

KAZAKHSTAN STOCK EXCHANGE JSC

PRESS RELEASE

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KASE has taken part in the IFC round table on disclosure and transparency

On January 24, 2018, Alina Aldambergen, Chairman of the Board of KASE, and Natalia Khoroshevskaya, Deputy Chairman of the Board of KASE, participated in the round table of the International Finance Corporation (IFC) held in London (UK) on the issues of disclosure, transparency and dissemination of practices for evaluation of environmental, social responsibility and corporate governance criteria (ESG criteria) in respect of companies in emerging markets. The round table was organized by the IFC with the support of the UN Sustainable Stock Exchanges Initiative (the SSE Initiative) and the London Stock Exchange Group (LSE Group).

The round table was attended by representatives of development institutions, stock exchanges, financial regulators and investor organizations.

During the round table the participants discussed the issues and exchanged their experiences in dissemination of the practice for disclosure and transparency of the companies activities under the ESG criteria. Participants noted the importance of taking into consideration the ESG criteria when making investment decisions by applying the Principles of Responsible Investment (PRI principles). The round table participants expressed their solidarity with the view that there was a need to promote the PRI principles in the investment environment and emphasized the importance of cooperation between companies, regulators and investors on promoting PRI principles. The role of stock exchanges in promoting the PRI principles and practices of applying ESG criteria was one of the key topics on which the Alina Aldambergen acted as a speaker having shared with the participants the experience of KASE, including the activities of KASE under the SSE initiative.

IFC representatives presented a Guide on implementing integrated reporting, which was specifically designed for emerging markets and includes case studies on the application of the best practices and international standards.

KASE has joined the SSE Initiative on September 24, 2015 and undertook an obligation to develop and implement a methodology for preparing ESG criteria based report (ESG methodology) for listed companies and members of KASE. KASE has enacted the developed ESG methodology on December 1, 2016. Currently, it is of advisory nature for the KASE listed companies and members to compile reporting under ESG methodology. It is planned to introduce a mandatory requirement for compiling ESG report for listed companies in 2019-2020.

KASE plans to promote ESG methodology by conducting special ESG workshops and meetings to discuss reporting requirements. KASE works on amendments to the ESG methodology in collaboration with the IFC and independent experts. New version of the ESG methodology will be presented in the Q1 of 2017.

For reference

Kazakhstan Stock Exchange (KASE) is the leading stock exchange in the Central Asian region and the only exchange in Kazakhstan carrying out its activities in the financial market. It is a universal trading platform for repo market instruments, foreign currencies, government and corporate securities, bonds of international financial institutions as well as derivatives.

KASE is the member of the World Federation of Exchanges (WFE), the Federation of Euro-Asian Stock Exchanges (FEAS) and other international and local professional associations.

In 2015, KASE joined the UN Sustainable Stock Exchanges initiative. KASE ranks second among the CIS exchanges on the volume of trading in securities, and it also ranks sixth on equity market capitalization among FEAS stock exchanges.

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