

JSC Halyk Bank
Sustainable Development
Policy

Chapter 1. General

1. JSC Halyk Bank Sustainable Development Policy (the “Policy”) has been developed in accordance with the legislation of the Republic of Kazakhstan, Halyk Group Development Strategy for 2022 – 2024 (the “Strategy”), policies and rules, and internal regulatory documents of JSC Halyk Bank (the “Bank”).

2. The Policy has been developed given the key global principles, requirements and provisions in the ESG area (environmental, social, and governance). ESG is a set of characteristics of the Bank's governance, which enables to achieve the Bank's involvement in solving environmental, social, governance and sustainable development issues: the principles of the UN Global Compact and the Principles for Responsible Banking UNEP FI.

3. The Policy is a key instrument to systematize the Bank's approaches to ESG and sustainable development activities.

4. The Policy has been developed given the Bank's Mission, Values and Strategy, Corporate Governance Code, and other internal documents regulating various aspects related to ESG and sustainable development.

5. The Policy is aimed at establishing the basic principles, purpose, areas, and objectives of the Bank's ESG and sustainable development activities, describing the related management system and approaches to interaction with stakeholders.

6. The Policy shall be binding upon the structural subdivisions and all employees of the Bank in planning and performance of their ESG and sustainability activities to the extent affecting stakeholder relations, development of internal regulatory documents (policies, regulations, methodologies, process flow diagrams, standards, etc.), information distribution and other types of communication.

7. This Policy is a public document available at the Bank's information resources.

8. This Policy defines:

- 1) the scope of the Policy;
- 2) general principles of the Bank's activities in the area of ESG and sustainable development;
- 3) ESG and sustainable development goals and objectives of the Bank.

9. **In this Policy, the following terms have the following meanings:**

- 1) **“Bank”** means JSC Halyk Bank;
- 2) **“IRD”** means internal regulatory documents of the Bank;
- 3) **“Impact”** means an impact on people and local communities, the environment and the economy, which is caused by any action or inaction, activity, project, program or policy;

4) **“UN Global Compact”** means the largest international sustainable development initiative, which aims at implementing ten basic principles in the areas of human rights, labor, environment and anti-corruption into the business community. Mainstreaming the principles of the UN Global Compact in commercial and business strategies, public confirmation of commitment are widely recognized indicators of responsible corporate practice and good business reputation, and important components of the long-term sustainability of business;

5) **“Halyk Group”** means a group of companies providing in-demand financial and non-financial products and services to meet the diverse needs of its customers, both individuals and legal entities;

6) **“Stakeholders”** means individuals, legal entities, groups of individuals or legal entities who have or may have influence on the Bank, its products or services and related actions by virtue of the legislation, agreements (contracts) entered into, or indirectly; stakeholders include shareholders, employees, customers, suppliers, government authorities, subsidiaries, bondholders, creditors, investors, public organizations, residents of the Bank's operating regions;

7) **“Sustainable development”** means an organizational principle of achieving corporate goals, which would ensure meeting the needs of the company and its stakeholders while preserving and developing human and natural resources required to meet the needs of future generations;

8) **“UN Sustainable Development Goals”** means 17 goals and 169 targets adopted a part of the UN agenda in the area of sustainable development for a period of up to 2030 and aimed at ending poverty, maintaining the natural resources and ensuring well-being for all;

9) **“ESG”** (*Environmental, Social, Governance*) means taking into account environmental, social, and governance factors along with financial one in making investment decisions;

10) **“ESG risk”** (*Environmental, Social and Governance*) means a type of risk defining the sustainable development of business within environmental, social and governance risks.

10. In this Policy, the following abbreviations are used:

1) **“KPI”** means key performance indicators of the Bank and its subsidiaries which enable to measure the extent of achieving the strategic goals in terms of effectiveness and efficiency. The use of KPIs allows the Bank to evaluate its condition and facilitate in assessment of its strategy implementation;

2) **“UN”** (United Nations) means an intergovernmental organization aiming to maintain international peace and security, develop friendly relations among nations;

3) **“Media”** means mass communication media;

4) **“Capital Markets Day”** means the Investor’s Day;

5) **“GRI”** (Global Reporting Initiative) means a global reporting initiative, international reporting standard to be voluntarily applied by entities reporting on sustainable development;

6) **“ISO”** (*International Organization for Standardization*) means an international organization for development and publication of international standards;

7) **“KAS”** means Kazakhstan Stock Exchange;

8) **“LSE”** means London Stock Exchange;

9) **“Non-deal roadshow”** means a form of virtual events;

10) **“SDG”** (Sustainable Development Goals) means a set of 17 related goals developed in 2015 by the UN General Assembly as the “the blueprint to achieve a better and more sustainable future for all”;

11) **“UNEP FI”** or **“UNEP”** means the United Nations Environmental Programme Financial Initiative to provide leadership and encourage partnership in caring for the environment by enabling nations and peoples to improve their quality of life without compromising that of future;

12) **“WBCSD”** means the World Business Council for Sustainable Development. The organization leads numerous companies around the world and offers efficient business solutions for the most challenging issues of sustainable development;

Chapter 2. Statement of Goals

11. The Bank shall be aware that long-term sustainable business development depends on solving global tasks in the social, environmental and economic spheres and transitioning to a new, more sustainable economic model, which is feasible based on ESG-transformation.

12. The Bank shall support the current understanding of the need in transition from creating the current value for shareholders to creating the long-term value that is significant for a wider range of stakeholders, including shareholders, employees, clients, counterparties, local communities, and the government.

13. The Bank shall recognize the role of financial and technology related companies in the transition to more sustainable development models based on the integration of the latest technologies, environmental and social aspects in all areas of business, processes, efficient corporate governance, ESG risk management and the development of responsible financing practices.

14. The Bank shall be aware of its importance in the economy of the Republic of Kazakhstan and take into account related unique opportunities and responsibility, striving to realize its potential in the best way and use opportunities for ESG-transformation of business and the country.

15. The Bank shall be committed to international and national ESG and sustainable development goals, standards and principles, including the UN Sustainable Development Goals, Principles of the UN Global Compact, Principles for Responsible Banking UNEP FI, and other global initiatives.

16. The Bank’s activities in the ESG and sustainable development area are mainly aimed at: taking the lead in ESG related systemic changes on the national and international level to build prosperous economy that is efficient for the society and environmental conservation, based on the concern, cooperation and development of our employees, customer, shareholders, investors, partners, and the government.

Chapter 3. Principles of the Bank's ESG and Sustainable Development Activities

17. Guided by the Bank's Strategy, the Corporate Governance Code, sustainability standards, and international principles for responsible financing, the Bank's ESG and sustainability activities are governed by seven principles:

1) **Principle 1. The Bank is guided by the priority of creating long-term economic value for all stakeholders:** the Bank shall facilitate the creation of an economy in which finance helps the business develop, and business development contributes to the well-being of society and the environment. The Bank shall improve its own performance and fulfill its economic commitments to shareholders, investors and the state; support the sustainable development of its customer businesses and wider economy of the Republic of Kazakhstan; and facilitate the development of small, medium and micro-sized businesses, including by incorporating them in its supply chain. The Bank shall contribute to the development of regions of its presence by creating jobs, participate in infrastructure upgrade, and promote the achievement of social and environmental objectives. To this end, the Bank shall support innovative collaboration and joint creativity involving all regions, sectors and communities;

2) **Principle 2. The Bank shall ensure respect for human rights, inclusivity, diversity, fair and equitable treatment of everyone:** the Bank shall respect and protect human rights in its own business and across the supply chain, impose relevant requirements on counterparties, customers and business partners. The Bank shall support inclusivity, develop a barrier-free environment, and increase the accessibility of socially significant financial and non-financial products and services to vulnerable groups. The Bank shall ensure equal opportunities and create such environment that allows all employees to realize their potential based on shared values, cultural diversity, gender, race and other equality. At the national level, the Bank shall be involved in setting standards and best practices in the area of inclusivity, respect and protection of human rights;

3) **Principle 3. The Bank shall take care of the environment:** the Bank shall prevent, minimize, or compensate for its own adverse impact on climate and other environment components by improving environmental and climate risk management practices, implementing material, energy and water efficiency, and waste management programs. The Bank shall be involved in the development of a green and circular economy, financing projects to reduce environmental impact and implement the best available technologies;

4) **Principle 4. The Bank shall develop responsible financing practices and effectively manages ESG risks:** the Bank shall implement an integrated business model that aims to ensure positive social and environmental impacts while ensuring high financial performance. The Bank shall improve its long-term sustainability and competitiveness through ESG transformation, development of responsible financing, integrated and systematic ESG risk management;

5) **Principle 5. The Bank shall be responsible for its impact, compliant with all applicable legislative standards and meet its commitments:** the Bank shall operate in strict compliance with the legislation of the Republic of Kazakhstan, international laws and regulations, and shall be involved in the development of the regulatory framework to promote responsible financing and sustainable development;

6) **Principle 6. The Bank shall adhere to ethic business approaches and implement best practices of corporate governance:** the Bank shall be committed to pursuing and promotion of bona fide, open and fair business practice, ethical practices of marketing and sales. The Bank shall prioritize cyber security and protection of customer personal data, anti-corruption and prevention of financial crimes. The Bank shall develop and implement uniform corporate governance standards given the ESG-factors and based on best practices;

7) **Principle 7. The Bank shall enhance its information openness and transparency:** the Bank shall strive to disclose clear, accurate, timely and reliable information about its operations in terms of their impact on the society, economy, environment in its reports on sustainable development and generate its ESG and sustainable development reporting based on international standards. The Bank shall actively interact with stakeholders by providing information in various forms via channels that are available and selected given the preferences of stakeholders.

Chapter 4. UN Sustainable Development Goals

18. In accordance with the Strategy, the Bank has defines the following UN sustainable development priority goals:

SDG 2	End hunger, achieve food security and improved nutrition and promote sustainable agriculture
	The Bank shall annually allocate funds for social support and charity projects for those in need, and fund agricultural projects, including manufacturing, logistics, etc.
SDG 3	Ensure healthy lives and promote well-being for all at all ages
	Support society in terms of medicine, funding projects for construction of medical centers, manufacturing and supply of medical equipment and medicines, and wider medicine development
SDG 4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
	Inclusive support for education, including children from low-income families and students in projects and start-ups. Funding projects for the construction of schools and kindergartens as part of public-private partnerships (PPP)
SDG 5	Achieve gender equality and empower all women and girls
	The Bank shall support gender equality and ensure equal opportunities for all employees. Projects are implemented to develop and support women's entrepreneurship for a greater representation of women in business
SDG 7	Ensure access to affordable, reliable, sustainable and modern energy for all
	The Bank shall actively facilitate the transition to clean fuels, support green energy projects
SDG 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
	Funding business projects, which promote development of sustainable economy that ensures people's employment
SDG 9	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
	The Bank shall be involved in funding construction and upgrade projects aimed at ensuring a convenient and innovative infrastructure, including as part of the public programs and PPPs
SDG 10	Reduce inequality within and among countries
	Along with gender equality, the Bank shall actively support inclusivity, ensure access of vulnerable groups and remote settlements to its products and services
SDG 11	Make cities and human settlements inclusive, safe, resilient and sustainable
	The Bank shall facilitate the transition to clean fuels by funding projects on gasification of residential buildings and public transport, which meet modern environmental standards, and green up and develop park areas, take part in implementation of projects aimed at civil protection with the use of modern equipment
SDG 12	Ensure sustainable consumption and production patterns
	The Bank shall support initiative and projects on responsible resource consumption and production by raising awareness of its employees
SDG 13	Take urgent action to combat climate change and its impacts

	The Bank shall adhere the principles of precaution and prevention of adverse environmental impact by facilitating the development and promotion of eco-friendly technologies
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Chapter 5. Areas of the Bank's Sustainable Development

19. The key areas of the Bank in sustainable development are defined taking into account the balance between the economy, society, environment and corporate sustainability, given the strategic goals of the Bank and the vision of its shareholders. The main areas of the Bank's sustainability focus are as follows:

1) **responsible finance:**

- ❖ development and implementation of the system to identify, prioritize and manage ESG risks of the Bank's borrowers;
- ❖ gradual implementation of responsible financing principles, inclusion of ESG criteria in making decisions on project financing;
- ❖ integration of ESG risk management processes in the Bank's general risk management system;
- ❖ customer training in sustainable development principles and responsible finance;
- ❖ design of products and services to foster the transition to a more sustainable economy, enhancing access to financial services, and increasing commitment to ethical marketing and sales;

2) **environmental impact:**

- ❖ measuring and monitoring the Bank's impact on the environment and taking steps to improve resource and energy efficiency;
- ❖ prevention and reduction of adverse environmental impact in the course of the Bank's activities, including environmental risk management;
- ❖ taking into account environmental aspects depending on the borrower industry;
- ❖ support of significant environmental initiatives and projects nationwide;

3) **community:**

- ❖ creating value for the community and stakeholders through projects in various fields such as education, sports and culture;
- ❖ support for women and youth entrepreneurship, and entrepreneurs with disabilities;
- ❖ support for medium, small and micro businesses, active participation in the implementation of government programs aimed at developing entrepreneurship and supporting employment in the regions of Kazakhstan;
- ❖ development of national wealth through financial and investment services of the Bank;
- ❖ support and provision of services to vulnerable segments;

4) **stakeholders:**

- ❖ support of communication and interaction with various stakeholders at the national and international levels;
- ❖ active involvement in raising financial literacy in the Kazakhstani society;
- ❖ transparent reporting by the Bank on issues important to its key stakeholders;
- ❖ improvement of approaches to ESG information disclosure;
- ❖ granting access to, amendment and deletion of personal data, of individuals, protection of personal data;

5) **employees:**

- ❖ continuous improvement in human rights approaches, labor relations;
- ❖ improving the personnel qualifications and training in required skills;
- ❖ monitoring employee satisfaction and ensuring fair remuneration (financial and non-financial) by regular surveys to monitor employee satisfaction;
- ❖ training of authorized employees in financial consumer protection;
- ❖ ensuring equal opportunity and respect for gender, racial, ethnic, and other equality, including at remuneration;
- ❖ possibility to use flexible hours tailored to the specific nature of business;
- ❖ employee involvement at all levels;

- ❖ personnel training in ESG risks and procedures;
 - ❖ personnel training in ethical standards;
 - ❖ personnel training in cyber security compliance standards;
 - ❖ mandatory briefing of employees and third parties engaged under a service contract on the requirements of internal regulatory documents governing the protection of commercial, banking secrecy and other confidential information;
 - ❖ cooperation with educational institutions to develop or conduct joint training programs;
 - ❖ ensuring legal protection of employees who contact the Bank's hotline;
 - ❖ ensuring healthy and safe working conditions for the Bank's employees in order to prevent accidents, occupational diseases and emergencies in the course of work activities;
- 6) **managing corporate sustainability:**
- ❖ integrating ESG principles into the Bank's corporate governance system to ensure consistency of the Bank's economic, environmental and social objectives for long-term sustainable development, which include inter alia growth of the long-term value for shareholders and investors;
 - ❖ ensuring control over the personnel's compliance with the Bank's ethical standards, and periodic audits, including those conducted by the Bank's internal audit on a risk-oriented basis.

Chapter 6. Stakeholder Engagement

20. Stakeholder engagement is an integral part of the Bank's implementation of this Policy. The Bank believes that it is impossible to achieve sustainability objectives without partnership. The Bank's ESG and sustainability activities are focused on taking into account the interests of all stakeholders and creating long-term value. To this end, the Bank shall maintain an open dialogue with all stakeholders, determine the most convenient ways of interaction and communication channels for stakeholder representatives.

21. The Bank shall interact with its stakeholders guided by the following approaches:

- 1) **minimizing risks:** reducing the negative consequences of doing business for the stakeholders;
- 2) **maximizing benefits:** investing in projects that bring profit to the Bank's shareholders and contribute to the social and economic development of the country;
- 3) **consistency and integration:** ensuring an effective, integrated approach to managing issues of corporate social responsibility and sustainable development;
- 4) **comprehensive approach:** the Bank interacts with its stakeholders in terms of three areas of sustainable development: economy, ecology and social policy;
- 5) **sociability:** focus of activities on both separate social groups and wider society;
- 6) **openness and response:** ensuring transparency of the Bank's operations by providing relevant, reliable and meaningful information to stakeholders, as well as timely and prompt response to critical assessments and comments of stakeholders;
- 7) **accountability:** responsibility for the obligations assumed to the stakeholders and society.

22. Based on the current approaches and practices, the Bank distinguishes 11 groups of stakeholders that are significant to the Bank and are subject to the Bank's influence:

1) **shareholders.** The Bank is a joint stock company. The influence of shareholders is determined by the current legislation of the Republic of Kazakhstan and the applicable practice of corporate governance. Close interaction with the shareholders, observance and protection of their rights and legitimate interests are an integral condition for improving the market capitalization of the Bank. The system of shareholder relations is designed to maintain information transparency in line with best international practices, expand the available communication channels and contribute to the investment appeal;

2) **customers.** Corporate and retail customers are consumers of the Bank's financial and non-financial products and services. Being the key operator of banking services in the country, the Bank provides services to a large pool of retail customers of different ages and interests. The Bank's presence extends even to the most remote regions where the services of other Kazakhstan banks are not available. The Bank serves many enterprises and organizations that play a significant role in the economic stability and development of the country. On the other hand, the Bank promotes the development of large, medium, small, and micro businesses;

3) **employees.** The key objective of the Bank is to take care of its employees since they are a main asset of the Bank, directly interacting with customers and contribute to the Bank's reputation. Moreover, the Bank's employees ensure achievement of its strategic goals and objectives;

4) **counterparties.** Counterparties are the Bank's supply chain which is used to implement the Bank's indirect impact as an organization;

5) **public authorities of the Republic of Kazakhstan.** The Bank is a major taxpayer and a partner of the government in important state projects and programs. The Bank participates in government programs and plays a significant role in the economy of Kazakhstan;

6) **regulators.** Regulators, which control activities on the markets of financial and non-financial product and services, including the Bank's compliance with regulatory requirements, set the framework for its operation that is strictly observed by the Bank;

7) **local communities and non-profit organizations.** The Bank's wide network of branches and distribution of products and services cover all regions of Kazakhstan. The Bank actively interacts with local residents;

8) **Mass media.** Mass media help to cover the Bank's operations in media space, promote effective communication with stakeholders and spread information necessary for successful implementation of ESG and sustainable development programs and projects;

9) **financial market participants.** Being a financial institution, the Bank is closely connected to participants of the financial market - other companies of the financial industry, stock exchanges, insurance companies, intermediaries (consultants, brokers, advisers), financial and ESG analysts. Owing to this cooperation, it is possible to develop the practice of responsible finance and effectively realize the capacity of financial organizations to contribute to sustainable development;

10) **international ESG and sustainable development organizations.** International organizations and initiatives in the area of ESG and sustainable development, including their representative offices in Kazakhstan, have an impact on the current agenda, act as partners and drivers of the Bank's development in this area;

11) **professional community.** ESG and responsible finance experts and other subject matter specialists when developing and implementing its internal programs and projects. Expert opinions are taken into consideration and included in the overall ESG and sustainable development agenda in the industry and country.

23. Interaction with the Bank's key stakeholders is built through the following channels:

Key stakeholders	Methods/channels of interaction
Shareholders	General Shareholders' Meeting
	Personal interaction with the Bank's shareholders for participation in annual and extraordinary general shareholders' meetings of the Bank
	Submission of materials and forms of voting ballots
	Information messages and written requests by e-mail and/or telephone
	Letters
	Annual and interim financial statements
	Annual reports and sustainability reports
	Publications on the websites of the Financial Reporting Depository and KASE
	Press releases
	Corporate site
Investors	Meeting of bondholders as part of the procedure and further payment of coupon interest and par value of bonds at redemption
	Investor's Day/Capital Markets Day
	Annual and interim financial statements
	Quarterly investor conference calls with presentation of the Bank's financial performance

	Non-deal roadshow (virtual), participation in conferences
	Annual reports and sustainability reports
	Publications on the websites of the Financial Reporting Depositary and KASE
	Press releases
	E-mails, meetings, including virtual ones, phone calls
Customers	Contact center
	Internet banking, and the Bank's mobile application
	Corporate site
	Advertising campaigns
	Social networks
	Press releases
	Annual reports and sustainability reports
	Customer Satisfaction Survey
	Bank outlets
	SMS information
Employees	Employee satisfaction and social and psychological climate surveys
	Corporate mail
	Hotline (telephone hotline)
	Annual reports and sustainability reports
	Internal communications and announcements
	Training
	Voluntary and volunteer activities
	Corporate events

Chapter 7. ESG and Sustainable Development System Management

24. The ESG and sustainable development management system includes strategic and operational planning processes, a system of goals and KPIs, including KPIs for management, monitoring, performance assessment, adjustment and reporting. The successful functioning of the ESG and sustainable development management system also implies continuous activities according to three cross-cutting approaches:

1) **continuous stakeholder engagement:**

In order to incorporate socially relevant objectives and improve the quality of decision-making, the Bank shall take into consideration the interests of a wide range of stakeholders, including vulnerable groups, when planning and managing ESG and sustainable development activities. The interaction is carried out through open dialogue in a convenient way for representatives of stakeholders and by participating in joint projects;

2) **communication support and information campaigns:**

The Bank shall adhere to the principle of information openness, regularly inform all target audiences of its plans and performance results, actively interact with mass media, carry out communications campaigns, and report on achievements in ESG and sustainable development;

3) **carrying out educational and informational programs in ESG and sustainable development:**

The Bank shall promote ESG and sustainable development awareness, knowledge and competency development among its employees, customers, and partners in ESG and sustainable development issues. The Bank not only raises the general awareness by means of outreach and educational programs, but also enables them to gain the special skills and abilities required for ESG transformation at different levels.

25. To implement this Policy, the Bank shall develop and annually update the Action Plan in the area of ESG and sustainable development to ensure implementation of the principles in all business processes and involve monitoring the implementation of the Policy by the authorized bodies of the Bank.

The Action Plan contains specific targets, programs, projects, and initiatives aimed at addressing ESG and sustainable development objectives reflected in the Policy. The progress of the Action Plan on ESG and sustainable development shall be regularly assessed, taken into account in the KPI system and reflected in the Bank's sustainability report.

26. ESG and sustainable development management system is designated for:

- 1) ensuring sustainable development of the Bank and Halyk Group companies, i.e. balanced long-term development taking into account environmental, social, governance, and economic parameters, which is aimed at minimizing adverse impact, effective management of ESG risks, and searching for points of growth and new opportunities in interaction with society and environment;
- 2) fulfilling the regulatory requirements and obligations, including statutory requirements and voluntary commitments set forth in legislative and international treaties and documents;
- 3) developing the Bank's potential to create the greater value for all stakeholder groups by implementing this Policy;
- 4) strengthening the stakeholder relations and developing partnerships for sustainable development at all levels.

27. The mechanisms of the Bank's ESG and sustainable development management system include:

- 1) strategic and operational planning: development and implementation of this Policy and the Action Plan aimed at implementation thereof, including development and improvement of the methodology for evaluation and selection of ESG initiatives;
- 2) setting targets and deadlines for achievement thereof by business line and objective;
- 3) development of internal regulations and procedures to implement the Policy and Action Plan;
- 4) determination of resources required to fulfill the objectives;
- 5) defining roles and assigning responsibilities for ESG and sustainable development activities in the independent structural subdivisions and branches of the Bank. Introduction of necessary changes in the organizational structure;
- 6) monitoring, control, and evaluation of implementation of the Action Plan and achievement of targets;
- 7) preparation of reports at all levels in line with the approved standards and requirements;
- 8) arrangement of regular communication and promotion of the ESG agenda;
- 9) arrangement of regular interaction with stakeholders;
- 10) development and implementation of educational programs for stakeholders;
- 11) making adjustments and improvements to enhance performance based on lessons learned and given changing conditions;
- 12) improvement of knowledge, competence and practical skills of members of the Board of Directors and executive body of the Bank, heads of independent structural subdivisions on ESG issues, sustainable development, including climate management.

28. The Bank has an effective system of corporate governance in place, which covers all areas of business activities. In accordance with the best practices and international standards, ESG and sustainable development management functions are integrated into the corporate governance framework. The Bank develops a multi-level management structure for ESG and sustainable development:

- 1) The Board of Directors defines the approaches to integration of sustainable development factors in the Bank's strategy, consolidates and promotes the implementation of appropriate procedures and practices in the operation of the Board of Directors, determines the responsibilities of the committees under the Board of Directors in terms of sustainable development in the relevant functional areas, mechanisms for determining and monitoring the industry-specific KPIs of the Bank. In accordance with the Bank's internal regulatory documents, the competence of the Board of Directors includes approval of the high-level documents, including this Policy. The Bank's Board of Directors supervises the implementation of the Development Strategy, including the ESG agenda;
- 2) The Bank's Management Board shall develop and approve the ESG and sustainable development Action Plan, and exercise operational control over its fulfillment by the Bank's structural subdivisions;

- 3) an independent structural subdivision of the Bank, in charge of implementation of ESG initiatives, is a main coordinating structural subdivision to implement a systematic approach to ESG and sustainable development management, control implementation of the action plan based on corporate standards, provide expert support to other subdivisions in the area of ESG, and bear responsibility for monitoring and reporting in this area;
- 4) the risk management service coordinates the ESG risk management process, develops and submits proposals for the definition and assessment of ESG risks as part of this Policy;
- 5) independent structural subdivisions involved in ESG agenda, responsible for areas of the Bank's business activities, implement industry-specific ESG initiatives and provide subject-matter support to its target audiences;
- 6) branches and subsidiaries of the Bank involved in ESG agenda provide regional support and implement regional ESG initiatives, including pilot projects.

Chapter 8. Monitoring and Reporting

29) Striving for openness and information transparency, and taking into account the interests of stakeholders, the Bank shall acknowledge the importance of monitoring and reporting describing various aspects and results of ESG and sustainable development activities.

30) The Bank's annual report on ESG and sustainable development shall be published on the Bank's corporate website in Kazakh, Russian, and English languages, which ensures its accessibility to a wide range of stakeholders around the world.

31) The external environment, regulatory requirements and stakeholder demands may vary over time. Accordingly, the Bank shall monitor and adjust where necessary individual aspects and objectives of ESG and sustainable development, adapting this Policy in line with the current conditions and taking into account the ongoing changes, also when updating its strategic documents.

Chapter 9. Final Provisions

32) The Policy shall be subject to approval by the Board of Directors of the Bank based on the request of the Bank's Management Board.

33) Should one or more clauses of this Policy become invalid (ineffective) due to any changes in the legislation and (or) the Corporate Governance Code, the other clauses of this Policy shall not be affected and shall be valid to the extent not contradicting the legislation of the Republic of Kazakhstan and the Corporate Governance Code of the Bank.