 baseline (27m ³)	Not achieved – water performance normalised by tonne was partly affected by lower production levels in the Paper division compared to the baseline-year.
	Total water withdrawal per saleable tonne of pulp, paper and board (m ³ /t)	60	66	62	Decreasing trend from 2016 baseline (59m ³)	Not achieved – see above.
Employees	Leadership Index	n/a	84	83	85 by the end of 2022	In progress – data covering all employees not available for 2021. During the year, Stora Enso started to further digitalise its employee engagement approach, and the next global engagement survey targeted for all employees is planned for 2022.
Safety	Total Recordable Incident (TRI) rate ⁷	6.2	6.1	7.0	4.0 milestone by the end of 2021	Not achieved – Stora Enso's safety performance remained stable, but the milestone for 2021 was not achieved. The areas of improvement are being addressed in the strategic Safety Roadmap.
Business ethics	Code of Conduct Index	n/a	86	84	Positive trend	In progress – (as for Employees KPI) data covering all employees not available for 2021.
Human rights	Implementation of Human Rights due diligence programme	Remaining two development actions finalised, continuous improvements	22 out of 24 development actions finalised in Group function processes	24 development actions mapped in Group function processes	Ensure efficient implementation of human rights due diligence programme.	In progress – continued focus on human rights due diligence.
Community	Community Investment (CI): % of working hours and in-kind in the total CI	42%	41%	46%	Increase to 70% by 2023 while also increasing the total CI	In progress – the performance was partly affected by the restrictions in volunteer work and community projects during the pandemic.
Sustainable sourcing	% of supplier spend covered by our Supplier Code of Conduct	96%	96%	96%	Maintain at least the coverage level of 95%	Achieved – stable performance with high coverage.

Korean Air had a strong focus on stakeholder engagement in its ESG report. Quotes are provided from interviews with individual stakeholders

Stakeholder Interviews

Korean Air conducted interviews with one person each from different stakeholder groups, including customers, employees, suppliers, and shareholders/investors, and listened to their opinions on major sustainability management issues. Matters discussed in the interviews include Korean Air's strengths and weaknesses compared to domestic and international companies in similar industries; the latest sustainability management trends in terms of ESG; ways to promote Korean Air's long-term corporate value; and strengthening sustainability management. Discussions with major stakeholders were incorporated into the Issue Pool, which is the foundation of the company's materiality assessment.

Customers expect Korean Air to focus on fulfilling its social and environmental responsibilities as much as it works to introduce quality services



As a person studying in France, I have flown Korean Air's international flights at least once per year since 2014. One of the reasons for flying Korean Air is because its services, including user-friendliness, air cabin cleanliness, and in-flight meals, are superior to that of other airlines. I was particularly impressed by how Korean Air did its best for the safety and convenience of passengers amidst the pandemic during my flight to Korea recently. Korean Air provides detailed easy-to-follow guidelines for customers on COVID-19 response channels and updated instructions on the overall course of departure and entry. As a person working in the fashion industry in France, I know for a fact that the latest trend in fashion is diversity (including in ethnicity and body shape). Korean Air needs to make efforts to pursue diversity accordingly. For example, intellectuals from various backgrounds with diverse experience should be recruited as flight attendants, promoting the company's diversity. In addition, the disposable products frequently used on the plane should be replaced with eco-friendly items for environmental protection, instead of stopping at mere attempts. Korean Air should strive to have its business operations and processes reflect sustainability and eco-friendliness.

Kang Eun-Kyung (Customer) – CEO of Exerciseo

The COVID-19 pandemic has posed an unprecedented crisis for the aviation industry. As increasing volatility in external factors is compounding the problem, establishment of a foundation for sustainable growth is becoming a major task. There are increasing calls for strategies for shared growth and coexistence with our suppliers as the small-and-medium sized companies partnering with the company have also faced extreme difficulties due to the market situation. Korean Air is carrying out a variety of activities for sustainable management despite the COVID-19 crisis. A systematic quarantine program is operated to prioritize safety and to offer services that keep customers safe from the coronavirus. We have recently improved our prevention and management system even further in order to strengthen our level of management over occupational health and safety. The company has also participated in efforts to respond to climate change and reduce carbon emissions, by continuing to adopt high-efficiency aircraft and materials and trying the foundation for introducing bio-jet fuel in Korea. I look forward to seeing Korean Air solidify its standing as an ESG leader, based on its continuous efforts to strengthen financial performance as well as create non-financial values.

Shin Kyung-Taek (Employee) – Manager at Korean Air

Expecting Korean Air to overcome the COVID-19 crisis in a smart manner and to solidify its position as a leading ESG company



Kang Eun-Kyung (Customer) – CEO of Exerciseo

A company that engages in fair competition based on excellent management capabilities and quality service



Kim Nam-Hyuk (Partner Company) – Assistant Manager at Korea Airport Service

Look forward to seeing Korean Air achieve sustainable management by securing a strategic financial structure to respond to changes in external factors

I've been researching Korean Air for the last seven years since 2015 as an analyst in the air transport industry. Advantages of Korean Air include quality services provided to customers and the safety of its international flights. Through the launch of a new joint venture partnership with Delta Air Lines, Korean Air fulfills its social responsibilities and is contributing to the establishment of Incheon Airport and creation of jobs. In order to achieve successful sustainability management, the company would have to focus on minimizing financial risks associated with fluctuations in oil prices, interest rates, and exchange rates, all factors that commonly impact the aviation industry. Furthermore, Korean Air needs to create sustainable growth to prepare for changes in consumers' consumption patterns in the post-pandemic era. It is extremely important for the company to evenly distribute economic values created as a result of its business activities to relevant stakeholders, including employees, customers, and shareholders. Companies that have gained trust from stakeholders can further develop and advance sustainable management activities. Large airlines in the United States and Lion Air were able to successfully achieve sustainability management and create a virtuous circle by securing stable growth and profits in the merger and acquisition processes, and by prioritizing dividend payment to shareholders. As a company with great potential, I look forward to seeing Korean Air achieve and demonstrate sustainable management.

Bang Min-Jin (Investor) – Researcher at Eugene Investment & Securities



Examples of disclosures (International)



The Weir Group also included ESG metrics in each area of its company strategy. It demonstrates a clear incorporation of sustainability into the company's strategic plan

OUR PURPOSE

We are here to enable the sustainable and efficient delivery of the natural resources essential to create a better future for the world.

Our strategic ambitions ensure that we focus on the areas that will deliver against the opportunities for our business, accelerating sustainable, profitable growth in the future.

They are aligned to our 'We are Weir' Framework and its four pillars of People, Customer, Technology and Performance.

The table below summarises the good progress we made in 2021 towards realising these ambitions, and outlines our priorities for 2022.

TECHNOLOGY

We shape the next generation of smart, efficient and sustainable solutions with cutting edge science and tradition of innovation.

OUR GOALS

- Increase investment in R&D as a % of revenues
- Grow sustainable solutions

OUR 2021 PRIORITIES

- Expand digitalisation of our products and services
- Grow pipeline of products and solutions that deliver sustainability benefits
- Launch next generation core flagship products

OUR 2021 PERFORMANCE

- Tier 1 Synthesys[®] enabled on all new HGR, crushers, GEHO and large MC pumps
- Four additional digital control centres established
- Increased water and energy focused innovation projects and field performance testing
- Launched next generation of mill circuit pumps, Caves[®] 2 and other core flagship products and materials, and First G.E.T. ToolSet[®] delivered
- Acquired Motion Metrics and established global centre of excellence for AI and machine vision

OUR 2022 PRIORITIES

- Invest in innovating transformational solutions
- Digitally enable everything we do
- Create new business and business models from data and insights

OUR 2022 STRATEGIC MEASURES

- Secure market acceptance of our top 3 horizon 1 innovations in each Division
- Digitise our current business model
- Create and deliver our long-term digital vision

OUR 2022 ESG MEASURES

- Build pipeline and commercialise sustainability-focused technologies and solutions
- Progress our priority acceleration R&D projects

PERFORMANCE

We deliver excellence for all of our stakeholders, through strong leadership, performance culture and rigorous standards of governance.

OUR GOALS

- Reduce scope 1&2 CO₂e by 30% by 2024 and 50% by 2030
- Improve operating margins

OUR 2021 PRIORITIES

- Complete Information Systems & Technology (IS&T) transformation programme
- Execute Oil and Gas separation post close
- Reduce scope 1&2 CO₂e footprint
- Conduct scope 3 evaluation

OUR 2021 PERFORMANCE

- Progressed IS&T Transformation programme
- Successfully completed the sale of Oil & Gas Division
- Further realised ESGCO acquisition revenue synergies
- 14.7% absolute and 15.4% intensity CO₂e reductions (per £m revenue in constant currency vs 2019)
- Scope 3 CO₂e footprint study completed and workstreams launched to address the top 2 findings

OUR 2022 PRIORITIES

- Progressed IS&T Transformation programme
- Deliver high quality, efficient back-office functions
- Expand margins and deliver strong cash conversion

OUR 2022 STRATEGIC MEASURES

- Improve our LEAN scores
- Grow the percentage of Group revenue covered by Global Business Services Finance shared services

OUR 2022 ESG MEASURES

- Reduce scope 1&2 CO₂e vs 2019 base aligned with Science Based Targets initiative
- Evaluate SBTi scope 3 targets

PEOPLE

We are a global family. We are proud of our unique blend of talent, technology and culture. We are here to inspire our people to do the best work of their life.

OUR GOALS

- Improve safety
- Improve employee engagement, inclusion, equity and diversity

OUR 2021 PRIORITIES

- Continue our journey to zero TIR
- Build further digital capabilities
- Increase the number of women in management
- Launch global affinity groups

OUR 2021 PERFORMANCE

- Maintained a world-class safety record with a TIR of 0.45
- Achieved ISO45001 accreditation at 21 sites
- Executed programmes to deliver key organisational capabilities
- Increased women in senior management bands by 4%
- Launched global affinity groups
- Improved mean employee engagement score to outperform Top Quartile Manufacturing benchmark

OUR 2022 PRIORITIES

- Deliver on zero harm
- Accelerate our purpose-driven culture
- Expand margins and deliver strong cash conversion
- Create talent and capabilities for the future

OUR 2022 STRATEGIC MEASURES

- Retain our talent
- Build our digital capability
- Maintain top quartile engagement score

OUR 2022 ESG MEASURES

- Improve our safety Total Incident Rate (TIR)
- Improve our gender diversity

CUSTOMER

We will be the most admired business in our sector. Working in partnership, we deliver distinctive solutions and compelling value.

OUR GOALS

- Outgrow our markets through the cycle

OUR 2021 PRIORITIES

- Extend service capabilities to new geographies
- Leverage Integrated Solutions revenue
- Extend adoption of Nemysis[®] technology
- Provide solutions for our customers' key sustainability challenges

OUR 2021 PERFORMANCE

- Extended service capabilities in the UK, Australia, Ukraine, the Philippines, the USA, Canada and Kazakhstan
- Delivered integrated solutions with orders of £2.0m
- Grew Nemysis[®] aggregates/conversions by 60% and mining bucket bookings by 62%
- Implemented sustainable-focused customer solutions and published case studies

OUR 2022 PRIORITIES

- Outgrow our markets through voice-of-customer led initiatives
- Solve our customers' biggest smart, sustainable and efficient challenges
- Lead in inclusion, equity and diversity
- Show leadership in our industries' pathway to Net Zero

OUR 2022 STRATEGIC MEASURES

- Execute our top 3 strategic growth initiatives in each Division
- Establish new strategic alliances that enhance our customer value proposition significantly

OUR 2022 ESG MEASURES

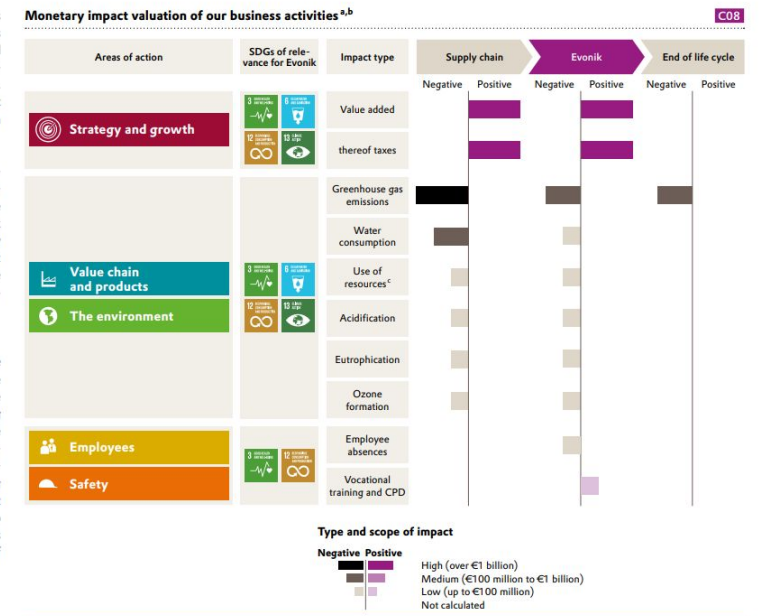
- Develop our scope 4 value proposition

Evonik, in its sustainability report showed the company supply chain impact on society and the environment in monetary terms

Chart C08 Monetary impact valuation of our business activities shows the results of the impact valuation, based on the figures for 2021. Our business activities are associated with ecological impacts at many points. The main negative impacts are greenhouse gas emissions and water consumption in the supply chain. These are countered by strongly positive macroeconomic impacts, both along the supply chain and by our own production activities. [303-1, 306-1](#)

Evonik markets many products whose use makes a positive ecological and social contribution compared with conventional alternatives. These include exemplary products to avoid greenhouse gas emissions, which are outlined in the section on the Evonik Carbon Footprint ("Value chain and products" p.48). By contrast, the impact analysis presented here only looks at the absolute impact of our business activities. It does not include the impact of the use of our products or a comparison with alternatives.

Supply chain analysis
We hold workshops with product managers to analyze the possible opportunities and risks of the value chains of relevance for their business. These include scenarios to explore disruptive factors in their markets, for example, as a result of changing customer requirements or increased regulation. In this way, we derive strategic recommendations for action on short- and long-term developments. This process also allows structured identification of the SDGs of relevance for each business. In the reporting period, eight supply chain workshops were held with different business lines. Due to the coronavirus pandemic, we switched to a digital format, which proved very effective. In particular, this format provided additional scope to include the experience of customers and colleagues in other regions.



2 [E]nvironment



Approach to disclosure



Does the company understand the risks and opportunities associated with climate change?

Stakeholders, primarily investors, request clear, complete and high-quality data on climate change risks. It represents the most requested the piece of information by investors. For example, in the UK the disclosure of climate change risks have become mandatory for large companies and financial institutions. Regulators, following investors, are beginning to give increased importance to information on climate risks.

Firstly, climate information is important because a company usually showcases its strategy and progress in reducing its carbon footprint. Due to its importance, the climate strategy (low-carbon development strategy) is often disclosed in a separate strategic document. Secondly, the relevance of this section of the report is that climate risks (both those associated with physical impacts and those associated with changes in policies and regulation) can have a direct impact on a company's operations and financial results. Therefore, providers of capital are particularly attentive to this information.

However, this section of the report is one of the most difficult to prepare. Prior to disclosing this information, the company must first have a developed system for assessing and managing climate risks, such as the assessment of the carbon footprint within the supply chain.

The TCFD recommendations provide a good framework for how to disclose climate risk information. The TCFD recommends to focus on four questions: how top management oversees climate risks, how the corporate strategy is adapted to these risks, what the climate risk management system is (identification, assessment, management), and what are the normative values and indicators of risk management (including the calculation of greenhouse gas emissions). Disclosure of information on climate change issues following the TCFD recommendations is the best practice today. However, to meet the standards described, companies will require significant changes in strategy and corporate governance. Firstly, companies must ensure high-quality climate risk management followed then by a report.





Results of the analysis of Kazakhstan Reports (TOP-50 Rating)

A first important step in environmental disclosure is **assessing the companies impact on the ecosystems**. Typically, these are data on resource consumption (e.g. energy resources, fuel and water), emissions and waste, and direct impacts (e.g. on biodiversity). Further, it is important for both stakeholders and the management of the organization itself to have clear quantitative data on these issues to understand the current status and progress.

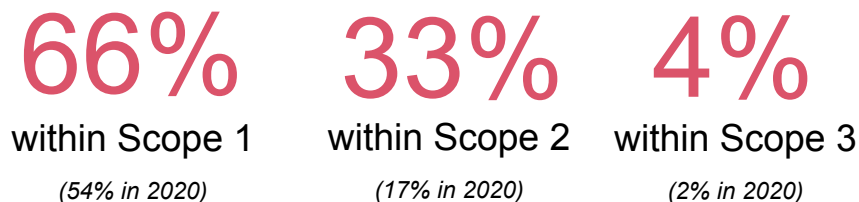
We see clear **progress in the disclosure of information on greenhouse gas emissions** in the Top 50 Reports for 2021. Following international practices, many Kazakhstani companies began to focus on this environmental issue. Direct greenhouse gas emissions of this year were disclosed in two-thirds of the Top 50 Reports, a third of the Reports contain information on energy emissions. However, Scope 3 (other indirect emissions) is still hardly disclosed.

But, this year the companies included in the Top 50 were less rigorous in their disclosure of other **environmental issues**. For almost all indicators, except for airborne emissions, a slight decrease in the completeness of disclosure of quantitative data is noticeable.

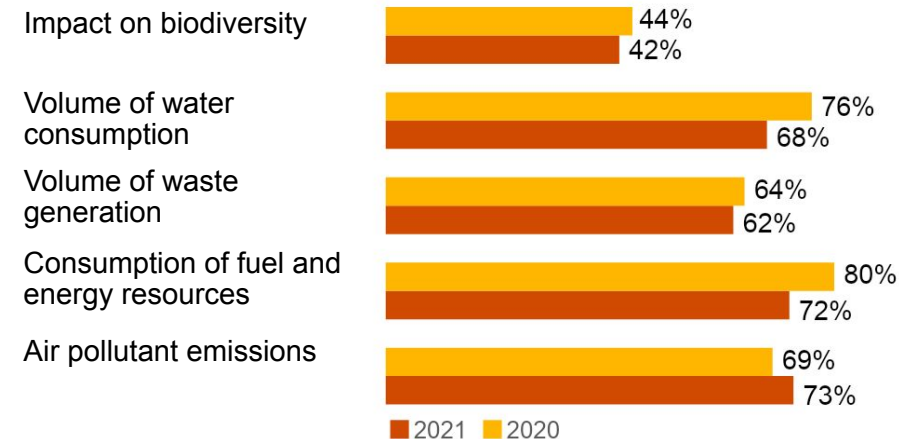
It is recommended for many of the companies to further develop the collection and publication of quantitative data on their environmental impact and management.

Climate change risks were disclosed in 20% of the Reports (12% in the 2020 Reports). However, it was rather a high-level description of risks, without, for example, a quantitative assessment of the potential damage. Nevertheless, every fifth company is reviewing this category of risks and is working on its disclosure.

The volume of greenhouse gas emissions for the last reporting year was disclosed by:



How do Top 50 companies disclose their environmental performance?





What to focus on in the next report

Climate change risks

How does a company identify risks and opportunities related to climate change? This is often done through a scenario analysis of the global economy moving towards low-carbon development. Preparing these scenarios helps identify risk factors.

What is the assessment of these risks? What potential damage can be caused by their implementation?

Answering the question about the potential impact of climate change risks on the financial position of an organization is perhaps the main aspect of the non-financial report that is of interest to capital providers and other stakeholders today.

How does a company manage climate change risks? Does top management take these issues into account in their work? Has the corporate strategy been adapted accordingly? The coverage of these issues in the report today largely characterizes leaders and best practices.

Climate strategy

Today, all companies are expected to announce their plans to contribute to the net zero agenda.

The ideal report would contain not only data on actual emissions for each of the three scopes but also an indication of when and to what extent the company plans to reduce them. Further, it is expected that the goals will be consistent with the Paris Agreement.

A big challenge is the calculation of greenhouse gas emissions for the third scope (i.e. in the supply chain, including customers). For many companies, this is where the bulk of the carbon footprint lies.

Secondly, it is worth considering the individual indicators that characterize the company. For many industrial organizations, these are the rates of emissions (e.g., energy consumption per ton of steel produced). For financial companies, these are indicators of their funding portfolio.

Supplier management

An often overlooked, but important, issue in Kazakhstani annual reports is the management of the environmental and social impacts of the supply chain.

It is important to assess where suppliers can have an impact on society (including both social and environmental perspectives). Followed by showcasing the steps on what the company is doing to reduce negative impacts of their supply chain.

In many cases, this work consists of setting appropriate ESG requirements and verifying the compliance of suppliers. With the parties that do not comply with these requirements, appropriate measures are taken (consultations, sanctions, motivation, etc.), or terminating their contract. It is recommended to consider these criteria in the first stage of supplier selection.

The report should focus on how the company promotes the implementation of ESG principles in all stages of the supply chain.

Examples of disclosures (KZ)



In the 2021 sustainability report, **NC KazMunayGas** focussed on its low-carbon development strategy. Information on greenhouse gas emissions is disclosed as per the CDP checklist

In its 2021 annual report, **Nostrum Oil & Gas** used TCFD recommendations to disclose and manage climate change risks

ПРОГРАММА НИЗКОУГЛЕРОДНОГО РАЗВИТИЯ КМГ НА 2022-2031 годы

ЦЕЛЬ

Базовые выбросы КМГ (2019) — 10,7 млн т CO₂-экв.

Целевые выбросы КМГ (2031) — 9,1 млн т CO₂-экв.

Величина снижения выбросов — 1,6 млн т CO₂-экв. (-15%)

КЛЮЧЕВЫЕ НАПРАВЛЕНИЯ

- Midstream – Энергоэффектив
- Upstream – Энергоэффектив
- Downstream – Энергоэффектив
- Downstream – Энергоэффектив

Выбросы парниковых газов

В 2021 году на площадке Carbon Disclosure Project опубликован Климатический опросник за 2020 год, который включает в себя данные об объемах прямых и косвенных выбросов парниковых газов по всем активам КМГ, включая дочерние организации в Румынии и Грузии.

В расчет включены углекислый газ (CO₂), метан (CH₄), закись азота (N₂O). Данные по прямым выбросам парниковых газов подтверждены заключенными независимыми аккредитованными организациями по каждому ДЮ. Информация за 2021 год будет раскрыта в отчете CDP в III квартале 2022 года. При раскрытии информации мы придерживаемся принципа последовательности и сопоставимости. Мы непрерывно работаем над повышением полноты раскрытия информации и расширения сфер отчетности по косвенным выбросам уровня 3.

Объем прямых выбросов парниковых газов (CO₂) за 2021 год по Группе компаний КМГ составил 6,9 млн тонн CO₂ (11,4 млн тонн CO₂ экв), что незначительно выше уровня 2020 года.

Уровни 1	2019	2020	2021	
Прямые выбросы				
Добыча	млн т CO ₂ экв*	3,8	4,1	4,3
Переработка	млн т CO ₂ экв*	4,8	6,2	6,1
Транспортировка	млн т CO ₂ экв*	6,6	5,5	0,2
Разбивка по странам				
Казахстан	млн т CO ₂ экв*	14,2	14,9	9,9
Румыния	млн т CO ₂ экв*	1,0	0,9	0,7
Грузия	млн т CO ₂ экв*	0,007	0,01	0,01
Разбивка выбросов по видам парниковых газов				
CO ₂	млн т CO ₂	9,7	8,7	6,9
CH ₄	млн т CO ₂ экв*	5,5	6,0	3,2
N ₂ O	млн т CO ₂ экв*	0,02	0,5	0,5
Уровни 2				
Косвенные выбросы	млн т CO ₂ экв*	3,4	3,5	
Уровни 3				
От использования проданных продуктов	млн т CO ₂ экв*	71,7	61,3	

Информация будет раскрыта в 3 кв. 2022 г. в климатическом опроснике CDP <https://www.cdp.com/kz/rus/metrotrans/reporting-and-financial-result/>

Объем прямых выбросов парниковых газов (CO₂) за 2021 год по Группе компаний КМГ составил 2,6 млн тонн CO₂ (7,4 млн тонн CO₂ экв.), что на 24% выше показателя 2020 года.

Рабочая группа по раскрытию финансовой информации, связанной с изменением климата (TCFD)

Это первое раскрытие Компаней информации по стандартам TCFD, в дальнейшем мы планируем развивать такой формат раскрытия и актуализировать его с учетом возможных изменений в методике TCFD. В этом разделе Компания приводит сведения о своей деятельности за год, закончившийся 31 декабря 2021 г., в соответствии с документально закреплёнными Рекомендациями TCFD по принципу выполнения рекомендаций в полном объеме и поочередно описанным при их наличии.

Мы не раскрываем информацию по каждой из Рекомендаций TCFD, отмечая, где Компания полностью или частично соблюдает требования к раскрытию информации. Компания полагает, что наиболее раскрытие информации соответствует всем Рекомендациям TCFD и следовательно соответствует п. 9.8.68.

Стратегия продолжение

Рекомендации TCFD: Раскрыть фактическое и потенциальное влияние связанных с климатом рисков в возможностях на бизнес, стратегию и финансовое планирование организации в тех случаях, когда такая информация является существенной.

а) Описать климатические риски и возможности, выявленные организацией, в краткосрочной, среднесрочной и долгосрочной перспективе.

б) Более подробная информация предоставляется на с. 38-39

Категория риска	Положительные и отрицательные	Краткосрочная перспектива	Среднесрочная перспектива	Долгосрочная перспектива
Положительные и отрицательные	<ul style="list-style-type: none"> Нормативные и законодательные требования Республики Казахстан по прозрачному отчету, применению и раскрытию выбросов Политические и регуляторные требования, связанные с изменением климата, привнесшие в частности, внимание к выбросам углерода, к графу за счетные на факте или более запредельные способности на него на работу полевых компаний Изменения в политике, которые могут привести к долгосрочным выбросам углерода. Изменения в политике могут включать, например, обязательства по достижению углеродной нейтральности, что может повлиять на сектор развития и добычи ископаемых видов топлива при условии, которое может снизить бизнес. Компания планирует инвестировать в возобновляемые источники энергии. 	✓	✓	✓
Технологическое	<ul style="list-style-type: none"> Новые технологические решения, необходимые для сокращения выбросов, могут привести к перестройке производственных мощностей, выходящих на рынок, доступности, доступности, которые не ведут к росту стоимости бизнеса. Внедрение технологий может вызвать постоянные расходы 	✓	✓	✓
Рыночные	<ul style="list-style-type: none"> Изменение рыночного спроса на продукты может привести к снижению спроса на топливо для Компании и снижению выручки Расширение доли на рынке поставщиков Компаней и увеличение стоимости сырья из-за связанных с изменением климата рисков 	✓	✓	✓
Репутационные	<ul style="list-style-type: none"> Риск несоблюдения международных стандартов может привести к потере репутации и снижению стоимости Изменения в политике, которые могут привести к долгосрочным выбросам углерода 	✓	✓	✓
Финансовые риски	<ul style="list-style-type: none"> Риск изменения стоимости активов, таких как недвижимое имущество, оборудование, запасы и другие, связанные с изменением климата Риск изменения стоимости активов, таких как недвижимое имущество, оборудование, запасы и другие, связанные с изменением климата 	✓	✓	✓
Острые	<ul style="list-style-type: none"> Риск изменения стоимости активов, таких как недвижимое имущество, оборудование, запасы и другие, связанные с изменением климата 	✓	✓	✓
Системные	<ul style="list-style-type: none"> Риск изменения стоимости активов, таких как недвижимое имущество, оборудование, запасы и другие, связанные с изменением климата 	✓	✓	✓
Хронические	<ul style="list-style-type: none"> Снижение использования и потребления сырья может привести к снижению эксплуатационных затрат Повышение энергоэффективности производственных мощностей и повышение скорости производства могут привести к снижению затрат Изменения в политике, которые могут привести к долгосрочным выбросам углерода 	✓	✓	✓
Источники энергии	<ul style="list-style-type: none"> Изменения в политике, которые могут привести к долгосрочным выбросам углерода 	✓	✓	✓

Уровни 2

Уровни 3

Уровни 4

Уровни 5

Уровни 6

Уровни 7

Уровни 8

Уровни 9

Уровни 10

Уровни 11

Уровни 12

Уровни 13

Уровни 14

Уровни 15

Уровни 16

Уровни 17

Уровни 18

Уровни 19

Уровни 20

Уровни 21

Уровни 22

Уровни 23

Уровни 24

Уровни 25

Уровни 26

Уровни 27

Уровни 28

Уровни 29

Уровни 30

Уровни 31

Уровни 32

Уровни 33

Уровни 34

Уровни 35

Уровни 36

Уровни 37

Уровни 38

Уровни 39

Уровни 40

Уровни 41

Уровни 42

Уровни 43

Уровни 44

Уровни 45

Уровни 46

Уровни 47

Уровни 48

Уровни 49

Уровни 50

Уровни 51

Уровни 52

Уровни 53

Уровни 54

Уровни 55

Уровни 56

Уровни 57

Уровни 58

Уровни 59

Уровни 60

Уровни 61

Уровни 62

Уровни 63

Уровни 64

Уровни 65

Уровни 66

Уровни 67

Уровни 68

Уровни 69

Уровни 70

Уровни 71

Уровни 72

Уровни 73

Уровни 74

Уровни 75

Уровни 76

Уровни 77

Уровни 78

Уровни 79

Уровни 80

Уровни 81

Уровни 82

Уровни 83

Уровни 84

Уровни 85

Уровни 86

Уровни 87

Уровни 88

Уровни 89

Уровни 90

Уровни 91

Уровни 92

Уровни 93

Уровни 94

Уровни 95

Уровни 96

Уровни 97

Уровни 98

Уровни 99

Уровни 100

Examples of disclosures (International)

National Grid's annual report outlined both the risks and opportunities associated with climate change. Their potential impact on the company and its response are indicated

Task Force on Climate-related Financial Disclosures continued

Risk/opportunity	Potential impact	Our response
<p>2. Transition Risk & Opportunity</p> <p>Urgent collective action is required with its central role as the backbone of the energy sector. However, the pace of change is critical in the transition. As a result, public focus will increase on our Company, increasing reputational risk.</p> <p>Business: Group-wide</p> <p>Timeframe: Short, medium and long term</p> <p>Likelihood: Moderate</p> <p>Measurement indicators: GHG emissions, Climate Transition Plan, customer feedback</p>	<p>The reputation of our business has wide implications to our operations, affecting our regulatory negotiations and our ability to attract investment and incentives of the frameworks within which we operate. Our ability can affect our cost of doing business, from employee retention, productivity, supplier relationships, customer feedback, cost of access to finance and ultimately our share price. All have impacts that can move in either way, depending on our perceived success in enabling the energy transition.</p> <p>Due to the nature of the risk/opportunity, and the degree of external variables affecting the matter, it is difficult to meaningfully quantify the risk. However, if not managed effectively, the matter could undermine our corporate strategy and materially impact our financial performance.</p>	<p>To date, we have endeavoured to take account of this by being at the heart of a fair, clean and affordable future, working with governments, policy makers and regulators to shape net zero strategy. Accordingly, we have positioned ourselves as 'The Energy Transition Company' acting as a principal sponsor of COP26 and our ESO business has set an ambition to create a zero-carbon system by 2035, with the goal to run 100% carbon free energy 24/7/365 by 2050. We will continue to focus on enabling the transition, including working in partnership with our regulators and other stakeholders to develop investment plans in line with the net zero commitments of their jurisdictions, whilst managing the costs to consumers.</p> <p>We have developed roadmaps and track progress against key milestones for each of our business units which include the actions, conditions and assumptions that will support the delivery of our emissions reduction targets. These plans are consolidated into a group roadmap which is presented in our Climate Transition Plan, which we published alongside this year's Responsible Business Report.</p>
<p>3. Transition Opportunity</p> <p>Electricity use and share of final demand will increase with the transition driving energy needs from fossil fuels to cleaner gas and electricity. The Group will develop a large share of capacity in the future. This will increase investment opportunities as growth is across transmission and distribution electricity networks.</p> <p>Business: E1, E2, NY, NE, NCV, ESO</p> <p>Timeframe: Short, medium and long term</p> <p>Likelihood: High</p> <p>Measurement indicators: EU taxonomy KPIs, green capex forecasts, GHG emissions</p>	<p>Benefit has been run versus our business plan to investigate the impact of the scenario and we will continue to monitor triggers to capital expenditure.</p> <p>We estimate that the Orderly Transition or Acceleration scenario would result in an increase over the Slow Progress scenario of between 0.5% to 1.0% in underlying operating profit CAGR over the period to 31 March 2051. Capital expenditure increases may include expanding electricity networks, natural gas leak reductions and investment and expansion of renewable generation operations, but these are expected to be within our regulatory regime.</p> <p>Beyond 2030, and in line with our scenario modelling, the benefits towards greater electrification, driven by expanded renewable generation and investment into decarbonising our gas networks is expected to continue and may accelerate.</p>	<p>Our acquisition of WPD positions National Grid for this increase in electricity use across transmission and distribution. We are also continuing to invest in both offshore renewables via National Grid Renewables and in our interconnector portfolio, which will form an important part of UK decarbonisation.</p> <p>Across our businesses, we are also heavily investing in the infrastructure required to support the decarbonisation of transport and during 2021 in the US we delivered 1,684 EV charging ports in our jurisdictions, a company record for a calendar year.</p> <p>We are also carrying out critical studies and pilots exploring how to decarbonise our gas networks, for example the HyGrid project described in Transition Risk 6 and the FutureGrid project, which is testing the possibility of converting the NTS in the UK to transport hydrogen.</p> <p>In the UK, we are continuing to work with the Department for Transport and the Office of Zero Emissions Vehicles to ensure that the underlying network infrastructure is in place, ahead of need, to support the successful delivery of Project Rapid. We welcomed the Transport Decarbonisation Plans commitment to publish an Electric Vehicle Charging Infrastructure Strategy and established a Delivery Body to progress the grid upgrades required to meet future ambitions.</p> <p>We also continue to engage with key stakeholders from across all modes of transport through our 'ask, not tell' engagement principles to understand the main barriers and potential future demand and infrastructure requirements for each sector.</p>

Task Force on Climate-related Financial Disclosures continued

Risk/opportunity	Potential impact	Our response
<p>6. Transition Risk</p> <p>Pathways will adapt to global and local markets; there are multiple and two pathways for heating which have different impacts for our US gas activities. Whilst an alternative expect a reduction of the usage of fossil gas in the long term, there are opportunities for the development of fossil-free alternative fuels. The different pathways result in a risk that our natural gas infrastructure will not be useful as long as is currently assumed in our financial planning and accounting.</p> <p>Business: NY, NE</p> <p>Timeframe: Long term</p> <p>Likelihood: Moderate</p> <p>Measurement indicators: Gas LEL, sensitivity, GHG emissions, Climate Transition Plan</p>	<p>We have performed sensitivity analysis to assess the impact shortening the useful economic lives of our gas business assets would have upon the Group's financial results, which may result in an increase in depreciation expenses of up to £180 million to 2050 for US regulated assets.</p> <p>This sensitivity calculation excludes any assumptions regarding the residual value for our asset base and the effect shortening asset depreciation lives would be expected to have on our regulatory recovery mechanisms. For further information, see page 181.</p>	<p>We are pursuing zero fossil fuel gas and electric systems by 2050, if not sooner, in the US. The vision proposes a hybrid approach to heating that enables customers to have more affordable and practical choices to become fossil-free. More details can be found in our Vision Report https://www.nationalgrid.com/us/visions.</p> <p>We will continue to engage in key regulatory proceedings and processes in New York and Massachusetts to maximise recovery on our gas business assets. These include the ongoing DPU 20-80 'Future of Gas' proceeding in Massachusetts and a KERNYKEDI depreciation study that will be submitted to the New York FERC in advance of our rate case filing in 2023.</p>
<p>7. Physical risk</p> <p>Our assets are at risk of physical impacts from extreme weather events such as storms and flooding. There will also be increased frequency of weather incidents and changing long-term climate trends leading to asset damage and operational risks.</p> <p>Business: Gas-wide</p> <p>Timeframe: Short, medium and long term</p> <p>Likelihood: High</p> <p>Measurement indicators: Network reliability, major storm costs, climate change risk footprints</p>	<p>We experience significant costs as a result of asset damage and operational interruptions due to major storms (2021: £160 million; 2020/21: £150 million). We therefore continue to invest in storm hardening across the Group, with a further £38 million invested in the year.</p> <p>We are in the process of expanding our scenario modelling to forecast the likely financial implications of a 2 and 4 degree scenarios over the long term. We expect to report these results in our 2022/23 reporting.</p>	<p>An example of our work in this area is the £741 million of investment our New York business has committed to in the five year capital investment forecast to FY26. This investment covers a range of storm hardening measures, upgrades and repairs to our infrastructure to make it less susceptible to storm damage. These include inspection and maintenance, minor storm hardening, vegetation management, flood mitigation, side tap fusing, and multi-value transmission reliability.</p> <p>In the UK, our ESO business has undertaken Mapping Impacts and Visualisation of Risk (MIVOR) of extreme weather on system operation to evaluate the impacts of extreme weather events on system operation up to 2050 under RCP 4.5. The results will enhance the accuracy of energy system impact modelling and will also focus on the impacts of the whole supply chain, renewable generation, network assets, and demand, ensuring that the learnings produced are relevant to the whole energy system.</p>

In its climate report, **Commbank** described a scenario analysis of climate change risks, also showing the exposure of the portfolio to transit and physical risks

Our climate scenario analysis

This year, we used climate scenario analysis to identify and assess our exposure to financial risks arising from climate change, incorporating both physical and transition risk.

The scenarios we used

Our climate scenario analysis is based on global scenarios widely adopted by financial institutions, most of them developed by the IPCC, Network for Greening the Financial System (NGFS) and the IEA. A major challenge for climate scenario analysis is the availability of granular modelling that reflects Australian and New Zealand conditions. Aggregated regional projections might not be representative of Australian and New Zealand economic models or exposure to natural perils. For example, the NGFS model groups Canada, Australia and New Zealand as a collective economy, while some IEA variables do not distinguish between 30 OECD economies. We have sought to address this gap by leveraging specialised third-party capabilities. For transition risk scenarios, our analysis was informed by externally sourced macroeconomic projections, and learnings from recent scenario analysis work conducted for APRA. For physical risk, we have used Fitch's peer rates to better understand climate risk at the address level, and CSIRO projections for broader chronic changes in temperature and rainfall variables at a 5km grid level. This year, we have focused on three main global climate pathways:

Description	Delayed Transition	1.5°C	Severe physical risk
	Used to test our resilience to high transition risk, in a scenario of rapid and disorderly transition after 2030, with medium physical risk.	Used in our target setting process, in a scenario of early transition risk impact due to rapid decarbonisation of the economy in the next decade, and limited increase of current levels of physical risk.	Used to test our resilience to physical risk, in a scenario of severe temperature increase resulting in severe physical risk.
Global warming by 2100 ¹	1.1°C-2.6°C	0.3°C-1.7°C	2.6°C-4.8°C
Cost of emissions by 2050	AU\$497 per tonne CO ₂ -e	AU\$250 per tonne CO ₂ -e	AU\$4 per tonne CO ₂ -e
Transition scenarios	NGFS Delayed Transition	IEA NZE, IRR RPS ²	NGFS Current Policies
Physical scenario ³ (Representative concentration pathway)	RCP 4.5	RCP 2.6	RCP 8.5
Our transition risk rating	High	High	Low
Our physical risk rating	Medium	Low	High

Our approach

Overall, this year we have tested the resilience of 74% and 63% of our lending portfolio to potential climate-related transition risks and physical risks, respectively. We have assessed the level of climate risk in these portfolios based on financial projections to 2050. A summary of our approach is tabled below:

Acute physical risk in home loans	Using the severe physical risk scenario and the United Nations Environment Programme Finance Initiative (UNEP FI) methodology, we classified the level of exposure of our Australian home loans portfolio against four types of natural perils (cyclones, storms, fire and flood) through to 2050. We then translated this into expected credit losses, taking into account assumptions regarding insurance coverage, default probability and real estate valuation impacts.
Chronic physical risk in agriculture	Using the severe physical risk scenario, we modelled agricultural productivity over a 30-year time horizon based on CSIRO's historical climate data and projections for Australia under a RCP 8.5 scenario, combined with CBA's farm crop type and location information. We then translated this into a loss impact based on the likelihood of default should these productivity impacts eventuate.
High-emissions sectors in business lending	Using the delayed transition scenario and the UNEP FI methodology, we modelled individual company financial performance over a 30-year time horizon, for a small number of companies within the six sub-sectors analysed. We then used our credit risk models to estimate probability and severity of credit losses, and extrapolated those results across our exposures in these sectors.
Regional transition risk in home loans: coal value chain	Using the delayed transition scenario, we modelled the deterioration in economic activity in regions whose economies are heavily reliant on the coal value chain over a 30-year time horizon and translated this into credit losses using our credit risk models.

1. Above pre-industrial levels, consistent with the scope of the Paris Agreement.
 2. In line with the IPCC, we use the representative concentration pathways, or RCPs, to describe the level of GHG concentration in the atmosphere in a given scenario. A higher RCP indicates greater GHG concentration, which is associated with greater temperature increases.
 3. The Intergovernmental Panel on Climate Change (IPCC) is a forecasting consortium commissioned by the United Nations Principles for Responsible Investment. Their Required Policy Scenarios (RPS) details future policy developments needed to hold global temperatures increases to a 1.5°C outcome.

The findings from this exercise indicate that 0.2% of our portfolio is in segments considered 'high-risk'. However, we recognise that as Australia's largest bank, our performance is highly correlated to the Australian economy. We are using these results to strengthen our approach to climate risk management. We are establishing a RAS indicator related to home loan exposures in high physical risk areas. We already include assessments of productivity in our agribusiness credit decision making, and are working with CSIRO to explore ways to include climate scenarios in this assessment. We used insights from this exercise in our engagement with carbon intensive customers. We have also incorporated insights from our transition risk analysis into our existing geographical risk monitoring and strategy.

Sector	Exposure at default \$ billion	Exposure at default % of scope	Pre-mitigation climate risk	
			Transition ¹ Delayed transition scenario	Physical ² Severe physical risk scenario
Thermal coal mining	0.2	0.0%	High	High
Upstream oil extraction and upstream gas extraction	1.1	0.1%	High	High
Power generation and gas supply	3.4	0.3%	Medium-high	High
Fossil fuels	1.0	0.1%	High	High
Renewables, transmission and distribution ⁴	2.5	0.2%	Low	Disrupt/aband
Manufacturing	10.4	1.0%	Low	Low
Transport	11.5	1.1%	Mid-low	Mid-low
Mining	2.2	0.2%	Mid-low	Mid-low
Other Australia non-retail ⁵	79.1	7.9%	Low	Low
Agriculture	11.2	1.1%	Mid-low	Mid-low
Dairy	0.7	0.1%	Mid-high	Mid-high
Livestock	8.6	0.9%	Mid-low	Mid-low
Grains	1.9	0.2%	Mid-low	Mid-low
Australian housing	625.0	62.0%	Low	Low
Exposed to increased physical risk ⁶	31.2	3.1%	Low	Mid-low
Exposed to increased cyclone risk	10.8	1.1%	Low	Mid-high
Exposed to increased flood risk	18.8	1.9%	Low	Mid-low
Exposed to increased fire risk	1.6	0.2%	Low	Mid-low
Exposed to coal value chain ⁷	14.0	1.4%	Medium-high	Low
Total exposure at default in scope*	744.1	74%		
Total CBA exposure at default¹	1,007.5			

1. For transition risk in business lending, risk rating is based on modelled impact/probability of default. Sectors or firms experiencing larger adverse movement in probability of default are assigned a high risk rating. For transition risk in home lending, risk rating is based on percentage of jobs in local areas that are directly involved in the coal value chain.
 2. For physical risk in agriculture, rating based on modelled productivity impacts. For physical risk in home lending, rating based on frequency of events (floods), or modelled loss rates (cyclones and fire).
 3. Power generation includes electricity generation, transmission, distribution and gas supply.
 4. To assess transition risk for business lending to other business sectors, we ran our credit models using decommissioned economic data for those sectors under a delayed transition scenario.
 5. Reflects the most severe Fitch rating in each natural peril type – storms not included as base rate is relatively mild across all ratings.
 6. Scope excludes ABB Bank Limited in New Zealand and other offshore exposures, consumer lending, finance and insurance, and government administration and defence. Variance between global reporting on 2022-23 and sector exposures above due to global reporting being completed on stream lending exposures only and includes offshore exposures.
 7. Excludes Sovereign and Financial Institutions.

3 [S]ocial



Approach to disclosure



How does the company affect people's lives? How does it help create new opportunities while protecting people's rights?

How does the company affect people's lives? What impact does it have on society and how does it manage that impact? Does it respect human rights and empower people to improve their quality of life?

Often, the social pillar of ESG is reduced to charity work, however, it's much broader than that. Touching a large list of matters since the impact of business on people's lives can vary deeply.

A company's contact with society already occurs with their employees. Does the company respect the interests of employees and give them the opportunity to voice their concerns? Does it provide an inclusive environment in which each employee is safe, regardless of their gender, age, religion, background and other individual characteristics? Does it create conditions for professional growth? Are the workplace conditions secure?

Beyond employees, a company has many other points of contact with society, for example their clients. Does the company's services help improve people's lives and create new opportunities for them? Do a wide range of social groups have access to the company's goods and services? Does the company respect the rights of customers and protect their interests (e.g., information protection)? Many companies do not understand how their policies affect society. Hence, this component of sustainable development is often left without due attention.

This section also includes a large piece of economic issues, since companies have direct effect on economic opportunities of people and their well-being. For example, through choosing their suppliers and paying taxes.

A separate section of international development is dedicated to working with local communities in the regions of operation.

When a company works with local communities on implementing projects to benefit people in the region, it is important that it directly involves the local population. It's vital to consider the opinion of stakeholders when choosing, implementing and evaluating the results of projects. In order for a project to be successful it's necessary to conduct a material assessment and select projects based on the needs of the specific group and region.





Results of the analysis of Kazakhstan Reports (TOP-50 Rating)

Detailing the data when disclosing employee management is important to show whether the company's environment is truly inclusive. For example, are there indicators representatives of marginalized social groups have more difficulties getting a job or moving up in seniority at the company.

In terms of quantitative data, the leaders of our Rating are making clear progress. As a rule, this is due to adherence to international standards of ESG information disclosure. For example, the structure of workforce for each social group and category of employees are disclosed in more than 60% of the Reports - this allows you to see how people of different gender or age advance to managerial positions. Half of the Reports also disclose the structure of hired employees - hiring procedures are one of the strongest risk areas in the problem of discrimination.

There are still indicators that companies have difficulties with disclosing. For example, staff turnover by social groups is indicated only in 40% of the Rating reports. An important area of workforce (one of the essential topics) is employees development.

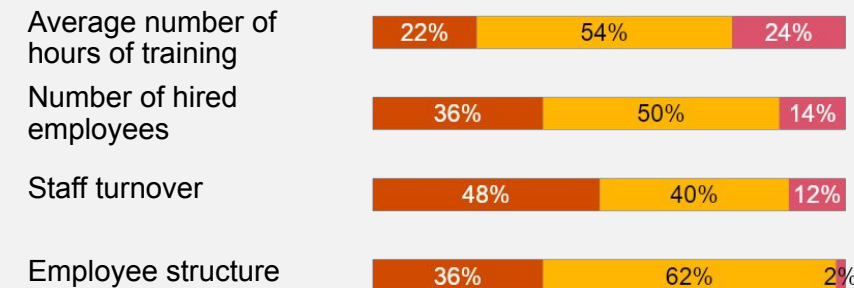
More than half of the Reports indicate the average number of training hours in the reporting year separately by social groups and categories of employees, and describe training programs.

However, in addition to quantitative data, specific steps and measures to ensure an inclusive, diverse and non-discriminatory environment in the company are important. 34% of reports in the Top 50 made a general statement about non-discrimination, and only 16% described how an inclusive environment is created in practice.

16% disclosed measures taken to ensure equal career opportunities and non-discrimination

14% of Reports included the ratio of the average salary of women to men for each category of employees

How do Top 50 companies disclose their HR figures?



- The indicator is disclosed for the staff as a whole
- The indicator is disclosed by individual social groups
- The indicator is not disclosed

Further development



What to focus on in the next report

Diversity and inclusion

Developing diversity in the workplace means that a company's staff (including management) consists of people who offer new perspectives and experiences. However, diversity itself is not effective without inclusiveness.

Inclusion means that everyone in the company's environment feels included, valued, respected, treated fairly and embedded in the company culture.

The report should not just make general statements, but describe specific measures and activities that help to remove barriers to diversity and ensure that an inclusive environment is developed.

There's hardly a company that's already done this, we're all in the process of developing. It's not bad for a company to admit they are not perfect. However, it is important to show how they intend to resolve the issues and show their prioritization of the them.

Human rights

Human rights are inherent to all people, regardless of race, gender, nationality, ethnicity, language, religion, or any other status. For example: the right to life and liberty; freedom from slavery and torture; freedom of opinion and expression; and the right to work and education.

In the last couple of years, the social side has come back into focus, since in many countries communities are at risk of being deprived of these basic rights, even in developed countries.

In the report it is important to make a statement and show the attitude of the company's management towards human rights issues (including which rights they are talking about). But in addition, the company is expected to understand where in its business model they have risks of human rights infringement and what measures are being taken to mitigate these and how successful these efforts are.

Working with local communities

Large industrial companies in particular have a significant impact on local communities in the regions where they operate. What does a company do to support these regions? How do they help solve local issues and create new opportunities for people?

This can be social projects (education, health, etc.), infrastructure projects (e.g. roads), or cultural projects (protection of cultural heritage sites, for example), etc. However, it almost never refers to charity in the literal sense.

In the report it is important for companies to describe the projects themselves, as well as to indicate how local community representatives were involved in project selection and implementation. Further, its important to highlight the results of the project, considering what issues the implemented project supported in solving.

Examples of disclosures (KZ)



In the 2021 sustainability report, **Karachaganak Petroleum Operating B.V.** elaborated on working with the local population, including public hearings, monitoring, handling complaints, etc.

Отчет об устойчивом развитии КПО 2021

Почему это важно для нас?

Доверие, взаимопонимание, сотрудничество и уважение прав местного населения являются для нас основными факторами успешной работы Компании.

Установление добрососедских отношений и конструктивного диалога с местным населением – неотъемлемая часть Кодекса устойчивого развития КПО и важно для нас потому, что работа в данном направлении помогает Компании поддерживать общественное согласие на производственную деятельность Компании. GRI 102-15, 103-1 (3-3)

При проведении работ на производстве КПО стремится предотвратить или свести к минимуму отрицательное воздействие и обеспечить максимальное преимущество своего присутствия путем постоянного взаимодействия с местным населением и создания условий для повышения его благосостояния и экономического роста.

В целях реализации инициатив в области социальной ответственности КПО применяет политики, стандарты и процедуры, основанные на стандартах деятельности Международной финансовой корпорации. GRI 102-12

РАБОТА С МЕСТНЫМ НАСЕЛЕНИЕМ

GRI 102-44, 103-1 (3-3), 103-2 (3-3), 413-1, 06-12

Задачи в таблице 25 направлены в основном на поддержание местного населения, проживающего в трех сельских округах Бурлинского района – Приуральном, Жароуатском и Успенском с/о вокруг Каракаганакского месторождения и г. Аксай.

Для максимально эффективного диалога с местным населением в сфере взаимодействия с социальными инфраструктурными организациями и консультативных советов, в компании и представителем в 2021 г. в Приуральском сельском округе

данный Консультативных советов, три из которых организованы в онлайн-режиме в связи с ограничениями COVID-19. Во время встреч местные жители получали информацию о программах КПО по оказанию содействия развитию местных сообществ на 2021 год, о программах экологического мониторинга КПО, а также об успехах семи студентов из данных

В рамках программы по содействию развитию местного населения, КПО также предоставила 65 путевок для пенсионеров Бурлинского района для отдыха в санатории «Акажайк». Учтяв строгие санитарно-эпидемиологические требования в период пандемии коронавируса, путевки были предоставлены для вакцинированных пенсионеров.

Обращения жителей были доведены Компанией до сведения местных органов власти Бурлинского района и Западно-Казахстанской области. В результате совместной работы КПО с местными исполнительными органами власти и государственными органами было принято новое Постановление Правительства Республики Казахстан (№Р3 от 01.04.2021 г.) о выделении дополнительных средств на выполнение проектов после переселения сел Березовка и Бесту, включая Проект по установке дренажной системы в м.не Аралтап г. Аксай. А также на проект по сносу и рекультивации земель бывших сел Березовка и Бесту.

В целом, сотрудничество КПО с местным населением до сведения местных органов власти Бурлинского района при выполнении различных проектов способствует минимизации социальных и экологических рисков, связанных с деятельностью компании на Каракаганакском месторождении.

О выполнении проекта по сносу и рекультивации земель переселенных сел Березовка и Бесту компания проинформирует читателей в Отчете следующего года.

Таб. 25. Задачи в 2021 г.

Выполнить программу по оказанию содействия развитию сельских округов в соответствии с одобренными бюджетами

Провести 9 заседаний Консультативных советов в трех сельских округах по социальным и экологическим вопросам

Своевременно рассматривать и закрывать жалобы и обращения от населения

РАБОТА С ЖАЛОБАМИ И ПРЕДЛОЖЕНИЯМИ

GRI 103-2, 103-3, 413-1

В соответствии с Процедурой КПО по обращениям и жалобам местное население вы получило 10 обращений, включая три жалобы на запах газа и семь обращений различного характера от населения прилегающих к КНГ КМ сельских округов. В рамках указанных обращений Компания оказала помощь сельским округам в предоставлении техники для очистки сельских дорог от снега в зимнее время.

Проверка, проведенная Группой по производственному экологическому контролю по жалобам на запах газа, не выявила нарушений в работе оборудования, утечек/выбросов, либо превышений ПДК по падающим жалобам. По результатам проверки, обратившейся с жалобой жители были предоставлены обратная связь.

МОНИТОРИНГ ПЕРЕСЕЛЕННЫХ ЖИТЕЛЕЙ

06-12

С момента переселения первых жителей из сел Березовка и Бесту в м.не Аралтап и многоквартирные дома в Аксае в конце 2017 года, Компания ежегодно вела мониторинг процесса восстановления источников средств к существованию переселенных семей. В ходе наших встреч с жителями м.не Аралтап в рамках опросов люди жаловались на отсутствие ливневой системы вокруг 100 построенных домов и местной школы.

Продуктивное сотрудничество Компании с жителями и местными органами власти Бурлинского района способствовало своевременному решению вопросов населения и закрытию 94 жалоб и обращений, связанных с выполнением данного проекта. Это также привело к минимуму невыполнения работ по графику и укрепило доверительные отношения с местным населением.

ОБЩЕСТВЕННЫЕ СЛУШАНИЯ

GRI 102-44

Информация об общественных слушаниях доносится до сведения общественности посредством публикации в областных и районных газетах, а также через вебсайт Компании. В связи с пандемией COVID-19 в 2020 и 2021 годах, общественные слушания проводились в формате опроса. КПО и местные исполнительные органы согласовали получение обратной связи от населения путем подачи опросных листов, которые размещаются в пакете документов для общественности на вебсайте КПО.

В течение 2021 года при поддержке акимата Бурлинского района компания КПО провела четыре общественных слушания в форме опроса по четырем проектам строительства различных объектов. Вопросы, поднятые на общественных слушаниях, включали строительство промышленных объектов, технологических трубопроводов, скважин, а также рекультивацию земель.

Все проекты, вынесенные на обсуждение на общественных слушаниях в 2021 г., были одобрены согласно процедуре слушаний и отражены в соответствующих протоколах. Пакет документов общественных слушаний доступен на вебсайте Бурлинского районного акимата и на вебсайте КПО по ссылке <http://www.kpo.kz/ru/> в разделе «Устойчивое развитие/Социальная ответственность/Взаимодействие с населением/Общественные слушания».

In its 2021 sustainability report, **Halyk Bank** elaborated on working with clients: the availability of services, handling complaints, data security, etc.

ДОСТУПНЫЙ БАНК

GRI FS13 FS14

Одной из приоритетных задач Halyk Bank является повышение доступности финансовых услуг для всех наших клиентов – независимо от региона их проживания и возможностей. Особое внимание мы уделяем развитию точек обслуживания в небольших и удаленных населенных пунктах нашей страны. В Казахстане к данной категории поселений можно отнести малые и моногорода. Согласно Государственной программе развития регионов на 2020 – 2025 годы в Казахстане 41 населенный пункт относится к малым городам и 27 – к моногородам.

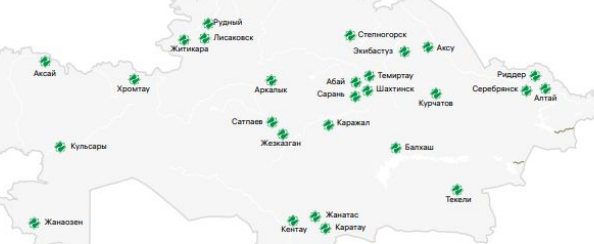
В малых и моногородах страны расположена 1/5 часть всех отделений Банка. Из них 95% отделений предоставляют услуги для физических лиц, а 31% являются филиалами полного обслуживания, то есть предоставляют услуги как для физических, так и для юридических лиц.

Во всех моногородах Казахстана представлено, по крайней мере, по одному филиалу Банка. А в таких городах, как Балқаш, Теміртау, Жанаозен, Экібастұлу функционирует более 5 банковских отделений. Кроме того, наши точки обслуживания предоставляют банковские услуги в 39 из 41 малых городов страны.

Мы стремимся обеспечить равный доступ к своим услугам для всех клиентов. Новые точки обслуживания и точки, в которых проводятся работы по капитальному ремонту, оборудуются инфраструктурой для беспрепятственного доступа лиц с ограниченными возможностями, маломобильных групп населения и людей пожилого возраста, для их удобства предусмотрены пандусы, наружные звонки вызова, удобное устройство касс. Для людей с нарушениями или отсутствием зрения установлены тактильные дорожки, указатели и наружные звонки вызова сотрудника. Все сотрудники Банка обучены правилам работы и оказания помощи людям с ограниченными возможностями. 92% отделений Банка в той или иной степени доступны для людей с ограниченными возможностями (89,7% в 2020 году), 39% – полное соответствие со СНИП. Мы работаем над улучшением в части соответствия СНИП, однако, в некоторых отделениях имеются архитектурные и технические ограничения. Мы стремимся к расширению спектра услуг через Веб и мобильную версию приложения Halyk HomeBank на английском и русском языках. (Более подробно см. раздел Развитие инноваций и цифровизация).



Отделения Банка в моногородах Казахстана



Малый город – город с численностью населения до 50 тыс. человек. Моногород – город, где основная часть (20% и более) промышленного производства и трудоспособного населения сосредоточены на одном или нескольких (обычно) градообразующих предприятиях, или проектах, занятых добычей и переработкой природных ресурсов (добыча сырья), которые при этом обрабатывают все или практически все промышленные и сельскохозяйственные продукты, производимые в нем.

Examples of disclosures (KZ)

Describing the topics of employee management, **Kcell showcased** the ratio of women's to men's remuneration for each level of employees

Управление персоналом

Кселл уделяет приоритетное внимание построению и развитию эффективной и успешной команды профессионалов. Компания является не только одним из лидирующих провайдеров связи в Республике Казахстан, но и привлекательным работодателем как для молодых, так и для опытных специалистов.

- фокус на развитие персонала по плану 70:20:10 на продвижение работников, обладающих потенциалом;
- интеграция HR-процессов с другими корпоративными процессами.

Состав и структура персонала

На конец 2021 года в штате Компании трудилось 2 120 сотрудников. Незначительное сокращение численности персонала обусловлено реструктуризацией Компании путем трансформации и пересмотра текущих бизнес-процессов.

Показатель	2019	2020	2021
Численность персонала, чел.	1 950	2 049	2 120



Показатель	Всего (чел.)	в том числе по гендерным группам		в том числе по возрастным группам		
		мужчины	женщины	до 30 лет	30-50 лет	старше 50 лет
Численность персонала всего	2 335	1 106	1 229	801	1 446	81
Высшего звена	2 120	1 007	1 113	662	1 370	88
Среднего звена	327	155	172	25	287	15
Специальности	1 727	756	981	631	1 053	53
Рабочие	56	56	6	6	30	20
Временные*	215	99	116	139	76	—
Руководители	4	4	—	1	3	—
Специальности	211	95	116	138	73	—

*Полночные сотрудники в количестве 2 120 и временные сотрудники численностью 215 привлечены на работу на время выполнения определенных работ, а именно: по-другому, вынужденно, либо для замещения временно отсутствующего работника.

Количество работников по регионам, 2021 год

Регион	Численность
Итого	2 120 чел.
Астана	23
Актобе	43
Алматы	1 178
Атырау	53
Жезказган	6
Жамбыл	1
Жезысай	1
Караганда	45
Кокшетау	24
Костанай	23
Кызылорда	23
Лепса	186
Мур-Суйдан	186
Павлодар	19
Петропавловск	28
Семей	5
Степногорск	25
Талдыкорган	17
Тараз	27
Темертау	1
Туркестан	15
Уральск	27
Усть-Каменгорск	22
Шымкент	324

Текучесть персонала

Сокращение штата стало частью необходимых изменений структуры Компании и вхождения в нее элементов для повышения эффективности бизнеса, диверсификации и оптимизации бизнес-процессов в рамках реструктуризации и оптимизации бизнес-процессов в рамках реструктуризации в 2021 году.

Показатель	2019	2020	2021
Текучесть персонала, %	23%	21%	27%

Текучесть персонала по гендерным группам по итогам 2021 года*

Показатель	Мужчины	Женщины
Текучесть персонала, %	44%	31%

*Фактически % исходя из количества сотрудников по гендерным группам.

Текучесть персонала по возрастным группам по итогам 2021 года*

Показатель	до 30 лет	30-50 лет	старше 50 лет
Текучесть персонала, %	62%	29%	26%

*Фактически % исходя из количества сотрудников по возрастным группам.

Оплата труда и мотивация персонала

Чтобы определить уровень счастья и повысить уровень мотивации и благополучия сотрудников, в 2021 году был запущен опрос Naruru job по удовлетворенности и лояльности.

Вознаграждение работников по итогам 2021 года

Категория работников	Средний доход, тенге	Среднее вознаграждение с учетом бонусов и надбавок	Среднее вознаграждение за период	Среднее вознаграждение мужчинам	Отношение
Руководители	874 295	1 295 302	1 117 075	1 440 157	79%
Специальности	368 319	376 977	347 424	440 992	68%
Рабочие	148 650	159 087	—	159 087	0%

ности персонала. В 2021 году в опросе участвовали 62% сотрудников, тогда как в начале 2022 года количество участников выросло до 80%. За 2021 год индекс счастья увеличился на 15,2%, а лояльность сотрудников eNPS — на 15 пунктов (Employee Net Promoter Score).

Социальная поддержка сотрудников

Для сотрудников предусмотрена поддержка в следующих случаях:

- единовременная материальная помощь в связи со смертью работника или близкого родственника работника;
- единовременная материальная помощь работникам, имеющим инвалидность;
- материальная помощь несовершеннолетним детям погибших работников Компании;
- работникам, проработавшим в Компании более 3 лет, предусмотрена выплата единовременной помощи в связи с выходом в отпуск по беременности и родам за вычетом государственной социальной выплаты.

Количество сотрудников, взявших отпуск по уходу за ребенком в 2021 году — 272, из них — 263 женщины и 9 мужчин. Количество сотрудников, вернувшихся к работе в отчетном периоде (2021 год) после окончания отпуска по уходу за ребенком — 157 человек.

Для улучшения благополучия сотрудников в Компании рассчитан оптимальный баланс между временем на личную жизнь работника и его работу в офисе, а также определены регламент рабочих встреч и внедрена культура благодарности и признания достижений сотрудника.

In a visual and convenient form, **Altynalmas JSC** provided comprehensive employee data as per international standards in its sustainability report

КАДРОВЫЙ СОСТАВ

GR103-7, 102-8, 402-1, 405-1

На конец 2021 года списочная численность сотрудников составила 10 540 человек — на 56% больше по сравнению с показателями 2020 года. Данные положительная динамика обусловлена приобретением контрольного пакета акций АО «ГМК КАЗАХАЛТЭЙ» и также кадровой политикой Компании и возможностями для карьерного роста. Компания не допускает какой-либо дискриминации, различий, исключений и предпочтений в реализации прав сотрудников. Каждый сотрудник имеет право на равную оплату за равный труд без какой-либо дискриминации. В связи с расширением Компании и увеличением количества сотрудников в 2021 году текучесть кадров составила 25% с учетом притока АО «ГМК КАЗАХАЛТЭЙ», что на 10% выше, чем в 2020 году.

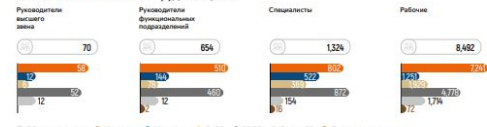


Общее количество сотрудников на условиях трудового договора



Доля женщин от общей численности сотрудников на 31 декабря 2021 года составляет 18%. Гендерный баланс среди сотрудников отражает особенности работы в горнодобывающей отрасли, где большая доля рабочей силы приходится на мужчин в связи с опасными и физически тяжелыми условиями труда. Также менее в Компании действуют инициативы и стратегии по обеспечению разнообразия кадрового состава, в рамках которых мы привлекаем женщин по службе талантов сотрудников вне зависимости от расы, религии, возраста, пола, национальности или отсутствия группы инвалидности и других особенностей. Структура штата всей Компании и ее управленческого состава отражает многообразие с точки зрения возраста.

Списочная численность сотрудников, чел.



ПРИВЛЕЧЕНИЕ ТАЛАНТОВ

GR140-1

Основными факторами политики Компании в области подбора персонала являются прозрачный справедливый подход, предоставление равных возможностей и объективная оценка при отборе. Для привлечения квалифицированного персонала Компания осуществляет политику продвижения позитивного имиджа, применяет комплексную систему поиска персонала (международная система оценки компетенций SHL), проводит мероприятия по выявлению талантливых выпускников учебных заведений. Применяются различные источники поиска персонала, которые включают сайт-сайты, социальные сети, профессиональную сеть контактов, внедрена программа внутреннего рекрутинга «Триггис друг», целью которой является повышение вовлеченности сотрудников.

реализоваться путем обеспечения участия в процессе подбора персонала как непосредственного руководителя, так и представителя Департамента по управлению персоналом.

С целью создания эффективной и прозрачной системы поиска и подбора персонала в Группе устанавливаются следующие нормы и принципы подбора персонала:

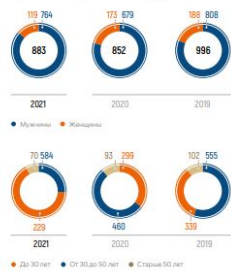
- Компания предлагает равные возможности участия в отборе всем кандидатам при соответствии требованиям вакансии и профилю позиции;
- все решения по подбору и найму персонала должны быть объективными, справедливыми и прозрачными,

- при подборе и найме персонала не допускаются дискриминация по какому-либо признаку: расовому, религиозному, половому и возрастному признакам, национальной принадлежности, сексуальной ориентации, политическим взглядам и социальному положению. Следование принципу недопущения дискриминации является обязательным требованием для всех структурных подразделений Группы.

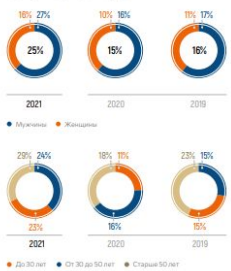
Итого 2021 года в рамках управления талантами:

- разработана и утверждена Методика по определению Реестра критичных должностей;
- утвердены Реестр критичных должностей;
- проведены интервью с руководителями высшего звена;
- запущена электронная платформа обучения (ВЭ электронных курсов);
- продолжается сотрудничество со Стенограмским горно-металлургическим колледжем.

Количество принятых сотрудников



Общая текучесть кадров



Examples of disclosures (International)



In its sustainability report, Teck discussed its efforts to protect human rights, including the management of issues related to basic rights

Human Rights

Through 2021, the ongoing COVID-19 crisis has highlighted economic and social inequalities – and, in some regions, inadequate health and social protection systems – requiring urgent attention.³⁰ There is a significant amount of emerging national and regional legislation requiring companies to disclose that they identify, prevent and mitigate impacts on human rights, and to indicate how they address potential impacts on human rights. Issues such as discrimination and racism are at the forefront of social consciousness, with corporations and other global organizations renewing their commitments to address social issues.³¹ The most salient human rights issues commanding corporate attention in the mining sector are health, safety and well-being, modern slavery and child labour³².

Organizations such as the International Council of Mining and Metals (ICMM) are fully supportive of the United Nations Guiding Principles (UNGPs) on Business and Human Rights (UNGPs) and were involved in the consultations that led to their development. Teck is supportive of ensuring these voluntary measures are integrated into business activities, including in social and environmental management, health and safety, supply chain security and human resources.

We are committed to respecting and observing all human rights, as articulated in the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the

International Covenant on Economic, Social and Cultural Rights, and the International Labour Organization (ILO) Core Conventions.

Our reporting aligns with the UNGPs in providing information on how our activities may affect human rights and how issues with human rights aspects are being addressed. Teck's human rights performance ranks above the extractive industry average in performance on the Corporate Human Rights Benchmark (CHRB). This benchmark against the UNGPs will help guide us in continual improvement of our practices and disclosure.

GRI Indicators and Topic Boundary

422-303, 422-1, 422-2
This topic is considered material by our shareholders, employees, local communities, regulators, society and contractors in the context of all Teck sites, contractor selection/management and supplier selection.

How Does Teck Manage This Topic?

Information about how we manage human rights, including relevant policies, management practices and systems, is available for download on our website.

2021 Highlights

26 supplier due diligence checks that included human rights

Completed an update to the company's human rights requirements in the Teck Social Performance Standard

Our Performance in Human Rights in 2021 Embedding Human Rights

We manage the potential and actual human rights impacts across our business, in areas such as health and safety, security and risk, human resources, contracts and procurement, and community relations. Teck is focused on ensuring that human rights are integrated into our broader business practices.

Our Human Rights Policy, which commits to respecting human rights contained in the International Bill of Human Rights and the ILO Core Conventions, is recognized and applied across the company. This commitment extends to Teck's broader supply chain through our Expectations for Suppliers and Contractors.

Training for Security Personnel
Where we have security personnel, contracts with security service providers require adherence to the Voluntary Principles on Security and Human Rights. Training for security personnel is completed annually and is overseen on a regular basis by Teck's Risk Group. Training also occurs if and when security service providers are replaced or reintroduced at our operations. Due to COVID-19 travel restrictions, site reviews regarding security and human rights were not conducted in 2021 in person, but were discussed virtually with sites as part of ongoing business activities.

Artisanal and Small-Scale Mining
We regularly monitor our sites for the potential presence of artisanal or small-scale miners on or adjacent to our operations. Our approach focuses on the improvement of health, safety and the environment as well as on the

Salient Human Rights Issues

As guided by the UNGPs, we determine and report on our most significant or salient human rights issues. A company's salient human rights issues are those human rights that are most at risk of being negatively impacted as a result of the company's activities or business relationships.

We proactively identify areas of highest human rights risk so we can prevent adverse impacts from occurring, and we conduct human rights assessments at our operations. Last year, we undertook our biennial corporate human rights

community impacts of small-scale mining extraction. These efforts help strengthen the livelihoods of these miners by providing guidance on occupational safety and best practices, in collaboration with governments. In 2021, artisanal mining took place adjacent to two of our operations in Chile, Carmen de Aconcagua and Quebrada Blanca, and the Zafrañal project in Peru.

Resettlement Activities and Related Impacts
Although Teck's requirement for resettlement has been minimal, we recognize that it is a complex process, requiring thoughtful consideration and management. When it is necessary, Teck conducts resettlement in compliance with accepted international standards. We also conduct socio-economic and environmental impact assessments, and provide guidance on engaging with those people affected by the project to ensure biodiversity-related impacts are minimized. In 2021, while no involuntary resettlements took place at any of our sites or operations, voluntary economic resettlement took place at our Zafrañal project.

Industry Collaboration
We play an active role in working with our industry sector partners in identifying and sharing best practices in human rights. In 2021, we were actively involved in the Mining Association of Canada's International Social Responsibility Committee, the Corporate Human Rights Benchmark Methodology Review, and the London Bullion Market Association (LBMA) and London Metal Exchange Responsible Sourcing requirements as they relate to child labour and forced labour.

reviews at every operation with more than five years of anticipated mine life to identify Teck's most salient human rights issues. The results of the human rights risk assessments inform Teck's overall salient human rights issues; the results also identify potential risk areas to integrate into ongoing risk assessments and management activities at individual sites. We are currently in the process of updating Teck's Social Performance Standard that includes human rights requirements, which will be released in 2022.

Ensuring diversity and inclusion is an important focus in Chevron's sustainability report

diversity and inclusion

we foster an inclusive workplace that promotes diverse ideas and drives innovation

2021 highlights

- Advanced our Human Capital Management strategy with additional investments in people and culture
- Continued evolving our diversity and inclusion strategy by enhancing programs and resources
- Continued advancing our social equity commitments

We believe human ingenuity has the power to overcome obstacles, solve challenges and transform the future of energy.

We invest in people and foster a culture of belonging that seeks to empower our employees to develop their full potential and drive innovation. Diversity and inclusion (D&I) at Chevron are enabled by a strong corporate culture, an empowered employee workforce, a focus on talent recruitment and development, and a commitment to racial equity.

strengthening our corporate culture

The Chevron Way articulates our values, our beliefs and our behaviors. We believe a culture built on trust and inclusion empowers the workforce to deliver higher returns for our shareholders and advance a lower carbon world. We support employees in the pursuit of meaningful careers. We celebrate our differences, support work-life balance, and promote health, safety and personal well-being for everyone. We seek to strengthen our culture by offering a variety of training

resources that enable employees to understand and recognize biases, promote a culture of beneficial feedback, encourage inclusive and empathetic leadership, and embed teams to innovate and meet strategic objectives.

empowering employees to speak up

We know that culture serves as the bedrock of high-performing organizations. A culture in which authenticity is valued and employees are empowered to speak up encourages diverse viewpoints, which can lead to better decision making and problem solving. For more than 30 years, the Global Office of Ombuds has helped employees find their voice by providing a safe, neutral, independent resource for voluntary, off-the-record confidential conversations pertaining to a myriad of topics. Over the past five years, a growing number of employees outside of the United States have utilized the services of our Global Office of Ombuds, which is widely recognized in the oil and gas sector as the benchmark for Ombuds programs. In 2021, the office responded proactively to worker concerns that grew out of the pandemic by hosting a three-part webinar series titled "Courageous Conversations." The series aimed to continue building a culture of open feedback based on trust, psychological safety and conflict resolution skills.



52 years of our employee assistance program

Now in its 52nd year, the Employee Assistance Program (EAP) is a confidential consulting service, consisting of licensed mental health professionals who can help workers resolve a broad range of personal, family and work-related concerns and problems. The EAP also manages a hotline that operates 365 days a year and 24 hours a day to address issues affecting employees' mental health.

In addition to our Global Office of Ombuds, Chevron regularly conducts surveys to assess the health of the company's culture. Recent surveys indicate high employee engagement, which is an indicator of employee well-being and commitment to the company's values, strategies and purpose. In 2021, the company increased survey frequency to better understand employee sentiment throughout the year, including focused efforts to gain insights into employee well-being.

building a diverse talent pipeline

Our approach to attracting, developing and retaining a diverse workforce of high-performing talent is anchored in a long-term employment model that fosters personal growth and engagement. Chevron's philosophy is to offer compelling career opportunities and a competitive total compensation and benefits package linking compensation to individual and enterprise performance. Chevron maintains strong partnerships with universities and diversity associations to develop and attract new as well as experienced talent. In addition, we have coordinated efforts to recruit veterans, which are further supported by our Veterans Employee Network. We also look for creative, multidisciplinary innovators and leaders to introduce transformative ideas, envision new ways of working and help us grow our lower carbon businesses.



employee spotlight

After receiving my Ph.D. in Earth Sciences, I joined Chevron because the culture aligned with my long-term aspirations to continue learning and growing as a person. For example, Chevron has a long history of using innovation and advanced technologies to unlock a deeper understanding of our assets. Today, we use data analytics, machine learning algorithms and artificial intelligence to improve our understanding of a range of topics in our industry, from stratigraphy to renewables and carbon capture. To advance my own digital competency, Chevron has provided access to digital training and experiential learning resources, opportunities to receive mentorship from subject matter experts, and time for me to work on my own small research projects.

Chevron's culture also values diversity, which has helped me embrace my own cultural heritage. As a graduate of the Native American Employee Network, I'm able to focus on my Indigenous culture and its link with Chevron's One Team approach, which values diverse perspectives and recognizes that each person has a unique skill set.

Chevron's Indigenous people-focused network has merged into one unified global network that allows our former regional Indigenous networks to address common issues impacting Indigenous communities, such as reconciliation efforts to strengthen relationships between Indigenous and non-Indigenous people. I often think about the fact that more than a third of the world's remaining land belongs to Indigenous people. As Chevron continues to advance a lower carbon future and consider nature-based solutions, Chevron's relationship with Indigenous communities will continue to grow.

Our approach to attracting, developing and retaining a diverse workforce of high-performing talent is anchored in a long-term employment model that fosters personal growth and engagement.

4 [G]overnance



Approach to disclosure



How are sustainable development issues integrated into the corporate governance system?

One of the main problems we see in Kazakhstan in the processes of ESG integration into the activities of a company is the lack of involvement of senior management. Often sustainability issues are handled by middle management. However, they have limited or no real power or ability to make a difference on the company as a whole.

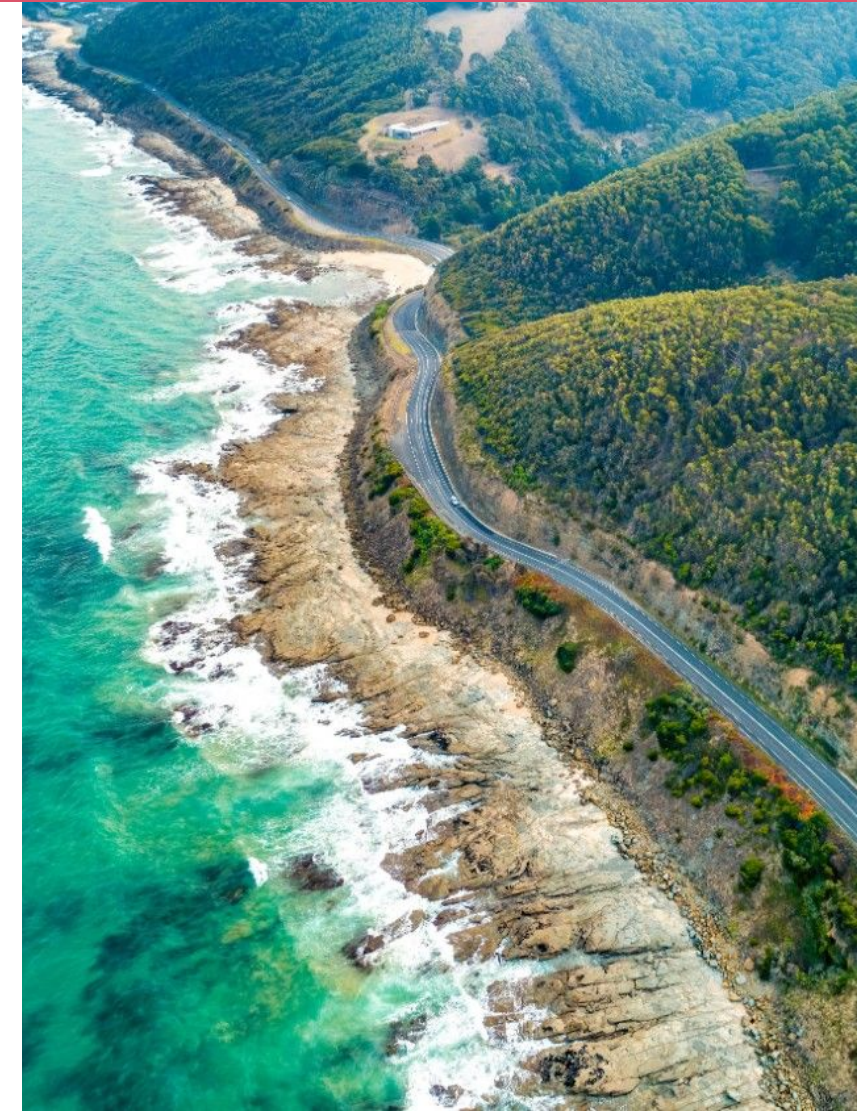
How exactly are the board and the board of directors (supervisory board) involved in sustainability work? What issues do they consider and how often do they review them? How, for example, are they involved in creating and approving the ESG strategy or reviewing the ESG report? These are important questions that the non-financial report should answer.

The second important point is, can top management represent the interests of different stakeholders? To answer this question we will have to show the composition of the highest governing bodies: by independence, by social groups, and by competence.

Are there people here who can represent stakeholders other than shareholders? It is important to describe management's processes for engaging with stakeholders.

Do members of senior management have the necessary knowledge and competencies to assess and manage ESG risks? To what extent are they involved in developing sustainability practices in the company that require narrow specializations. What is the diversity policy in senior management.

Large amount of issues of sustainable development are affected by a company's sustainable management. For example, the management structure (identifying responsible parties) and existing company policies and procedures. Thus, it is important to see sustainable development as deeply integrated with the business model of the company.





Results of the analysis of Kazakhstan Reports (TOP-50 Rating)

The description of the management structure of sustainable development issues in Kazakhstani companies is rather high-level. Nevertheless, already 60% of the Reports describe those responsible for decision-making in the area of sustainable development, and almost half of the Reports separately highlight the role of the Board of Directors and management board (only 20% of Reports included it in the last Rating).

Companies are having fewer and fewer problems describing key policies and procedures to ensure fairness and transparency in corporate governance. For example, almost every Report in the Top 50 describes the anti-corruption policy, more than two thirds of the Reports discuss corporate ethics principles, complaints procedures, conflict of interest management, etc. There are also individual bottlenecks, for example, about half of the reports talk about working with an external auditor, but only 26% disclose his remuneration.

If the more traditional aspects of corporate governance in Kazakhstani companies are well disclosed, the issues specific to sustainable development still cause problems. For example, only one in five reports discloses the structure of the Board of Directors (Supervisory Board) by social groups, and even fewer disclose key competencies of members of the governing bodies.

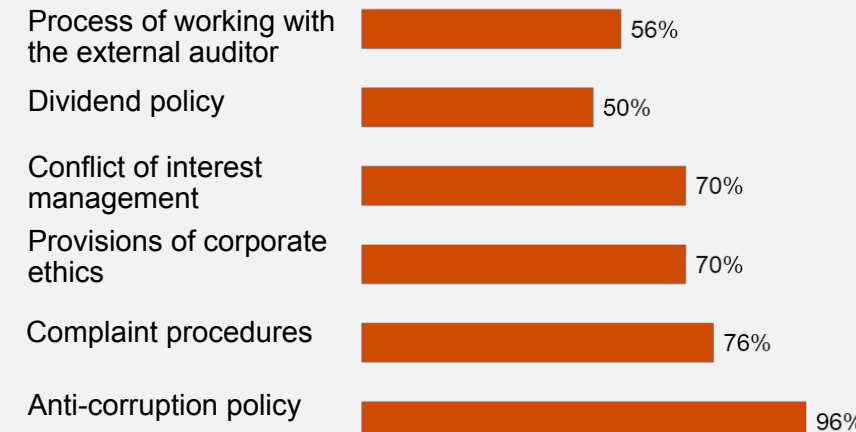
In a few cases, it is indicated how managers take into account the interests of different stakeholders as a result of the interaction conducted. Regarding risk management, only 22% of companies highlight specific ESG risks.

In our view, these shortcomings originate from the weak integration of the sustainability agenda into the corporate governance system. The issue is often not the lack of information, but the unchanged management system of the organization.

Structure of the Board of Directors/Supervisory Board:

- 54%** indicated the number of independent directors
- 20%** indicated the structure by gender and age groups
- 16%** indicated the structure by key competencies

How do TOP-50 companies disclose aspects of corporate governance?





What to focus on in the next report

The role of governing bodies

Until sustainable development issues are included in the regular agenda of the governing bodies, real progress in ESG integration is impossible. Issues in this area should be considered and decided at the highest level: what is the role of top management in assessing the organization's significant impacts on society, how climate change risks are considered, how and by whom the sustainable development strategy is adopted and progress is monitored, what is the role of top management in ESG reporting, etc.

Obviously, the management bodies do not deal with the operational issues of the ESG strategy, therefore it is important to showcase how responsibility is being delegated and the reporting structure.

In addition, it is worth showing a clear and precise decision-making scheme on sustainable development issues: who is responsible for what, how this system works and transforms.

Diversity in management

It is important to show that in the governing bodies and in senior management, the composition of members allows representing the interests of relevant stakeholders. Accordingly it is important to disclose information (in a visual and convenient format) about the structure of higher management (and preferably top management), which shows the proportion of women, and/or age groups, and indicates the proportion of independent directors and stakeholder representatives.

But besides such quantitative information, it is important that the company has a policy (or otherwise described approach) to ensuring diversity in supreme governing bodies in order to show that this work is purposeful and conscious.

Here it is important to note which of the management members has the necessary competencies to manage ESG aspects, and whether the matrix of competencies is taken into account in the composition.

Appraisal and remuneration

How are senior management and governance bodies assessing progress on sustainability issues? What are the results of the next evaluation and what actions have been taken as a result of the evaluation? This is an important group of questions that needs to be covered in the report.

As a continuation of this conversation, the issue of remuneration comes up - which has always been a problem for closed Kazakhstani companies. In the disclosure of information about directors' remuneration today, it is important not only the remuneration itself, but also its components and principles of determination - including whether this remuneration takes into account the results on sustainable development issues.

Special attention should be paid to the ratio of the highest paid employee of the company to the average remuneration in the company. This increasingly appears in both annual reports and sustainability reports.



What to focus on in the next report

The role of governing bodies

Until sustainable development issues are included in the regular agenda of the governing bodies, real progress in ESG integration is impossible. Issues in this area should be considered and decided at the highest level: what is the role of top management in assessing the organization's significant impacts on society, how climate change risks are considered, how and by whom the sustainable development strategy is adopted and progress is monitored, what is the role of top management in ESG reporting, etc.

Obviously, the management bodies do not deal with the operational issues of the ESG strategy, therefore it is important to showcase how responsibility is being delegated and the reporting structure.

In addition, it is worth showing a clear and precise decision-making scheme on sustainable development issues: who is responsible for what, how this system works and transforms.

Diversity in management

It is important to show that in the governing bodies and in senior management, the composition of members allows representing the interests of relevant stakeholders. Accordingly it is important to disclose information (in a visual and convenient format) about the structure of higher management (and preferably top management), which shows the proportion of women, and/or age groups, and indicates the proportion of independent directors and stakeholder representatives.

But besides such quantitative information, it is important that the company has a policy (or otherwise described approach) to ensuring diversity in supreme governing bodies in order to show that this work is purposeful and conscious.

Here it is important to note which of the management members has the necessary competencies to manage ESG aspects, and whether the matrix of competencies is taken into account in the composition.

Appraisal and remuneration

How are senior management and governance bodies assessing progress on sustainability issues? What are the results of the next evaluation and what actions have been taken as a result of the evaluation? This is an important group of questions that needs to be covered in the report.

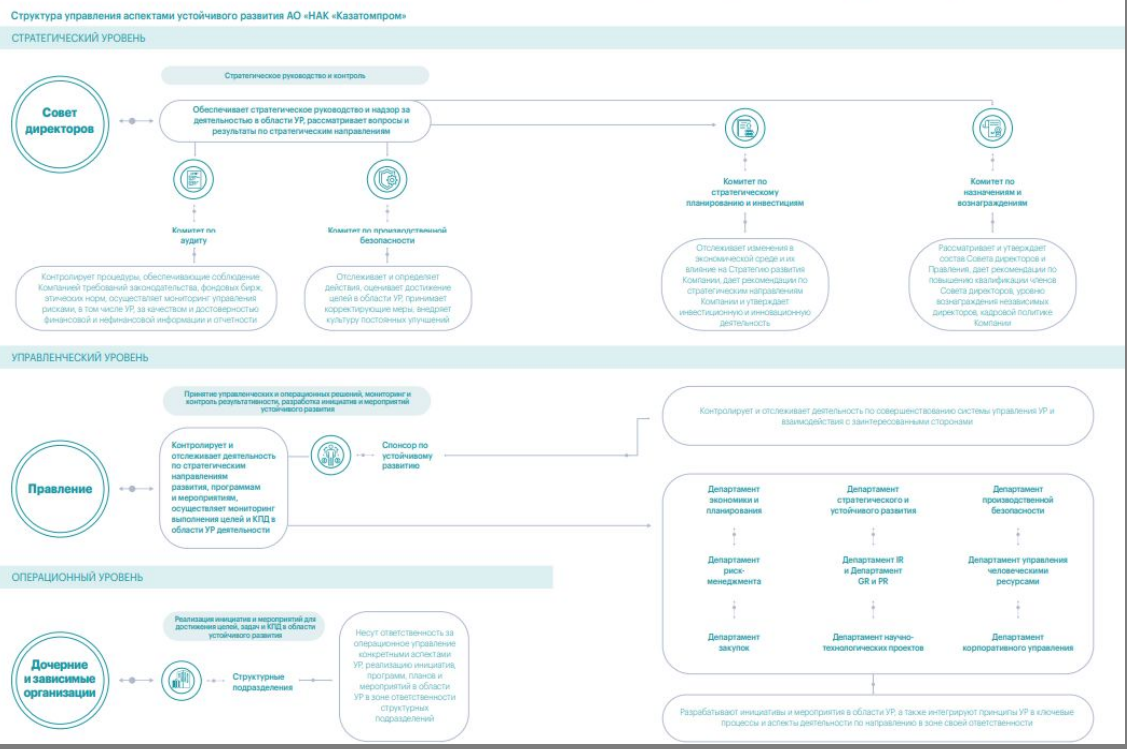
As a continuation of this conversation, the issue of remuneration comes up - which has always been a problem for closed Kazakhstani companies. In the disclosure of information about directors' remuneration today, it is important not only the remuneration itself, but also its components and principles of determination - including whether this remuneration takes into account the results on sustainable development issues.

Special attention should be paid to the ratio of the highest paid employee of the company to the average remuneration in the company. This increasingly appears in both annual reports and sustainability reports.

Examples of disclosures (KZ)



NAC Kazatomprom showed a visual scheme of sustainable development management in its integrated annual report for 2021



Eurasian Resources Group indicated global trends that could affect the industry and a company in its sustainable report and outlined strategic responses

ВНЕШНЯЯ СРЕДА

Понимание и эффективное управление глобальными трендами

Реагирование на геополитическую ситуацию в 2022 году

Конфликт между Украиной и Россией

Волеуверенный конфликт между Украиной и Россией привел к существенной дестабилизации финансовых и товарных рынков в 2022 году, что было частично обусловлено санкциями против Правительства Российской Федерации и ряда компаний, финансируемых российскими банками и финансовыми институтами. Конфликт также затронул ключевые маршруты авиационных поставок, проходящие через территорию Украины, тем самым нарушив снабжающую цепочку энергии. Это повлияло на ESG, в том числе посредством санкций против двух основных кредиторов Группы, Сбербанка России и ЕБРР, а также роста цен на форвардные и энергетические услуги на европейском рынке энергии.

В марте и апреле 2022 года Группа согласовала внешние и внутренние сделки и операции со Сбербанком России, Банком ЕБРР (E.ON, E.ON и Joint-ly dependent companies). В дополнение к этому был приостановлен ряд торговых операций в связи с отменами относительно долгосрочной стабильности и жизнеспособности сырьевых контрактов, подтвержденных рынком международных санкций. Мы также создали централизованную Подкомитетный комитет, отвечающий за координацию принимаемых мер реагирования. Мы продолжаем соблюдать все санкции.

Протесты в Казахстане

В январе 2022 года в Казахстане мы также столкнулись со сложностями, вызванными существующими, но краткосрочными социальными проблемами внутри страны.

В феврале 2022 года в Казахстане мы также столкнулись со сложностями, вызванными существующими, но краткосрочными социальными проблемами внутри страны.

В настоящее время в стране проводятся общенациональные политические и экономические реформы, объявленные Президентом Республики Казахстан.

В связи с этим Группа приняла меры по повышению операционной устойчивости бизнеса. Также была проведена работа с органами государственной власти по вопросам социального развития (стр. 64).

Значимость для отрасли

Для повышения ESG-эффективности в ESG в этой области в 2021 году на уровне Группы были созданы Комитет по вопросам ESG, Комитет устойчивого развития и Комитет по вопросам управления ESG (включая вопросы управления ESG данными) (стр. 6).

Мы уделяем особое внимание социально-экономическим аспектам ESG, что также обусловлено нашими многолетними взаимодействиями с местными сообществами в Казахстане. В 2021 году на предпринятых мероприятиях развития страны было выделено \$8,1 млн долларов США (стр. 52). Мы сотрудничаем с местными сообществами по новым системам энергии ESG, также стремимся обеспечить долгосрочное развитие местных сообществ в ДРК (например, посредством реализации программы «Чистые воды и мир», стр. 88).

Также реализация Экологической стратегии в Казахстане позволяет принести нашу деятельность в соответствие с международными стандартами ESG, а также с национальными стандартами ESG Казахстана (стр. 63). На территории Группы в Африке внедрена Система управления качеством производственной безопасности и устойчивым развитием (ESQ), разработанным с учетом требований стандарта ISO 14001.

Стратегические меры реагирования

Мы стремимся выжить свою роль в решении этой проблемы в рамках своей текущей деятельности, а также в среднесрочной и долгосрочной перспективе. Это включает наше производство, добычу, переработку и транспортировку металлов, которые необходимы для перехода к низкоуглеродной экономике. В частности, Metabot RTG имеет производственные мощности и играет важную роль в глобальной производственной цепочке. Мы стремимся сократить выбросы парниковых газов, особенно в Казахстане, где значительный объем используемой энергии производится из угля. Наша работа включает проекты по диверсификации энергетических поставок и модернизации производственных мощностей в Казахстане, что также позволит сократить выбросы парниковых газов, особенно в Казахстане, где значительный объем используемой энергии производится из угля. Наша работа включает проекты по диверсификации энергетических поставок и модернизации производственных мощностей в Казахстане, что также позволит сократить выбросы парниковых газов, особенно в Казахстане, где значительный объем используемой энергии производится из угля.

Значимость для отрасли

Обеспечение надежности производственной цепочки является приоритетом для нас. Мы стремимся сократить выбросы парниковых газов, особенно в Казахстане, где значительный объем используемой энергии производится из угля. Наша работа включает проекты по диверсификации энергетических поставок и модернизации производственных мощностей в Казахстане, что также позволит сократить выбросы парниковых газов, особенно в Казахстане, где значительный объем используемой энергии производится из угля.

Стратегические меры реагирования

Программа «Чистые воды и мир» (стр. 88) на территории Metabot RTG продолжает обеспечивать:

- Соблюдение и повышение требований к устойчивости производственной цепочки в соответствии с процессом BMAP (Инициатива BMK).
- Активное улучшение условий жизни местного населения.

В июне 2022 года было получено независимое заключение отчета Orlam о реализации выполнения Программы «Чистые воды и мир» в ходе которого было подтверждено соблюдение требований к устойчивости (Программы «Инициатива»). В августе 2022 года Metabot RTG получило подтверждение EMI о соответствии стандарту BMAP по комплексной оценке производственной цепочки в отношении углеродного следа и углеродной ответственности (стр. 2023 год) и соответствию стандарту BMAP по комплексной оценке производственной цепочки в отношении углеродного следа и углеродной ответственности (стр. 2021 год). Мы также сотрудничаем с другими компаниями с целью внедрения надежных стандартов для производственной цепочки на все аспекты производственной цепочки (стр. 88).

В дополнение к этому мы стремимся к обеспечению не только высокого уровня надежности производственной цепочки, но и устойчивости производственной цепочки в Казахстане, где была начата реализация новой программы «Чистые воды и мир» (стр. 87).

Повышение требований к надежности производственно-сбытовых цепочек полезных ископаемых

Вопрос

Различные стейкхолдеры, включая предприятия-поставщиков, перевозчиков, регулирующие органы, инвесторов и биржи, предъявляют требования к надежности производственной цепочки и надежности производственно-сбытовых цепочек полезных ископаемых. При этом особое внимание уделяется цепочке поставок ископаемых. При этом особое внимание уделяется цепочке поставок ископаемых. При этом особое внимание уделяется цепочке поставок ископаемых.

Значимость для отрасли

Обеспечение надежности производственной цепочки является приоритетом для нас. Мы стремимся сократить выбросы парниковых газов, особенно в Казахстане, где значительный объем используемой энергии производится из угля. Наша работа включает проекты по диверсификации энергетических поставок и модернизации производственных мощностей в Казахстане, что также позволит сократить выбросы парниковых газов, особенно в Казахстане, где значительный объем используемой энергии производится из угля.

Стратегические меры реагирования

Программа «Чистые воды и мир» (стр. 88) на территории Metabot RTG продолжает обеспечивать:

- Соблюдение и повышение требований к устойчивости производственной цепочки в соответствии с процессом BMAP (Инициатива BMK).
- Активное улучшение условий жизни местного населения.

В июне 2022 года было получено независимое заключение отчета Orlam о реализации выполнения Программы «Чистые воды и мир» в ходе которого было подтверждено соблюдение требований к устойчивости (Программы «Инициатива»). В августе 2022 года Metabot RTG получило подтверждение EMI о соответствии стандарту BMAP по комплексной оценке производственной цепочки в отношении углеродного следа и углеродной ответственности (стр. 2023 год) и соответствию стандарту BMAP по комплексной оценке производственной цепочки в отношении углеродного следа и углеродной ответственности (стр. 2021 год). Мы также сотрудничаем с другими компаниями с целью внедрения надежных стандартов для производственной цепочки на все аспекты производственной цепочки (стр. 88).

В дополнение к этому мы стремимся к обеспечению не только высокого уровня надежности производственной цепочки, но и устойчивости производственной цепочки в Казахстане, где была начата реализация новой программы «Чистые воды и мир» (стр. 87).

Растущий интерес стейкхолдеров к деятельности в области ESG

Вопрос

Данные стейкхолдеров в отношении деятельности компаний в области экологии, социального развития и корпоративного управления (ESG) продолжают расти. Например, международные кредитные организации все чаще включают в условия кредитования требования в области ESG, в том числе в отношении потребления энергии и производства углекислого газа. ESG при принятии решений по закупкам.

Значимость для отрасли

Обеспечение надежности производственной цепочки является приоритетом для нас. Мы стремимся сократить выбросы парниковых газов, особенно в Казахстане, где значительный объем используемой энергии производится из угля. Наша работа включает проекты по диверсификации энергетических поставок и модернизации производственных мощностей в Казахстане, что также позволит сократить выбросы парниковых газов, особенно в Казахстане, где значительный объем используемой энергии производится из угля.

Стратегические меры реагирования

Программа «Чистые воды и мир» (стр. 88) на территории Metabot RTG продолжает обеспечивать:

- Соблюдение и повышение требований к устойчивости производственной цепочки в соответствии с процессом BMAP (Инициатива BMK).
- Активное улучшение условий жизни местного населения.

В июне 2022 года было получено независимое заключение отчета Orlam о реализации выполнения Программы «Чистые воды и мир» в ходе которого было подтверждено соблюдение требований к устойчивости (Программы «Инициатива»). В августе 2022 года Metabot RTG получило подтверждение EMI о соответствии стандарту BMAP по комплексной оценке производственной цепочки в отношении углеродного следа и углеродной ответственности (стр. 2023 год) и соответствию стандарту BMAP по комплексной оценке производственной цепочки в отношении углеродного следа и углеродной ответственности (стр. 2021 год). Мы также сотрудничаем с другими компаниями с целью внедрения надежных стандартов для производственной цепочки на все аспекты производственной цепочки (стр. 88).

В дополнение к этому мы стремимся к обеспечению не только высокого уровня надежности производственной цепочки, но и устойчивости производственной цепочки в Казахстане, где была начата реализация новой программы «Чистые воды и мир» (стр. 87).

Examples of disclosures (International)



In its annual report, **Pearson** elaborated on the measures to ensure diversity in the Board of Directors and top management

Diversity across Pearson

We accelerated our DE&I efforts in 2021, continuing to build an inclusive workplace culture and a more equitable company. In October 2020, the Board approved 50 initiatives for implementation over a 12-month period for which progress has been made. This plan was further defined by the creation of a DE&I strategy in March 2021 focused on four organizing themes: Recruitment/Promotion, Retention, Inclusive Culture and Social Impact. This five-year Action Plan contains a framework of goals and initiatives to further underscore areas of improvement as we continue the path to increase representation across the enterprise while building equitable learning solutions.

Pearson's Code of Conduct in relation to ethical practices takes account of gender, age, ethnicity, disability and sexual orientation, and applies to all employee levels, including the Pearson Executive Management (PEM) team. It is underpinned by a global statement on DE&I, along with country and business-specific policies. Standards are set consistently worldwide - both internally and externally - as part of our endeavour to make Pearson a great place to work.

The Global DE&I Council oversees progress on our DE&I agenda. This group includes this PEM team, engages business leaders and members representing employee resource groups, and is chaired by Chief Executive Officer, Andy Bond, and the Chief Diversity Officer, Dr. Rio Starke. For more information on our approach to DE&I, see page 40.

Board diversity
We believe that Board diversity makes us a better business, contributing to high performance, enhanced commercial results, and a leadership culture that is inclusive. Research indicates high performing boards continue an increased competitive advantage. Further, global trends continue to reflect the needs for greater inclusion.

We are determined that, as a Board, we must be representative of our employee base and wider society, including the countries in which we operate. The Board embraces the UK Corporate Governance Code's underlying principles with regard to Board diversity and inclusion, including in respect of ethnicity, gender and age. The objectives set out in the Board's Diversity Policy and our progress towards these are shown in the table on the opposite page.

The Nomination & Governance Committee ensures that the Director of Human Resources demonstrates a broad balance of skills, background and experience, to support our strategic development and reflect the global nature of our business. It requires appointments to be made on merit and relevant experience, while taking into account the broadest definition of diversity. In the recent Non-Executive Director search processes, the Committee encouraged the retained search firms to place an emphasis on putting forward candidates who would enhance the overall diversity of the Board.

The Committee has redefined the following objectives, which support the Board Diversity & Inclusion Policy, which continues to support Pearson's commitment to creating a more equitable and inclusive company.

— at least 40% female Directors (previous target: 33%)
— at least two Directors of colour (previous target: one)
As at 31 December 2021 the Board was 50% female (2020: 45%), exceeding its commitment to at least 33% female representation suggested by the Hampton-Alexander Review, as well as the recently revised FTSE Women Leaders Review which has a target of 40% women's representation by the end of 2025. The FTSE Women Leaders Review also recommends that Boards should have at least one woman in the Chair, Senior Independent Director, Chief Executive or Chief Financial Officer role by 2025 - a target we have already achieved.

We also satisfied, ahead of the 2021 target date, the recommendation in the Parker Review that at least one Director should be from an ethnic minority background.

Diversity was one of the topics the Board considered in the Board evaluation process conducted in 2021, both in respect of its own composition and in terms of the company's approach. The results and feedback provided by the evaluation indicated that the Directors believe the Board's diversity is, as a whole, good in a wider context, the Board recognised the increasing importance of DE&I and acknowledged the current progress being made. It noted that sufficient time was, and would continue to be, devoted to discussing DE&I at future Board meetings. In addition, the Committee has discussed advancing the objectives set out in the Board Diversity & Inclusion Policy, to increase the racial and ethnic representation on the Board.

Diversity and talent at Executive level
Three of our Executive team of eight, including the Chief Executive and Chief Financial Officer who are covered in the Board's metrics, are women (37.5% vs 30% in 2020). Including the Chief Executive and Chief Financial Officer, this rises to 40% women (four women out of 10 members) (2020: 33%). As at 31 December 2021, the senior management team (as specified by the UK Corporate Governance Code), i.e. the Pearson Executive Management team and their direct reports, including the Company Secretary, contained 44 women, representing 46% of that group (2020: 34%).

To build a pipeline of diverse individuals in leadership and senior management positions, we run several accelerated learning and career development programmes. Supported by the Global DE&I Council, and with a particular focus on ethnicity and gender, the schemes have been designed to assist sponsorship and senior level advocacy in the workplace can produce career dividends for protégés and their sponsors. The Board and Committee carefully monitor plans in this respect and the outcomes achieved.

The Committee received updates on two internal mentoring schemes that it supports. The first pairs a high-potential leader typically at SVP level with a Director. The second involves members of the PEM team sponsoring a small group of individuals at management level identified through our talent and learning review process as potential successors to senior management. The Committee agreed that the programmes, which have been under way for some years, should continue in 2021 with a further cohort of participants. We are currently reviewing opportunities to strengthen our Board sponsorship and mentoring schemes, and in future they will focus on creating mentoring partnerships based on skill development needs. Our goal is that 50% of both the Board mentoring and PEM sponsorship cohorts should be from a diverse background, specifically looking at gender, racial and ethnic diversity.



Board diversity objectives

During the year, the Committee received a detailed progress update on the company's DE&I strategic approach, framework, governance and measurement models, and priority areas. As part of this, the Committee reviewed and updated the objectives which underpin the Board Diversity Policy. The current objectives, and Pearson's performance against them, are set out below:

- Key**
- Target achieved
 - Target not met

Objectives	Progress
— at least 40% female Directors	As at 31 December 2021: • The Board included 50% female Directors
— at least two Directors of colour	• The Board included one Director who identifies as Mixed - White & Black Caribbean, and one Director who identifies as Mixed - White & Black African *As at 28 th February 2022 the Board includes 3 Directors of colour.

All Board appointments will be made on merit, in the context of the skills and relevant experience that are needed for the Board to oversee Pearson's strategic development and that reflect the global nature of our business.

The Board will continue to incorporate a focus on a diverse pipeline in its succession and appointment planning including to prioritise the use of search firms which adhere to the Voluntary Code of Conduct for Executive Search Firms (the Voluntary Code) when seeking to make Board-level appointments.

The Board will continue to adapt best practice, as appropriate, in response to the Hampton-Alexander Review and the Parker Review.

The Board will consider its composition and diversity as part of its consideration of effectiveness in the Board evaluation review process.

Where appropriate, we will assist with the development and support of initiatives that promote all forms of DE&I in the Board, Pearson Executive Management team and other senior management.

We will review and report on our progress in line with the policy and our objectives in the annual report, including providing details of initiatives to promote DE&I in the Board, Pearson Executive Management team and other senior management.

We will continue to make key DE&I information about the Board, senior management and our wider employee population, available in the annual report, and aim for ongoing transparency in this area in line with best practice.

Diversity and talent at Executive level



In its annual report, **Whitbread** discussed the solutions made by the Board of Directors for their stakeholders

STAKEHOLDER ENGAGEMENT

Employees

Our greatest assets are our people. A talented, engaged, motivated and diverse workforce is critical in the delivery of our strategy.

What matters to employees

- A healthy and safe working environment
- Industry-leading training and development programmes
- Meaningful reward and recognition structures
- A business that considers team member wellbeing (physical, mental and financial)
- An inclusive culture that values difference, allowing everyone to be themselves at work
- Career development opportunities
- Open, honest and transparent management processes

How the Board engaged

- The Board delegates overall reward and remuneration structures to the Remuneration Committee. The Committee considers the wider workforce pay alongside executive remuneration. Annual pay rise for executives are reviewed in the context of the treatment of the wider workforce.
- The Board receives monthly data in the monthly KPI pack regarding team retention, and the monthly data is considered carefully.
- The Chief Executive in her report specifically mentions team retention and reward strategies, and makes proposals for approval.
- Over the year, the Board has approved specific retention packages for key team members, e.g. Kitchen teams and housekeeping teams, and has approved increases in hourly pay over and above the National Living Wage for hourly paid team members.
- Our Voice, a body made up of elected representatives across the business, represent the views of employee contributors to senior management. The Board receives reports of these meetings.
- The Board has set eight specific Diversity and Inclusion targets to ensure that the business is properly representative of the communities in which we operate. Good progress has been made in relation to these targets. Board more on page 40.
- Our Voice, a body made up of elected representatives across the business, represent the views of employee contributors to senior management. The Board receives reports of these meetings.
- The Board has set eight specific Diversity and Inclusion targets to ensure that the business is properly representative of the communities in which we operate. Good progress has been made in relation to these targets. Board more on page 40.
- Diversity and inclusion is considered as part of all Board appointments. This is guided by the Board Diversity Policy, which was introduced in 2021. In addition, Whitbread was recognised with a Gold Award for Excellence in the Stonewall Workplace Equality Index 2022 and has won the Top Employers Institute Award for 12 consecutive years.
- The Board considers succession plans for key team members across the business.
- The Board receives reports on health and safety management to annually, statistics are included in the KPI pack, and any incidents are reported straight away to the Board.

Outcomes of engagement

- Diversity and inclusion achievements, see page 40 to 41
- Pay and reward levels above National Living Wage, see page 34
- Board appointments
- Improved health and safety scores. Of the 2,586 COVID-19 audits completed there was a failure rate of 0.30%.
- Significantly enhanced engagement on the subject of mental health and staff wellbeing, particularly through the pandemic



Customers



Customers are at the centre of our business and Board decisions are driven by providing our guests with an exceptional hospitality experience so they keep coming back.

What matters to customers

- A great choice of hotels to stay in and restaurants to eat in across the country, wherever our guests wish to be, at competitive prices
- Brilliant service
- Consistently excellent standards in our hotels and restaurants which are clean, safe and fit for the wishes of our customers
- Healthy menu choices including vegan and fish items on the menu
- Responsibly sourced food, beverage and other products

How the Board engaged

- The Board receives data on customer satisfaction scores each month and operational performance each month
- Quarterly, including as part of the strategy day presentations, deep dives are provided into pricing and commercial strategies in the UK and Germany
- The Board approves the refurbishment, and repair and maintenance programmes, and has insisted on a programme of investment throughout a cycle in which the business has been challenged, to make sure that the portfolio is in the best condition possible for customers
- The Board considers new innovations periodically, e.g. Premier Plus rooms, twin rooms
- The Board considers marketing campaigns and digital strategies
- Innovations in menu choices have been presented to the Board and the Board ensures that healthy and nutritious choices are provided for all customers
- The Remuneration Committee includes customer measures in the remuneration structures for key team members

Outcomes of engagement

- Improved customer satisfaction scores
- Market outperformance demonstrates the value of the brand proposition and its popularity

Investors



The Investor Relations team holds regular investor meetings centred around our Group strategy and performance, and also around ESG strategy and Force for Good.

What matters to investors

- Clear and well communicated strategy for the Group
- Financial performance, as we have recovered from COVID-19, particularly by reference to the competitor set
- A proactive programme of engagement on key topics
- Leadership and governance
- A leading ESG programme

How the Board engaged

- The Board receives monthly data on changes to the share register and on the programmes which we have of engagement with shareholders and other investors
- The Chairman and General Counsel consulted with a broad range of major shareholders in September at which topics such as strategy, performance, leadership and ESG were covered
- The Chair of the Remuneration Committee and the General Counsel have consulted on the new remuneration policy. The new policy has been amended in the light of the feedback from shareholders, and will be presented for a shareholder vote at the AGM
- The Chief Executive and the Investor Relations team have held numerous meetings with shareholders, banks, bondholders and the Pension Trustees throughout the year
- A Travelist solution has been completed this year for the pension fund, and payment schedules into the fund discussed and approved by the Board
- The Board receives a presentation at least once each year from the brokers on the current views of investors and on issues which need to be addressed
- The Board considers very carefully the Company share price, and whether the Company is fairly valued, as well as the matters which could be addressed to generate incremental value. For example, accelerating the growth of the Dartmoor business, the value of the property portfolio, and M&A transactions.

Outcomes of engagement

- Changes to remuneration policy
- Enhancements in ESG programme, e.g. bringing forward our Net Zero target by ten years

5 Reporting practices



Approach to disclosure



Does our report meet the needs of different stakeholders?



In recent years, there has been a broad consensus that businesses must grow sustainably - that is, with regard to their impact on the economy, society, and the environment. Companies should seek to reduce negative impacts and enhance positive ones and focus on long-term value creation.

Businesses understand their responsibilities to a wide range of stakeholders, including investors, government, society, employees, customers, suppliers, and others. But how do they show stakeholders their progress and work? How can stakeholders see if the company is meeting its commitments?

After the integration of ESG into a company's strategy, it should address the quality of ESG disclosure and the effectiveness of communication with stakeholders. This is because reporting has become a mandatory aspect of a mature ESG practice and the standards from it are growing with time.

The first element of quality reporting is a properly conducted materiality assessment. How did the company determine what to include in the report? Were interested stakeholders taken into account?

The second element of quality report is the level of quantitative data used. Stakeholders need to be able to see the company's progress from year to year and compare companies with each other. We need complete, qualitative data collected and calculated based on a recognized methodology. Often when going into a story about their projects, organizations forget to include specific numbers. This data should show us the company's specific impacts on society (broadly defined) and the management of those impacts.

However, the most important indicator of a good report is whether it satisfies the interests of stakeholders. The first and key step in preparing a good report is to understand its audience.

Results of the analysis of Kazakhstan Reports (Top 50 Rating)

From the Top 50 reports this year, 33 declared adherence to GRI standards (last year there were 29). So, it can be said that most leaders in Kazakhstan are consistently preparing reports to recognized international standards. Out of 25 leaders of our Rating, only one Report did not mention GRI. This shows that it has become an implicit best practice, making it difficult to enter the leaderboard without following these standards.

There are several reasons why companies choose to follow international standards when preparing a report. One reason is that it is a ready-made guide with clear instruction for preparing a good report. The second reason is that it addresses the demand of stakeholders, who want standardized data in order to accurately assess companies against each other. That said, non-financial reporting standards are a rapidly changing field and it pays to keep up with changes to maintain a good level of the reporting.

As our comparative analysis shows, the reports prepared according to the GRI Standards have a noticeably higher average score. In particular, they show better disclosure of environmental and social indicators. In addition, the standards, as a rule, require a lot of information on ESG-strategy, management, interaction with stakeholders, etc. The adherence to these strict standards tends to be better serve companies with more developed ESG practices - that's why they have such a high score for disclosure of sustainability management issues.

At the same time, we sometimes see inaccurate adherence to standards, which is exacerbated by the lack of external verification of information.

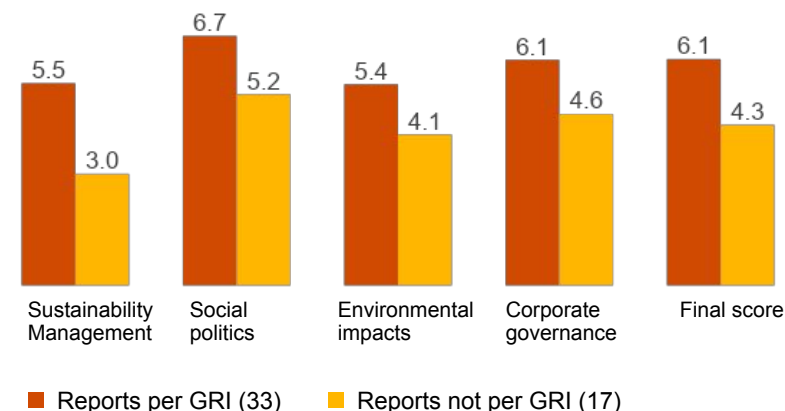
The TCFD recommendations on climate risk disclosure are also not yet widespread in Kazakhstan. However, our communication with companies leads us to expect wider application of this guidance in the next few years.

33 Reports were prepared as per GRI Standards

1 Report has an external assurance of non-financial information

2 Declared adherence to TCFD recommendations

Average rating per information piece





What to focus on in the next report

Ensuring communication

The ESG report will be handled by both professionals with specialized knowledge on handling the data and non-professionals who are eager to understand the company's sustainable development position and values. This can potentially put the company in a difficult position as it will have to make a report that will cover the expectations of a wide and diverse audience.

Therefore, it should invest effort into information design - report format, narrative structure and visualization. We need to ensure a coherent story and reflect on key messages: what do we want to tell our reader? We need to make sure that the language and style of the report is clear for all stakeholders. At the same time, we need to collect all the quantitative data (they often make appendices to the report for this purpose). If the information is difficult to find, read or understand, it is equal to its absence.

In the ESG report you have a chance to build a mutually beneficial dialogue with stakeholders, and it is worth using it.

Reliability of information

To ensure the completeness of an ESG report the manager should ensure the reliability of the information. Does the report reflect the company's situation in its entirety? Is the data true?

Cases of greenwashing cases occur when companies show themselves are being committed to sustainable development, although this is not entirely true. Greenwashing greatly undermines the credibility of all corporate statements.

The best reporting practice today is internal and external verification of ESG data. Internal procedures for monitoring and verifying ESG data are an integral element of the developed sustainability practice. To have external assurance of information, companies can apply for verification of the entire ESG report or request confirmation of critical indicators.

Data management

Most organizations today have a fairly well-developed financial information management system. Using various technical solutions and all recognized standards, they can easily cope with collecting data, making calculations, checking them and compiling reports. The situation is not as good with non-financial information.

A key element of not only high-quality ESG reporting but effective decision-making on sustainable development issues is a developed ESG data management system. How and by whom is the data collected? How automated is this process? What methodologies underlie the calculations? What are the control procedures? How is information presented to management and stakeholders? Each organization has to work on these issues. The goal of this work is to ensure that non-financial data have the same level of quality that financial information already has.

Examples of disclosures (KZ)

Reporting practices

In its annual report for 2021, **KEGOC** made an application with non-financial indicators, which allowed it to unload the main content of the report

ПРИЛОЖЕНИЕ 2. ИНДИКАТОРЫ



КАДРОВАЯ ПОЛИТИКА

404-1

Показатель	Ед. изм.	2019	2020	2021	2021/2020	2021/2020, %
Кадровые показатели						
Средняя численность работников	чел.	4 819	4 371	4 400	+ 29	+ 0,7%
в том числе:						
• Мужчин	чел.	3 502 (72,7%)	3 465 (79,2%)	3 377 (76,8%)	- 88	- 2,5%
• Женщин	чел.	1 317 (27,3%)	1 266 (28,8%)	1 023 (23,2%)	- 243	- 19,2%
Рейтинг социальной стабильности	%	90	91	85	- 6	- 6,6%
Индекс вовлеченности персонала	%	74	90	85	- 5	- 5,6%
Развитие и обучение						
Среднегодовое количество часов обучения на одного работника	часов	35,2	33,0	22,3	- 0,7	- 3,0%
в том числе:						
• Мужчин	часов	25,9	22,7	21,9	- 0,8	- 3,5%
• Женщин	часов	21,3	26,3	25,5	- 0,8	- 3,0%
• ДУП	часов	18,9	23,7	21,5	- 2,2	- 9,3%
• ПП	часов	26,3	22,9	22,4	- 0,5	- 2,8%

Общая численность работников с разбивкой по договору о найме и полу, чел., на 31.12.2021 г.

2-7

Подразделение	Работники на полный рабочий день			Закрытые вакансии на полный рабочий день			Работники на неполный рабочий день			Итого
	всего	муж.	жен.	всего	муж.	жен.	всего	муж.	жен.	
Алмаатинские МЭС	571	462	109	0	0	0	5	5	0	576
Актюбинские МЭС	254	205	49	0	0	0	0	0	0	254
Алматыские МЭС	462	395	77	5	5	0	2	1	1	469
Восточные МЭС	295	239	56	0	0	0	1	1	0	296
Западные МЭС	198	146	52	39	39	0	0	0	0	237
Северные МЭС	414	346	68	0	0	0	1	1	0	415
Северные МЭС	371	285	86	0	0	0	1	1	0	372
Центральные МЭС	396	323	73	7	7	0	0	0	0	403
Южные МЭС	426	357	69	0	0	0	1	1	0	427
ИДБ СО	97	56	41	0	0	0	0	0	0	97
Упорядочивательная дирекция	363	174	179	0	0	0	1	1	0	364
АО «Энергоинформ»	498	335	163	2	2	0	0	0	0	500
Итого	4 335	3 313	1 022	93	93	0	12	11	1	4 400

* Согласно статье 70 Трудового кодекса Республики Казахстан работодатель по письменному заявлению беременной женщины, одного из родителей (усыновителя, удочеренца), имеющего ребенка (детей) в возрасте до трех лет, а также работника, осуществляющего уход за больным членом семьи в соответствии с медицинским заключением, обязан установить ему режим неполного рабочего времени.

Independent certification of non-financial information helps **NAC Kazatomprom** confirmed the correctness of the information and compliance with the GRI Standards

Заключение независимого аудитора

102-10



Отчет о результатах независимой проверки обеспечивающей ограниченную уверенность



Совещание директоров Акционерного общества «Национальная компания «Казатомпром»

Выводы

Мы провели проверку информации, представленной в отчете о результатах независимой проверки обеспечивающей ограниченную уверенность, чтобы прояснить, что данные были подготовлены в соответствии с требованиями стандарта GRI.

С точки зрения Пунктов 1 и 2 стандарта GRI, информация, представленная в отчете, не соответствует требованиям стандарта GRI, поскольку не была подготовлена в соответствии с требованиями стандарта GRI.

Мы провели проверку информации, представленной в отчете о результатах независимой проверки обеспечивающей ограниченную уверенность, чтобы прояснить, что данные были подготовлены в соответствии с требованиями стандарта GRI.

С точки зрения Пунктов 1 и 2 стандарта GRI, информация, представленная в отчете, не соответствует требованиям стандарта GRI, поскольку не была подготовлена в соответствии с требованиями стандарта GRI.

Мы провели проверку информации, представленной в отчете о результатах независимой проверки обеспечивающей ограниченную уверенность, чтобы прояснить, что данные были подготовлены в соответствии с требованиями стандарта GRI.

С точки зрения Пунктов 1 и 2 стандарта GRI, информация, представленная в отчете, не соответствует требованиям стандарта GRI, поскольку не была подготовлена в соответствии с требованиями стандарта GRI.

Мы провели проверку информации, представленной в отчете о результатах независимой проверки обеспечивающей ограниченную уверенность, чтобы прояснить, что данные были подготовлены в соответствии с требованиями стандарта GRI.

С точки зрения Пунктов 1 и 2 стандарта GRI, информация, представленная в отчете, не соответствует требованиям стандарта GRI, поскольку не была подготовлена в соответствии с требованиями стандарта GRI.

Мы провели проверку информации, представленной в отчете о результатах независимой проверки обеспечивающей ограниченную уверенность, чтобы прояснить, что данные были подготовлены в соответствии с требованиями стандарта GRI.

С точки зрения Пунктов 1 и 2 стандарта GRI, информация, представленная в отчете, не соответствует требованиям стандарта GRI, поскольку не была подготовлена в соответствии с требованиями стандарта GRI.

Мы провели проверку информации, представленной в отчете о результатах независимой проверки обеспечивающей ограниченную уверенность, чтобы прояснить, что данные были подготовлены в соответствии с требованиями стандарта GRI.

С точки зрения Пунктов 1 и 2 стандарта GRI, информация, представленная в отчете, не соответствует требованиям стандарта GRI, поскольку не была подготовлена в соответствии с требованиями стандарта GRI.

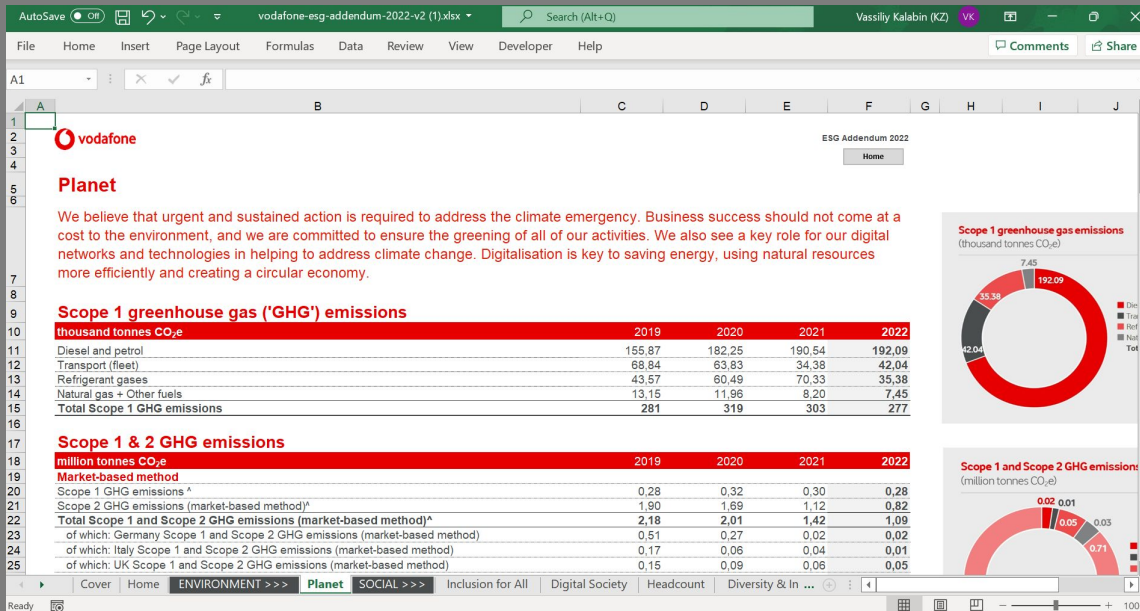
Мы провели проверку информации, представленной в отчете о результатах независимой проверки обеспечивающей ограниченную уверенность, чтобы прояснить, что данные были подготовлены в соответствии с требованиями стандарта GRI.

С точки зрения Пунктов 1 и 2 стандарта GRI, информация, представленная в отчете, не соответствует требованиям стандарта GRI, поскольку не была подготовлена в соответствии с требованиями стандарта GRI.

Examples of disclosures (International)



In addition to the annual report, **Vodafone** offers to download the Annex with detailed ESG indicators in Excel format (ESG Addendum 2022).



Shell disclosed information in its annual report and sustainability report but annexes helped show compliance with several reporting standards at once, including GRI, SASB, TCFD, World Economic Forum, etc.

VOLUNTARY REPORTING STANDARDS AND ESG RATINGS

Our reporting is informed by a number of voluntary reporting standards and frameworks. We participate in a selection of ESG ratings most often used by our stakeholders.

Voluntary reporting standards and frameworks

Our reporting is informed by a number of standards such as the IPIECA Sustainability Reporting Guidance and the Global Reporting Initiative (GRI). In addition, we map our disclosures against Task Force on Climate-related Financial Disclosures (TCFD), Sustainability Accounting Standards Board (SASB), and the World Economic Forum's Stakeholder Capitalism Metrics, and are a founding member and a signatory of the United Nations Global Compact.

- IPIECA
- United Nations Global Compact
- United Nations Sustainable Development Goals (SDGs)
- Global Reporting Initiative (GRI)
- Task Force on Climate-related Financial Disclosures (TCFD)
- Sustainability Accounting Standards Board (SASB)
- World Economic Forum – Stakeholder Capitalism Metrics / Core

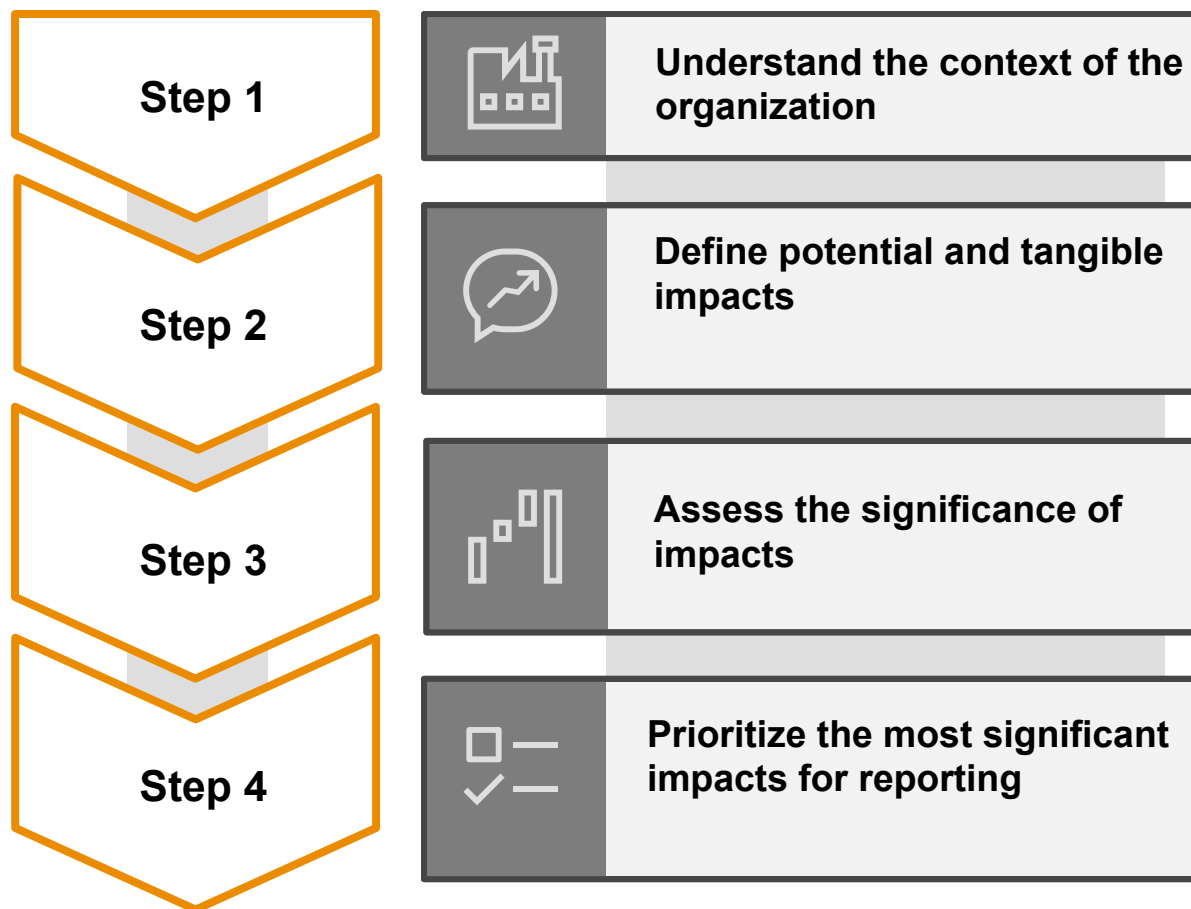
6

Addendum 1: Definition of materiality



The principle of "materiality" is the key to a high-quality sustainability report

Process of selecting material topics suggested by GRI



As part of the sustainability report, it is necessary to focus on the most important ESG topics for the company. Material topics are those that represent the organization's most significant impact on the economy, the environment, and people. As well as factors where risks for the long-term strategy of the company may be hidden.

A materiality analysis is conducted by examining the impacts throughout the organization's supply chain. But this process begins with the analysis of the most significant ESG topics for the company's activities.

In order to assist companies to take the first step in this direction, we benchmarked four industries and highlighted the significant topics for global leaders and Kazakhstani companies.

Furthermore, for five industries, we looked at the criteria for the main ESG ratings to identify the material topics that are frequently the focus of the ESG assessment of the company.

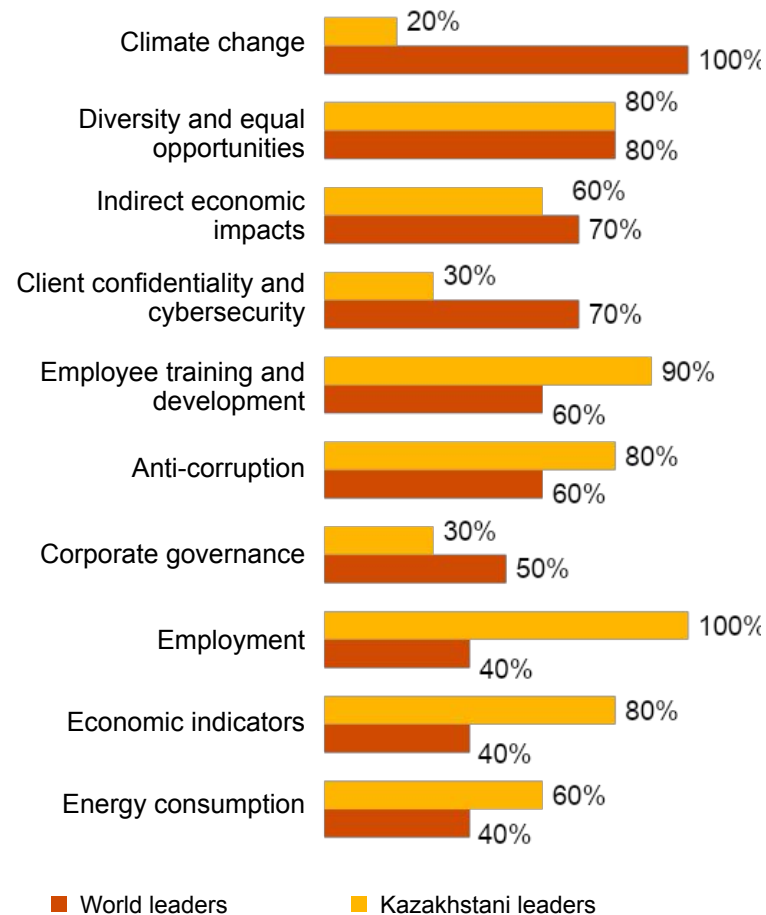


Material topics in the banking sector

In the banking sector, the topic of climate change is disclosed in the annual reports of 100% of the analysed international companies. Although this sector is not a significant source of greenhouse gases, financial institutions are expected to actively promote the transition to a low-carbon world through their financing.

For Kazakhstani banks, employee-related topics were a priority, including employment practices and career development programs.

The Sustainalytics rating agency singles out the topics of “quality of products and services” and “data security”, awarding a relatively high weight to these disclosures in the banking sector. In turn, MSCI and SAM CSA (S&P) Agencies considered the topic of corporate governance to be significant.



Material topics in ESG rating agencies and benchmarks:



Quality of products and services



Data security



Corporate governance



Climate strategy



Human capital development

Material topics in the energy sector

International and Kazakhstani companies prioritize the topics “Occupational health and safety” and “Emissions and climate change.”

While 80% of international companies believe that “Business ethics and compliance” is essential to disclose, only 10% of Kazakhstani companies emphasize it. Further, Kazakhstani energy companies prioritize human capital and the relevant significant topics “Employment” and “Employee training and development.”

Sustainalytics agency’s significant topics include “Emissions, discharges and waste” along with “Local communities”. The issues of “Corporate governance” and “Human development” are given greatest attention in the MSCI rating. Due to the fact that the energy sector is constantly evolving and technologies are being improved, the SAM CSA (S&P) rating agency defines the topic “Operational efficiency” as a significant one.



Material topics in ESG rating agencies and benchmarks:



Emissions, discharges and waste



Local communities



Corporate governance



Human capital development

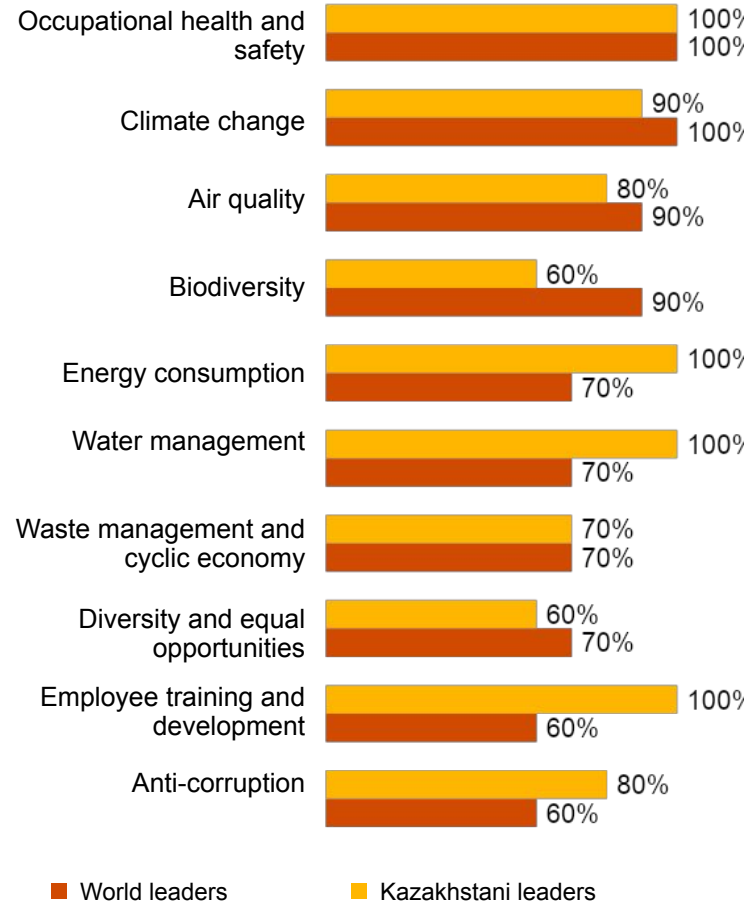


Operational efficiency

Material topics in the oil and gas sector

Working in the oil and gas industry is associated with conditions where the safety and health of people is a matter of primary importance, so it is not surprising that 100% of world leading and Kazakhstani companies consider the topic "Occupational health and safety" to be the most significant. Being one of the main sources of greenhouse gas emissions, the topic "Climate change" is also disclosed in the annual reports. Compared to international companies, the topics of "Energy consumption", "Water management", "Employee training and development" are more significant for Kazakhstani companies.

Climate issues are the most pressing topic for the oil and gas sector, as evidenced by the high relative share of indicators on greenhouse gas emissions in rating agencies. MSCI and SAM CSA (S&P) prioritize the topic "Corporate governance", the latter rating agency also emphasizes "Operational efficiency" and "Occupational health and safety" as significant topics.



Material topics in ESG rating agencies and benchmarks:



Emissions, discharges and waste



Corporate governance



Operational efficiency



Occupational health and safety

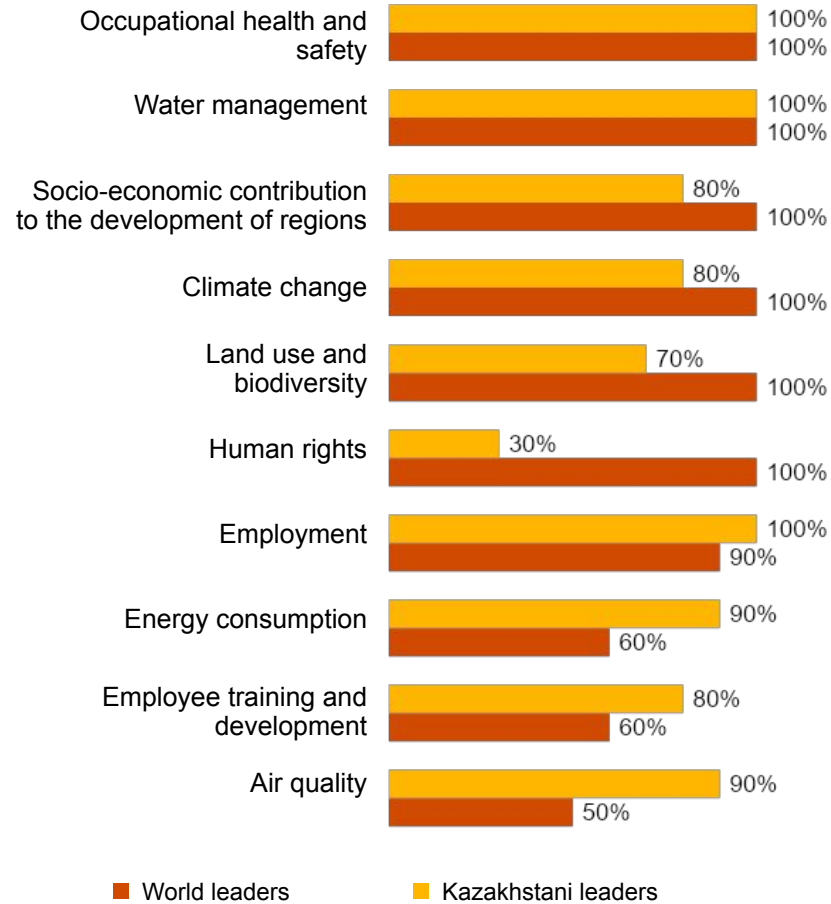


Carbon footprint

Material topics in the mining sector

The environmental topics of “Climate change”, “Water management”, “Land use and biodiversity”, as well as social topics, including “Occupational health and safety”, “Socio-economic contribution to the development of regions” and “Human rights” remain important for international companies operating in the mining sector. The latter is practically not disclosed in Kazakhstani Reports. 100% of Kazakhstani companies in the mining and metallurgical industry are focusing on the issues of “OH&S”, “Water management” and “Employment”.

The reputation of the industry often suffers due to the general perception of its activities as having a negative impact on the environment. Sustainalytics and MSCI give a high rating to the risks associated with the topic of “Emissions, discharges and waste”. SAM CSA (S&P) defines the topic “Operational efficiency” as essential, and MSCI considers “Corporate governance” and the ability of companies to effectively manage potential risks in the ESG area to be important.



Material topics in ESG rating agencies and benchmarks:



Emissions, discharges and waste



Local communities



Corporate governance



Operational efficiency

Industry material topics of sustainable development (1/2)

Results of the analysis of Reports of rating agencies



In the table below we provide more detail on the significant topics for five industries that are emphasized by the largest ESG rating agencies. This is a non-exhaustive list of criteria. Nevertheless, it indicates the expectations of the experts conducting the ESG assessment. These are the topics that are more likely to be expected in a company's ESG strategies, activities, and reporting.

Topics	Financial sector	Manufacturing	Oil and gas industry	Power industry	Mining and metallurgical
Biodiversity and land use			✓		✓
Impact of financed portfolio	✓				
Opportunities in the development of RES				✓	
Greenhouse gas emissions	✓	✓	✓	✓	✓
Air pollution		✓		✓	✓
Climate strategy	✓	✓	✓	✓	✓
Reliability of power supply				✓	
Water consumption	✓			✓	✓
Risks of water scarcity			✓		
Product life cycle management		✓			
Energy resource management	✓	✓			✓
Waste management	✓	✓	✓	✓	
Efficiency in utilization of raw materials		✓			



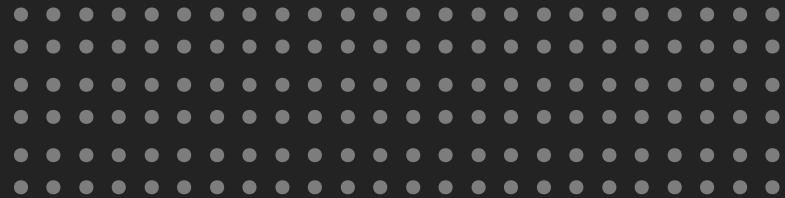
Industry material topics of sustainable development (2/2)

Results of the analysis of Reports of rating agencies

Topics	Financial sector	Manufacturing	Oil and gas industry	Power industry	Mining and metallurgical	
 Society	Data security	✓				
	Relationship between management and employees		✓		✓	
	Diversity and inclusion in work environment	✓				
	Relations with the local population			✓	✓	
	Occupational health and safety		✓	✓	✓	
	Human rights					✓
	Development of human capital	✓	✓	✓	✓	
	Freedom of association		✓			✓
	Financial inclusion	✓				
	 Corp. governance	Corruption and bribery control	✓	✓		✓
Corporate ethics		✓	✓	✓		
Top management practices		✓	✓	✓	✓	✓
Legal compliance				✓		
Innovation and R&D management			✓			
Risk management		✓				✓
Supply chain management			✓			
Emergency management				✓	✓	

7

Addendum 2: Reporting Standards



Trends in the development of ESG reporting standards

Key directions for changes in the approach to disclosure

Convergence of standards

In the last ten years, a number of different standards for the preparation of ESG reports (as well as recommendations, guidelines) have been created. This has become a major problem, hindering data comparability and creating confusion for reporting entities. Therefore, in the last couple of years there has been a strong trend towards the unification of standards and the creation of consistency between them.

The International Sustainability Standards Board (ISSB created by the IFRS Foundation) has a great potential in creating widely recognized standards, as they are working successfully with various stakeholders. This year, the ISSB published drafts of two standards: one for sustainability disclosure and one for climate disclosure.

Necessity of disclosures

Regulators today are also concerned about the low quality of ESG information, which hinders the development of many sustainability initiatives, especially financial ones. Therefore, regulatory reporting requirements are beginning to tighten.

This year, for example, the Council of the European Union and the European Parliament reached an agreement on the Corporate Sustainability Reporting Directive (CSRD), which would oblige many European companies to publish non-financial reports. In the US, the Securities and Exchange Commission (SEC) has proposed climate disclosure requirements (under discussion). In China, voluntary guidance on the disclosure of corporate ESG information has come into force.

Kazakhstan introduces requirements for the disclosure of ESG information for banks, which will change from voluntary to mandatory in the future.

Climate change

In recent years stakeholders, including investors, have increased their demand for information related to climate change, primarily: the volume of greenhouse gas emissions (all three scopes) and climate risk management.

This stakeholder request is also supported by regulators. In the UK, these disclosures have become mandatory from the current financial year for several categories of entities. The Kazakhstan Stock Exchange also added these disclosures to the mandatory ones for listed companies in September this year.

One of the most used climate disclosure standards is the TCFD Guidelines. Globally, over 2,600 companies in 2021 and over 3,800 companies in 2022 reported reported under these principles.

Commonly used reporting standards



The following **reporting standards** continue to be widely used in all industries:

- GRI (Global Reporting Initiative)
- TCFD (Task Force on Climate-Related Financial Disclosures)
- SASB (Sustainability Accounting Standards Board)



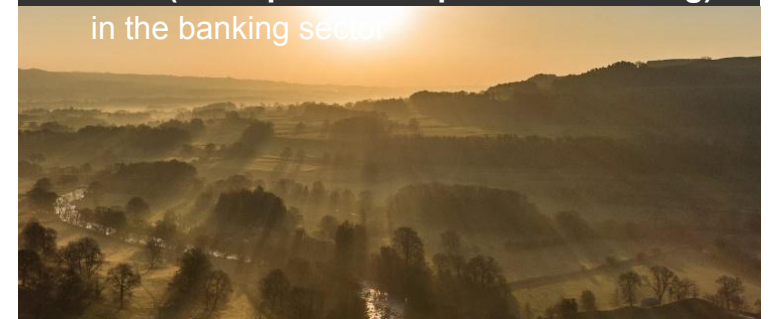
Compared to last year, the **leaders** on the list included standards such as:

- CDP (Climate Disclosure Project – ныне CDSB)
- WEF (World Economic Forum)
- UNGC (United Nations Global Compact).



Among **thematic standards** the following were popular:

- IPIECA (International Petroleum Industry Environmental Conservation Association) in the oil and gas industry
- ICMM (International Council on Mining and Metals) in the mining industry
- PRB (Principles of Responsible Banking) in the banking sector



Common reporting standards for non-financial information (1/2)



Global Reporting Initiative (GRI)

Global Reporting Initiative standards are widely used in all industries and allows stakeholders to understand activities of the company, which demonstrates its impact on the economy, environment and society. In October 2021, the GRI published the biggest changes to its standards since their launch in 2016. The changes will come into effect from 1 January 2023.

Key changes:

- Reducing the number of general indicators for disclosure (from 56 to 30), which are now required to be disclosed in full;
- The need to apply an industry standard to cover the relevant material topic;
- Changing the approach to identifying material topics for disclosure (GRI 3: Material Topics 2021);
- Removing the criteria "Impact on the assessments and decisions of stakeholders" when determining materiality. Now only applying "Impact on people and the planet" criteria defines what makes a topic material. Further, GRI also abandoned the assessment of the impact of sustainability factors on the company itself;
- Mandatory disclosures of human rights.



Sustainability Accounting Standards Board (SASB)

Developed in 2011, SASB's main goal is to provide a minimum disclosure bar that is standardized across sectors/industries.

The main target audience of the SASB standard includes investors, creditors and other sources of financial capital. This is due to the fact that these stakeholders are increasingly interested in the impact of environmental, social and governance (ESG) factors on the financial performance of companies, which necessitates standardized reporting on ESG data.

The SASB standards were developed using the definition of "materiality" applied under US federal securities laws. An issue is material if "there is a substantial probability" that a "reasonable investor" would consider its omission or misrepresentation to be "a material change in the totality of the information". SASB takes into account the specifics of the industry and has developed standards for 77 industries in 11 sectors.

Common reporting standards for non-financial information (2/2)



Task Force on Climate-Related Financial Disclosures

The TCFD Principles are a framework that organizations can use to publicly disclose climate-related risks and opportunities for their business.

The TCFD concept consists of four themes:

- corporate governance;
- risk management;
- strategy;
- metrics and goals.

Key features of TCFD recommendations:

- Designed to provide forward-looking information on the financial impacts of climate change useful for decision-making;
- Strong focus on the risks and opportunities associated with the transition to a low-carbon economy.



International Sustainability Standards Board

On 31 March 2022, the ISSB published two draft non-financial reporting standards: general requirements and climate related. The proposed standards will contain a general hierarchy + thematic standards + industry-specific metrics. The definition of materiality is similar to financial statements using enterprise value.

[DRAFT] IFRS C1 General recommendations - Financial disclosures related to sustainability. The proposed IFRS C1 General Recommendations would require entities to disclose information on all material sustainability risks and opportunities.

[DRAFT] IFRS C2 Climate-related disclosures - The proposed disclosures in IFRS C2 will focus on climate-related risks and opportunities. They incorporate TCFD recommendations and include metrics adapted to industry classifications derived from SASB standards and GRI.

On 8 November 2022, CDP and ISSB announced that CDP will incorporate the requirements of IFRS C2 into its global environmental disclosure platform. This means that 17,000+ voluntary users of the CDP will disclose data structured as per IFRS C2 in the 2024 disclosure cycle.

TOP-50 of ESG Information Disclosure Rating



Top 50 ESG Disclosure Companies

Position 2021	Position 2020	Company	Position 2021	Position 2020	Company
1	2	NAC Kazatomprom	26	-	First Heartland Jýsan Bank
2	1	NC KazMunayGas	27	25	TNC Kazchrome
3	3	KazTransOil	28	26	Kazpost
4	5	Kazakhtelecom	29	14	PAVLODARENERGO
5	11	KazAgroFinance	30	34	Export insurance company KazakhExport
6	30	AC Altynalmas	31	75	Kcell
7	7	Samruk-Energy	32	29	Samruk-Kazyna Ondeu (United Chemical Company)
8	-	Joint venture Inkai	33	44	Bereke Bank
9	12	Karachaganak Petroleum Operating B.V.	34	18	Otbasy bank
10	8	Halyk Bank of Kazakhstan	35	33	Transtelecom
11	6	NMH Baiterek	36	24	Zhaikmunai
12	4	KEGOC	37	37	ForteBank
13	13	Kazakhstan Housing Company	38	39	Damu Fund
14	16	NOSTRUM OIL & GAS PLC	39	41	NC "Food Contract Corporation"
15	9	CAEP (Central Asian Electric Power Corporation)	40	40	KMK Munai
16	17	NC Kazakhstan Temir Zholy	41	35	Kazakhmys Copper
17	21	NMC Tau-Ken Samruk	42	56	Bank VTB Kazakhstan
18	36	Kazakhstan Utility Systems	43	48	Batys transit
19	15	SevKazEnergo	44	50	RG Brands
20	42	Kazyna Capital Management	45	79	QazaqGas
21	27	Eurasian Resources Group	46	45	Agricultural Credit Corporation
22	19	Development Bank of Kazakhstan	47	43	KazAzot
23	22	Air Astana	48	53	Home Credit Bank
24	20	Samruk-Kazyna	49	-	Baiterek Venture Fund
25	23	Shubarkol Komir	50	-	RG Brands Kazakhstan

Best by sector

The tables below show companies rated 'B' or higher for their ESG disclosure level

Top non-financial companies by ESG disclosure level

Position	In overall ranking	Company	Rating
1	1	NAC Kazatomprom	A
2	2	NC KazMunayGas	B+
3	3	KazTransOil	B+
4	4	Kazakhtelecom	B+
5	6	AC Altynalmas	B+
6	7	Samruk-Energy	B+
7	8	Joint venture Inkai	B
8	9	Karachaganak Petroleum Operating B.V.	B
9	12	KEGOC	B
10	14	NOSTRUM OIL & GAS PLC	B
11	15	CAEP	B
12	16	NC Kazakhstan Temir Zholy	B

Top financial companies by ESG disclosure level

Position	In overall ranking	Company	Rating
1	5	KazAgroFinance	B+
2	10	Halyk Bank of Kazakhstan	B
3	11	NMH Baiterek	B
4	13	Kazakhstan Housing Company	B

Key Takeaways



Ensure that strategy and reporting take into account the global context of sustainable development

Focus on the results of ongoing ESG activities

Indicate the commitments that the organization is ready to make in matters of environmental protection and support of society



Disclose your approach to climate risk management

Indicate your objectives to reduce greenhouse gas emissions and achieve carbon neutrality

Describe your approach to supplier management and managing impacts along the supply chain



Describe the ongoing work to ensure diversity and create an inclusive environment

Indicate your approach to the protection of human rights as part of the company's activities

Describe in more detail projects aimed at supporting the regions where the company operates



Describe the sustainability management system and the role of top management

Describe the approach to ensuring diversity in governing bodies

Describe your approach on management remuneration, and whether it takes into account ESG indicators



Pay attention to the design and presentation of information

Ensure data verification and quality control

Create an ESG data management system for the effective development of ESG practice

Report evaluation methodology and criteria



Methodological basis (1/4)

What did we evaluate?

We evaluate the quality and availability of ESG information in public company reporting in Kazakhstani companies.

The analysis is based on annual reports and sustainability reports (and their equivalents, including integrated reports, sustainability and social responsibility reports), hereinafter collectively referred to as “Reports”. When compiling the current Rating, the **Reports prepared by companies based on the results of their activities for 2021** are evaluated.

The evaluation criteria include four main disclosure pieces (hereinafter collectively referred to as the “**Analysis of the Four**”):

- sustainable development management,
- social policy,
- environmental impacts,
- corporate governance.

Additional scores were awarded for the clarity and quality of the presentation of information.

Any Kazakhstani company with a suitable report for evaluation could apply to participate in the project. We also include publicly available reports that we consider important for the completeness of the analysis.

Our approach includes an analysis of the availability of quantitative indicators that reflect the impact of the organization's activities on social and environmental aspects. In addition, we paid attention to the disclosure of strategies, policies and the integration of sustainable development issues into the corporate governance system.



Methodological basis (2/4)

Rating calculation

- The methodology includes 76 criteria; a score is given for each criterion (from 1 to 10).
- The final rating functional is calculated as a weighted average of ratings by criteria.
- Depending on the score, the company is assigned an appropriate ESG disclosure level rating.
- It is worth remembering that if the documents had low readability or poor navigation the assessment could not accurately reveal its disclosure.

Disclosure rating	Rating functional	Characteristics
A+	>9–10	Level of leading international practices (the level of information disclosure in the company complies with the main criteria accepted in world practice)
A	>8–9	High level (the company demonstrates a high level of information disclosure, which requires only partial improvements to comply with international practices)
B+	>7–8	Good level (the company presents a good level of content/detailing and disclosure on ESG aspects, demonstrating regional leadership, has the least number of requirements for transition to best practices)
B	>6–7	Developing level (the company demonstrates good progress in disclosing ESG information, has a high potential for transition to best practices)
C	>5–6	Basic level (despite the beginning of the practice of disclosing ESG information, the level of disclosure is insufficient and requires significant development)
D	below 5	Low level (minimum disclosure of key ESG indicators, requires a new approach to reporting)



Methodological basis (3/4)

Rating restrictions

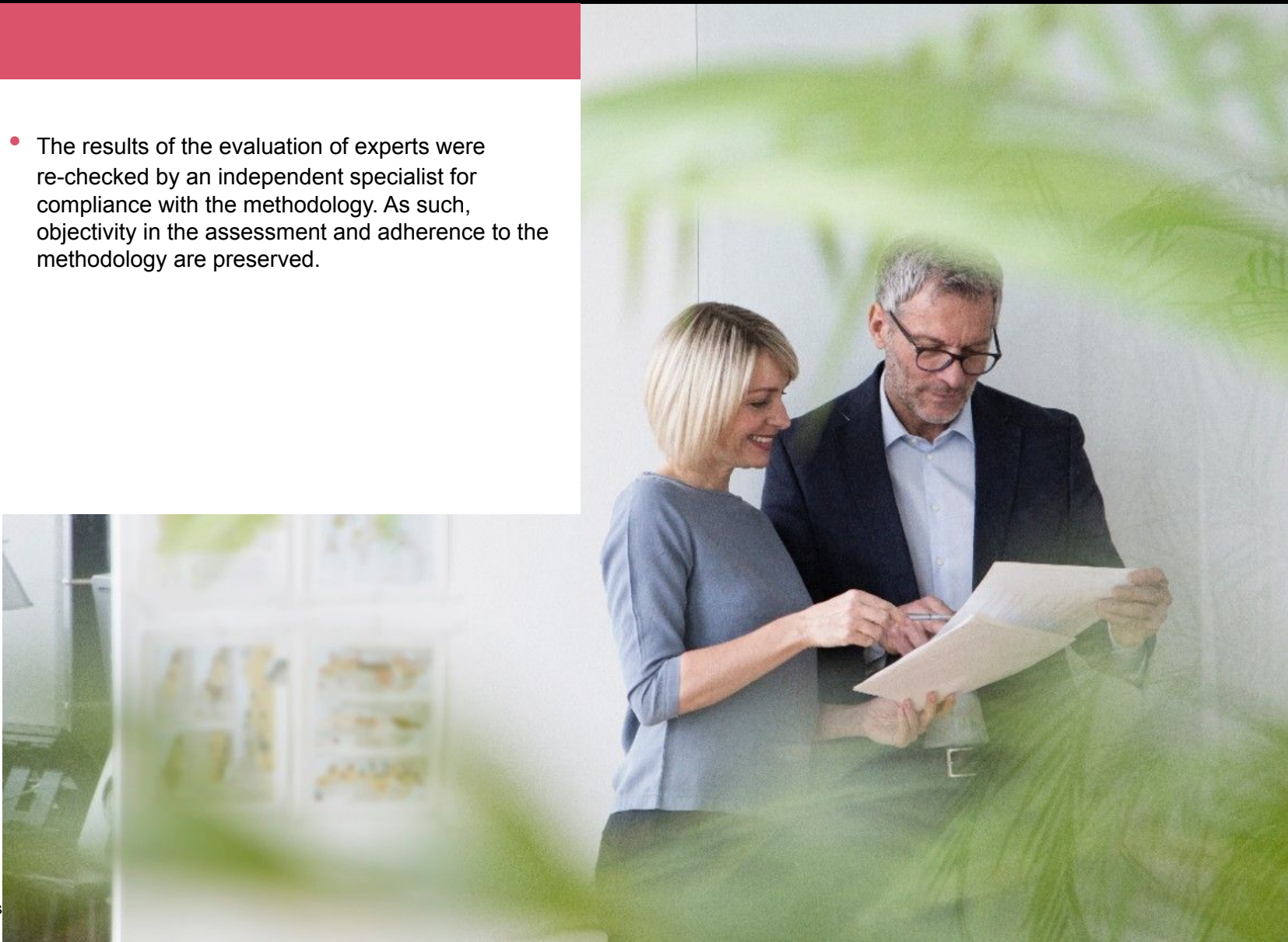
- The Rating assumes only an evaluation of information disclosure and cannot show the level of implementation of sustainable development practices in the evaluated companies.
- This Rating contains information obtained from public sources. PwC has not attempted to establish the reliability of these sources and has not verified the information provided. Accordingly, PwC makes no representations or guaranties of any kind (whether express or implied) as to the accuracy or completeness of the information provided in the annual and sustainability reports.
- If we have reason to believe that the company's report is misleading to readers and the information presented in the report does not correlate with facts and public statements, we reserve the right to downgrade the company's report by assigning it a penalty point (s) from -1 to -3, or completely exclude the report from the list.
- The evaluation sample is prepared based on information in open sources, as well as based on submitted applications for participation in the study. At the same time, we assume that this research did not include all existing reports worthy of being included on the list. Therefore, we recommend that companies apply for participation in the Rating themselves to prevent the risk that their report not be included in next year's list.



Methodological basis (4/4)

Quality management

- To evaluate the Reports as part of the Rating, we had our group of qualified people with the necessary qualifications in the disclosure of ESG information, and who underwent the appropriate briefing on the evaluation procedure.
- The PwC Kazakhstan qualified team that evaluated the Reports was guided by an established evaluation process and methodology criteria developed by PwC methodologists to avoid personal judgments and maintain impartiality. Members of the expert team did not have access to the consolidated Rating with the results of their assessment and transferred the assessments to a dedicated specialist who prepared a sorted list without making changes to the assessments of individual companies. As such, no member of the expert team controlled the final position of companies in the Rating.
- The results of the evaluation of experts were re-checked by an independent specialist for compliance with the methodology. As such, objectivity in the assessment and adherence to the methodology are preserved.





Availability of information on the items below is evaluated



Management system

- Mission/goal
- Business model
- Description of sustainable development policy
- Sustainable development material topics for the company



Strategy

- Qualitative sustainable development goals
- Quantitative sustainable development goals
- Strategic KPIs in the area of sustainable development, against which the company monitors progress



Stakeholders

- Map of key stakeholders (or list)
- Stakeholder engagement process
- Measures taken in response to questions raised by the stakeholders during the engagement process



UN Sustainable Development Goals

- SDG commitment statement
- List of SDGs relevant for the company
- List of relevant tasks in each selected SDG
- List of specific initiatives for each SDG



Reporting practice

- External assurance of non-financial information
- Statement of compliance with the GRI or SASB Standards (including the Disclosure Index)
- TCFD Compliance Statement (including disclosure of risks and opportunities related to climate change)



Availability of information on the items below was evaluated. The relevance of the indicator for the company is taken into account, considering the profile of its activities



HR management

- Description of HR policy, the company's approaches to HR management
- Description of the equal opportunity policy and specific non-discrimination measures
- Headcount
- Personnel breakdown
- Employee turnover
- Number of employees hired in the reporting year
- Share of temporary employees
- Average number of training hours per employee in the reporting year
- Number of employees who took maternity/paternity leave in the reporting year
- The ratio of the average salary of women to the average salary of men
- Occupational health and safety training in the reporting year
- Injury rates



Other aspects

- Spending on charity and social projects
- Amount of taxes paid
- Costs for local suppliers
- Assessment and requirements for suppliers in sustainability area



Availability of information on the items below was evaluated. The relevance of the indicator for the company is taken into account, considering the profile of its activities



Policies and approaches

- Environmental policy
- Risks and opportunities associated with climate change
- Penalties for the violation of environmental legislation and other payments to the budget
- Information about certified environmental management systems such as ISO



Impact indicators

- Greenhouse gas emissions in CO2 equivalent (Scope 1)
- Volume of indirect greenhouse gas emissions in CO2 equivalent (Scope 2)
- Volume of other indirect greenhouse gas emissions in CO2 equivalent (Scope 3)
- Emissions of pollutants into the atmosphere (*only for non-financial companies*)
- Consumption of fuel and energy resources
- Volume of greenhouse gas emissions from the financed portfolio (*only for financial companies*)
- Volume of waste generation (excluding air emissions and water discharges)
- Separation of waste volume by treatment methods (*only for non-financial companies*)
- Water discharges (consumption from external sources)
- Water discharges (*only for non-financial companies*)
- Description of impact on biodiversity (*only for non-financial companies*)



Availability of information on the below items was evaluated



Key elements of the management system and governing bodies

- Management structure
- Number and share of independent directors in the Board of Directors
- Structure of the Board of Directors by social groups
- Key competencies of the members of the Board of Directors
- Diagram by terms of tenure of the members of the Board of Directors
- Description of selection and appointment procedures
- Education and training of the Board of Directors
- Evaluation of the Board of Directors
- Activities of the Board of Directors
- Governing bodies responsible for making decisions in the area of sustainable development
- Engagement process between supreme governing bodies and stakeholders
- Description of the role of the Board of Directors and the executive body in the development, monitoring and approval of strategies and policies by key areas in sustainable development area
- Remuneration of the Board of Directors and the executive body
- Anti-Corruption Policy
- Communications and trainings on anti-corruption issues
- Confirmed incidents of corruption in the reporting year
- Description of procedures for filing complaints about illegal and unethical behavior
- Basic provisions of corporate ethics
- Monitoring compliance with the principles of corporate ethics
- Description of the conflict of interest management policy
- External auditor determination and engagement process
- Auditor's remuneration
- Work in the area of internal audit and control
- Risks by sustainable development aspects
- Dividend policy

Study authors:

PwC: Natalya Lim, Vassiliy Kalabin, Olga Issakhojayeva, Zhazira Zhanadilova, Dana Turgali, Diana Khusainova, Diana Dyusembaeva, Danna Tye, Akbota Askanbai, Togzhan Shagirova, Miras Kazaliyev, Nursaule Bereketova, Aruzhan Zhomart, Aigerim Karybekova, Aigul Asylbekova, Akerke Nurgozha

Project Manager:



Natalya Lim
Partner, Advisory Services
natalya.lim@pwc.com

Please send your questions and enquiries on the study to:



Vassiliy Kalabin
Project Manager
Manager, ESG services
vassiliy.kalabin@pwc.com



Olga Issakhojayeva
Manager, ESG services
olga.issakhojayeva@pwc.com

PwC Offices in Kazakhstan:

Almaty

Business Center “AFD”, building “A”, 4 floor, 34 Al-Farabi Avenue, Almaty, Kazakhstan., A25D5F6
Tel.: +7 (727) 330 32 00

Astana

Business Center “Q2”, 4 floor, Kabanbay Batyr Avenue, 15/1, “Yesil” district, Astana, Kazakhstan, Z05M6H9
Tel.: +7 (7172) 55 07 07

Atyrau

River Palace, 2nd floor, office 10, 55 Aiteke Bi street, Atyrau., Kazakhstan, 060011
Tel.: +7 (7122) 76 30 00

