

JSC Halyk Bank
Environmental Policy

Chapter 1. General Provisions

1. This environmental policy of JSC Halyk Bank (the “Policy”) has been developed in accordance with the statutes of the environmental legislation of the Republic of Kazakhstan, applicable norms of international environmental protection initiatives, internal documents of JSC Halyk Bank (hereinafter referred to as the “Bank”) on environmental issues, and taking into account the global practice.

2. The environmental component of the Bank's sustainable development shall ensure minimization of direct and indirect impact on biological and physical natural systems, efficient use of limited resources, application and support of environmentally friendly, energy- and material-saving technologies, mitigation of adverse environmental impact directly through its own processes and indirectly through its stakeholders.

3. The Policy is a document to streamline the Bank's approaches to environmental protection and management of environmental aspects of sustainable development, and to define the principles and key areas of environmental impact management of the Bank's operations.

4. The Resources Department is responsible unit to ensure that this Policy is implemented in the Bank.

5. Responsibility for the implementation of and compliance with this Policy, the provisions of environmental legislation, and the Bank's internal documents on environmental protection is assigned to the Bank's Management, including all structural subdivisions of the Bank in the course of their activities, and the authorized and other collegial bodies of the Bank, which consider the issues related hereto within the scope of their competence.

6. The Policy is a public document and is available at the Bank's official information resources.

Chapter 2. Primary goals

7. The Policy is primarily aimed at:

1) compliance with the requirements of the environmental legislation of the Republic of Kazakhstan, applicable international and national standards, internal documents of the Bank in the area of environmental protection;

2) preventing, minimizing and reducing the adverse impact on the environment in the course of the Bank's operations, including environmental risk management;

3) assistance in conservation of natural resources, biological ecosystems, implementation of 17 Sustainable Development Goals adopted by the General Assembly of the United Nations in 2015 (hereinafter referred to as the “Goals”) in terms of environmental protection matters;

4) gradual and step-by-step implementation of responsible approaches to the Bank's financing and investment decision-making, which will be governed by the Bank's Credit Policy;

5) improvement of environmental literacy and awareness of the Bank's employees, and implementation of environmental initiatives.

Chapter 3. Key principles of the Bank's Policy

8. The Bank shall operate in compliance with the following principles related to environmental protection:

1) the priority of sustainable development: the Bank expresses its commitment to sustainable development and, in this regard, places environmental protection and prevention of adverse environmental impacts among its major priorities in the course of its business operations and corporate decision-making. The Bank pursues the principle of zero tolerance for losses and damages related to environmental pollution;

2) balance of stakeholders' interests: the Bank is respectful of the interests and expectations of stakeholders on environmental issues and is open to a constructive dialogue with stakeholders to ensure a balance of stakeholders' interests;

3) improvement of environmental management: the Bank continuously improves approaches to managing its direct and indirect environmental impacts, ensures transparency, accountability of such management approaches, as well as publicity and availability of environmental information;

4) principle of proportionality: environmental protection measures shall be ensured to the extent that they are adequate to achieve the Policy's goal and objectives, the environmental legislation of the

Republic of Kazakhstan and the Bank's internal documents. The preference is given to the least onerous option.

Chapter 4. Commitment

9. Within the context of the Policy, in terms of environmental protection issues, the Bank is committed to:

- The Ten Principles of the United Nations Global Compact;
- The 17 Goals, while taking into account the development levels of the economies in which the Bank operates, and the capabilities of the Bank and our stakeholders. The Bank seeks to integrate the Goals in a prudent manner into its operations and strategic planning.

Chapter 5. Key areas of the Bank's environmental activities

10. The Policy is implemented in the following areas:

- 1) The Bank improves its corporate management system in the area of sustainable development, including ecology and environmental protection as one of its significant components;
- 2) The Bank improves its risk management system, which reasonably takes into account environmental risks, and pursues gradual implementation of the world's best practices applicable to financial institutions and the banking sector;
- 3) implementation of measures and initiatives aimed at minimizing the negative environmental impact, including efficient use of materials, energy and water resources, atmospheric emissions, waste generation;
- 4) ensuring continuous improvement of environmental literacy and competence of the Bank's employees on environmental protection matters and measures taken by the Bank to implement this Policy;
- 5) ensuring compliance with environmental transparency and accountability to stakeholders, availability of environmental information to be included in the annual report on sustainable development of the Bank.

Chapter 6. Impact management

11. The Bank is aware of both its direct and indirect impact on the environment and includes measures to reduce the adverse environmental impact in its operations.

12. When developing new and optimizing existing products/business processes, all structural subdivisions of the Bank shall take into account their direct or indirect environmental impact, unless it requires additional funding.

13. Environmental impact measures:

- 1) accounting for energy consumption, implementation of advanced energy consumption and lighting technologies;
- 2) minimizing the adverse environmental impact when using heating systems;
- 3) responsible consumption of resources, giving preference to the use of resources made of eco-friendly or recycled raw materials;
- 4) minimizing the adverse environmental impact when using transport for business purposes, a reasonable priority of using transport that is less detrimental to the environment;
- 5) reduction of water consumption by monitoring and controlling the volume of water consumption;
- 6) reducing the consumption of paper and paper products by optimizing the paper workflow and developing the Bank's remote work technologies;
- 7) assessment of and accounting for direct and indirect greenhouse gas emissions, in accordance with applicable national and recognized international standards;
- 8) striving to reduce greenhouse gas emissions and air pollutants arising in the course of the Bank's operations.

Chapter 7. Final Provisions

14. This Policy shall become effective from the date of the resolution by the Bank's Board of Directors on approval thereof.

15. The Bank shall bear responsibility for failure to fulfil and/or improper fulfilment of this Policy, including responsibility as provided by the environmental legislation of the Republic of Kazakhstan, and strives to improve its management approaches to and progress in implementation of the Policy.

16. Monitoring of the Policy implementation is included in the scope of competence of the Bank's Management Board.

17. Any matters not covered/regulated herein shall be governed by the internal regulatory documents of the Bank and the legislation of the Republic of Kazakhstan.

18. Where, as a result of any legislative amendments of the Republic of Kazakhstan, specific provisions of the Policy become inconsistent with the effective legislation of the Republic of Kazakhstan, until the Policy is amended, one should be guided by the effective legislation of the Republic of Kazakhstan and the Policy to the extent not contradicting the legislation of the Republic of Kazakhstan.

19. The content of this Policy shall be communicated to the Bank's employees in accordance with the procedure established by the internal documents of the Bank.