



# TOP 50 ESG Disclosure Companies

Second edition (based on 2020 reports)

December 2021







**Natalya Lim,**  
Partner,  
Eurasia Advisory Leader

# Introduction

The movement of the earth never stops, only our reality changes. What we didn't pay attention to before has today become a shared and unavoidable global challenge. We understand that the quality of life, the one we are used to or aspire to, requires constant production and consumption. Unfortunately soon, our focus will shift to sustaining life itself on this planet. We need to already understand that we all will have to make significant compromises, at the level of countries, businesses and the consciousness of each person.

Major investors were the first to reconsider their risks and portfolio structure, being one of the largest capital providers in the financial markets, they are aware of their responsibility and influence in addressing global challenges, and also see that non-financial risks (cataclysms, pandemics, other environmental and social aspects) can have a very specific impact on the companies' financial results.

In PwC's September 2021 COP26 Global [Investor Survey](#), nearly 80% of respondents said ESG risks are an important factor in their investment decision-making; and about 50% expressed willingness to divest from companies that did not take sufficient and effective actions on ESG issues.

Today, investors are faced with a lack of data necessary for a qualitative assessment of organization's situation, prospects and risks.

The introduction of unified international standards for the disclosure of ESG information and the obligation of such disclosure will be an important step towards transparency and the willingness of the world to make compromises for the benefit of society and environment preservation.

Moreover, it is important for investors to know not only the past period of activity, but also to look into future. Therefore, secondly important is the ESG strategy, with specific goals and KPIs, risk assessment and action plan. It will showcase the continuity and seriousness of each organization's intentions for significant transformations.

Our ESG Disclosure Rating is largely built from the perspective of capital providers, therefore, we look at disclosure from the angle of investors who care about a company's valuation.

The purpose of the rating is to evaluate how Kazakhstani companies disclose ESG information, identify best practices, and provide recommendations for further development.

We are pleased that the quality of ESG reporting in Kazakhstan is increasing rapidly. However, most organizations still have significant room for improvement.

# Table of contents

Our evaluation approach	04
Summary	05
Key figures	08
Development of standards	10
1. Approaches and strategy	14
2. [E]nvironment	24
3. [S]ocial	30
4. [G]overnance	36
Key Takeaways	42
TOP-50 of ESG Information Disclosure Rating	43
Evaluation criteria within the Rating calculation	46
Contacts	54



# Our evaluation approach



## What we evaluated

As part of this study, we evaluated the quality and availability of ESG information in public reporting of Kazakhstani companies. The analysis was based on annual reports and sustainability reports (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 **2020** were evaluated.

The total sample included **96 companies** operating in Kazakhstan. The sample included companies that submitted official applications for participation in the Rating, as well as 2020 reports found in the public domain.

We understand, that it may be the case that some companies are missing from the rating. If you believe that this is the case, you can let us know by reaching out to the specified contacts (see page 58), and we will include your Reports in the selection in the subsequent compilation of the Rating.

Based on evaluation results, **a list of the top 50 companies by the level of ESG information disclosure** was prepared (p. 44)



## How we evaluated

The methodology includes 76 criteria. Each criterion is scored (from 1 to 10). The final rating is calculated as a weighted average of ratings by criteria. Depending on the score, the company is assigned an appropriate ESG disclosure level rating.

The evaluation criteria are divided into four main disclosure blocks (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 of the communication of information.

It's important to note, we checked only the availability of information not its integrity or accuracy.

A more detailed evaluation methodology can be found on page 46.

# Summary (1/3)

## ➔ Improvement of the quality of ESG disclosure

The quality of ESG information disclosure in the reports of Kazakhstani companies continues to improve. If the average score for the TOP-50 reports at the end of 2019 was 4.6 points, then the score of the reports at the end of 2020 reached 5.1 points. This growth is facilitated by the support of regulators, primarily exchange regulators, as well as the individual efforts of individual companies.

The most noticeable increase in the quality of disclosures is observed in the “Sustainable Development Management” block, where the description of ESG policies, approaches and disclosure of a strategy in the area of sustainable development was evaluated. For example, descriptions of at least qualitative sustainable development goals are now twice as common (in 40% of reports in the TOP 50), and descriptions of general sustainable development policies are found in 70% of reports (in 56% in 2019). Companies are more likely to follow international initiatives. More companies declared their support for the UN Sustainable Development Goals (46% in 2020 versus 30% in 2019). The information in this block is very important for users.

Progress is also noticeable in the disclosure of social aspects, including HR management. In our opinion, this was influenced by the Kazakhstan Stock Exchange (KASE), which requires increasingly stricter abidance to its rules for ESG disclose information.

Progress on environmental performance is slower: many companies that are not required to disclose their environmental impact under current legislation do not yet know the expectation on which environmental performance is relevant to their line of business.

# Summary (2/3)



## Rating leaders

About 80% of the companies rated are listed on the KASE. The exchange's requirements to a large extent affected the disclosure of information. At the same time, rating leaders are mainly companies that go beyond regulatory requirements, and follow international standards and trends.

The top ten of the Rating demonstrate the best Kazakhstani practices in the area of ESG information disclosure today. Although, these companies can continue to improve, in some respects they are quite comparable with international leaders in the reporting area.

It should be noted that the main leaders of the Rating are companies with state participation (mainly Samruk-Kazyna and Baiterek companies) and public companies (listed on international platforms), while private companies are developing much slower in this direction.

Out of the top 10 reports, 9 were prepared in accordance with the GRI Standards. In our opinion, adherence to recognized standards in ESG information disclosure and the integration of relevant international industry practices will determine the leaders of our Rating.



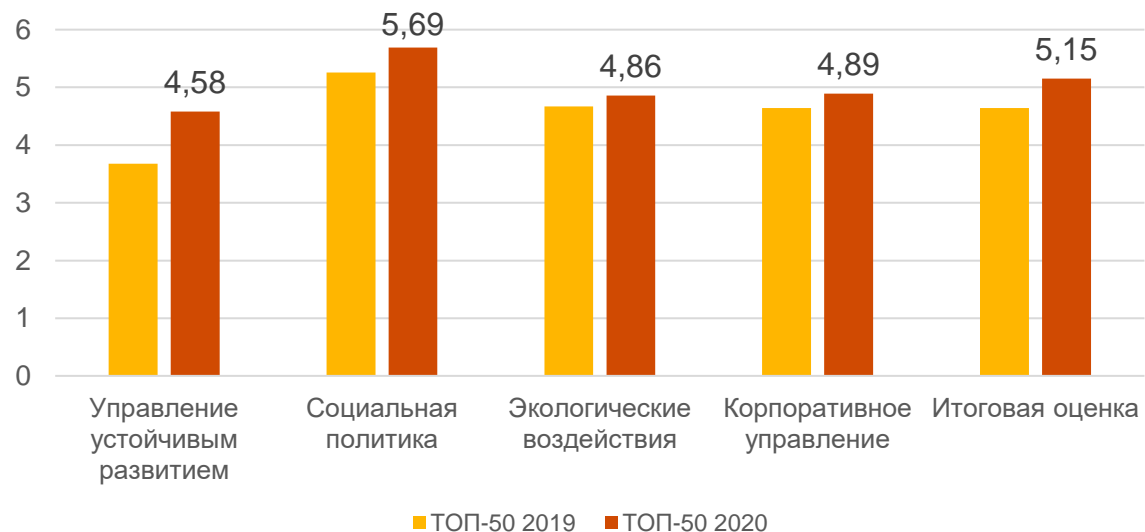


# Summary (3/3)



The greatest progress is observed in the disclosure of sustainable development policies and strategies

Average score per information block



2020 Rating	2019 Rating	Company	Rating
1	1	NC KazMunaiGas	B+
2	2	NAC Kazatomprom	B+
3	3	KazTransOil	B+
4	4	KEGOC	B
5	16	Kazakhtelecom	B
6	10	NMH Baiterek	B
7	9	Samruk-Energy	B
8	7	Halyk Bank of Kazakhstan	B
9	11	CAEPCO	B
10	5	KAZ Minerals PLC	B

# Key figures (1/2)

**96** | (107 in 2019)

companies have prepared annual reports and/or sustainability reports for 2020

Page 4

**6.7** | (6.5 in 2019)

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

Page 7

**30** | (25 in 2019)

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

Page 18

**23** | (16 in 2019)

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

Page 19



# Key figures (2/2)

Out of TOP 50 companies:

**28%**

(28% in 2019)

showed a business model describing the process of creating value for different stakeholders

Page 16

**70%**

(56% in 2019)

disclosed a sustainable development policy

Page 17

**84%**

(68% in 2019)

describe in their reports the stakeholder engagement processes

Page 18

**20%**

(24% in 2019)

indicate the ratio of women's remuneration to men's remuneration

Page 32

**54%**

(54% in 2019)

disclose greenhouse gas emissions in the first category

Page 27

# Development of standards (1/4)



## Trend towards consolidation

In recent years, there has been a strong trend towards the consolidation of non-financial reporting standards in order to create unified international standard for information disclosure in the area of sustainable development.

Important news at COP26 was the [announcement](#) by the IFRS Foundation (responsible for International Financial Reporting Standards) of the establishment of the International Sustainable Development Standards Board (ISSB). The ISSB will develop sustainability disclosure standards focusing on issues relevant to enterprise valuation and investment decision making. The standards will enable companies to provide comprehensive sustainability information for global financial markets. In addition to the standardization of disclosures, they thus solve another problem - the relationship of ESG indicators with the organization's financial performance.

The ISSB will bring together the Climate Disclosure Standards Board (a CDP initiative) and the Value Reporting Foundation (which previously combined the Integrated Reporting Framework and SASB standards). The CDSB and VRF technical standards and frameworks, along with the TCFD standards and Forum Stakeholder Capitalism Metrics, are expected to form the basis for the Board's technical work on the new standards.

The Global Reporting Initiative (GRI), which has created some of the most recognized sustainability disclosure standards, has supported the new initiative. Eric Hespenheide, GRI's interim CEO, noted that the organization advocates a two-pillar corporate reporting system in which sustainability and financial reporting are on an equal footing. The sustainability component, in which the GRI represents, focuses on the company's external impacts on society and the environment, while the financial component should reflect sustainability risks to the company's value. The ISSB will be a step towards strengthening this second component. The GRIs will thus remain standards for sustainability disclosure to a broader range of stakeholders (beyond investors).

Earlier in July this year, a collaboration between GRI and the European Financial Reporting Advisory Group (EFRAG) [was announced](#), under which the organizations agreed to jointly develop new EU sustainability reporting standards. This collaboration aims to help the European Commission achieve its goal of increased corporate transparency in support of the European Green Deal, as well as the convergence of global reporting standards.

# Development of standards (2/4)



## Increasing requirements

Requirements for European companies to report on sustainability issues are set out in the **proposal** for a new Corporate Sustainability Reporting Directive (CSRD). The EU, as part of the CSRD proposal, plans to significantly expand the list of companies, for which non-financial disclosures will be mandatory, the disclosure requirements themselves will appear in 2022, as well as to introduce requirements for reporting verification and the possibility of machine reading information.

The UK has **legislated** mandatory climate disclosure for the largest companies. From April 6, 2022, more than 1,300 largest UK-registered companies and financial institutions will be required to make climate-related financial disclosures mandatory in accordance with TCFD guidelines.

The Bank of Russia sent **recommendations** to public joint stock companies on the disclosure of non-financial information in the area of sustainable development. The “Strategy for the Development of the Financial Market of the Russian Federation until 2030”, presented for discussion by the Ministry of Finance and the Bank of Russia, assumes through soft regulation (recommendations) that the majority of public joint stock companies will gradually become aware of the need to disclose such information. After the formation of a single international standard, the issue of fixing approaches to the disclosure of non-financial information in the rules of law will be considered.

The Kazakhstan Stock Exchange introduced ESG disclosure requirements a few years ago. Similar requirements have been announced at AIX as well.



# Development of standards (3/4)



## Evolution of GRI Standards

In October 2021, the Global Reporting Initiative published the biggest changes to its standards since their launch in 2016. The [updates](#) should help companies fill the gap between today's disclosures and the expectations of the international community. The new requirements take into account the problems and trends of recent years in the area of sustainable development and should become a benchmark for the disclosure of non-financial information. The changes will come into effect on January 1, 2023.

The GRI Standards now consist of three series: Universal Standards, which include reporting principles and general disclosures; Sector Standards to adapt to the specifics of the industry (so far there is only one for Oil and Gas), and Topic Standards to cover specific topics of sustainable development. Two compliance options have been excluded from the GRI Standards: Core (basic) and Comprehensive (advanced). Now there is only one compliance option, and nine requirements for compliance have been introduced.



# Development of standards (4/4)



## Evolution of GRI Standards

The number of general indicators for disclosure was reduced (from 56 to 30) and became mandatory in full.

In total, 31 topic standards remained in the GRI Standards, after the removal of three standards. The indicators in the remaining standards have not changed. But now there is no mandate for companies to disclose a certain amount of indicators, instead they themselves determine how many indicators need to be disclosed, based on the principle of materiality. Sector standards will also need to be utilized if they cover a relevant and significant topic.

Disclosures on human rights have become mandatory, and GRI now pays significantly more attention to them than before.

A significant update was a change in the approach to determining material topics for disclosure. The approach is described in much more detail in a separate standard (GRI 3: Material Topics 2021), and the definition of materiality has also changed.

In the revised Standards, “material topics” are defined as topics that represent the organization's most significant impact on the economy, the environment, and people, including impacts on human rights.

“Influence on stakeholder assessments and decisions” is no longer a stand-alone factor, as it used to be when identifying material topics. With the loss of the second component, the former Materiality Matrix also disappeared. At the same time, GRI also declined to assess the impact of sustainable development factors on the company itself.





# 1

## Approaches and strategy





# Approaches and trends

Many companies around the world are still cautious about forecasting and commitments. However, this is gradually changing. The Strategy and Goals are not about the accuracy of forecasts, but rather about the set values of a company: what are its priorities and how ready it is to implement the principles of sustainable development in its activities. In short, is the company ready for incoming changes?

A description of the long-term goals will give all stakeholders a better insight into the company's values. Thereby, they will be able to decide if they want to continue their joint path. It will also show a focus on results: the issue of greenwashing is attracting greater attention today. For this reason, the ESG strategy, management's vision of the future has now become a key element of corporate reporting and corporate communication.

Requirement of the indicators by regulators and reporting standards has become a “must have”. But a narrative that includes an organization's values and priorities, and its practical commitment, is what turns formal reporting into quality communication. Ideally, all sections should be explicitly linked to the strategy, so sustainable development reporting becomes the building block for the entire report. It is necessary to show how select indicators are related to strategic priorities. Further, how the ESG strategy is clearly tied to the commercial corporate strategy.

A company will have to define its mission, understand priorities, obligations, and a plan to move towards the chosen goals – after that, all parts of the reporting will develop by themselves, as well as relationships with stakeholders that ensure business development and its sustainability for decades to come.

## Approaches and strategy

Clear strategic goals in the area of sustainable development are a key element of quality communication

## Further development

### Basic disclosures

The company's mission takes into account other stakeholders, in addition to owners. This mission becomes the logical basis of the strategy, which clearly explains how the mission is implemented in practice.

### Developing reporting

The company has selected priority indicators in the area of sustainable development. Priority is determined based on the materiality principle – an assessment of the organization's impact on the environment and society.

The sustainable development strategy is aligned with global initiatives such as the UN Sustainable Development Goals.

### Best practices

ESG strategic areas have clear, verifiable targets, as well as KPIs against which progress is tracked annually.

The relationship between ESG risks and financial performance is shown.

The company in the reporting describes tasks for the next year and for the medium term.

# Current practice (1/4)

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

### Business model

Companies can show that stakeholder interests are integrated into its business model and that its ultimate goal is to create value beyond shareholders, which will enable it to lay the foundation for sustainable development and improve communication with stakeholders.

Two-thirds of the TOP-50 reports mention other stakeholders in the mission besides the owners. Customers and society as a whole are mentioned most often, while focus on the environment and employees is a little less often.

The process of creating value within the business model was shown by 64% of the companies in the TOP 50, but less than half of them showed how value is created for different stakeholders.

### Approaches and strategy



Business model not disclosed

**36%**

Business model shows the creation of value for a wide range of stakeholders

**28%**

Business model shows only the work of the organization

**36%**

Mission not disclosed

**4%**

Mission mentions only owners

**32%**

Mission takes into account other stakeholders besides the owners

**64%**



# Current practice (2/4)

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

### ► Strategy

Company reports should be logical, well structured so that the reader (for example, an investor) clearly understands the company's communication. Therefore, it is recommended to disclose only information that is important to stakeholders. When a report contains a lot of irrelevant data, it negatively affects its quality.

As a rule, qualitative reports include a materiality matrix and a description of the stakeholder engagement processes, which indicates that a company clearly understands, what data is needed for certain stakeholders to make a decision. This is a fundamental process for producing good reporting, but also for building a high-quality ESG strategy.

Among the companies included in the TOP-50, more than half of the companies provided a materiality map/matrix, while more than 80% of the companies spoke about the stakeholder engagement process. We would like to note that this practice is becoming generally accepted and is a factor in the development of the ESG focus in the corporate environment.

### Approaches and strategy



**70%** of companies indicate sustainable development policies and approaches

**52%** of companies showed material sustainable development topics to be disclosed in the report

**84%** provided information about the stakeholder engagement processes

**22%** described measures and initiatives taken in the interests of stakeholders as a result of engagement



# Current practice (3/4)

## Approaches and strategy



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



### Materiality

In the course of our communication with companies in various sectors. We see an increasing amount of companies working on sustainable development strategies, and this is gradually starting to show in the reports. Sustainable development was highlighted in over **40%** of companies in the TOP-50 rating. Although the indication of specific strategic goals and KPIs has not yet become a widespread practice, we expect continued progress in this area towards greater specificity.

**40%** of companies indicated key areas of work in the field of sustainable development

**16%** indicated strategic non-financial KPIs and **8%** cited quantitative sustainable development goals



### International standards

The practice of information disclosure in the area of sustainable development is expanding in accordance with international standards. Based on the results of 2019, exactly half of the reports in the TOP-50 list were made in accordance with the GRI Standards. Based on the results of 2020, there are already **58%** of such reports.

**29** Reports prepared in accordance with GRI Standards

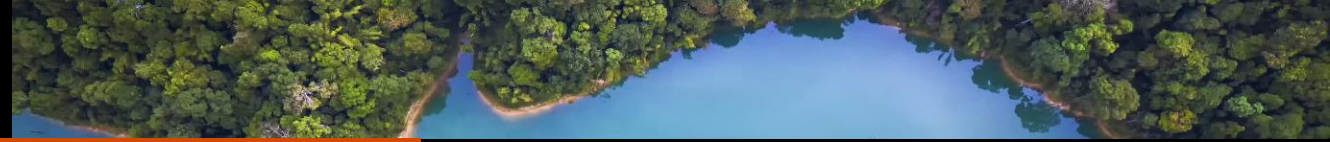
**3** Reports have external assurance of non-financial information

**1** Report considers TCFD recommendations

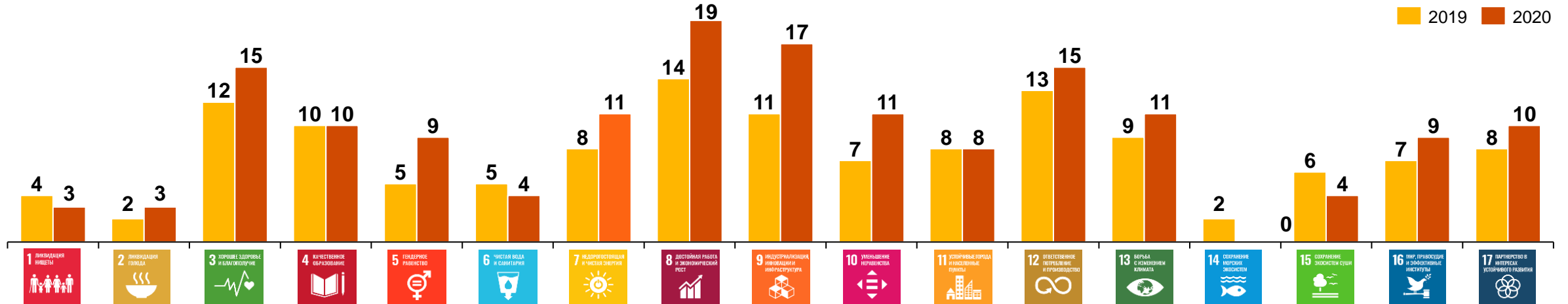
# Current practice (4/4)

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

### Approaches and strategy



#### Number of companies that referenced specific UN Sustainable Development Goal



### Sustainable Development Goals

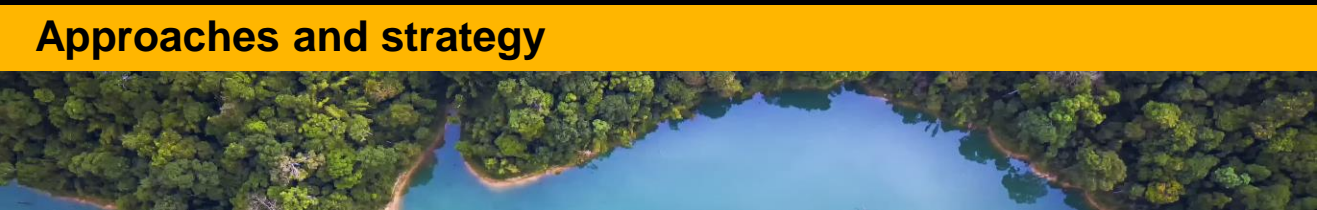
There is a noticeable trend towards the support of the UN Sustainable Development Goals among Kazakhstani businesses. In the report on the results of 2019, 30% of companies declared their support for SDGs. In the reports on the results of 2020, their share reached 46% (almost half of the reports). 10 companies out of 50 provided information about specific activities and initiatives they carry out to support the achievement of specific SDGs. Showcase, the importance for companies to identify SDG goals where they can make the greatest contribution.

**46%** of companies declared their support for the UN SDGs

**36%** provided a list of goals relevant to their business and 4% also provided a list of relevant tasks from the UN list for each goal.

**20%** described initiatives aimed at achieving specific goals.

# Examples of disclosures (KZ)



**NAC Kazatomprom** has identified six priority SDGs. The annual report for each of the six Goals highlights relevant sub-points from the UN list, as well as the company's initiatives and results in the reporting year

**KazTransOil** shows in the annual report the expectations of stakeholders and how the company responds to them

Вклад Компании в достижение ЦУР ООН

GRI 203-1

ЦУР ООН	Интеграция ЦУР в систему управления
 <b>3. Хорошее здоровье и благополучие</b> Долгосрочным см. развитием Социальная ответственность • управление персоналом • социально-экономический вклад • охрана труда и промышленная безопасность • охрана окружающей среды	<ul style="list-style-type: none"><li>• Стратегия развития</li><li>• Политика в области устойчивого развития</li><li>• Кодекс охраны труда и техники безопасности</li><li>• Политика в области охраны труда, охраны окружающей среды, обеспечения кадровой и производственной безопасности</li><li>• Матричное указание по обращению с радиоактивными отходами до момента их захоронения</li><li>• Жаровая политика</li><li>• План действий в экологической и социальной сфере (ЕОАР)</li></ul>
 <b>3.4 К 2030 году уменьшить на треть преждевременную смертность от неинфекционных заболеваний</b> поддержка профилактики и лечения и поддержки психического здоровья и благополучия	<b>Ключевые тематические области</b> <ul style="list-style-type: none"><li>• обеспечение работников в члене их семей доступным медицинским обслуживанием - реализация корпоративных программ оздоровления и скрининг-коридорного лечения работников и членов их семей</li><li>• реализация мер, направленных на сохранение и укрепление финансового и социального здоровья работников (организация работы на удаленных участках, проведение обязательных профилактических медицинских работников в ДЗО (группы и другие))</li></ul>
<b>3.6 К 2030 году вдвое сократить во всем мире число смертей и травм в результате дорожно-транспортных происшествий</b>	<ul style="list-style-type: none"><li>• проведение мероприятий по охране труда и промышленной безопасности на предприятии и в целях предупреждения травматизма и предотвращения опасных ситуаций - проект «Безопасный Форм-Мат»</li><li>• повышение уровня культуры безопасности за счет обучения сотрудников и повышения их квалификации в этой сфере</li><li>• проведение поведенческих аудитов безопасности</li><li>• соблюдение норм и правил по обеспечению работников спецодеждой СИЗ</li><li>• реализация программ производственного травматизма и дорожно-транспортных происшествий, разработка и реализация мероприятий по профилактике и предупреждению травматизма и несчастных случаев на производстве</li></ul>
<b>3.8 К 2030 году существенно сократить количество случаев заболеваний, связанных с опасными химическими веществами и загрязнением и отравлениями воздуха, воды и почвы</b>	<ul style="list-style-type: none"><li>• внедрение Плана действий в экологической и социальной сфере (ЕОАР), основанного на оценке рисков для предупреждения управления воздушным загрязнением, травм, окружающей и социальной среды</li><li>• выполнение мероприятий, направленных на охрану атмосферного воздуха, а также охрану и обеспечение рационального использования водных ресурсов в рамках Дорожной карты ЕОАР</li></ul>

Вклад Компании в достижение ЦУР ООН (продолжение)

ЦУР ООН	Интеграция ЦУР в систему управления
 <b>7. Недорогая и чистая энергия</b> Долгосрочным см. развитием • охрана окружающей среды	<ul style="list-style-type: none"><li>• Стратегия развития</li><li>• Политика инновационно-технологического развития</li><li>• Политика в области устойчивого развития</li><li>• План мероприятий по энергообеспечению и повышению энергоэффективности по дополнительным предприятиям Казахстана в рамках Плана реализации Стратегии развития на 2018-2028 годы</li></ul>
<b>7.1 К 2030 году обеспечить всеобщий доступ к недорогой, надежной и современной энергии</b>	<b>Ключевые тематические области</b> <ul style="list-style-type: none"><li>• ориентация деятельности Группы на обеспечение стабильный переход на энергетическую электроэнергетику</li></ul>
<b>7.3 К 2030 году удвоить глобальный показатель повышения энергоэффективности</b>	<ul style="list-style-type: none"><li>• реализация проектов по повышению энергоэффективности и энергообеспечению (создание сетей тепловой и электрической энергии, внедрение технологий хранения энергии, использование возобновляемых источников энергии, повышение энергоэффективности технологий)</li><li>• проведение мероприятий по энергосбережению в целях снижения воздействия на окружающую среду и повышения энергоэффективности и повышения энергоэффективности</li></ul>
<b>7.а К 2030 году активизировать международное сотрудничество в целях обеспечения доступа к исследованиям и технологиям в области энергетики, включая возобновляемую энергию, повышение энергоэффективности и передовые технологии</b>	<ul style="list-style-type: none"><li>• сотрудничество с WFP, МАГАТЭ и другими международными организациями, научными исследовательскими институтами в целях обеспечения доступа к исследованиям и технологиям в области энергетики, включая возобновляемую энергию, повышение энергоэффективности и передовые технологии</li><li>• участие в международной конференции МАГАТЭ по радиационной безопасности</li></ul>
<b>7.б К 2030 году обеспечить всеобщий доступ к современным, надежным, устойчивым и экологически чистым источникам энергии</b>	<ul style="list-style-type: none"><li>• реализация проектов по повышению энергоэффективности и энергообеспечению (создание сетей тепловой и электрической энергии, внедрение технологий хранения энергии, использование возобновляемых источников энергии, повышение энергоэффективности технологий)</li><li>• проведение мероприятий по энергосбережению в целях снижения воздействия на окружающую среду и повышения энергоэффективности и повышения энергоэффективности</li></ul>

Потребители услуг и партнеры

Требования	Ожидания
<ul style="list-style-type: none"><li>• Соблюдение действующего законодательства;</li><li>• Соблюдение договорных обязательств;</li><li>• Прозрачные конкурсные процедуры закупок;</li><li>• Стабильность и финансовая устойчивость АО «КазтрансОйл»;</li><li>• Протекция от коррупции;</li><li>• Соблюдение норм деловой этики;</li><li>• Полное и своевременное раскрытие любых изменений в части тарифной политики.</li></ul>	<ul style="list-style-type: none"><li>• Совершенность и высокое качество предоставляемых услуг;</li><li>• Устойчивость бизнеса;</li><li>• Информационная открытость и прозрачность.</li></ul>
<b>Мероприятия, реализованные в 2020 году</b>	
<ul style="list-style-type: none"><li>• В феврале 2020 года Компания сообщила о завершении выплаты ПАО «Транснефть» компенсации казахстанским нефтяным компаниям за некондиционную нефть;</li><li>• В ноябре 2020 года утвержден тариф на услугу по переносу нефти в целях экспорта за пределы Республики Казахстан с вводом в действие с 1 марта 2020 года;</li><li>• Ежемесячные совещания с собственниками нефтепроводов по вопросу оказания операторских услуг;</li><li>• Проведен опрос удовлетворенности потребителей услуг по транспорту нефти - 100%, по операторским услугам - 95%;</li><li>• Представлены отчеты по итогам полугодия и года об исполнении утвержденной тарифной сметы, об исполнении утвержденной инвестиционной программы, о соблюдении показателей качества и надежности регулируемых услуг и достижениях показателей эффективности деятельности субъектов естественных монополий перед потребителями и иными заинтересованными лицами в форме публичного слушания;</li><li>• В ноябре 2020 года Компания сообщила об утверждении тарифа и тарифной сметы на регулируемую услугу по переносу нефти на внутренний рынок Республики Казахстан по системе магистральных трубопроводов на 2021-2025 годы с вводом в действие с 1 января 2021 года;</li><li>• В декабре 2020 года АО «КазтрансОйл» и АО «КазтрансОйл» Трубопроводный Консорциум» обсудили вопросы сотрудничества.</li></ul>	
<b>Конкуренция</b>	
<b>Требования</b> <ul style="list-style-type: none"><li>• Соблюдение действующего законодательства;</li><li>• Соблюдение норм деловой этики.</li></ul>	<b>Ожидания</b> <ul style="list-style-type: none"><li>• Обеспечение конкурентности деятельности;</li><li>• Информационная открытость и прозрачность.</li></ul>
<b>Мероприятия, реализованные в 2020 году</b>	
<ul style="list-style-type: none"><li>• Утвержден Кодекс деловой этики АО «КазтрансОйл», согласно которому одной из этических норм является соответствие требованиям конкуренции. Должностные лица и работники должны воздерживаться от предвзятости и участия в соглашениях, носящих явно или неявный, формальный или неформальный, письменный или устный характер, которые направлены на ограничение конкуренции.</li></ul>	
<b>Поставщики</b>	
<b>Требования</b> <ul style="list-style-type: none"><li>• Соблюдение действующего законодательства;</li><li>• Соблюдение договорных обязательств;</li><li>• Прозрачные конкурсные процедуры закупок;</li></ul>	<b>Ожидания</b> <ul style="list-style-type: none"><li>• Стабильность и финансовая устойчивость АО «КазтрансОйл».</li></ul>

Общественность (местное население, общественные организации и СМИ)

Требования	Ожидания
<ul style="list-style-type: none"><li>• Соблюдение действующего законодательства;</li><li>• Производственная экологическая безопасность деятельности АО «КазтрансОйл», природоохранная деятельность;</li><li>• Соблюдение норм деловой этики.</li></ul>	<ul style="list-style-type: none"><li>• Вклад АО «КазтрансОйл» в социально-экономическое развитие регионов, включая создание рабочих мест;</li><li>• Повышение качества жизни местного населения;</li><li>• Стабильность и финансовая устойчивость АО «КазтрансОйл»;</li><li>• Информационная открытость и прозрачность;</li><li>• Эффективные каналы коммуникации, оперативная обратная связь.</li></ul>
<b>Мероприятия, реализованные в 2020 году</b>	
<ul style="list-style-type: none"><li>• В 2020 году опубликовано 72 пресс-релиза на корпоративном интернет-ресурсе Компании, 297 информационно-издательских материалов в республиканских и региональных СМИ;</li><li>• Из них опубликовано 5 аналитических материалов по комментариям руководства АО «КазтрансОйл», вышло в эфир 6 телекомментов;</li><li>• Опубликованы интервью с руководителями АО «КазтрансОйл» в республиканских и корпоративных СМИ;</li><li>• За отчетный период в Компанию поступили 18 запросов СМИ, на все предоставлены своевременные ответы;</li><li>• В марте и августе 2020 года в целях информирования о вкладе АО «КазтрансОйл» в социально-экономическое развитие страны внешние и внутренние стейкхолдеры АО «КазтрансОйл» были запущены официальный аккаунт АО «КазтрансОйл» - @kaztransoil в социальной сети Instagram и официальная страница АО «КазтрансОйл» в социальной сети Facebook;</li><li>• В рамках проекта рекультивации нарушенных земель исторически загрязненной в 2020 году Компания выполнила работы по восстановлению 4 гектаров земли на территории Ахматовского района Западно-Казахстанской области;</li><li>• В октябре 2020 года АО «КазтрансОйл» завершило текущий ремонт дороги автоподъездной с мостом через реку Жаман-Сарык. Дорога находится на балансе АО «КазтрансОйл» и доступна для проезда жителей близлежащих населенных пунктов;</li><li>• Компанией реализован благотворительный проект «Береги», в рамках которого медицинскими учреждениями Республики Казахстан были переданы 68 аппаратов ИВЛ;</li><li>• Также на личные средства работников АО «КазтрансОйл» были закуплены лекарственные препараты и игрушки для специализированного дома ребенка в г. Тур-Сатпае, оказана помощь малоимущим семьям.</li></ul>	
<b>ВНУТРЕННИЕ СТЕЙКХОЛДЕРЫ</b>	
<b>Крупный акционер</b>	
<b>Требования</b> <ul style="list-style-type: none"><li>• Обеспечение прав акционеров;</li><li>• Соблюдение действующего законодательства.</li></ul>	<b>Ожидания</b> <ul style="list-style-type: none"><li>• Рост прибыли и своевременная выплата дивидендов;</li><li>• Рост акционерной стоимости и устойчивости бизнеса;</li><li>• Информационная открытость и прозрачность;</li><li>• Эффективное корпоративное управление, отвечающее лучшим международным практикам.</li></ul>
<b>Мероприятия, реализованные в 2020 году</b>	
<ul style="list-style-type: none"><li>• 18 марта 2020 года опубликован аудиторский отчет по консолидированной финансовой отчетности АО «КазтрансОйл» за 2019 год;</li><li>• 27 мая 2020 года проведено годовое Общее собрание акционеров АО «КазтрансОйл»;</li><li>• В июне 2020 года Компания выплатила дивиденды по простым акциям за 2019 год;</li><li>• Представлены ответы на все поступающие запросы от крупного акционера.</li></ul>	
<b>Члены Совета директоров</b>	
<b>Требования</b>	<b>Ожидания</b>



# Examples of disclosures (KZ)

## Approaches and strategy



**Air Astana** describes in its annual report the process of identifying targets for sustainable development. From 58 possible targets, 20 of the most important were selected.



2020 год стал, наверное, самым жестким и сложным за всю историю авиационной отрасли. В связи с тем, что самолеты по всему миру приостановили свои полеты из-за пандемии, авиакомпании были вынуждены адаптироваться к новым реалиям, таким как – выдача и ношение масок, закрытие границ, ограничения на перелеты, санитарная обработка и PCR-тестирование.

Благодаря усилиям сильной управленческой команды, гибкому и инновационному подходу и, конечно же, нашим сотрудникам, Компанией были предприняты все меры/действия/шаги, нацеленные на сохранение устойчивого развития Компании. С целью обеспечения непрерывности деятельности, операционный персонал – инженерный состав, сотрудники центра бронирования и информации, офисов продаж и департамента информационных технологий (ИТ) – продолжили работу на местах. Наши пилоты, борпроводники и сотрудники наземной службы также выполнили свои служебные обязанности и следовали высоким стандартам обслуживания пассажиров, несмотря на возможный риск заражения. В то же время административный персонал Компании оказывал подразделениям максимально возможную поддержку. Вот этот проявленный дух единства и совместные усилия всех сотрудников Компании в 2020 году позволили нам достичь более высоких результатов, чем мы планировали изначально, и смотреть с оптимизмом в будущее.

**Любим Любимов**  
Директор по вопросам комплаенс и устойчивого развития

Несмотря на все трудности, с которыми мы столкнулись из-за пандемии, Компания успешно сохранила свою приверженность принципам устойчивого развития и стала еще более устойчивой»

### Подход «Эйр Астана» к устойчивому развитию

Наш подход к устойчивому развитию основан на стремлении вести бизнес ответственно, прозрачно с учетом потребностей и ожиданий всех заинтересованных сторон. Основополагающие ценности Компании HEART – *Honest, Efficient, Active, Reliable, Trustworthy* (беспристрастность, эффективность, активность, надежность и доверие) внедрены во все наши бизнес-процессы.

В настоящее время мы разрабатываем нашу стратегию устойчивого развития, которая станет неотъемлемой частью нашей общей корпоративной стратегии и основана на принципах передовой практики и международных стандартов, охватывает экологические, социальные и управленческие (ESG) аспекты деятельности.

**Управление устойчивым развитием**  
Риски в области устойчивого развития рассматриваются Советом директоров при содействии Комитета по корпоративной социальной ответственности (КСО) и активном участии Президента. Подробнее о полномочиях и работе Комитета по корпоративной социальной ответственности см. стр. 81 настоящего отчета.

Руководство Компании обеспечивает реализацию наших принципов устойчивого развития, таких как – открытость, подотчетность, прозрачность, этическое ведение бизнеса, соблюдение интересов заинтересованных сторон, справедливость, соблюдение прав человека и нетерпимость к любым формам проявления коррупции. Эти принципы интегрированы в наши ключевые процессы, такие как – управление рисками, планирование, управление кадрами, инвестиционную деятельность, отчетность и

операционную деятельность, а также в стратегию развития Компании и процессы принятия решений. Наша управленческая команда разрабатывает планы работы, охватывающие как взаимодействие с заинтересованными сторонами, так и реализацию инициатив.

Департамент по вопросам комплаенс и устойчивого развития, созданный в мае 2019 года, подоточен Комитету по корпоративной социальной ответственности (КСО) и является ответственным за постоянное развитие нашей стратегии в области устойчивого развития, а также оказывает содействие в реализации соответствующих мероприятий. Руководители департаментов являются ответственными за реализацию инициатив устойчивого развития и планов действий в каждой сфере деятельности, включая внутренний и внешний анализ.

### Риски в рамках устойчивого развития

Важной составляющей корпоративной системы управления рисками (КСУР) «Эйр Астана» является минимизация рисков, которые могут негативно повлиять на устойчивое развитие, устойчивость и способность Компании адаптироваться к меняющимся обстоятельствам. Это позволяет обеспечивать интеграцию процессов управления рисками со всеми аспектами бизнеса, включая корпоративное управление, управление эффективностью и внутреннего контроля. Политика управления рисками Компании соответствует концепции «КСО». Управление рисками организации. Интеграция со стратегией и эффективностью деятельности, что позволяет внедрять передовые международные практики в области управления рисками в рамках КСУР. Подробнее о подходе «Эйр Астана» к управлению рисками и связи со стратегией устойчивого развития, см. в разделе «Основные риски и управление рисками» на стр. 40-45.

### Взаимодействие с заинтересованными сторонами

В рамках нашей деятельности мы взаимодействуем с широким кругом заинтересованных сторон как на местном, так и на международном уровне. К заинтересованным сторонам относятся те стороны, на которых наша деятельность оказывает значительное влияние, а также те, кто оказывает влияние на достижение наших стратегических целей и задач.

Мы твердо убеждены, что достижение долгосрочного устойчивого успеха, включая сохранение доверия общества в плане стандартов ведения деятельности и способность создавать экономическую и социальную ценность, тесно связано с удовлетворением потребностей и ожиданий всех наших заинтересованных сторон. Поэтому мы усердно работаем над построением и поддержанием конструктивных и эффективных взаимоотношений с заинтересованными сторонами путем открытого и прозрачного диалога и сотрудничества.

Методы и формы взаимодействия с заинтересованными сторонами 2020 года описаны в таблице на стр. 22-23.

### Существенные аспекты

Отчетность «Эйр Астана» в области устойчивого развития основана на оценке наиболее существенных аспектов. С целью обеспечения раскрытия актуальности раскрываемых данных о результатах деятельности в области устойчивого развития, мы раскрываем нашу отчетность в соответствии со стандартами раскрытия информации, главными из которых является Руководство по отчетности в области устойчивого развития (GRI).

В 2020 году была проведена оценка существенности. На основании результата анализа внешних и внутренних сторон, мы определили темы, влияющие на процесс принятия решений нашими заинтересованными сторонами, а также имеющие существенное экономическое, экологическое и социальное воздействие на Компанию. Итоговая матрица существенности охватывает 58 потенциальных аспектов. Общий список экономических, экологических и социальных аспектов был также дополнен темами, отнесенными к категориям управления и авиатранспорта с целью отражения ожиданий наших заинтересованных сторон. На следующем этапе темы были сгруппированы в четыре категории в зависимости от степени важности каждой из них и влияния на принятие решений заинтересованными сторонами (низкая, средняя, высокая и очень высокая степень существенности).

После этого были определены приоритеты и проведена классификация выделенных тем на основе данных внутренних и внешних информационных источников.

**Внутренние информационные источники:**

- Онлайн-опросы внутренних заинтересованных сторон;
- Интервью с представителями высшего руководства.

**Внешние информационные источники:**

- Онлайн-опросы внешних заинтересованных сторон;

- Обзор отчетов аналогичных компаний;
- Обзор публикаций в СМИ;
- Анализ глобальных трендов («мегатрендов»).

На основе общего анализа мы определили 20 существенных – ключевых аспектов, имеющих наибольшую важность, как для «Эйр Астана», так и для наших заинтересованных сторон.

### Существенные темы Компании

#### Управление

- Стратегия
- Деловая этика и комплаенс
- Корпоративное управление
- Взаимодействие с заинтересованными сторонами

Подробнее на стр. 50-51

#### Экономические аспекты

- Экономические показатели
- Инновации и цифровизация
- Практика закупок

Подробнее на стр. 52-53

#### Экологические аспекты

- Потребление энергоресурсов
- Выбросы
- Утилизация отходов
- Соблюдение требований экологического законодательства

Подробнее на стр. 54-55

#### Социальные аспекты

- Трудоустройство
- Охрана труда и техника безопасности
- Обучение и развитие

Подробнее на стр. 56-59

#### Авиационные аспекты

- Качество обслуживания
- Пассажиропоток
- Защита персональных данных клиентов
- Своевременное выполнение рейсов
- Система управления безопасностью полетов
- Технологическое совершенствование парка воздушных судов

Подробнее на стр. 60-63



# Examples of disclosures (KZ)

**Karachaganak Petroleum Operating B.V.** in its annual report indicates the status of the implementation of tasks in key areas of sustainable development and indicates goals for next year.

Табл. 22. Задачи в сфере взаимодействия с местным населением GRI 103-2

Задачи на 2020 г.	Статус выполнения	Действия, предпринятые для реализации задач в 2020 г.	Задачи на 2021 г.
Выполнить Программы по оказанию содействия развитию сельских округов на 2020 г. согласно одобренному бюджету.	Выполнено	Программы выполнены в той степени, в которой позволяла ситуация с КВИ. GRI 413-1	Выполнить программы по оказанию содействия развитию сельских округов в соответствии с одобренным бюджетом
Подписать трехсторонний Меморандум о сотрудничестве с акиматом Бурлинского района ЗКО.		Трехсторонний меморандум о сотрудничестве с Акиматом Бурлинского района подписан.	
Провести 12 заседаний Консультативных Советов в трех сельских округах (Приуральном, Жарсуатском и Успенковском) по социальным и экологическим аспектам развития	Выполнено частично	Ввиду ограничений КВИ было проведено 10 заседаний онлайн в трех сельских округах. GRI 413-1	Провести 9 заседаний
Рассмотреть и своевременно закрывать жалобы и обращения населения	Выполнено	Все полученные жалобы рассмотрены своевременно.	
Продолжить мониторинг переселившихся семей в г. Аксай и мкр-н Аралтал для определения необходимости в дополнительной помощи на восстановление средств к существованию	Выполнено	К концу 2020 г. все обязательства по оказанию помощи переселившимся семьям выполнены.	

Табл. 28. Задачи в области охраны окружающей среды GRI 103-2

Наши задачи в 2020 г.	Статус выполнения задач	Действия, предпринятые для реализации задач в 2020 г.	Задачи на 2021 г.
ВЫБРОСЫ В АТМОСФЕРУ			
Обеспечить показатель удельных выбросов парниковых газов не выше 67 тонн CO <sub>2</sub> на одну тыс. тонн добычи углеводородов	Выполнено	Показатель удельных выбросов парниковых газов составил 62 тонн CO <sub>2</sub> на одну тыс. тонн добычи УВС	Обеспечить показатель удельных выбросов парниковых газов не выше 67 тонн CO <sub>2</sub> на тыс. тонн добычи углеводородов
Достичь снижения показателя выбросов парниковых газов на 285 тыс. тонн CO <sub>2</sub>	Выполнено на 88%	Сокращение выбросов парниковых газов составило 251 тыс. тонн CO <sub>2</sub> . Достичь планового показателя не удалось в связи с остановкой работ на скважинах с 3 квартала по причине карантина в связи с КВИ.	
Обеспечить объем потерь производства не более 3,82%	Выполнено	Объем потерь производства составил 3,61%	Обеспечить объем потерь производства не более 3,82%

## Approaches and strategy



Табл. 9. Наши задачи в области охраны труда и техники безопасности GRI 103-2

Наши задачи в 2020 г.	Статус выполнения	Действия, предпринятые для реализации задач в 2020 г.	Задачи на 2021 г.
Реализовать План лидерства и повышения культуры ТБ (Implementation of Safety Continuous Improvement Journey)	Новая задача – выполнена на 91%	Реализация Плана включает в себя повышение осведомленности о «Золотых правилах» и «Жизненно важных правилах», а также такие темы, как управление последствиями, лидерство и наставничество, механизм поощрения, присутствие руководства на участках работ.	Продолжить реализацию Плана повышения культуры ТБ
Провести 100% оценку компетентности в области ОТ, ТБ и ООС руководителей нижнего звена производственного директората КПО	Выполнено 83,5%	В связи с пандемией и сокращением присутствия персонала на рабочих местах, оценка компетентности руководителей нижнего звена по 10 элементам в области ОТ, ТБ и ООС была выполнена на 83,5%.	Завершить оценку компетентности руководителей нижнего звена по 10 элементам ОТ, ТБ и ООС для объекта КПК
Разработать и внедрить План коммуникаций в области ОТ, ТБ	Новая задача – выполнена	План был разработан. В течение года проводились собрания среди персонала по реализации. Мероприятия по Плану были выполнены с учетом КВИ-ограничений.	Выполнить План коммуникаций в области ОТ, ТБ и ООС на 2021 г.
		По плану было выполнено 14 из 18 краткосрочных мероприятий Плана по улучшению дорожной безопасности. Общий прогресс выполнения мероприятий составил 98%. Детали приведены далее по тексту в разделе «Дорожная безопасность».	Выполнить мероприятия по реализации Плана обеспечения дорожной безопасности
		Стратегия управления показателями ОТ, ТБ и ООС подрядных организаций была рассмотрена и обновлена. Обучающие семинары по обновленной стратегии были проведены с ключевым персоналом, привлеченным в управление контрактами.	



# Examples of disclosures (International)

**Vodafone's annual report** shows three components of the company's mission, which then translate into corporate strategy

## Our strategic framework

### Our next phase to drive returns through growth

#### Our purpose: We connect for a better future



**Inclusion for All**  
Ensuring everyone has access to the benefits of a digital society

Read more on pages 34-37



**Planet**  
Reducing our environmental impact and helping society decarbonise

Read more on pages 38-40



**Digital Society**  
Connecting people and things and digitalising critical sectors

Read more on pages 41-42

#### Our strategy: The new generation connectivity and digital services provider for Europe & Africa, enabling an inclusive & sustainable digital society

##### Customer commitments



**Best connectivity products & services**  
Providing the best core connectivity for consumers and businesses



**Leading innovation in digital services**  
Leveraging our unique platforms and partnering with leading technology firms to provide customers with a 'best on Vodafone' user experience



**Outstanding digital experiences**  
Using our leading digital architecture to provide a seamless customer experience

##### Enabling strategies



**Simplified & most efficient operator**  
Through digital transformation, standardisation, and automation of processes at scale



**Social contract shaping the digital society**  
Influencing policy and regulation to shape a more healthy industry structure, and build a resilient, inclusive and sustainable digital society



**Leading gigabit networks**  
Maintaining our leading gigabit networks as we provide our customers with the best connectivity products and 'best on Vodafone' user experience

#### Our advantage: Leading connectivity provider



**Our people & culture**  
The Vodafone Spirit

Read more on pages 21-22



**Europe & Africa**  
Two attractive regions with scale

Read more on pages 16-20

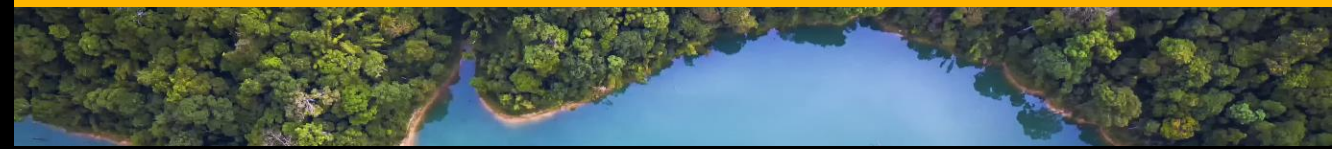


**Governance & Risk Management**  
Strong frameworks in place

Read more on page 81

Creating value for society and shareholders

## Approaches and strategy



**Polymetal International plc.** in its sustainability report, provides a good illustration of the business model, including capital assets, operating segments and strategy, and the value created for stakeholders

### Sustainability underpins the resilience of our business

We are building a resilient business by managing our impacts and driving sustainable value for all our stakeholders.

#### Our capitals

Nurturing the skills of our people, investing in key competencies and new technologies to develop and grow our portfolio of assets through strong financial discipline, while fostering constructive relationships with our communities, are all integral to our long-term future.

**Financial**  
Strong balance sheet and a large portfolio of available undrawn credit facilities; access to international equity markets and use of shares as acquisition currency.  
Read more in our Annual Report on pages 72-80.

**Human**  
12,000 employees; attracting and retaining high-potential employees across Russia and Kazakhstan; nurturing young leaders to manage further growth.  
Read more on pages 82-87.

**Natural**  
Portfolio of high-grade reserves; water, energy and fuel to run our operations.  
Read more on 84-85, 89-97 and in our Annual Report on pages 98-101, 104-105, 108, 119.

**Business**  
Key competencies in refractory gold concentrate trading; sustainable relationships with contractors and suppliers.  
Read more in our Annual Report on pages 102-103, 104-111, 124-125, 128-129, 130-131.

**Intellectual**  
Investment in skills and expertise; use of leading technologies in refractory gold processing (P2O), selective mining, development of know-how.  
Read more in our Annual Report on pages 102-103, 104-111, 124-125, 128-129, 130-131.

**Social and relationship**  
Constructive relationships with local government and communities; transparent and productive dialogue with stakeholders.  
Read more on pages 102-103.

#### Our purpose

We believe responsible and efficient mining can be a force for good for society. We aspire to be equal to the challenge and deliver benefits to all impacted by our corporate existence.

#### What makes us different

Focus on high-grade assets

Strong capital discipline

Investing in exploration

Leading competence in treatment of refractory ores

ESG leadership

Operational excellence

Read more in our Annual Report on page 62

#### Factors determining long-term growth

##### Market trends and opportunities

Our investments in attractively priced high-quality assets enable us to generate a consistently sustainable free cash flow and deliver returns for our shareholders.  
Read more in our Annual Report on pages 20-23.

##### Governance

We are committed to maintaining world-class ethical standards that drive behaviours across every aspect of our business.  
Read more on pages 14-15.

##### Material issues and risk management

Material issues for our stakeholders and the Company are analysed and inform a robust risk management system to mitigate potential risks to the sustainability and success of the business.  
Read more on pages 18-23, 24-25.

#### Our markets

- Russia
- Kazakhstan
- East Asia
- Europe



#### Creating value for...

**Employees**  
We provide competitive remuneration, which is above the regional average, and comfortable working conditions, as well as inspiring career development opportunities.  
**\$1.1m**  
Invested in professional training

**Local communities**  
We invest in our local communities, providing employment opportunities and improving infrastructure, and engage with them to gain their support for the projects that we undertake.  
**\$17.9m**  
Invested in social projects

**Shareholders**  
We deliver a sustainable dividend stream.  
**\$608m**  
Proposed for 2020

**Other capital providers**  
We have an excellent credit history and strong partnerships within financial markets.  
**3.4%**  
Average cost of debt in 2020

**Suppliers**  
We provide fair terms and have established long-term and mutually beneficial partnerships, while ensuring suppliers' integrity and ESG compliance.  
**9,296**  
potential contractors audited for ethical principles and anti-corruption policies

**Home states and regions**  
We contribute to the national wealth and are a significant tax payer in our regions of operation, supporting local governments' social projects.  
**\$432m**  
taxes paid

# 2

[E]nvironment





# Approaches and trends (1/2)

## [E]nvironment

What commitments are companies undertaking in the fight against climate change?

Environmental issues, especially in reference to **climate change**, increasingly attract a lot of attention. It is difficult to imagine high-quality ESG disclosure without a detailed coverage of the organization's climate strategy.

Despite the importance of all aspects of sustainable development agenda, environmental aspects are the flagship. There is strong logical foundation, climate warming requires not only urgent but also coordinated action between different actors around the world. Therefore, both at the state level and at the corporate level, we see active involvement towards the Paris Agreement. However, more importantly for investors, climate change can lead to real financial losses for companies in various sectors of the economy, and supply chain disruptions. Therefore, capital providers, like other stakeholders, first of all want to see an assessment of the risks and threats to the financial position of the company.

A company needs to understand **risks associated with climate change**, and report on their affects and mitigation. These can be both physical risks associated with the threat of destruction of assets, for example, and transit risks associated with the global movement towards a low-carbon economy (for example, introduction of new emissions charges that are announced in Europe as part of the Trans-Carbon regulation in 2021).

The **TCFD** (Task Force on Climate-Related Financial Disclosures) recommendations are becoming more widespread – the standards give a clear idea of how to describe climate risks in reporting. The TCFD focuses on how the risks associated with climate change can affect a company's financial position. In the UK, from next year, large companies and financial institutions will be required to make TCFD disclosures on a mandatory basis. We expect that such disclosure will be required more and more in other parts of the world.



# Approaches and trends (2/2)

## [E]nvironment



The second major climate change disclosure item is carbon footprint targets and KPIs. Companies around the world are committed to achieving Net Zero (carbon neutrality) and report their progress towards this goal. Of the world's top 2,000 public companies, about 20% currently have a Net Zero [commitment](#). However, even if a company is not ready to commit to carbon neutrality, specific goals to reduce greenhouse gas emissions are critical information for the Report. An organization implementing a climate strategy is now expected to make specific commitments rather than general statements.

We [interviewed](#) investors on which ESG issues are critical for the private sector to prioritize and build on. The most frequent response emphasized a **reduction in Scope 1 emissions** (direct emissions from company operations) and **Scope 2 emissions** (indirect emissions from purchased electricity, steam, etc.), as well as **heating and cooling**. This information is expected from all company, regardless of the industry.

We recommend bringing attention in reporting to all aspects of environmental protection (as well as sustainable development in general), following the principle of materiality. But there is an obvious need to go beyond slogans, and focus on climate action with clear goals.

## Further development

### Basic disclosures

The company makes a statement about its work in the area of combating climate change and describes its approach to solving the problem.

### Developing reporting

The company has made specific commitments to reduce its carbon footprint, both measurable long-term goals and intermediate targets were indicated.

### Best practices

The company is assessing the risks and opportunities associated with climate change and shows scenario analysis in the reporting. Information is disclosed in accordance with specialized international standards.



# Current practice

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

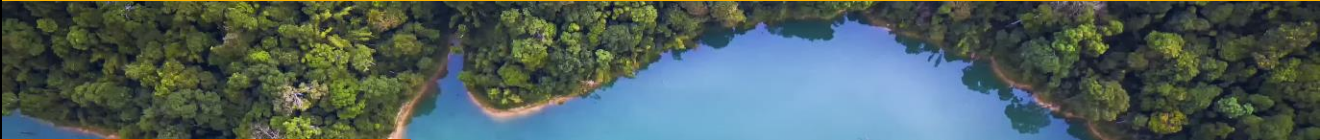
While overall environmental management policies were disclosed in 90% of the reports, risks and opportunities related to climate change were mentioned in 16% of the Top 50 Reports. With regard to issues related to climate change, the situation in Kazakhstani companies has changed insignificantly over the year – this aspect of sustainable development is only at the stage of formation in Kazakhstan.

Most of the companies in the TOP-50 cope with the disclosure of **key environmental impact indicators**, such as pollutant emissions, consumption of fuel and energy resources, waste generation, water use, etc. Despite the fact that financial companies are lagging behind, they also began to often include indicators in their Reports, at least in terms of consumed resources.

It is still difficult for most companies to assess **indirect environmental impacts**. Therefore, for example, no bank yet discloses greenhouse gas emissions (and other impacts) for the financed portfolio, or, quite rarely 50 companies disclose indirect greenhouse gas emissions (even those associated with electricity consumption).

Increasingly, the reports of Kazakhstan companies describe not only the current situation and the main indicators of environmental impact, but also the **activities and projects** that the company is implementing in order to reduce the negative impact of its activities. Further development of this information is possible through a description of the specific results that companies have received as a result of the relevant activities – for example, an indication of how much electricity consumption has been reduced from total consumption.

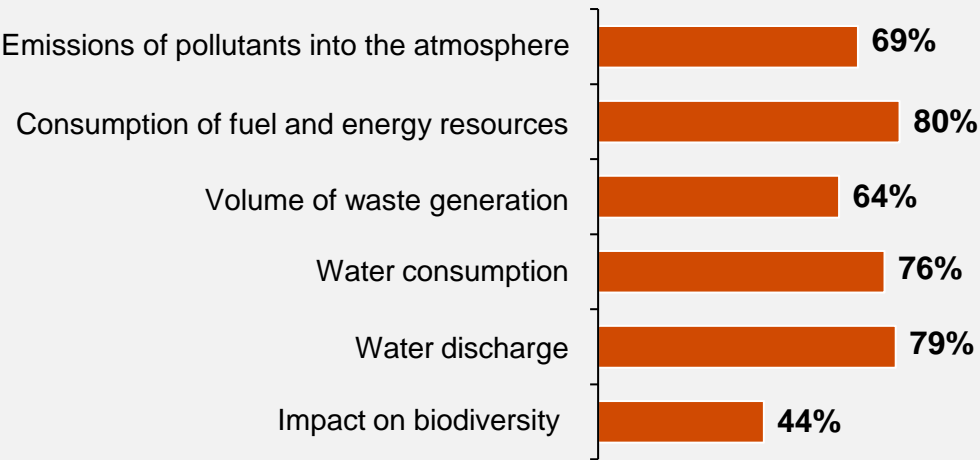
### [E]nvironment



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

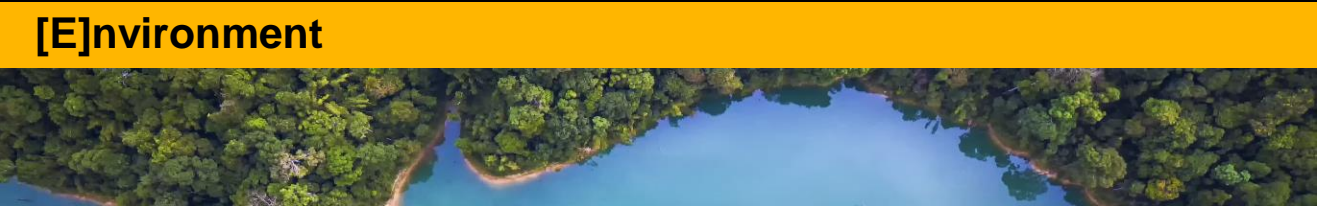


Indicators for the last reporting year were disclosed by:





# Examples of disclosures (KZ)



## Halyk Bank of Kazakhstan in the Sustainability Report shows greenhouse gas emissions not only for the first, but also for the second scope

В дополнение, Банком реализуются следующие мероприятия в области энергосбережения и энергоэффективности:

- Замена ртутьсодержащих люминесцентных ламп на светодиодные в целях сбережения электрической энергии, сокращения затрат на потребление электричества и минимизации негативного воздействия пути на окружающую среду при утилизации ламп. Перевод зданий на энергоэффективное LED-освещение производится во время проведения капитального ремонта и реконструкции помещений. С начала реализации данной инициативы в 2016 году нам удалось сократить долю зданий Банка с люминесцентным освещением с 85% до 44%.
- Внедрена автоматизация систем кондиционирования и вентиляции воздуха в зданиях Головного офиса Банка для снижения потребления энергии;
- Для снижения потребления тепловой энергии в зданиях Головного банка запланирована установка балансировочных клапанов на регистрах отопления;
- Пощадрится использование экологически чистого транспорта среди сотрудников. В общей сложности, в зданиях Головного офиса Банка оборудовано 63 парковочных места для стоянки велосипедов и электрических самокатов с местами для подзарядки аккумуляторов. Данное мероприятие способствовало сокращению количества работников, использующих для поездок на работу личный автотранспорт.

Потребление ископаемых видов топлива в энергетических целях напрямую сопряжено с выбросами парниковых газов (ПГ), влияющих на глобальное изменение климата. Осознавая важность данной тематики для процесса сообщества и выражая приверженность национальным климатическим целям, в рамках подготовки настоящего Отчета Halyk Bank провел оценку своих прямых и косвенных выбросов ПГ. В 2020 году прямые выбросы ПГ (scope 1) составили 4 756,9 тонн CO<sub>2</sub> экв., что на 1,3% ниже уровня 2019 года и 4 818,2 тонн CO<sub>2</sub> экв. Основными источниками выбросов ПГ Банка являются автотранспортные средства и стационарные энергетические установки (отопительные котлы, генераторы).

Объем косвенных энергетических выбросов (scope 2), образуемых в результате потребления электрической и тепловой энергии объектами Банка, в 2020 году составил 65 252 тонны CO<sub>2</sub> экв., что на 4,8% ниже уровня 2019 года. Снижение потребления электроэнергии произошло за счет перевода в условиях карантина определенной части работников Гб и ОФ/Рб на удаленный режим работы и соответственно произошло снижение косвенных выбросов.

Суммарные выбросы ПГ Halyk Bank за 2018-2020 гг., тонн CO<sub>2</sub> экв.

Scope	2018	2019	2020
Scope 1	76 707	73 358	70 009
Scope 2	71 214	68 540	65 252

Выбросы ПГ Halyk Bank за 2019-2020 гг.

Показатель	2018	2019	2020
Прямые выбросы ПГ (scope 1), тонн CO <sub>2</sub> экв. в том числе:	5 443,2	4 818,2	4 756,9
Выбросы CO <sub>2</sub>	5 429,4	4 805	4 744,4
Выбросы CH <sub>4</sub>	4	3,9	3,9
Выбросы N <sub>2</sub> O	9,8	8,6	8,6
Косвенные энергетические выбросы ПГ (scope 2), тонн CO <sub>2</sub> экв.	71 273,7	68 540,3	65 252
электричество	51 289,3	49 257	47 310
тепло	19 984,4	19 283,3	17 942

\* Методология расчета выбросов ПГ представлена в Приложении

## SSE in its sustainability report discloses risks and opportunities related to climate change, including their description, possible financial damage and mitigation activities

### SSE'S CLIMATE-RELATED RISKS AND OPPORTUNITIES

The following report represents the third time SSE has published a quantification of the potential financial impact of its material climate-related risks and opportunities in its Sustainability Report. The following disclosure (pages 30 to 35) updates the assessment of climate-related risks and opportunities outlined in previous years. SSE will also provide more detail in these disclosures in its 2021 TNO Climate Change Programme submission.

#### PHYSICAL RISKS:

**Risk 1 Changes in weather impacts renewable output.**

Physical risk factors that impact SSE's Renewables businesses:	Potential financial impact of the physical risk of climate change to SSE's business:
<b>The Chronic Physical Risk:</b> Longer term changes in climate patterns cause sustained higher temperatures that may result in lower rainfall and reduced wind levels. These changes may impact SSE's renewable output and associated earnings.	<b>Potential financial impact:</b> <b>Around £200m potential adverse impact on one year of earnings.</b>

Weather variability is a perennial feature of risk for SSE as the largest generator of renewable electricity in UK and Ireland.

Based on SSE's long-term monitoring of weather changes and current forecasts, a plausible scenario has been established of significantly below-average rainfall and of low wind combined. The combination of these weather impacts may result in reduced renewable generation output and associated earnings.

**Weather patterns affect renewable output and in any one year the potential adverse financial impact on renewable earnings is estimated to be around £200m.**

#### TRANSITION RISKS:

**Risk 3 Climate policy brings forward the closures of unabated gas from 2030.**

Transition risk factors that impact SSE's business:	Potential financial impact of the physical risk of climate change to SSE's business:
<b>Policy and legal risk:</b> More aggressive climate change policy brings forward the closure of unabated gas generation from 2030.	<b>Potential financial impact:</b> <b>Up to £300m potential adverse impact on earnings cumulatively over five years from 2030.</b>

The net zero transition requires a significant increase in renewable generation. Renewable generation is required to provide electricity when renewable output is low.

In the medium-term gas generation is likely to play a key strategic role in balancing the variability of renewables, albeit with shorter running regimes, until sufficient net zero alternatives are deployed.

While the 'Balanced Net Zero Pathway' scenario in the Climate Change Committee's 6th Carbon Budget, suggests the phasing out of unabated gas generation by 2030, it is plausible that to meet climate change commitments the UK Government (and potentially the Irish Government) may strengthen climate change policies to require unabated gas generation to close from 2030.

**SSE's mitigating actions:**

- SSE is investing in a diversified generation portfolio of renewable and thermal low-carbon assets to transition to net zero and accelerate the decarbonisation of some of the UK's most carbon intensive regions.
- SSE Thermal has an agreement with Equinor to co-develop low-carbon thermal options at its Ready site, in North Lincolnshire, and at its Interheat site, in Aberdeen.
- Ready 2, SSE Thermal's £200m B95MW CCGT brings Siemens' first-of-a-kind, high efficiency, gas-fired generation technology to the UK and is on track to be fully commissioned in 2022. As part of the co-operation agreement with Equinor, SSE Thermal is also developing options to blend hydrogen at Ready 2.
- SSE engages with UK and Irish Governments, European Commission, Members of European Parliament and others on low-carbon policy frameworks to support the delivery of, and create routes to market for CCS and hydrogen technologies.
- The cost associated with decommissioning is factored into the end-of-life plans for ageing plant.

#### Risk 4 Average wind energy prices are lower than forecast with more wind generation on the system.

Transition risk factors that impact SSE's business:	Potential financial impact of the physical risk of climate change to SSE's business:
<b>Market and policy risk:</b> In net zero consistent scenarios, the average wholesale power price which wind energy is able to capture is forecast to reduce as a result of more zero marginal cost wind generation coming on to the electricity system.	<b>Potential financial impact:</b> <b>For every £5/MWh reduction on power prices due to wind capture price effect, it is estimated that the negative impact on SSE's earnings in 2029/30 would be around £30m.</b>

All existing pathways to net zero in the UK and beyond assume the dramatic scaling up of wind (especially offshore) generated electricity.

This significant growth in wind power output without a corresponding increase in demand represents a potential climate-related transition risk.

As wind generation capacity increases, both the market and SSE expect the average electricity price which wind power receives (wind capture price) to be less than the average price for electricity (load-weighted price). As wind becomes the dominant source of electricity output it will define the market price so the volatility of electricity prices relative to wind output, both high and low.

While this is expected in the medium term, and is factored into investment decisions, there is a risk that this lower average price for wind output is more extreme than what the market for SSE expects. In the longer term, and with careful market design reforms, the effect of the wind capture price will stabilise as more low carbon technologies adapt their patterns of demand according to the price signals sent by the market.

**SSE's mitigating actions:**

- SSE continues to invest in a geographically and technologically diverse generation portfolio of renewable and low carbon thermal assets, in order to balance the effect of price volatility.
- SSE's renewables portfolio has a diversity of remuneration streams, with semi-regulated revenues, which reduces its exposure to market risk.
- SSE will seek, where appropriate, to submit certain development projects into CO<sub>2</sub> auctions, thereby removing merchant risk.
- With its integrated customer facing business, SSE will work with large customers wishing to purchase renewable energy, to provide long term power contracts, called power purchase agreements (PPAs).

# Examples of disclosures (international)

## [E]nvironment



BP in the annual report shows specific goals within the achievement of Net Zero

### Our net zero aims

In February 2020 we set out our ambition to be a net zero company by 2050 or sooner. And to help the world get to net zero. This ambition is supported by 10 aims: five to help us become a net zero company, and five to help the world meet net zero. Taken collectively, these set out a path that we believe is consistent with the Paris goals.

### Our net zero targets and aims at a glance

Aims	2020 performance	2025 target	2030 aims	2050, or sooner, aims
<i>Net Zero operations</i> Aim 1	16% <sup>a</sup>	20%	30-35%	100%
<i>Net Zero oil and gas</i> Aim 2	9% <sup>ab</sup>	20%	35-40%	100%
<i>Halving intensity</i> Aim 3	0.6% <sup>ab</sup>	5%	>15%	50%
<i>Reducing methane</i> Aim 4	0.12% <sup>c</sup>	0.20% (based on our new measurement approach) <sup>d</sup>	Timeline to achieve 50% reduction to follow	
<i>More \$ for new energies</i> Aim 5	\$750m <sup>e</sup>	\$3-4bn	~\$5bn	

### What we mean by net zero

When we talk about helping the world get to net zero we mean achieving a balance between sources of anthropogenic emissions and removal by sinks of greenhouse gases, as set out in Article 4.1 of the Paris Agreement<sup>f</sup>. When talking about bp becoming a net zero company by 2050, or sooner, in the context of our new ambition and aims 1 and 2, this means achieving a balance between (a) the relevant Scope 1 and 2 emissions associated with our operations (aim 1), or Scope 3 emissions associated with carbon in bp's net share of production of oil and gas excluding Rosneft (aim 2), and (b) the total of applicable deductions from activities such as sinks, for example carbon capture, use and storage (CCUS) and land carbon projects, which we allow for in our methodology.

**Our aim 1** is to be net zero across our entire operations on an absolute basis by 2050 or sooner.

This aim relates to our Scope 1 (from running the assets within our operational control boundary) and Scope 2 (associated with producing the

**Our aim 2** is to be net zero on an absolute basis across the carbon in our upstream oil and gas production★ by 2050 or sooner.

This is our Scope 3 aim and is on a bp equity

### Our performance in 2020

The estimated emissions from the carbon in our Upstream oil and gas production were equivalent to 328MteCO<sub>2</sub>e in 2020, a reduction of approximately 9% compared to 361MteCO<sub>2</sub>e<sup>b</sup> in 2019.



# 3

[S]ocial





# Approaches and trends

The lack of due focus on the impact that organizations have on society, leads to the creation of non-financial risks for the company itself (for example, reputational risks). Further, it has the potential to affect financial results of the company, which ultimately negatively affects its economic growth in the long term.

An important part of the social direction is the disclosure of information on HR management issues, on whom the company has a direct impact. Employees are one of the key stakeholders, but information on these issues is important for all stakeholders.

Information on ensuring equal career opportunities and non-discrimination remains a material topic for reporting.

The report should take a closer look at quantitative data showing the diversification of personnel at different stages of the career path, as well as describe policies, procedures and activities aimed at eliminating any form of inequality. Contrary to the opinion of many managers, some form of discrimination exists in most companies around the world. What is expected of a company is not a statement of excellence, but effort to identify potential risks and an action plan to mitigate those risks.

Of course, the COVID-19 pandemic became an important topic of the 2020 annual reports. It was important for readers to understand how the pandemic affected this or that company, and how it coped with the challenge: not only in the reporting year, but how this crisis situation influenced the companies's strategy and its vision of the future. This has become a practical case for managing non-financial risk.

## [S]ocial

A practical approach to ensuring employees' rights and developing their capability

### Further development

#### Basic disclosures

Detailed statistics on the headcount and its structure, turnover, training, social policy, education, and labor protection are given. The data are given in accordance with recognized international standards, which ensures their comparability with other companies.

#### Developing reporting

Procedures for interacting with staff and receiving feedback are described. The company shows how this feedback has been taken into account in the HR policy and strategy.

As part of the fight against the pandemic, it is worth mentioning how it has affected the operating model of the company and how it is taken into account in the work of the organization.

#### Best practices

Sections relating to HR management are linked to the description of an integral strategy in this area, with specific tasks and goals.

Specific measures and tasks to ensure equal career opportunities and reduce the risk of discrimination are described.

# Current practice (1/2)

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

The practice of disclosing HR policy and key indicators for personnel, including its structure, headcount and turnover, training, social policy and remuneration – has become generally accepted. At the same time, today's attention to issues of equal career opportunities requires further detailing of the indicators related to HR management, specifying them by individual social groups (primarily gender).

Although this level of detail is still found in less than half of the reports, every year in Kazakhstan there are more good examples of high-quality disclosure of quantitative personnel data.

More than 40% of companies in the TOP-50 already show the structure of headcount for each category, provide detailed data on training and maternity/paternity leave. The breakdown of the turnover rate is somewhat less common, and the ratio of the average remuneration of women to the average remuneration of men is still rarely disclosed.

Equal career opportunity policies are also gradually evolving. For example, 54% of companies in the TOP-50 indicated that they do not allow discrimination in the company. However, only 10% described specific policies, processes, and activities that ensure equal opportunities for all.

### [S]ocial



**92%** of companies list the headcount structure by social groups (gender and age)

**42%** indicate the structure for each category of employees (highlighting the management structure)

**80%** of reports show staff turnover

**22%** of reports show staff turnover by individual social groups

**72%** indicate the average number of training hours per employee in the reporting year

**46%** indicate this indicator for certain categories of employees and gender groups

**12%** of reports include the ratio of the average salary of women to the average salary of men for each category of employees





# Current practice (2/2)

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

The practice of receiving feedback from employees, for example, through measuring the social stability index and other indicators, has become a positive trend. The leaders of our rating demonstrate the intention to understand the mood of employees, to hear their questions and problems. Some companies have introduced or strengthened this practice, which marked the beginning of the development of interaction with personnel, as one of the key business stakeholders.

Most of the reports mentioned, in one way or another, COVID-19 and the **company's work in the fight against the pandemic**. First of all, the measures taken to protect employees, as well as support measures during the lockdown period (both financial and non-financial) were mentioned. In exceptional cases, companies have mentioned additional training for the skills needed for remote work.

Some companies went beyond aspects of HR management: **community support** in the regions of presence and customer support (for example, new online services) were mentioned. For some companies, the challenge has been to keep production facilities running while ensuring the safety of employees.

In other areas of business impact on society, companies often focus on buying from local suppliers (approximately **60%** of reports), taxes paid (**66%**) and charitable spending (**54%**).

### [S]ocial



It is good practice to disclose information about the **economic impact** on stakeholders in particular by disclosing information about value created and distributed. Some companies also describe the impact on society of the company's products and services and investments in infrastructure.





# Examples of disclosures (KZ)

[S]ocial



## KMG's Sustainability Report shows systemic response to COVID-19 pandemic crisis

### АНТИКРИЗИСНЫЕ МЕРЫ ПРИ ПАНДЕМИИ COVID-19

С целью смягчения влияния кризиса пандемии COVID-19 на Компанию КМГ разработал и реализует Антикризисные меры на 2020–2021 годы.

Пять основных направлений Антикризисных мер, которые позволили значительно смягчить влияние кризиса на Компанию:

- операционная модель;
- операционная эффективность;
- финансовая устойчивость;
- инвестиционная деятельность;
- цифровая трансформация.

#### Мера 1. Операционная модель

Принятые меры в рамках операционной модели включают следующие направления:

- оптимизация бизнес-процессов;
- изменение организационной структуры и оптимизация персонала в Корпоративном центре КМГ.

В кризисном 2020 году в некоторых случаях КМГ оплачивал вынужденный простой работникам сервисных компаний, чьи объемы работ упали на фоне снижения добычи.

Реализован аутплейсмент – проект социально ответственного высвобождения работников. В результате 25% участников трудоустроены в течение полугода после начала проекта, 12% сменили род деятельности и занялись развитием собственного дела (бизнес), 92% участников удовлетворены программой аутплейсмента.

В рамках оптимизации, реорганизации и повышения эффективности бизнес-процессов в КМГ и в отношениях с ДЗО:

- внедрен новый порядок проведения закупочных процедур и заключения договоров;
- разработаны Типовые компетенции органов ДЗО. В настоящее время ДЗО проводят работу по изменению уставов в соответствии с Типовыми компетенциями.

#### Пример из практики

В рамках реализации Антикризисных мер сокращены расходы на 147 млрд тенге: капитальные затраты на 103 млрд тенге, операционные расходы на 27 млрд тенге, административные расходы на 17 млрд тенге.

Центральный аппарат КМГ оптимизирован в целом на 34%, оптимизированы штат работников с 729 до 480 человек, оптимизированы должности всех 25 управленческих директоров и в 3 раза сокращено количество департаментов.

Отменены бонусы и служебные автомобили, на 30% сокращены зарплатные топ-менеджеров.

#### Мера 2. Операционная эффективность

Меры по увеличению операционной эффективности подразделяются:

- снижение объемов добычи в первую очередь за счет остановки нерентабельного фонда скважин;
- снижение тарифов/цен и уменьшение объема работ подрядчиков/поставщиков по всей Группе компаний.

Не допущена остановка производственных процессов в КМГ во время пандемии COVID-19.

КМГ выполнил все обязательства по добыче нефти в рамках соглашения ОПЕК.

#### Мера 3. Финансовая устойчивость

Меры по поддержанию финансовой устойчивости КМГ проводились по следующим направлениям:

- оптимизация контролируемых затрат в составе себестоимости;
- снижение доли постоянных затрат;
- оптимизация капитальных расходов (CAPEX);
- укрепление долговой нагрузки на приемлемом уровне с учетом необходимости покрытия возможных кассовых разрывов и потребности в инвестициях.

Долг Группы компаний КМГ за 2020 год снижен на 341 млн долл. США, включая досрочное погашение. Также наблюдается уменьшение долга на уровне совместных предприятий на сумму свыше 1,1 млрд долл. США, из которых больше половины приходится на «КМГ Кашаган Б.В.».

Успешно рефинансированы еврооблигации КМГ на сумму 907 млн долл. США. Таким образом, решен вопрос крупных однократных выплат долга. Следующее крупное погашение предстоит только в 2025 году.

Удалось сохранить кредитные рейтинги КМГ от Moody's, Fitch и S&P благодаря проведенной в 2017–2019 годах работе по контролю и сокращению уровня долга, своевременному рефинансированию однократных крупных погашений, улучшению пакета ковенантов, повышению управления ликвидностью, оптимизации затрат и укреплению финансовой устойчивости.

#### Мера 4. Инвестиционная деятельность

Инвестиционная деятельность оптимизирована по двум основным аспектам:

- расширен перечень для инвестиций активов;
- портфель инвестиционных проектов приоритизирован с учетом наиболее рентабельных и отвечающих стратегическим целям Компании.

Исключены нерентабельные и низкокороткие проекты из инвестиционного портфеля КМГ.

Снижены капитальные затраты на инвестиционные проекты (затраты, предусмотренные на развитие, оптимизированы на 29 млрд тенге).

#### Мера 5. Цифровая трансформация

Приспосабливание портфеля проектов цифровой трансформации позволило получить в 2020 году чистые выгоды 9,3 млрд тенге, что выше плана на 127%, за счет проектов постмониторинга: «Объединение АО «Разведка Добыча «КазМунайГаз» и АО «Национальная компания «КазМунайГаз» и «Категорийное управление закупками».

Запущены четыре проекта: «Внедрение информационной системы АВА», «Внедрение системы инженерного моделирования на НПЗ РК», «Создание Многофункционального общего центра обслуживания КМГ и «Управление поездками». Ожидаемый эффект от внедрения составит 72,4 млрд тенге.

В целях снижения заболеваемости и минимизации распространения вируса, а также снижения воздействия на производственные процессы были предприняты необходимые комплексные меры, разработаны и внедрены соответствующие методические и директивные документы, разработаны и утверждены специальные планы мероприятий. Более подробная информация представлена в разделе «Реагирование на пандемию COVID-19 – безопасность на производстве».

В рамках всеобщей борьбы с пандемией COVID-19 Компания оказала необходимую помощь местным исполнительным органам и медицинским учреждениям в размере 6,2 млрд тенге. Более подробная информация представлена в разделе «Наш вклад в борьбу с пандемией COVID-19».



## KUS in the annual report provides details on social groups of all key indicators in the area of HR management, including the ratio of women's remuneration to men's remuneration for each category of employees

Категория персонала	Возрастной состав, всего				Из них:		Из них:	
	возраст	чел.	%	муж.	%	жен.	%	
Руководители		670	100%	554	83%	116	17%	
	До 30 лет	63	9%	62	9%			
	30-40 лет	207	31%	170	25%			
	40-50 лет	168	25%	129	19%			
	50-60 лет	171	26%	136	20%			
	Свыше 60 лет	61	9%	57	9%			
Специалисты, служащие		2 071	100%	1 259	61%			
	До 30 лет	470	23%	295	14%			
	30-40 лет	743	36%	475	23%			
	40-50 лет	456	22%	258	12%			
	50-60 лет	322	16%	168	8%			
	Свыше 60 лет	80	4%	63	3%			
Рабочие		5 936	100%	4 688	79%			
	До 30 лет	1 462	25%	1 335	22%			
	30-40 лет	1 407	24%	1 120	19%			
	40-50 лет	1 341	23%	936	16%			
	50-60 лет	1 510	25%	1 103	19%			
	Свыше 60 лет	216	4%	194	3%			
Итого		8 677		6 501		2 176		

Работники,  
Категория не  
Руководители,  
Специалисты,  
Рабочие  
Общие кол

Информаци

Категория не  
Руководители,  
Специалисты,  
Рабочие  
Итого

### Текущая текучесть персонала

Текущая текучесть кадров в Группе компаний за 2020 год составила 15,73%, что ниже на 1,3% по сравнению с 2019 годом. Снижение показателя текучести кадров связано со стабильной экономической обстановкой.

Категория персонала	Всего человек		Мужчины		Рабочие
	чел.	%	чел.	%	
Руководители	90	7%	76	6%	14
Специалисты, служащие	251	18%	154	11%	97
Рабочие	1 024	75%	856	63%	168
Итого	1 365	100%	1 086	80%	279

Работники, прошедшие обучение в 2020 году, чел.

Категория персонала	Мужчины	Женщины	Итого:
Руководители	240	80	320
Специалисты, служащие	470	104	574
Рабочие	1 648	139	1 787
Общее количество обученного персонала			2 681

### Информация по обучению

Категория персонала	Мужчины		Женщины	
	общее количество часов обучения	среднее количество часов обучения на одного работника	общее количество часов обучения	среднее количество часов обучения на одного работника
Руководители	10 636	44,3	1 676	20,9
Специалисты, служащие	14 409	30,6	2 922	28,0
Рабочие	52 314	31,7	4 222	30,3
Итого	77 359	106,6	8 820	79,2

### Соотношение базовой ставки в 2020 году


Категория персонала	Базовая ставка вознаграждений, тенге		
	мужчины	женщины	отклонение, %
Руководители	433 773	379 823	9
Специалисты	777 367	168 223	5
Рабочие	128 341	107 553	19

# Examples of disclosures (foreign)

## [S]ocial



Mondi Group, in its 2020 Sustainability Report, detailed work to ensure equal career opportunities in the company



Fairness and diversity in the workplace

3 Diversity and equal opportunities

We work together to create an inclusive environment where differences are valued and embraced. Equal opportunity is a priority and we aim to engage, involve and inspire everyone who is part of Mondi. We have zero tolerance for discrimination and harassment.

**Promoting diversity and inclusion**

Our policy is to treat everyone fairly and with respect.

Opportunities for employment, engagement, promotion, training or any other benefit are based on skills and ability. We provide equal opportunities regardless of gender, race, age, sexual orientation or ethnicity.

Increasing the representation of women at all levels remains a priority in the traditionally male-dominated forest products and packaging industries. We became a signatory of the UN Women's Empowerment Principles in 2019 and committed to take action to promote its seven principles.<sup>3</sup>

Our D&I Policy, available on our website, reflects the Hampton-Alexander Review<sup>4</sup> recommendation that Boards and Executive Committees and their direct reports should be 33% women by 2020. Refer to the following page for our reported statistics in 2020 (see next page for our reported statistics). The Policy includes a focus on ethnic and racial diversity across our Board and Executive Committee members and supports our Labour and Human Rights Policy.

3 We updated the D&I Policy in 2020

Developments included:

- making it more inclusive with greater clarity on the diversity attributes we protect from discrimination;
- a commitment to support the improvement of D&I in our supply chain; and
- strengthening governance in relation to training, transparency and stakeholder inclusion.

We took a key step during 2020 when we set D&I targets as part of MAP2030 (see page 20).

**D&I taskforce: embedding diversity**

We launched our cross-business, cross-functional D&I taskforce in 2018 to help shape and embed our approach to D&I across the Group. In 2020, taskforce members worked with the business to shape a D&I vision and roadmap for 2030. Discussions focused on how we can build a culture where everyone feels safe and comfortable to speak their mind, and where discrimination has no place. The taskforce explored how to shape the leadership culture and composition to embody our D&I aspirations. Our new roadmap will help strengthen D&I at Mondi, covering concrete actions on strategic performance and management areas, including our policies and governance, leadership and culture, HR practices, training, tools, data and reporting, infrastructure, and transparency and external engagement.

We are also collaborating with Female Factors, a global community striving to enhance careers of female leaders. This provides an opportunity to offer women across the Group, and across all levels, access to mentoring, networking and knowledge sharing.

**Employee numbers in 2020 across our significant locations of operation<sup>5</sup>**

	Significant locations (total)		Europe		Russia		South Africa		North America	
	Total	Female %	Total	Female %	Total	Female %	Total	Female %	Total	Female %
Total employees	17,262	21%	9,870	19%	5,074	24%	1,425	24%	893	16%
Permanent employees	16,142	21%	9,213	19%	4,726	24%	1,384	24%	819	16%
Temporary employees	998	24%	572	24%	348	25%	4	50%	74	14%
Full-time employees	16,869	20%	9,522	18%	5,074	24%	1,384	24%	889	16%
Part-time employees	387	62%	345	65%	0	0%	41	34%	1	100%
New employee hires	1,918	21%	949	18%	555	21%	150	36%	264	25%
Employee turnover	1,149	25%	699	22%	285	35%	66	20%	99	19%
Employees entitled to parental leave	3,323	28%	1,381	31%	135	81%	1,421	24%	386	16%
Employees who took parental leave	386	56%	258	47%	103	75%	14	100%	11	27%
Employees due to return from parental leave	306	43%	218	34%	80	66%	2	100%	6	50%
Employees who returned from parental leave	324	44%	223	34%	79	66%	12	100%	10	20%
Employees still employed after parental leave	306	40%	217	34%	70	50%	14	100%	5	0%

5 Our Group offices in London (UK) and Vienna (Austria), and plants/factories with more than €10 million annual sales turnover located in Austria, Bulgaria, Czech Republic, Finland, Germany, Hungary, Mexico, Poland, Russia, Slovakia, South Africa, Sweden, Turkey and the US.

BASF in the annual report describes the strategy for working with suppliers and the processes for assessing them according to ESG criteria

Supplier Management

SUPPLIERS

BASF

CUSTOMERS

BASF sources a wide range of raw materials, technical goods and services. Our suppliers are an important part of our value chain. Our objective is to secure competitive advantages for BASF through our professional procurement structures. At the same time, together with our suppliers, we want to improve sustainability in the supply chain and minimize risks.

**Strategy**

Our partnerships with suppliers are based on mutual value creation, as well as a reliable supply of raw materials, technical goods and services at competitive prices.<sup>1</sup> We work together in an open and transparent way to generate long-term benefits for both sides.

Our sustainability-oriented supply chain management helps to manage risks. We have defined our standards and processes in global guidelines and are constantly refining and optimizing these. Our risk-based approach aims to identify and evaluate sustainability risks in our value chains as best possible to improve sustainability together with our suppliers. We regularly review and document progress based on the risk level. Employees with procurement responsibility receive ongoing training in sustainability-oriented supplier management and responsible procurement. In 2020, 462 BASF employees received such training.

Our expectations of our suppliers are laid down in the global Supplier Code of Conduct. This clarifies for our suppliers the standards to be met and supports them in carrying out our requirements. We count on reliable supply relationships and want to make our suppliers' contribution to sustainable development visible to us.

2025 target

Share of relevant spend covered by sustainability evaluations

90%

2025 target

Percentage of suppliers with improved sustainability performance upon re-evaluation

80%

**Worldwide procurement**

Our more than 70,000 Tier 1 suppliers play an important role in value creation at our company. We work in long-term partnership with companies from different industries around the world. They supply us with raw materials, precursors, investment goods and consumables, perform a range of services and are innovation partners. Procurement management systems such as guidelines and targets are set centrally and are binding for all employees with procurement responsibility worldwide.

We acquired raw materials, goods and services for our own production worth approximately €31.5 billion in 2020. Of this, around 90% was procured locally.<sup>2</sup> There were no substantial changes to our supplier structure.

**What we expect from our suppliers**

Together with our suppliers, we want to improve sustainability in the supply chain. Consequently, we expect our suppliers to comply with the applicable laws in full and to adhere to internationally recognized environmental, social and corporate governance standards. We also expect our suppliers to make an effort to implement these standards at their suppliers. In addition, we ask our suppliers to acknowledge, support and abide by our Supplier Code of Conduct – or to demonstrate and ensure their commitment to the principles specified in the Code of Conduct, for example in their own code of conduct. Our Supplier Code of Conduct is founded on internationally recognized guidelines, such as the principles of the United Nations' Global Compact, the U.N. Guiding Principles on Business and Human Rights, the International Labor Organization (ILO) conventions and the topic areas of the Responsible Care initiative. Topics covered by the Code of Conduct include compliance with human rights, the exclusion of child and forced labor, safeguarding labor and social standards, and antidiscrimination and anticorruption policies in



# 4

[G]overnance



# Approaches and trends

## [G]overnance

Stakeholder interests at the center of strategic and operational decisions

Reporting practitioners today want to clearly see how the interests of a wide range of stakeholders are taken into account when making key management and strategic decisions in the company. This can be shown through a description of three components: people (who are the decision makers), policies (how the activities of governing bodies are regulated), processes (how policies are implemented in practice).

Work in the area of sustainable development requires significant changes in the business model of the organization, which requires the active involvement of senior management. That is why it is important to show in reporting that the Board of Directors (or the Supervisory Board) has sufficient competence to make decisions on ESG aspects, and relevant issues take their due place on the agenda of their work.

When, for example, TCFD asks for disclosures about climate change risks, the first thing they ask is how the related risks are treated by corporate governing bodies. Or when the GRI Standards ask to highlight aspects of sustainable development management, they focus on the role of the Board of Directors and Management. A similar requirement to cover the role of top management in the management of ESG aspects can be found in most regulatory norms and reporting standards today.

An important issue is the coverage of how top management take into account the interests of various stakeholders when making key decisions. Concrete examples and case studies will help in highlighting this issue.

## Further development

### Basic disclosures

The main policies in the area of corporate governance are disclosed, including anti-corruption, ethical standards and complaint mechanisms, conflict of interest management, interaction with the external auditor, payment of dividends, remuneration of supreme management bodies, etc.

### Developing reporting

The structure of the corporate governing bodies by categories (including social ones) and by competencies is indicated. The policy of diversity of the supreme governing bodies is disclosed. The role of the Board of Directors and the Management Board in determining the policy and strategy in the area of sustainable development, as well as in the management of ESG risks, is disclosed.

### Best practices

The corporate Governance section shows the interaction of the Board of Directors with stakeholders. It also shows how the interests of stakeholders influenced the decisions of the Board of Directors.



# Current practice (1/2)

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

Kazakhstani companies do a fairly good job at disclosing information about the key components of the corporate governance system. For example, two-thirds of the Reports cover the main approaches to combating corruption and ensuring ethics. Most of these policies and processes should exist within the company as part of the Corporate Governance Code. In Kazakhstan, the requirements for a management system were formed a long time ago.

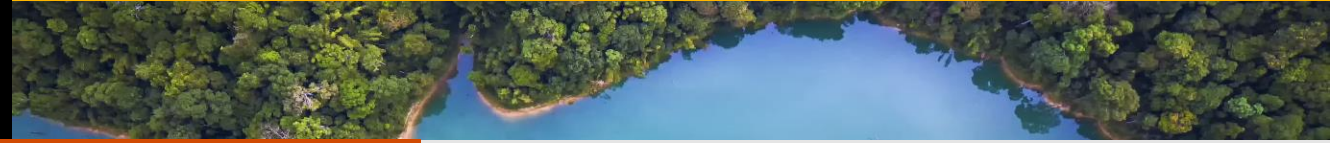
Often attention is paid to the aspects of organizing the work of the Board of Directors/Supervisory Board. Almost **90%** of reports describe the activities of the BoD/SB in the reporting year. Perhaps, the key difficulty remains that of management compensation: **48%** of reports indicated the total amount of remuneration of supreme governing bodies, and only 2 companies indicated the remuneration of each director (both non-executive and executive).

Integration of sustainable development aspects into the corporate governance system remains the area with the greatest potential for improvement.

Firstly, the rating paid attention to the structure of the Board of Directors or the Supervisory Board. A third of the companies showed the proportion of independent directors, and only **12%** provided the structure by gender and age groups. We did not find any mentions of the policy for diversity and non-discrimination in management. However, this could be a good direction for the expansion of the social aspect of sustainable development.

Secondly, with regard to management, so far only **20%** of companies indicated not only who makes decisions on ESG aspects of the business, but also showed the role of corporate governing bodies (Board of Directors and Management Board) in its sustainable development management.

### [G]overnance



**26%** indicate responsible persons for making decisions in the area of sustainable development.

**20%** describe the role of the BoD/SB in decision-making on strategies and policies in the area of sustainable development.

**6%** show the process of the relationship of corporate governing bodies with stakeholders.

#### The structure of corporate governing bodies by gender groups on average:

**10%**

Average share of women in the BoD/SB

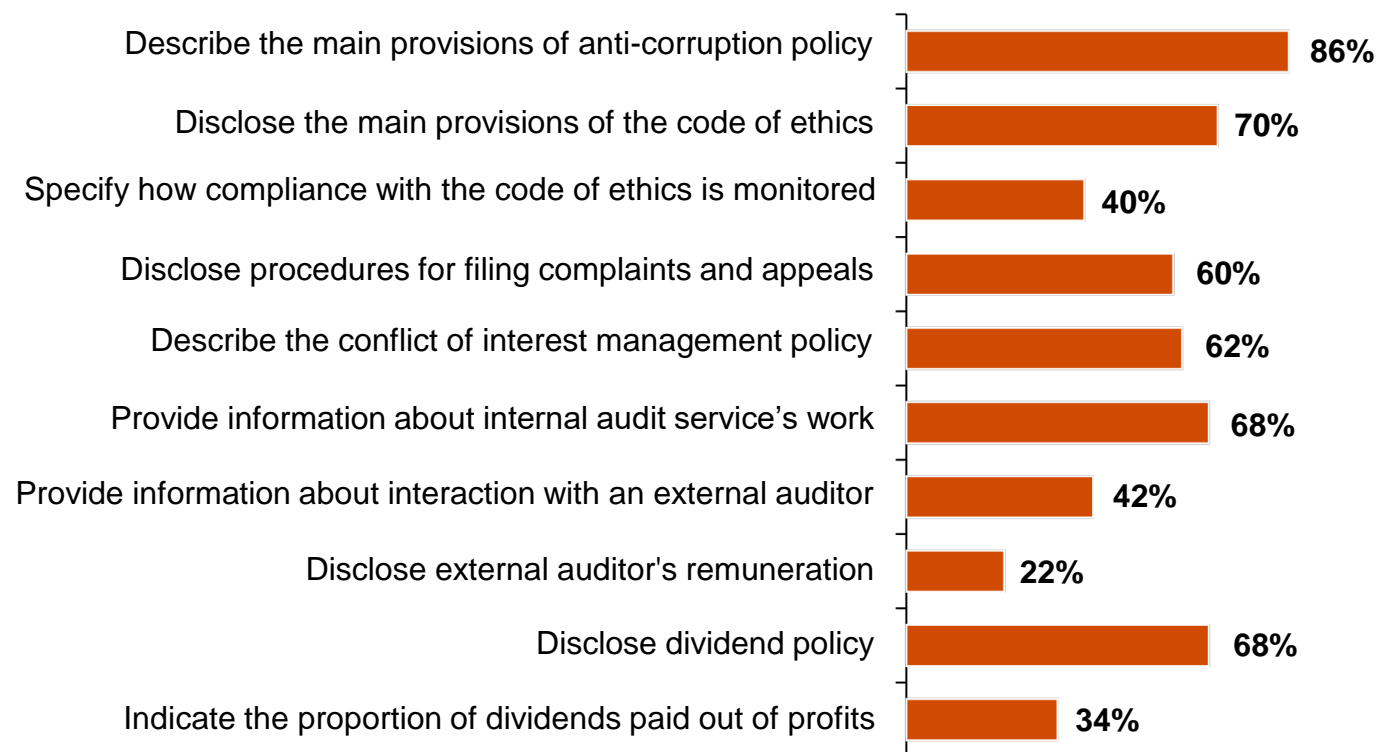
**13%**

Average share of women in the executive body

# Current practice (2/2)

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

### Disclosure of policies and procedures



### [G]overnance



#### Structure of the Board of Directors/Supervisory Board:

- 36%** cited the number of independent directors
- 18%** indicated structure by the terms of tenure
- 12%** indicated structure by gender and age groups
- 6%** indicated structure by key competencies

#### Arrangement of the work of the Board of Directors/Supervisory Board:

- 88%** disclose work in the reporting year
- 66%** describe selection and appointment procedures
- 50%** describe processes for the evaluation of the BoD/SB
- 20%** provide information about the training and professional development of the members of the BoD/SB



# Examples of disclosures (KZ)

## [G]overnance



KAZ Minerals shows in the annual report how stakeholder engagement has influenced the decisions and work of the Board of Directors and the Management Board

### ВЗАИМОДЕЙСТВИЕ С ЗАИНТЕРЕСОВАННЫМИ СТОРОНАМИ

## ОСУЩЕСТВЛЕНИЕ КОММУНИКАЦИИ

Интересы заинтересованных сторон служат ключом к долгосрочному и устойчивому успеху Компании. Постоянное взаимодействие Совета Директоров и заинтересованных сторон Группы обеспечивает более глубокое понимание Совета Директоров в отношении разнообразных интересов и перспектив, которые помогают сформировать стратегию и процесс принятия решений Группы.

#### Акционеры

**Цель взаимодействия**  
Акционерный капитал Компании и транзитивности компаний, проходящих траншами вестиями в Компании, являются основой для реализации стратегии Группы. Мы понимаем долгосрочную ценность для акционеров, основанную на устойчивости и социальной ответственности. Будучи собственниками бизнеса, акционеры должны понимать нашу стратегию и деятельность, наши методы управления производством, корпоративное управление и управление рисками, а также наши инновации, устойчивое развитие. Мы реализуем наши инициативы деятельности, основываясь на откликах наших акционеров и стратегии и учитывая их точку зрения в процессе принятия решений.

**Важные взаимодействия на решения и деятельность**  
В течение Периода действия отчета Независимый комитет совместно со своим финансовым консультантом участвовал в работе по оценке производственной деятельности Никель-Вольфрамовой Группы. Оценки инвесторов были рассмотрены при формировании стратегии устойчивого развития Группы, которая является развитием нашей стратегии Бамсаяк.  
Участие инвесторов в качестве наблюдателей при принятии решений при установлении уровня окончательного дивиденда за 2019 финансовый год и утверждение дивиденда за 2020 финансовый год.  
Отзывы инвесторов были важны и необходимы при рассмотрении проекта полугодовой отчетности за 2020 год для обеспечения получения необходимой поддержки окончательного решения акционеров.

#### Взаимодействие

В течение Периода действия отчета Присутствие Независимого комитета и Присутствия. Присутствие комитетов, связанных с институциональными акционерами, включая консультирование по вопросам соблюдения с Национальным кодексом в декабре 2020 года. Основные конструкторы Независимого комитета получили комментарии и замечания инвесторов на протяжении всего Периода действия отчета, которые были представлены Независимому комитету.  
Главный финансовый директор, Присутствие Присутствия, Присутствие, Совет Директоров и комитет по связям с инвесторами, как правило, взаимодействуют с инвесторами по актуальной информации от первоначального присутствия, начиная с февраля 2020 года в силу ограничений причин большой части этого взаимодействия с инвесторами по телефону или видеоконференции.  
Корпоративный секретарь, Присутствие Комитета по вознаграждениям и Заместитель Присутствия Совет Директоров взаимодействуют с институциональными инвесторами и акционерами консультируя по вопросам корпоративного управления по мере необходимости.  
Активности рынка акций, происходящие извне, инвесторы встречались с руководством во время предоставления результатов и дают интересующие вопросы. Инвесторы предоставляют возможность прокомментировать итоги встречи веб-сайта Компании. Мы также поддерживаем связь с аналитиками рынка акций в течение года и после завершения отчета.  
Аналитики обычно имеют возможность встретиться со всеми Директорами во время проведения Глобального общего собрания акционеров, хотя в 2020 году это было невозможно.  
Веб-сайт, главной страницей финансовой отчетности, обзорный финансовый отчет и пресс-релизы делают инвесторов в курсе в отношении хода выполнения стратегии, производственных показателей, структуры корпоративного управления и других новостей.

#### Поставщики

**Цель взаимодействия**  
Наши поставщики обеспечивают нас материалами и услугами, необходимыми для строительства и эксплуатации наших активов. В рамках взаимодействия с нашими поставщиками мы обеспечиваем своевременное соблюдение наших обязательств, а также повышение соответствия нашим нормам и ценностям корпоративного управления со стороны наших бизнес-партнеров. Поставщики заверяют, что качество материалов и услуг, которые поставляются на наши предприятия, соответствует стандартам и требованиям Компании, включая стандарты и политики Компании по технике безопасности и охране труда, а также защите прав человека.

**Важные взаимодействия на решения и деятельность**  
Мы тесно сотрудничаем с нашими поставщиками для того, чтобы они могли предоставить поставку необходимых нам товаров и услуг в периоды, ограниченные на протяжении нашей деятельности и в период пандемии COVID-19.

Мы работаем с двумя крупнейшими международными поставщиками Группы для создания благоприятных условий в Казахстане, направленных на повышение качества услуг, доступности запчастей и обучения.  
Заключены соглашения стратегического сотрудничества с ключевыми поставщиками.  
**Взаимодействие**  
Выполнение директоров, Директора проекта и Директор по снабжению Группы, а также соответствующие специалисты поддерживают постоянный диалог, проводят регулярные проверки и регулярные встречи с поставщиками. Они отвечают на письма Исполнительного Комитета, а также принимают отчеты о сотрудничестве в Совет Директоров и Комитеты при Совете Директоров в течение года.

#### Органы государственной власти

**Цель взаимодействия**  
Органы государственной власти дают разрешение на производственную деятельность наших предприятий и развитие наших проектов. При этом взаимодействие и оказание поддержки нашей инфраструктуре. Мы тесно взаимодействуем с органами власти, обеспечивая обучение и повышение в социальном фоне.

**Важные взаимодействия на решения и деятельность**  
Группа взаимодействовала с Правительством Казахстана для содействия управлению проектами и услугам в рамках пандемии COVID-19 и в период пандемии. Наша традиционная работа, направленная на обеспечение безопасности персонала на производственных площадках в течение долгого периода.  
Мы сотрудничаем с государственными органами власти Казахстана для организации специализированного центра Т.В. в Алматы.  
Группа сотрудничает с Правительством Российской Федерации для разработки взаимодействия по развитию инфраструктуры нашего проекта Бамсаяк.

**Взаимодействие**  
Мы взаимодействуем с органами власти и государственными структурами, предоставляющими актеры по ряду вопросов.  
Совет Директоров получает оперативную информацию о политике министерства природных ресурсов и охраны окружающей среды от Присутствия Совета Директоров, а также от Владимира Кин и третьих лиц.

KEGOC shows in the annual report the structure of the Board of Directors by key social groups and by categories, as well as the balance of competencies

### Гендерная структура Совета директоров, чел.

Пол	Число
Мужчины	1
Женщины	3

### Возрастная структура Совета директоров, чел.

Возрастная группа	Число
40-55	1
55-70	3

### Независимость Совета директоров, %

Категория	Процент
Независимые	14.3%
Не независимые	85.7%

### КОМПЕТЕНЦИЯ ЧЛЕНОВ СОВЕТА ДИРЕКТОРОВ

Члены Совета директоров	Сетканов А.М.	Калиев Б.Т.	Тенос С.А.	Егубов Ж.А.	Доников Руш	Венков Ж.Т.	Александров Н.С.
Стаж работы в отрасли/общий стаж, лет	20/29	35/35	53/53	5/50	49/49	1/36	16/28
Ключевые компетенции							
Знание отрасли							
Опыт работы на производстве в отрасли							
Глубокое знание отрасли							
Техническое знание/опыт							
Специфические навыки и опыт							
Финансовая грамотность							
Глубокое знание финансов							
Глубокое знание маркетинга							
Глубокое знание по социальным и экологическим вопросам							
Опыт работы в управлении и корпоративном							
Корпоративное управление							
Трансформация							
Опыт проведения РГО							
Разработка и реализация стратегии							
Международный опыт							

Срок полномочий каждого члена Совета директоров АО «KEGOC» совпадает со сроком полномочий Совета директоров АО «KEGOC» в целом, который истекает в апреле 2021 года.

# Examples of disclosures (foreign)

## [G]overnance



ABN AMRO Bank N.V. in its annual report highlights sustainable development risks, including exposure of financed sectors to climatic risks and volume of greenhouse gas emissions from the financed portfolio

### Sustainability risk

The sustainability risk review provides an in-depth overview of three important components of sustainability risk management. Firstly, we provide more details on due diligence for individual clients considered high risk from a sustainability perspective and on the role of the second line of defence in this respect. Secondly, more information is provided on various analyses that were performed to assess the climate risk of portfolios in sectors that are considered highly sensitive to climate risk. Thirdly, we provide insight into how greenhouse gas emissions are measured and steered. The latter two are in line with the recommendations of the Taskforce on Climate-related Financial Disclosures.

#### Advice on increased sustainability risk

Certain industries face more sustainability risks than others, while the nature of these risks also varies considerably. Sustainability risk analysts in the credit risk department provide advice on clients operating in industries with a higher sustainability risk profile. These analysts are the second line of defence for environmental, social and ethical risks. Sustainability risk assessments are done as part of two processes: KYC (assessing the client relationship as a whole) and, in the event of a lending relationship, credit risk assessments.

This happened 433 times in 2020. Out of these, there were 102 cases where a high sustainability risk was identified and where formal advice was issued by the second line of defence.

#### Sustainability risk assessments related to climate risk

In lending relationships, a more extensive sustainability risk assessment takes place. In the case of the climate risk assessment, this takes place at the moment of onboarding and are repeated in periodic (usually annual) reviews. ABN AMRO applies specific policy requirements to lending clients in nine high-risk sectors. Each sector is divided into multiple subsectors and activities. The first line of defence assesses the sustainability risk of clients and places in the supply chain and matched with the requirements. The first line of defence assesses the level of clients' compliance with these policies. The second line validates these assessments. In the event of insufficient comfort, for example due to a significant gap or incident, a high-intensity engagement can be started for a maximum of three years. In the event of insufficient comfort, for example due to a significant gap or incident, a high-intensity engagement can be started for a maximum of three years. In 2020, advice on increased sustainability risk was given on 274 occasions.

#### Sustainability risk advice in 2020

In 2020, 376 cases were identified with a high sustainability risk profile and where expert advice was consequently given.

#### Climate Risk Heatmap

The above sectors were identified as priority sectors following a heatmap exercise based on the methodology provided by the UN Environment Programme Finance Initiative (UNEP FI). The heatmap shows material sectors in terms of sensitivity to transition or physical climate risks and corporate lending exposure. The sectors in the heatmap are subsectors of the Industry Classification Benchmark (ICB) segments, as presented in the Credit risk section. This higher level of granularity allowed us to consider varieties of climate risk sensitivity within sectors. The strategy review

decreases in these sectors have not yet impacted the list of priority sectors, they have been taken into account in the further scenario analyses. It was decided to repeat the heatmap exercise on a regular basis to reflect changes in exposure and also to assess the impact of climate risk on the portfolio.

This figure is based on the climate risk sensitivity of the portfolio.

#### Climate sensitivity



We first used a Transition Risk Tool developed by UNEP FI to assess how the portfolio is developing in terms of the probability of default and expected loss. The scenarios showed the greatest variance in the medium term (5-10 years), but all 2°C scenarios showed limited but increasing expected losses in the long term (30 years). As the tenors in our upstream oil and gas portfolio are relatively short, we assume there is time to adapt.

It is assumed that the adaptation pathway will include an increasing portfolio of renewables. We therefore assessed the required development in the portfolio composition to align with the SDS scenario. In 2021, we will strengthen the analysis by using the Paris Agreement Capital Transition Assessment (PACTA) tool developed for banks by the 2° Investing Initiative. An initial exercise using this tool was

#### GHG measuring and steering

Further steps were taken in respect of measuring and steering GHG emissions. Based on the Partnership for Carbon Accounting Financials (PCAF) methodology, we measure and report the scope 3 GHG emissions in our lending and investment portfolios. We have also committed to the Science-Based Target Initiative to start steering on carbon reduction in various key portfolios: energy, mortgages, commercial real estate, and investments. In 2020, we analysed the Paris alignment of these portfolios. We plan to publish the results in Q2 2021.

The table below reflects the scope 1, 2 and 3 GHG emissions from our operations and lending portfolio, expressed in ktons of CO<sub>2</sub> equivalent. The definitions of these scopes are based on the GHG protocol of the World Resources Institute (WRI).

#### CO<sub>2</sub> emissions summary table – totals

(in ktons)	2020	2019	Delta
Total scope 1 <sup>1</sup>	6	13	-7
Total scope 2 <sup>2</sup>	3	8	-5
Total scope 3 – air travel <sup>3</sup>	1	10	-9
Total scope 3 – emissions of lending portfolio <sup>4</sup>	25,729	27,433	-1,704
Total scope 3 – emissions of client assets <sup>5</sup>	6,633	7,156	-523
Total CO <sub>2</sub> Emission	32,373	34,621	-2,248

<sup>1</sup> Natural gas flaring, solar power (the Netherlands) and rest of world (the Netherlands) and mobility (the Netherlands)



# Key Takeaways



## Approaches and strategy

Pay attention to the presence of specific goals in the area of ESG

---

Make ESG strategy the heart of your report

---

Mission and Business Model should show value creation for all stakeholders



## [E]nvironment

Provide a description of the risks associated with climate change

---

Indicate specific targets for reducing carbon footprint

---

Pay attention to indirect environmental impacts



## [S]ocial

Provide data detailing on HR management by social groups

---

Describe the equal career opportunity policy and practical steps to avoid discrimination

---

Describe value creation and distribution



## [G]overnance

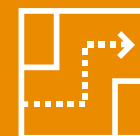
Describe the role of supreme governing bodies in decision-making on sustainable development issues.

---

Describe the structure and competencies of the governing bodies

---

Provide information about the ESG risk management processes



## Communication

Ensure the interconnection of financial and non-financial information, and the integrity of the report

---

Explain what is material and why, consider stakeholder input

---

Pay attention to the design of information, as well as its timeliness.

# 5

TOP-50 of  
ESG  
Information  
Disclosure  
Rating





# TOP 50 companies by the level of ESG information disclosure

2020 Position	2019 Position	Company	2020 Position	2019 Position	Company
1	1	NC KazMunaiGas	26	22	Kazpost
2	2	NAC Kazatomprom	27	25	Eurasian Resources Group
3	3	KazTransOil	28	-	JV KATCO
4	4	KEGOC	29	28	United Chemical Company
5	16	Kazakhtelecom	30	32	AK Altynalmas
6	10	NMC Baiterek	31	27	Samruk-Kazyna Construction
7	9	Samruk-Energy	32	61	Atyrau Refinery
8	7	Halyk Bank of Kazakhstan	33	36	Transtelecom
9	11	Central Asian Electric Power Corporation	34	33	KazakhExport Export Insurance Company
10	5	KAZ Minerals PLC	35	-	Kazakhmys Copper JSC
11	13	KazAgroFinance	36	24	Kazakhstan Utility Systems
12	6	Karachaganak Petroleum Operating B.V.	37	35	ForteBank
13	34	Kazakhstan Housing Company	38	42	Investment Fund of Kazakhstan
14	14	PAVLODARENERGO	39	50	EDF Damu
15	21	SEVKAZENERGO	40	52	KMK Munai
16	12	NOSTRUM OIL & GAS PLC	41	63	NC Food Contract Corporation
17	23	NC Kazakhstan Temir Zholy	42	73	Kazyna Capital Management
18	8	Zhilstroysberbank of Kazakhstan	43	30	KazAzot
19	19	Development Bank of Kazakhstan	44	51	Sberbank SB JSC
20	15	Samruk Kazyna	45	66	Agrarian Credit Corporation
21	18	NMC Tau-Ken Samruk	46	56	Eurasian Bank
22	31	Air Astana	47	44	Embamunaigas
23	17	Shubarkol Komir	48	38	Batys Transit
24	26	Zhaikmunai	49	-	Shubarkol Premium JSC
25	29	TNC Kazchrome	50	76	RG Brands

# 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	Company	Rating
1	NC KazMunaiGas	B+
2	NAC Kazatomprom	B+
3	Kaztransoil	B+
4	KEGOC	B
5	Kazakhtelecom	B
6	Samruk-Energy	B
7	Central Asian Electric Power Corporation	B
8	KAZ Minerals PLC	B
9	Karachaganak Petroleum Operating B.V.	B

## Top financial companies by ESG disclosure level

Position	Company	Rating
1	NMC Baiterek	B
2	Halyk Bank of Kazakhstan	B
3	KazAgroFinance	B
4	Kazakhstan Housing Company	B



# Report evaluation methodology and criteria



# Methodological basis (1/3)



## What did we evaluate

As part of this study, we evaluate the quality and availability of ESG information in public reporting of Kazakhstani companies.

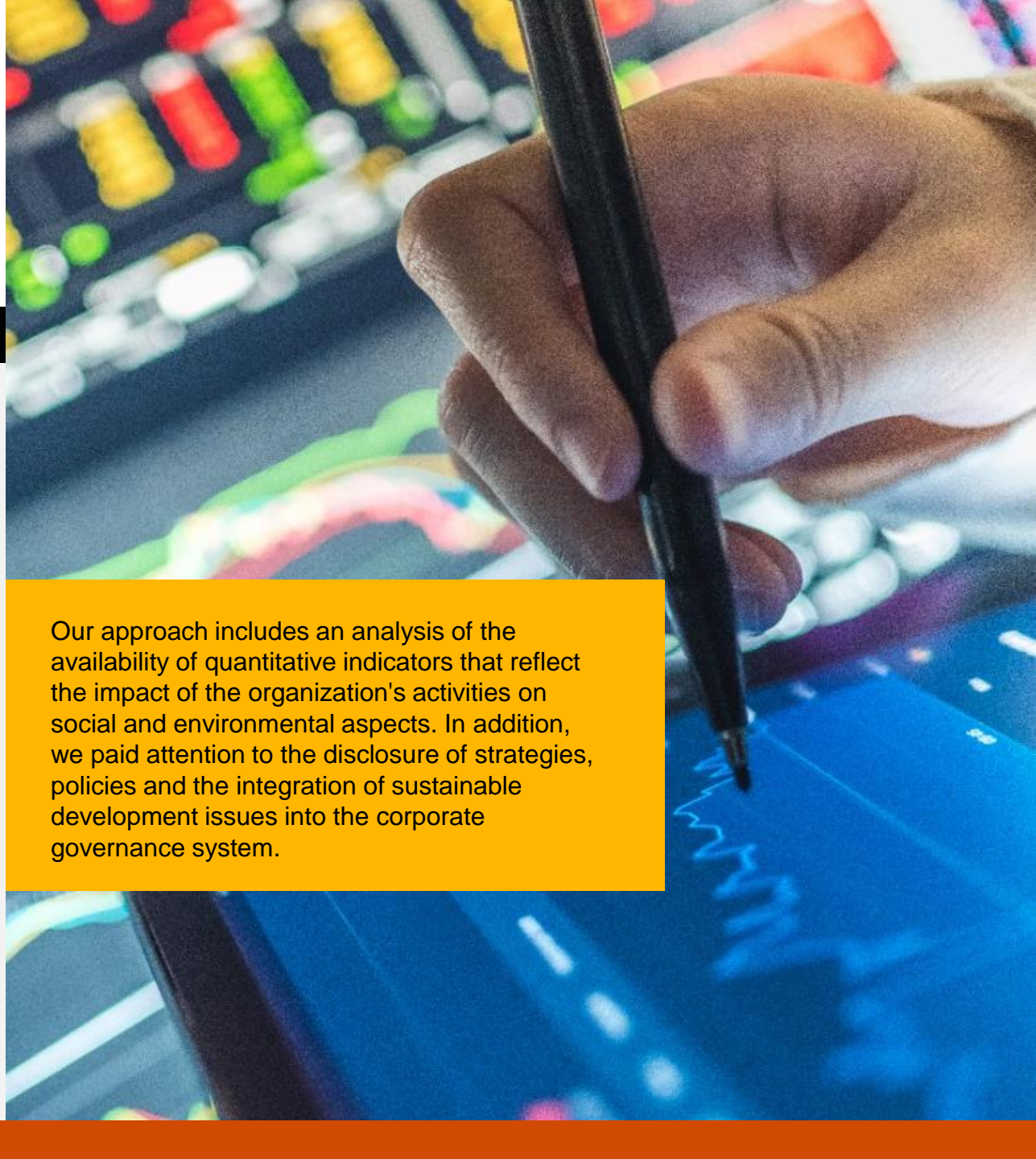
The analysis is based on annual reports and sustainability reports (and their equivalents, including integrated reports, sustainability and social responsibility reports), hereinafter collectively referred to as “Reports”. When compiling the current Rating, the **Reports prepared by companies based on the results of their activities for 2020** are evaluated.

The evaluation criteria include four main disclosure blocks (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 in the long list of the project 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 (2/3)



## Rating calculation

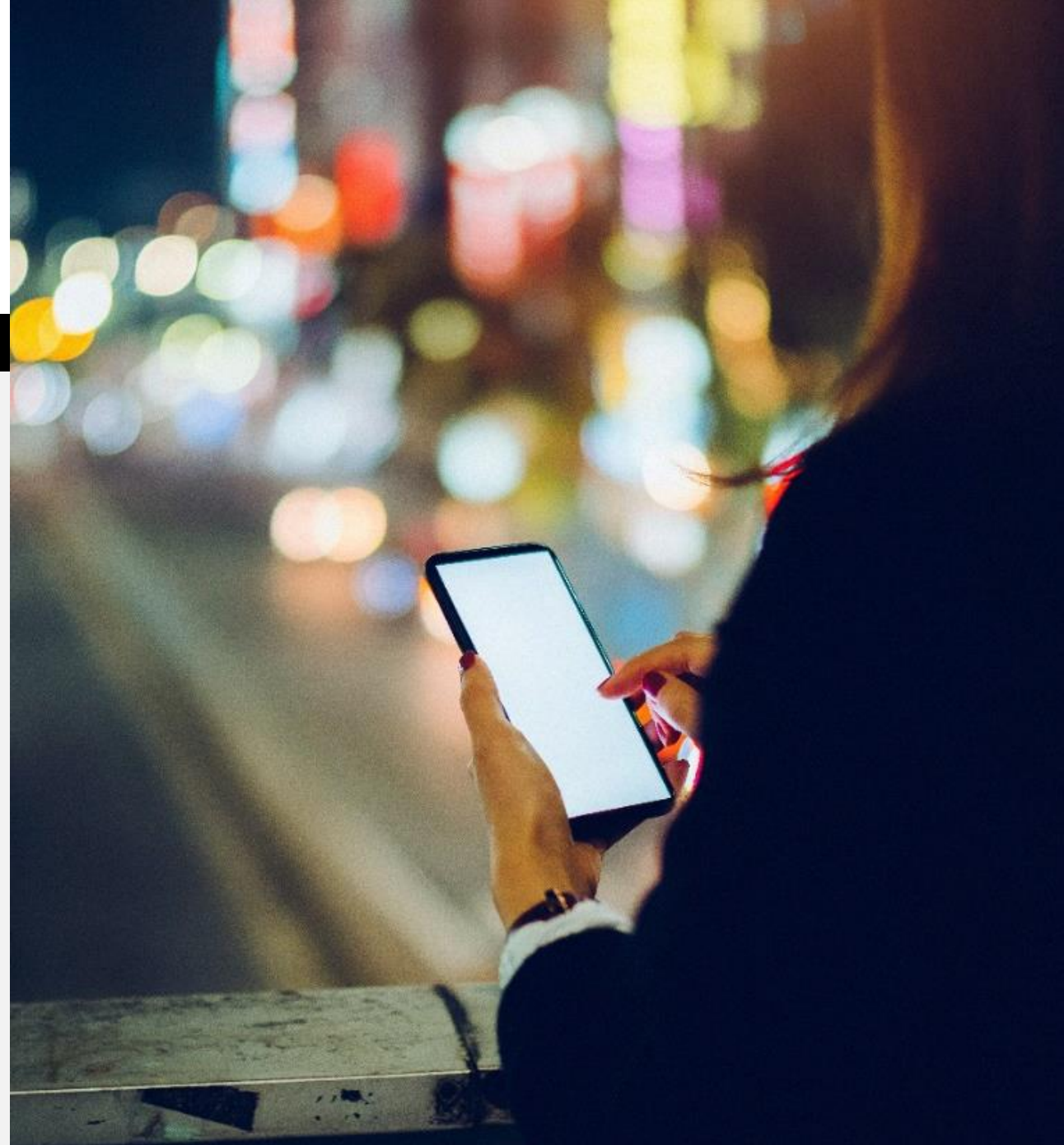
- The methodology includes 76 criteria; a score is given for each criterion (from 1 to 10).
- The final rating functional is calculated as a weighted average of ratings by criteria.
- Depending on the score, the company is assigned an appropriate ESG disclosure level rating.

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

# Methodological basis (3/3)

## ➔ 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.
- We also cannot confirm the accuracy of the information disclosed in this evaluation.
- The evaluation sample is prepared by experts on the basis of a search in open sources, as well as on the basis of submitted applications for participation in the project. At the same time, we expect that analysts may not find all possible reports worthy of being included in the sample. Therefore, we recommend companies to apply for participation in the Rating themselves.
- The evaluation may not reveal all the disclosures in the reporting if the documents are poorly navigable and have poor readability.





# Sustainable development management

Availability of information on the items below was evaluated.

## Evaluation criteria



### Management system

- Mission/goal
- Business model
- Description of sustainable development policy
- Sustainable development aspects significant 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
- It is indicated what measures were 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)

# Social policy

## Evaluation criteria



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, company 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

# Environmental impacts

## Evaluation criteria



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*)
- Volume of water withdrawal (consumption from external sources)
- Water discharges (*only for non-financial companies*)
- Description of impact on biodiversity (*only for non-financial companies*)



# Corporate governance

## Evaluation criteria



Availability of information on the below items were 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 Board of Directors members
- Diagram by terms of tenure of the Board of Directors members
- 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, Beksultan Galimov, Akbota Askanbay, Yeldos Arinov, Danel Shaikhislamova, Zhanna Iskandarova

## PwC contacts:



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



Please send your questions  
and enquiries on the study to:  
**Vassiliy Kalabin**  
ESG consulting  
vassiliy.kalabin@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

### Nur-Sultan

Business Center “Q2”, 4 floor  
Kabanbay Batyr Avenue 15/1  
“Yesil” district, Nur-Sultan,  
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