

Appendix No. 16
to the minutes of the Board
of «ESC «KazakhExport» JSC
dated December 29, 2021, No. 77

«Approved
by decision of the Board
of «ESC «KazakhExport» JSC
dated December 29, 2021
(Protocol No. 77)

**Environmental and social policy of
the Export Credit Agency of Kazakhstan Joint Stock Company in providing
insurance support to exporters**
(as amended on January 31, 2025)

Nur-Sultan, 2021

SUMMARY OF IND

Name of the IND	Environmental and social policy of the Export Credit Agency of Kazakhstan Joint Stock Company in providing insurance support to exporters
Owner of the IND	Department of International Cooperation
Access level	Publicly available
Measures to familiarize all employees of the Company with the IND	E-mail distribution within 1 (one) business day from the date of posting the IND on the Internal Portal network drive
Changes and additions made:	
In accordance with the decision of the Board of JSC «ESC «KazakhExport» dated August 18, 2023, amendments and additions No. 1 were made.	dated August 18, 2023, No. 56
In accordance with the decision of the Board of the Export Credit Agency of Kazakhstan JSC dated June 14, 2024, Amendments No. 2 were made.	dated June 14, 2024, No. 54
In accordance with the decision of the Board of the Export Credit Agency of Kazakhstan JSC dated January 31, 2025, Amendments No. 3 were made.	dated January 31, 2025, No. 10

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Chapter 1. General provisions

Paragraphs 1-3 are set out in accordance with the decision of the Company's Management Board dated June 14, 2024 No. 54

1. This Environmental and Social Policy of the Export Credit Agency of Kazakhstan Joint Stock Company in providing support to exporters (hereinafter referred to as the Policy) has been developed in accordance with the legislation of the Republic of Kazakhstan, the Environmental and Social Policy of the National Managing Holding Baiterek Joint Stock Company, the Charter and internal regulatory documents regulating the activities of the Export Credit Agency of Kazakhstan Joint Stock Company (hereinafter – the Company).

2. The Policy defines the principles and approaches to accounting for compliance of environmental and social factors in the activities of Kazakhstani exporters applying to the Company for insurance services and guarantees with the requirements of environmental and labor legislation of the Republic of Kazakhstan.

3. When solving problems in the field of providing support measures to Kazakhstani exporters, the Company strives to use international best practices and approaches to managing environmental and social risks inherent in the export projects under consideration, wherever possible. International best practices include standards for the activities of international organizations and development institutions, such as the International Finance Corporation (IFC), the European Bank for Reconstruction and Development (EBRD), and export credit agencies of the Organization for Economic Development and Cooperation (OECD ECA) member countries, including Export-Import Bank of the USA (EXIM).

4. The Policy applies to projects supported using the insurance products of the Voluntary Loan Insurance and Voluntary Project Finance Insurance Companies, the parameters of which are defined and described in it.

5. The provisions of this Policy must be observed by all employees of the Company in terms of interaction with stakeholders in the planning and implementation of their activities, the development of internal regulatory documents, the dissemination of information and other types of communication.

Chapter 2. Terms and abbreviations

6. The Policy uses the following basic terms and definitions:

1) ESG factors are environmental and social factors, as well as corporate governance factors (ESG – Environmental, Social, Governance), which companies and organizations of all forms of ownership observe in their activities and which are taken into account by institutional investors and financing organizations in their investment strategies and credit policies;

2) The Client is a legal entity or individual entrepreneur who carries out or plans to export Kazakhstani goods, and/or works, and/or services with the support of the Company;

3) A project is a potential or concluded transaction involving the provision of voluntary loan insurance/project financing services by the Company in order to develop the Client's export-oriented production;

4) IFC Standards are standards of environmental and social sustainability activities that the client must comply with throughout the life cycle of an IFC investment project. The performance standards contain recommendations for identifying risks and impacts within a project, and are designed to assist clients in preventing, mitigating, and managing risks and adverse impacts for sustainable business development;

5) The EBRD's Project Implementation Requirements are a comprehensive list of specific Project Implementation Requirements that projects must meet. The EBRD expects its clients to regulate environmental and social issues related to their projects in such a way that these projects

comply with the provisions of the EBRD Requirements for implementation within a reasonable period of time;

6) Authorized body is a body of the Company that, in accordance with the legislation of the Republic of Kazakhstan, is authorized to make managerial decisions in the area of responsibility defined by the relevant internal regulatory documents of the Company;

7) Sustainable development is a development in which a Society manages the impact of its activities on the environment, economy, and society and makes decisions based on the interests of stakeholders. Sustainable development must meet the needs of the current generation without depriving future generations of the opportunity to meet their needs.

Chapter 3. Scope, objectives and principles of the Policy

Paragraph 7 is set out in accordance with the decision of the Board of the Company dated August 18, 2023 No. 56.

Paragraphs 7, 8 are set out in accordance with the decision of the Board of the Company dated June 14, 2024 No. 54

7. The Company, being the National development Institute of the Republic of Kazakhstan for the development and promotion of exports, has the main goal of stimulating the export of Kazakhstani goods, works and services, as well as attracting investments to the Republic of Kazakhstan and abroad, through insurance and reinsurance of risks and guaranteeing export transactions. At the same time, following the principles of Sustainable development, along with its main goal, the Company also defines for itself as an important goal the promotion of environmental protection and maintaining a balance of interests of the parties in the labor and social relations of Clients (who are employers) with their employees and other interested parties in the framework of their production activities. The Company provides its Clients with support measures in accordance with the legislation of the Republic of Kazakhstan and the Company's internal documents.

8. Due to the nature of its activities, the Company does not have a significant direct impact on the environmental situation. At the same time, by providing support to Clients through insurance and/or reinsurance of loans/project financing, the Company is able to have a significant impact on financing the process of creating and developing industrial production, classified in accordance with the legislation of the Republic of Kazakhstan as facilities that have a negative impact on the environment. In this regard, the scope of the Policy defines the relationship between the provision of support measures to exporters.

Paragraph 9 is set out in accordance with the decision of the Board of the Company dated August 18, 2023 No. 56.

Paragraph 9 is set out in accordance with the decision of the Company's Management Board dated January 31, 2025 No. 10.

9. Based on the experience of EXIM and the OECD ECA in determining the environmental and social significance of projects, i.e. the degree of their impact on the environmental and social situation on a local, regional or national scale, the Society determines the scope of the Policy of Projects corresponding to the following parameters:

- the purpose of the loan/leasing/project financing is investment;
- the duration of insurance coverage for the Project is equal to or exceeds 2 years.

10. The Society also considers the environmental and social aspects of the activities of supported exporters (ESG factors) as risk factors affecting the probability of an insured event. In this regard, the Company strives to integrate ESG factors into its core business and use them to minimize potential insurance risks associated with them.

11. Clients' compliance with the environmental and labor laws of the Republic of Kazakhstan is a basic requirement of the Company when considering Projects. At the same time,

the Company strives to motivate Clients to strive to exceed basic requirements by implementing solutions and practices that comply with IFC Standards and/or the EBRD Requirements for Project Implementation.

12. By informing Clients in accordance with the requirements of the legislation of the Republic of Kazakhstan and best practices in the field of environmental and social responsibility, the Company strives to facilitate the adoption by Clients of timely measures to prevent negative environmental and social impacts before the implementation of Projects or at an early stage of their implementation, whenever possible.

13. The objectives of the Policy are:

1) reducing potential risks of negative environmental impacts, social relationships and obligations from the activities of supported export-oriented industries in Kazakhstan, as well as export regions, whenever possible;

Subparagraph 2) of Paragraph 13 is set out in accordance with the decision of the Board of the Company dated August 18, 2023 No. 56.

2) Encouraging Clients to apply practices that enhance the positive environmental and social effects of their economic activities, including resource efficiency, carbon management;

3) reduction of insurance risks accepted by the Company related to the environmental and social components of export-oriented production of Customers;

4) reducing reputational risks associated with providing support to enterprises that violate environmental and labor laws of the Republic of Kazakhstan.

14. When implementing the Policy, the Company adheres to the following principles:

1) The principle of prevention is any activity that causes or may cause environmental pollution, degradation of the natural environment, causing environmental damage and harm to human life and (or) health, is allowed within the framework established by this environmental legislation of the Republic of Kazakhstan, only if all necessary measures are taken to prevent the occurrence of environmental pollution at the source of the environmental impact. the specified consequences;

2) The principle of sustainable development is that nature and its resources constitute the wealth of the Republic of Kazakhstan and their use must be sustainable. The State ensures balanced and rational management of natural resources in the interests of present and future generations. When deciding on the provision of state support, the Company takes into account the environmental and social factors inherent in the supported production. Economic activity that causes damage to the environment and social relations unacceptable by law is rejected by Society, regardless of other positive factors;

3) the principle of accessibility of environmental information – The Company uses access to environmental information on the grounds, conditions and within the limits established by the legislation of the Republic of Kazakhstan and international treaties;

Subparagraph 4) of paragraph 14 are set out in accordance with the decision of the Board of the Company dated August 18, 2023 No. 56.

4) social risk and impact management, conflict and security management, the inadmissibility of restrictions on human and civil rights in the sphere of work and livelihood;

5) prohibition of discrimination in the sphere of labor, forced labor and the worst forms of child labor;

Subparagraph 6) of paragraph 14 are set out in accordance with the decision of the Board of the Company dated August 18, 2023 No. 56.

6) ensuring the right to working conditions that meet the requirements of safety, health and hygiene;

Paragraph 13 was supplemented by sub-paragraphs 7) and 8) in accordance with the decision of the Company's Management Board dated August 18, 2023 No. 56.

7) We recognize the emphasis on the effects of tobacco and alcohol products, unbound asbestos fibers, or other products dominated by bound asbestos, genetic engineering, and violent video games on health and related risks;

8) inclusion of a list of controversial business sectors and/or practices related to the use of genetically modified organisms, fur, pesticides, chlorinated hydrocarbons, and animal testing.

15. In order to achieve the objectives of the Policy, the Company has the right:

1) request the necessary information from the Client, authorized government agencies, and other interested parties;

2) use information from open sources, including online publications;

3) use information provided by international organizations;

4) use the services of consultants and experts on issues related to the assessment of compliance with environmental and labor laws, relevant recommendations and requirements;

5) carry out site visits with the involvement of external experts (if necessary);

Paragraph 15 supplemented by subparagraph 6) in accordance with the decision of the Board of the Company dated August 18, 2023 No. 56.

6) recommend the implementation of the best available technologies to customers, and specify customer safety measures in product design, packaging, marketing and sales practices, including to prevent the sale of products to minors.

Chapter 4. Consideration of environmental and social factors in the provision of insurance support

Paragraph 16 is set out in accordance with the decision of the Company's Management Board dated August 18, 2023 No. 56.

16. Consideration and assessment of environmental and social factors when considering Projects is carried out in accordance with the Company's internal documents regulating the process of reviewing and providing support to Clients, and consists of the following stages:

1) the study of the economic sector to which the Client's company belongs, the identification of its inherent environmental and social problems;

2) obtaining information from the Client confirming the conformity of production with the requirements of environmental and labor legislation of the Republic of Kazakhstan, as well as the availability of necessary permits in these areas;

3) If necessary, clarifications, consultations, and confirmation of the information received from the Client are required, the Company may contact the authorized state bodies in the field of environmental and labor protection;

4) The Company examines publications in the media for negative information about the environmental and social factors of the Client's activities, as well as public opinion regarding his commercial activities;

5) in case of detection of non-compliance of environmental and social factors with the requirements of the legislation, the Company notifies the Client of these facts. The Client has the right to carry out work to eliminate the identified inconsistencies and resubmit the relevant information for consideration by the Company;

6) Information on environmental and social factors (compliance/non-compliance with legal requirements) is included in the conclusion on the Project under consideration, which is sent to the Authorized Body for consideration to make a decision on insurance. The Company has the right to refuse to support the Project in case of non-compliance with the requirements of the environmental and labor legislation of the Republic of Kazakhstan.

Paragraph 17 is set out in accordance with the decision of the Board of the Company dated August 18, 2023 No. 56.

17. A project is preferable for the Company if certain environmental and social factors of the Client's production comply with the Classification (taxonomy) of «green» projects (developed

in accordance with the Environmental Code of the Republic of Kazakhstan) and/or IFC Standards and/or the Requirements of the EBRD for the implementation of projects. This fact, if all other conditions are equal, may be considered by the Company as an advantage when making a decision on insurance.

Chapter 5. Monitoring

18. During the extended financial monitoring of the Client on supported Projects, the Company also analyzes the compliance of environmental and social factors of production with the requirements of the legislation of the Republic of Kazakhstan.

19. The monitoring process may include checking periodic reports on environmental and social performance indicators submitted by the Client at the request of the Company.

20. Information on compliance with environmental and labor legislation is included in the extended monitoring report sent to the Authorized Body for consideration.

Chapter 6. Information disclosure

21. The Policy is open to the general public and is posted on the Company's corporate Internet resource.

22. The policy is implemented on the basis of publicity and openness, with the exception of information that constitutes an insurance secret and other information protected by the legislation of the Republic of Kazakhstan.

Chapter 7. Final provisions

23. This Policy comes into effect from the date of its approval by the Authorized Body.

24. The Company implements the Policy through the subsequent development of appropriate business processes, the identification of those responsible for their execution of structural units and employees.

Approval sheet

According to the project: Environmental and social policy of the KazakhExport Export Insurance Company Joint Stock Company in providing insurance support to exporters

Developer: Insurance Department.

GNI owner: Insurance Department.

Name of the position	Last name, first name, patronymic (if any)	Signature	Date of signing
Deputy Chairman of the Board	Mukazhanov Kuanysh Amangeldievich		
Director of the Legal Support Department	Nurmukhambetov Serik Kaidarovich		
Director of the Risk Management Department	Shabarbayeva Leyla Galymzhanovna		
Head of the Compliance Service	Kabsamatov Kuanysh Akayevich		
Director of Direct Insurance and Reinsurance Underwriting Department	Kuanbaev Eldar Bolatkanovich		
Director of the Business Intelligence Department	Kambarov Tasbolat Myrzabekovich		
Director of the Credit Analysis Department	Molzhigitov Askhat Rafikovich		

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Date: {{qr_time}}. EDMS version: SimBASE4. Positive result of EDS verification