



**ESGO**  
RATING AGENCY

**CODE OF BUSINESS ETHICS**

**March 1, 2023**



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## 1. General Provisions

1.1 This Code of Business Ethics of the Agency (hereinafter referred to as the Code) was developed in accordance with the legislation of the Republic of Kazakhstan, the Charter of the Agency and other internal documents of the Agency.

1.2 The Agency undertakes a voluntary obligation to follow the standards of business ethics established in the Code. The Code establishes the fundamental principles and standards of business ethics on which the Agency's corporate culture is based.

1.3 The Code takes into account the norms of national and international law applicable to the activities of the Agency, as well as the recommendations and provisions of international and national standards in the field of responsible business practices and corporate governance.

1.4 The Code applies to the activities of the Agency and is mandatory for compliance by all employees of the Agency.

## 2. Terms, Definitions and Abbreviations

2.1 The following abbreviations and terms with corresponding definitions are used in the Code:

Agency	Limited Liability Partnership "ESGQ Rating Agency".
Business Ethics	A set of ethical principles and norms of business communication that guide the activities of the Agency and its employees.
Code	This Code of Business Ethics of the Agency.
Conflict	Interaction of people having incompatible, contradictory goals or ways of achieving these goals.
Conflict of Interest	Situations in which the personal interest of an official or Employee affects or may affect the impartial performance of official duties.
Corporate Culture	A set of employee behavior patterns, norms, and management methods based on shared values and aimed at achieving strategic goals.
Employee	An individual who has an employment relationship with the Agency and directly performs work under an employment contract.
ESG	Environmental, Social, and Governance - a set of company management characteristics that involve the organization in addressing environmental, social, and governance issues.
IRD	Internal Regulatory Document that governs internal activities within the Agency.
Legislation	A set of normative legal acts of the Republic of Kazakhstan adopted in the prescribed manner.



Management	Director of LLP "ESGQ Rating Agency."
OECD	The Organisation for Economic Cooperation and Development is an international organization aimed at developing international standards and recommendations for improving public social, economic, and environmental policies, as well as finding ways to overcome obstacles and limitations to economic growth and development of countries.
Stakeholders	Individuals, legal entities, or groups of individuals or legal entities who exert influence or may be influenced by the activities of the Agency, its products, or services, and related actions by virtue of legal norms, concluded contracts (agreements), or indirectly (mediated).
UN	The United Nations, an international organization created to maintain and strengthen international peace and security, as well as develop cooperation between states.

2.2 Terms used but not defined in the Code are used in the sense in which they are used in the legislation of the Republic of Kazakhstan, the Charter of the Agency and other IRD of the Agency.

### 3. Goals, Principles and Standards of Code of Ethics

3.1 The objectives of the Code are:

- development of a unified corporate culture based on high ethical standards;
- maintaining an atmosphere of trust, mutual respect and decency in the team;
- strengthening the Agency's business reputation as an open and honest participant in market relations;
- prevention of offenses and ensuring that the Agency's business activities are conducted in accordance with the principles of transparency and openness, as well as in compliance with the requirements of national and international law applicable to the Agency's activities;
- ensuring objectivity, transparency and independence of the rating process, based on high ethical standards, honesty and impartiality.

3.2 The main principles of the Agency's business ethics are:

#### 3.2.1 Knowledge and Compliance with Laws

The Agency is guided by the principles of sustainable development of the UN Global Compact, the principles of corporate governance of the G20/OECD, the legislation of the Republic of Kazakhstan, and the Code.

#### 3.2.2 Openness and Authenticity



The Agency adheres to the principles of decent, honest and open business, strives to honestly and consistently fulfill contractual obligations, treats its competitors with respect and does not resort to illegal forms of competition.

The Agency takes care of maintaining its business reputation and avoids participating in the dissemination of knowingly false and unverified information.

### 3.2.3 Professionalism and Efficiency

The Agency ensures high quality of services provided, strives to make professional decisions in the implementation of its activities, requires Management and Employees to exercise powers and perform official duties in accordance with the level of competence required for the position held.

The Agency promotes the improvement of the professional level of Employees and the development of individual skills that contribute to the realization of career potential, creating all the necessary conditions for this.

### 3.2.4 Respect for Human Rights

The Agency fully respects human rights and freedoms in its activities and encourages its business partners to follow this principle. The Agency treats all Employees with trust, provides equal opportunities, and creates conditions for the realization of their potential based on common values, cultural diversity, and gender, racial, and other equality.

## 3.3 The Agency's Business Ethics Standards are:

### 3.3.1 Relationships within the Agency

The Agency's relationship with its Employees is built on the basis of mutual responsibility, respect for the individual and focus on results, and is aimed at successfully solving professional problems and maintaining constructive relationships in the team.

The Agency undertakes a number of obligations to its Employees:

- carries out hiring in strict accordance with the requirements of applicable national law, excluding any discrimination, restrictions in labor rights and freedoms or the presentation of any advantages not related to the business qualities of a candidate for a vacant position;
- does not allow any manifestations of discrimination or harassment towards Employees based on gender, nationality, origin, property, social and official status, age and other similar characteristics;
- ensures stable and decent wages for Employees and their timely payment;
- provides Employees with social security in the manner and amount provided for by the Agency's IRD;
- creates safe conditions for the proper performance by Employees of their job duties that meet labor protection requirements;
- encourages the development of leadership skills and encourages Employees to self-development and increase professional competence;
- ensures the confidentiality of Employees' personal data;



- maintains an environment of open communication, mutual understanding and stability in the team.

Employees, in turn, are obliged, as part of the implementation of the provisions of the Code:

- comply with the rules of business ethics established by the Code and assist in conducting investigations into possible violations;
- contribute to the creation of an atmosphere of mutual understanding and cooperation in the Agency;
- treat colleagues, as well as representatives of business partners, with respect and courtesy;
- use working time rationally;
- refrain from actions or inactions that give rise to conflicts in business relations, strive to resolve conflicts that arise based on a balance of interests of participants in business relations.

Agency managers at all levels have increased responsibilities:

- demonstrate by one's own behavior a commitment to the principles of ethical behavior;
- support initiatives aimed at developing a high corporate culture of the Agency, including improving anti-corruption measures, and exercise personal control over their implementation;
- if necessary, explain to subordinate Employees the provisions of the Code.

### 3.3.2 Relationships of the Agency with External Stakeholders

#### 3.3.2.1 Business Partners and Fair Conduct of Business

The Agency promotes the development of open markets for investment by raising awareness of ESG standards, promoting competitive behavior and respect among market participants.

The agency responsibly selects suppliers and contractors, paying attention to their business ethics and reputation. Interaction with business partners is based on long-term cooperation, mutual benefit, trust, honesty and fairness. The Agency fulfills its obligations in good faith and expects the same behavior from its partners.

#### 3.3.2.2 Government Bodies

The Agency interacts with government agencies in accordance with national legislation, avoiding corruption and other illegal actions. The Agency may engage in lobbying activities aimed at improving the regulatory environment, provided that such activities are carried out transparently, ethically and in strict accordance with the Law.

#### 3.3.2.3 Society

The agency adheres to high social responsibility to society, paying attention to the interests of the local population and vulnerable groups.

The Agency is actively involved in charitable and sponsorship activities and encourages Employees to participate in these initiatives.



#### **4. Assignment of Ratings**

4.1 ESG ratings express the opinion of the Agency's experts on the ability and willingness of the rated entity to comply with Environmental, Social and Governance (ESG) standards. The Agency's rating is expressed through the use of an evaluation scale, which is a ranking system represented by alphanumeric combinations.

4.2 The rating is based on the Agency's proprietary product - the Methodology for assessing investment ESG risks (assigning an ESG rating) to companies (hereinafter referred to as the Methodology). The methodology is the intellectual property of the Agency and is not subject to disclosure. Any use, reproduction or distribution of the Methodology without the written consent of the Agency is strictly prohibited and will be considered a violation of intellectual property rights.

4.3 The methodology takes into account the impact of the activities (or inaction) of the companies being assessed on the environment, society and the economy. The methodology is based on the quantification of quantitative and qualitative data assessments provided by companies. Data is provided by companies in the requested digital format, which allows automation of the processes of analysis, quantification, ESG risk assessment and rating assignment. Companies are responsible for the quality of the data provided. The Agency is responsible for the correct application of evaluation criteria based on its own methodological approach.

4.4 The Agency relies on the information provided by the rated client, assuming its accuracy. Any information received by the Agency from the client is considered confidential unless otherwise stipulated by agreements with the client.

4.3 The Agency may use public information, in particular when assessing ESG reputation.

#### **5. Confidentiality and Information Protection**

5.1. The agency makes every effort to maintain the confidentiality of information received from clients. All information provided by clients is treated as confidential and is processed in strict accordance with internal confidentiality rules.

5.1.2 The Agency and its Employees use the confidential information received solely for purposes related to the evaluation and rating process. Any other use of this information is strictly prohibited.

5.1.3. Agency Employees should not disclose non-public information about ratings or possible forecasts, except when this is done as part of their professional duties and exclusively to the rated entity or its authorized representative.

5.1.4. Agency Employees must take all available measures to protect Agency property and records from fraud, theft, or misuse. This includes physical security, digital security and compliance with all internal security procedures.

#### **6. Prevention of Corruption and Conflict of Interest**

6.1 Prevention of Corruption and Conflicts of Interest

6.1.2 The Agency does not tolerate any form of undue influence on government decisions, including gifts and facilitation payments, which are payments to a government official to ensure or expedite the performance of a standard procedure or service within the scope of his or her duties.



6.1.3 The Agency permits the giving or receipt of gifts, services and any other benefits by Management and Employees only if this does not violate applicable national law and ethical standards.

6.1.4 Employees must avoid situations that lead or could potentially lead to a conflict of interest, and are required to promptly report potential or actual occurrence of a conflict of interest.

## 6.2 Counteracting Money Laundering of Criminal Proceeds

6.2.1 The Agency does not allow in its activities the laundering of proceeds of criminal activity through financial fraud and terrorist financing, and makes the necessary efforts to eliminate such cases. As part of its anti-corruption policy, the Agency takes measures to identify and prevent any suspicious financial transactions that comply with international standards and national legislation.

## 7. Occupational Health, Industrial Safety and Environmental Protection

### 7.1 Occupational Health and Safety

7.1.2 The Agency strives to prevent or minimize risks in the field of occupational health and industrial safety.

7.1.3 All Employees are obliged to comply with labor protection and industrial safety rules provided for by the Legislation and the Agency's IRD, including:

- Ensuring safe and comfortable working conditions in the office;
- Compliance with fire safety and evacuation rules;
- Regular safety training.

In case of business trips to production facilities, Employees must additionally:

- Follow local health and safety regulations;
- Complete the necessary safety briefings and trainings provided by the receiving party;
- Use the personal protective equipment provided.

### 7.2 Environmental Protection

7.2.1 The Agency strives to minimize the negative impact on the environment and rationally use natural resources, including:

- Reducing the use of paper and introducing digital technologies in the office;
- Waste separation and recycling;
- Economical use of electricity and water;
- Promotion of environmental initiatives and programs.

## 8. Responsibility for Compliance with the Code

8.1 Compliance with the Code is mandatory for all Agency Employees.

8.2 All facts of violation of the Code must be considered in accordance with the norms of the Legislation and the Agency's IRD.



8.3 Persons who violate the requirements of the Code, depending on the circumstances, may be subject to disciplinary, administrative, civil or criminal liability in the manner and on the grounds provided for by the Legislation and the Charter of the Agency.

### 9. Final Provisions

9.1 The Code is revised in the event of significant changes in the development of the Agency and the requirements of the Legislation.

9.2 In case of violation of the Legislation, the Agency's IRD in terms of disclosure of information that led to damage to the Agency, the responsible parties may be held accountable in accordance with the procedure established by the Legislation.

Director  
ESGQ Rating Agency LLP

  
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(signature) (date)

E.N.Karazhan