



Sustainability Report

2023



years

35

Serving the country



- 1** **Message from the Chairman of the Board of Directors** **1**
- 3** **Message from the President** **3**
- 1** **About the Report** **9**
 - 9 Bank Profile
 - 11 Key events for 2023
- 2** **About the Bank: key results for 2023** **21**
 - 23 Approach to reporting
 - 25 Reporting boundaries
 - 25 Principles for defining the content and quality assurance of the Sustainability Report
 - 25 Approach to identifying material topics
- 3** **Corporate governance** **29**
 - 32 Corporate governance system
 - 53 Sustainability management
 - 65 Operational risk management and internal control
 - 69 Internal Audit Function
 - 70 Risk management in the area of sustainability
 - 77 Plans for the development of the sustainable development management system
- 4** **Bank's contribution to achieving UN Sustainable development goals** **81**
 - 85 Alignment of material topics with the UN Sustainable Development Goals



- 5** **Human rights compliance, Business ethics, and anti-corruption efforts** **89**
 - 89 Approaches to ensuring of human rights
 - 92 Approaches to business ethics and anti-corruption issues
 - 97 Development plans
- 6** **Interaction with customers and suppliers** **99**
 - 102 Approach to customer interaction
 - 105 Customer focus, availability of financial products and quality of rendered services
 - 110 Digitalisation of processes to improve the quality of services
 - 113 Ensuring data security
 - 115 Approach to interaction with suppliers
 - 117 Supply chain management and procurement policy
 - 119 Development plans
- 7** **Interaction with staff** **123**
 - 127 Approach to talent management
 - 133 Motivation system, recruitment and training of personnel
 - 145 Social support
 - 155 Occupational health and safety
 - 161 Development plans

- 8** **Social responsibility** **165**
 - 167 Approach to interaction with the population in the regions of presence
 - 168 Participation of the Bank in industry and government organisations and initiatives
 - 169 Support for small and medium-sized enterprises
 - 172 Tax policy and payments
 - 173 Social investments and charity
 - 179 Development plans
- 9** **Environmental responsibility** **183**
 - 184 Approach to managing environmental responsibility issues
 - 184 Emissions, water use and waste management
 - 192 Energy consumption and energy efficiency
 - 195 Development plans
- Annexes** **197**
 - 199 Annex A: GRI Content Index
 - 211 Annex B: Disclosure based on TCFD recommendations
 - 217 Annex C: SASB Industry Indicators
 - 219 Annex D: Supplementary information
 - 225 Annex E: Independent Auditor's Report
 - 229 Annex F: Glossary of Terms
 - 235 Annex G: Contact Information

Report Structure

Message from the Chairman
of the Board of Directors

Message from the President

1. About the Report
2. About the Bank:
key results for 2023a
3. Corporate governance
4. The Bank's contribution to
the achievement of the UN
Sustainable Development Goals
5. Respect for human rights,
business ethics and
anti-corruption
6. Interaction with customers
and suppliers
7. Interaction with staff
8. Social responsibility
9. Environmental responsibility

Annexes

1

2

Message from the Chairman of the Board of Directors

"We are proud to be able to contribute to creating a better future for all our customers and partners"



Dear friends,

Summing up the results of 2023, I would like to note that the economy and banking sector of Kazakhstan have successfully adapted to external conditions and in the past year have reached the trajectory of sustainable growth. Under these conditions, Bank CenterCredit JSC has developed a new development strategy, the consistent implementation of which resulted in positive results.

2023 was a busy year for sustainable development initiatives for the entire financial sector of the country. We recognise that serving our customers means not only a product offer, but also a responsible way of doing business. The Bank understands the value of a professional team of employees, so it strives to create decent working conditions for employees, by taking care of their health and well-being, and providing opportunities for their training and growth. We set ourselves ambitious goals to implement best practices in corporate governance, social responsibility and environmental protection.

We are pleased to present you the first sustainability report of our bank over the past year. In this document, we have compiled the most significant events and indicators that demonstrate our achievements in the environmental, corporate and social areas.

This is actively carried out in the regions where the Bank operates. We strive to be transparent and open to the public. In this report you will find information about the projects implemented by the Bank, resolved social and

environmental issues, and improved business processes for them to be more efficient and safer for the environment.

This document will help you better understand our mission and values, as well as give you an opportunity to evaluate our contribution to the development of society. As before, we continue to consistently develop to improve the quality of customer service, improve products and services, ensure growth due to the technological efficiency of all existing processes, and further develop together with our partners.

Chairman of the Board of Directors
Bank CenterCredit JSC

Bakhytbek Baiseitov



Report Structure

Message from the Chairman
of the Board of Directors

Message from the President

1. About the Report
2. About the Bank:
key results for 2023a
3. Corporate governance
4. The Bank's contribution to
the achievement of the UN
Sustainable Development Goals
5. Respect for human rights,
business ethics and
anti-corruption
6. Interaction with customers
and suppliers
7. Interaction with staff
8. Social responsibility
9. Environmental responsibility

Annexes

3 4

Message from the President

●● GRI 2-22

"In 2023, we have done a lot of work, having formed the entire management structure of the ESG agenda"



President
Bank CenterCredit JSC

Ruslan Vladimirov

Dear partners, clients and colleagues,

This is the first sustainability report of Bank CenterCredit JSC for 2023 prepared in accordance with international standards.

The report reflects the importance and significance of the sustainable development agenda in the Bank's operations, as well as identifies our priorities and contribution to the business development of our corporate clients and partners. It also discusses about the programs and solutions that we implement to improve the quality of life of ordinary citizens who use banking services on a daily basis, as well as our contribution to creating value for society as a whole through the implementation of an extensive social investment program.

The development of our bank's business model is based on a customer-centric approach, which determines our development strategy and the new and additional services and products that we developed and implemented during 2023. The sustainable development agenda, which includes environmental impact (E), social impact (S) and corporate governance (G), has also become an important element of our corporate long-term development strategy starting in 2023.

At the beginning of 2023, we initiated a project on ESG transformation. Based on the results of the analysis, with the involvement of international consultants, a roadmap for sustainable development until 2026 was prepared and approved, which included the implementation of more than 100 projects and initiatives in the area of sustainable development.

In 2023, we have done a lot of work, having formed the entire management structure of the ESG agenda: from the relevant directorate to the Sustainability Committee under the Board of Directors, which has allowed us to integrate the necessary elements into all operational and strategic areas of the Bank's activities.

For the company: reducing the negative environmental impact

In Kazakhstan, the past year was marked by the adoption of a number of landmark decisions on combating climate change. Kazakhstan updated the carbon neutrality strategy until 2060 and the Environmental Code in order to achieve the goals set at the country level. A significant body of regulatory norms for the development of green financial instruments has been adopted.

In 2023, our Bank was recognised as the first financial partner of the European Bank for Reconstruction and Development under the global Green Technology Financing Facility program. The Bank will continue to cooperate under this program in

2024, remaining a partner of the GEFF II program for green technology lending.

• The Bank also acted
• as a general partner at
• the annual VII Eurasian
• Business Forum on
• Renewable Energy and
• Waste Recycling "Green
• Energy & Waste Recycling
• Forum".

This is one of the largest events in Central Asia for the development of green business, efficient waste management and renewable energy.

Starting in 2023, as part of the developed roadmap for the sustainable development agenda, our Bank began to assess its own greenhouse gas emissions, as well as financed emissions across the entire portfolio, in order to better manage its own negative impact and develop interim targets for achieving carbon neutrality goals by 2050. The Bank plans to complete the development and approval of its own climate strategy in 2024.

The Bank continued to work with Ecosen to organise the export of separately collected recyclables for subsequent processing at specialised enterprises. In addition, a memorandum of cooperation was signed with the PlastNet network in order to scale the project across the entire branch network of the Bank. Training in environmental standards was also organised for the Bank's employees.

Report Structure

Address of the Chairman of the Board of Directors

President's address

1. About the Report
2. About the Bank: key results for 2023a
3. Corporate governance
4. The Bank's contribution to the achievement of the UN Sustainable Development Goals
5. Respect for human rights, business ethics and anti-corruption
6. Interaction with customers and suppliers
7. Interaction with staff
8. Social responsibility
9. Environmental responsibility

Annexes



For our clients

Following the results of the reporting period, the number of clients of the Bank increased to 3 million, while the total loan portfolio reached 2.9 trillion tenge, which is 42.3% more compared to the result for 2022.

Our Bank is constantly developing its product line and client services in order to remain as convenient as possible and offer optimal and affordable solutions that meet the expectations of both large corporate clients and small and medium-sized businesses, as well as will be in demand by our retail clients.

In order to support and develop small and medium-sized businesses in Kazakhstan, our Bank actively provides preferential financing for various projects related to the production of goods and services that are in daily demand. Also, starting from 2023, for the first time in Kazakhstan, representatives of small and medium-sized businesses can receive financing through subsidizing bonds under the Damu Fund program. The first transaction was conducted with the participation of the Bank's subsidiary, BCC Invest, acting as the financial advisor.

At the end of 2023, the loan portfolio of small and medium-sized business clients in Bank CenterCredit JSC reached 593 billion tenge, which is 169 billion tenge more compared to the prior year. The number of SME clients also increased by 13% in 2023. This growth was driven by the active development of key SME loan products, including Growing Business, Credit Limit on Account, Business Loan and Revolving Credit Line, which is in line with the Bank's strategic direction of increasing the share of the SME segment in the medium and long term.

Understanding the importance, prospects and demand for digital services and products in the banking sector, we developed our BCC.KZ mobile application and offered our clients extensive additional options related to access to public services, online investment opportunities and lending solutions through the Bank's mobile application. We also launched a service for adding funds to your cards via ApplePay in BCC.KZ, issuing premium cards online and password recovery via biometrics.

For corporate clients, the Bank has offered a number of new services, including marketing bonuses on Yandex platforms to enhance online promotion, free online accounting tools, and partnerships with Uchet.kz ecosystem, which provides discounts on professional training programs for accountants.

In 2023, several innovative projects were launched using the digital tenge. In partnership with fintech companies and startups, we have developed new personalised offers for our clients. Together with the Visa payment system and the National Payment Corporation of Kazakhstan, we have successfully completed the first stage of developing and testing financial transactions using digital tenge. Today, the Bank is ready to put products and services into commercial operation for end users, for example, issuing debit cards for receiving salaries in digital tenge.

For our partners

The Bank attaches great importance to compliance with the principles of sustainable development throughout the value chain. We intend to form a chain of responsible suppliers. In 2024, it is planned to introduce an ESG questionnaire of suppliers to assess their impact on the environment and society, and their readiness to follow the basic principles of sustainable development. The Bank has developed standard instructions and training materials for suppliers to facilitate their participation in this process.

The Bank actively cooperates with key higher education institutions in Kazakhstan, implementing initiatives to raise awareness in the area of information security. These activities include organising competitions, creating educational courses and conducting lectures, as well as providing internships for students with the possibility of subsequent employment in the team or employee pool.

For our employees

Today, our Bank employs more than 7.9 thousand employees. Decent working conditions, a system of social benefits, an open dialogue and continuous improvement of conditions for self-fulfilment allow us to achieve high levels of employee engagement.

The Bank invested 897 million tenge in social support and employee development programs, including voluntary health insurance, psychological and material assistance, as well as the BCC Key People project. In 2023, employee compensation, including social contributions and taxes, amounted to about 65 billion tenge, which exceeded the same indicator for 2022 by 71%, which underlines the Bank's strategic focus on the importance of investing in human capital. The Bank has developed an assessment system and effective motivation programs that allow it to build an employee pool and provide opportunities for career growth of employees.

The Bank has implemented various training programs to increase employees' awareness and competence in the area of sustainable development. In 2023, more than 60% of employees successfully completed training in various aspects of sustainable development. In cooperation with the European Bank for Reconstruction and Development, with the participation of international consulting companies, a series of seminars and trainings was organised within the framework of the ARDFM (the financial regulator) roadmap, including seminars on reporting in the area of sustainable

development, approaches to developing a climate strategy, and measures aimed at reducing the negative climate impact in the financial sector.

As training goals for employees in 2023, the Bank developed and implemented educational tools to encourage active participation in training, and organised specialised 'schools' for employees' career growth.

Examples of training platforms such as the "Colvir (software) School" and "(QA) TestersSchool" were created for external participants, with an emphasis on the employment of participants, where many people successfully integrated into the Bank's structure.

For society: implementation of social projects and charity

In 2023, the Bank supported more than 45 social and sponsorship projects: total investments amounted to 690 million tenge, including the implementation of projects in the area of eco-activism, education, healthcare, inclusivity, sports and culture.

The Bank finances socially significant projects under a contract with the state, including the construction of 24 comfortable schools under the program of Sovereign Wealth Fund "Samruk-Kazyna" JSC in the amount of 162 billion tenge. In addition, the Bank financed the construction of one of the largest Kunayev general education schools in Shymkent with a capacity of 3,500 seats. The project was implemented with the assistance of subsidising and guaranteeing instruments of the Damu Foundation.

The Bank pays special attention to projects related to inclusivity and providing all our clients with equal access to services and banking services. Currently, 176 ATMs are equipped with headphone jacks and additional functionality for blind and visually impaired people, which will allow such customers to easily top up their card account and withdraw funds.

Partnerships for sustainable development

In 2023, the Bank joined the UN Global Compact: this agreement is the world's largest voluntary initiative in the area of corporate social responsibility and sustainable development. We have also identified nine priority sustainable development goals for the medium term.

Improving the quality of life of our clients, partners, and employees, as well as ensuring the Bank's contribution to the growth of the country's economy and providing additional opportunities for future generations is the focus of Bank CenterCredit's sustainable development strategy.

I am confident that our public Sustainability Report, which we plan to provide annually to all stakeholders, will become a tool for effective communication, increasing transparency and presenting the results of our activities in all aspects of sustainable development



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

- Bank Profile
- Key events for 2023

2. About the Bank:
key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes



Marat Baltabayev

Famous marathon athlete, 3 gold medals, 76 years old

.....
We actively support sports events
creating the environment fostering
healthy lifestyle for all ages



centercredit

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

- Bank Profile
- Key events for 2023

2. About the Bank: key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

About the Report

Bank Profile

Bank CenterCredit JSC is one of the leaders in the country's banking system, providing simple and convenient products and services of the most modern technologies in all regions of Kazakhstan for **35 years.**

Today, the Bank has a wide branch network in the republic, serving individuals and legal entities in 21 branches and more than 150 offices in Kazakhstan.



The Bank's clients are more than **3 million** million individuals and more than **140 thousand** legal entities

The Bank attaches great importance to innovation and customer orientation, developing unique products specifically adapted to the needs of various categories of customers, providing them with a high level of convenience and accessibility of banking services.

The company is actively involved in the implementation of government programs to support entrepreneurship and is regularly awarded with high ratings by the expert community, confirming its reputation as the best bank for small and medium-sized businesses in Kazakhstan.



21

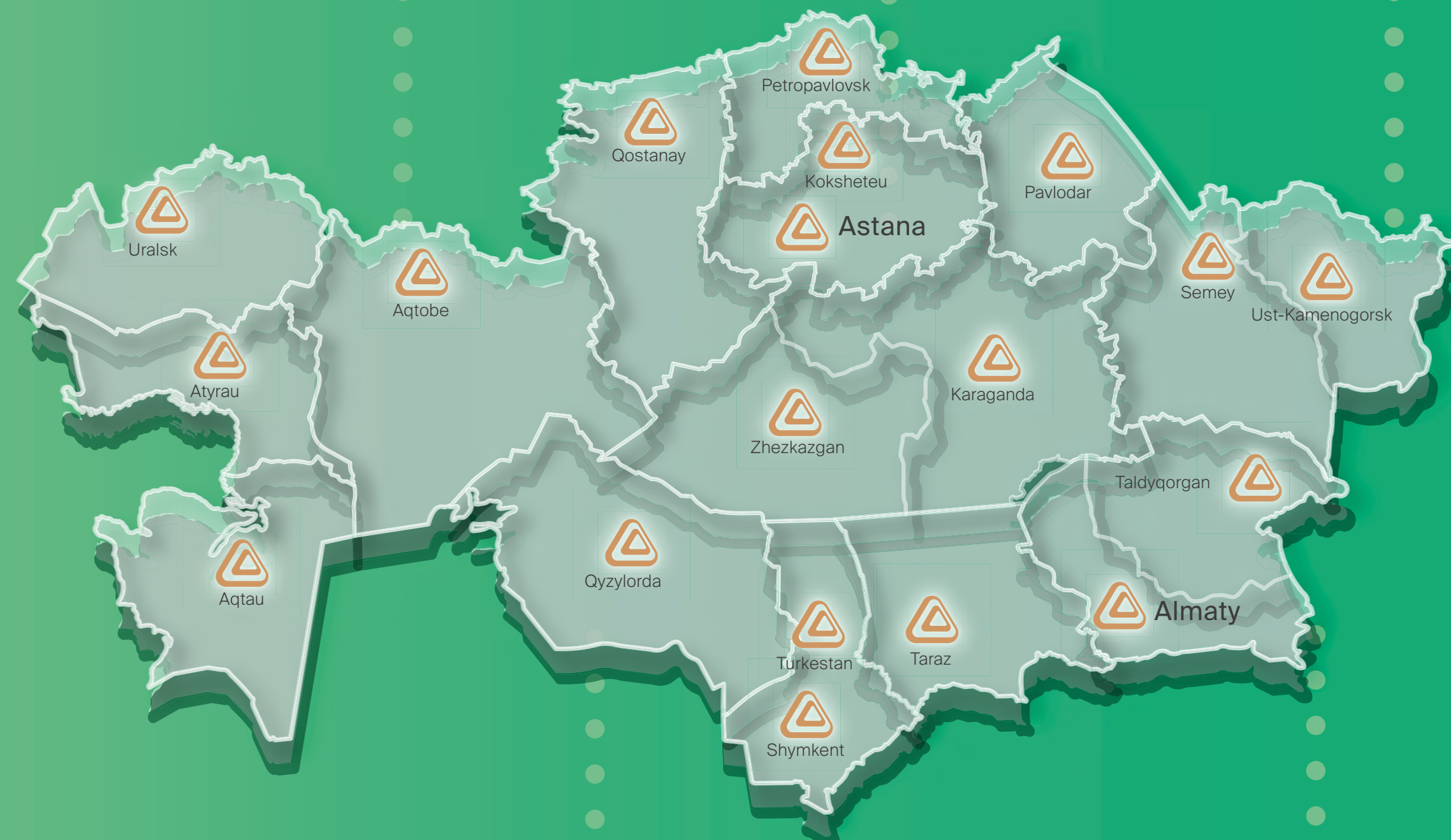
branches

152

facilities

273

SST¹



776

ATMs

18,018

POS terminals

¹Self-service terminals

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

- Bank Profile
- Key events for 2023

2. About the Bank: key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

Key events for 2023

31 March 2023

Bank CenterCredit JSC No. 1 green finance company in the country

The Bank was awarded in the category "Best Environmental Performance by Project Portfolio" at an event held in Almaty dedicated to the launch of the GEFF II green economy financing program in Kazakhstan, which was attended by financial institutions and international organisations.



4-5 July 2023

VII Eurasian Business Forum on Renewable Energy and Waste Recycling "Green Energy & Waste Recycling Forum"

The Bank acted as a General Partner at the annual businessforum, one of the largest events in Central Asia for the development of green business, efficient waste management and renewable energy.



24 April - 25 December 2023

TURAQTY JOL National Social Eco-Campaign

The project is aimed at educating the younger generation and promoted careful attitude to the environment. With the support of the Bank, an eco-festival, a global clean-up day and other events were held during the year, which reached more than 3,000 participants. The eco-campaign was organised jointly with the Kazakhstan National Federation of UNESCO Clubs and the Almaty Business Women's Association.



10 January 2024

Upcycling for the Future Exhibition

With the support of the Bank, "Upcycling for the Future" project was implemented jointly with Air Astana. It is an exhibition where a collection of conceptual furniture from decommissioned aircraft parts and on-board merchandise was presented. The project supported the idea of a circular economy and the reuse of materials.



Environment



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

- Bank Profile
- Key events for 2023

2. About the Bank: key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

31 January 2023

13 social projects of the year

At the beginning of 2023, the Bank summed up the results of projects implemented in 2022 aimed at systematically solving socially significant issues and tasks. Thirteen social projects were implemented, from the development of an inclusive environment to the translation of bestsellers into Kazakh.



12 May 2023

“Ulytq Ónim” exhibition of domestic manufacturers

The Bank sponsored the exhibition of domestic manufacturers “Ulytq Ónim”, which brought together more than 300 companies and 15,000 visitors. The Bank presented a master class on its modern online services, demonstrating how biometric technologies in mobile applications simplify interaction with the bank and optimise business processes.



24 November 2023

Central Asian QURLYTAI 2023

The Bank took part in the first Central Asian Quryltai of social Entrepreneurs. During the forum, experts shared their experience of successful social entrepreneurship projects in Central Asia. BCC presented a report that discussed funding mechanisms for social initiatives.



27 November 2023

Case-championship 2023 among students

The Bank sponsored the case championship 2023 for 2-4-year students of the Kazakhstan-British Technical University (KBTU), supporting the development of student professionalism in the area of finance and information technology. The prize fund of the championship was 1,500,000 tenge, which was distributed among the three winning teams.



Social



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

- Bank Profile
- Key events for 2023

2. About the Bank: key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes



30 November 2023

Almaty Geek Games Expo'23

The Bank became the general sponsor of the largest geek festival Almaty Geek Games Expo '23, which served as a platform for meeting creative personalities from the world of culture and entertainment.



4 December 2023

SUCTF-2023-Red-Line: Cybersecurity Innovations

With the support of the Bank and the Institute of Automation, in November 2023, the Kazakh National Technical University named after K.I. Satbayev hosted the cybersecurity competition "Satbayev University Capture The Flag (SUCTF) 2023", where 120 students from 30 teams and 7 universities of Almaty and Astana contested the victory.



11 March 2024

Bank CenterCredit JSC supported people with special needs

With the support of the Bank, wheelchairs were transferred to improve the living conditions of people with special needs in Shymkent as part of the opening of a branch of a company that develops solutions for people with special needs.



22 March 2024

Ring the Bell for Gender Equality Annual Opening Ceremony

The Bank took part in the annual opening ceremony of the Ring the Bell for Gender Equality auction. The event, prepared by Kazakhstan Stock Exchange (KASE) in partnership with the International Finance Corporation (IFC) and in the context of the UN Sustainable Stock Exchanges Initiative (SSE), highlights the importance of gender inclusiveness and equality in the area of sustainable development and ESG principles.



Social



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

- Bank Profile
- Key events for 2023

2. About the Bank: key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

5 April 2023

Approval of the ESG strategy

The Bank's Sustainable Development Strategy until 2025 was approved as part of its overall corporate long-term Development Strategy.



17 April 2023

Approval of the roadmap for ESG initiatives until 2026

In early 2023, the Bank's management initiated an ESG business transformation project. Based on the results of a gap analysis analysis, with the involvement of international consultants, a roadmap for sustainable development initiatives was prepared and approved, including more than 100 projects.



27 July 2023

Joining the UN Global Compact

The Bank joined the UN Global Compact, i.e. the world's largest voluntary initiative in the area of corporate social responsibility and sustainable development, aimed at helping companies conduct business responsibly by implementing their strategies and operations in the areas of human rights, labour relations, environmental protection and anti-corruption.



28 November 2023

Participation in the panel discussion "Kazakhstan's Business for Sustainable Development"

The Office of the UN Resident Coordinator in Kazakhstan organised a panel discussion to familiarise the business community with the UN SDGs and the UN Global Compact. The Bank took part in the session "Sustainable Financing to leave no one behind".



19 December 2023

The first meeting of the Sustainable Development Committee under the Bank's Board of Directors was held

In 2023, the first meeting of the Sustainable Development Committee was held, which was formed in 2023 to ensure effective strategic management of the sustainable development agenda and coordinate the development and implementation of the Bank's long-term sustainable development strategy.



Governance



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023

- Approach to reporting
- Reporting boundaries
- Principles for defining the content and quality assurance of the Sustainability Report
- Approach to identifying significant topics

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes




centercredit

We provide

smart and quick solutions

by creating long-term partnership relations with clients



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Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023

- Approach to reporting
- Reporting boundaries
- Principles for defining the content and quality assurance of the Sustainability Report
- Approach to identifying significant topics

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

About the Bank: key results for 2023

●● GRI 2-1; 2-2; 2-3; 2-4; 2-5; 3-1; 3-2; 3-3

During the reporting period, the Bank demonstrated the achievement of maximum indicators in the main areas of its activities.

Credit ratings

S&P Global
Ratings

BB-
Positive
19.03.2024

MOODY'S
Ba2
Positive
01.11.2023

Key indicators in sustainable development

Green Agenda initiatives



Reducing CO₂ emissions from 2021 as part of the GEFF program for financing green economy projects

163,632
tonnes of CO₂ equivalent

Social agenda initiatives



Social investments in charitable projects in the areas of education, health, ecology, culture and sports, as well as employee support

1.78 billion tenge

Direct economic value created
273,392
million tenge

Tax deductions including corporation tax (CT)
35,202
million tenge

International initiatives for financing sustainable projects

The Bank actively participates as a partner in the Green Economy Financing Facility (GEFF) program implemented by the European Bank for Reconstruction and Development (EBRD), as well as in the renewable energy and energy efficiency financing program implemented by the United Nations Development Program (UNDP).

Staff



65%
Proportion of female employees in the Bank

64%
Proportion of women in senior management

4,146 people
Employees who have completed an online course on foundations of ESG

Ecology



123,636 liters
Water conservation

27.5%
Reduction of specific indicators of electricity consumption per unit area compared to 2022

190.5 tonnes
Transfer of recyclables for disposal and recycling



Key indicators for sustainable development

●● GRI 3-3

Balance, KZT million 2021 ▲ 2022 ▲ 2023 ▲

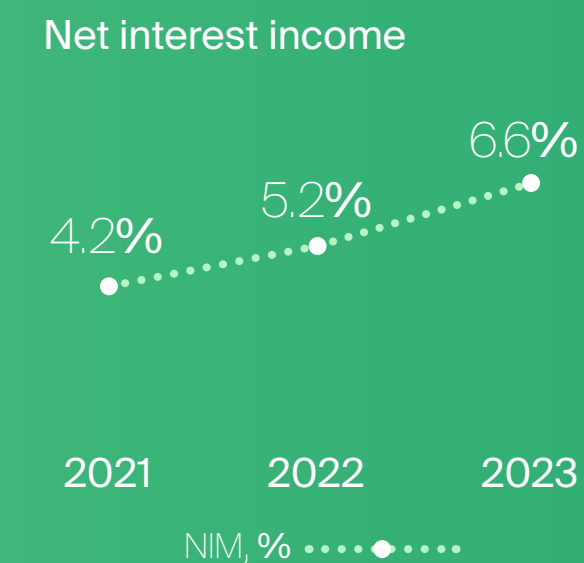
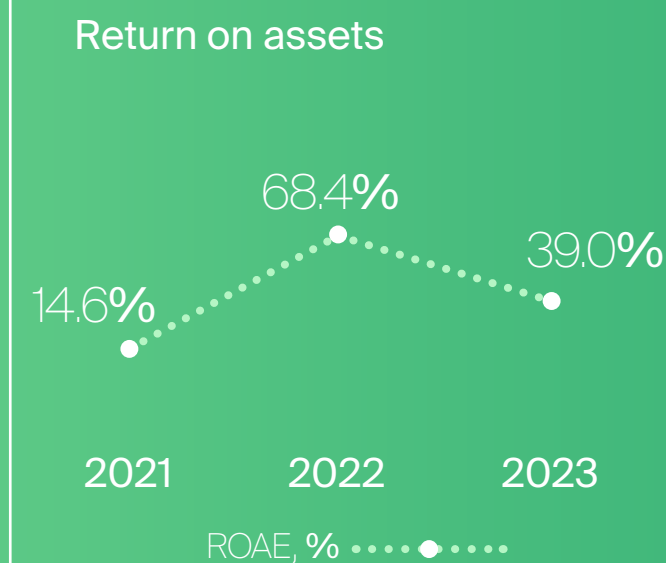
Assets 2,079,304 4,323,966 5,291,039

Loans 1,138,701 2,009,113 2,928,849

Equity 150,812 273,851 419,366

Profit and loss, KZT million 2021 ▲ 2022 ▲ 2023 ▲

Net interest income 67,302 135,246 257,551



Report Structure

Message from the Chairman
of the Board of Directors

Message from the President

1. About the Report

2. About the Bank:
key results for 2023

- Approach to reporting
- Reporting boundaries
- Principles for defining the content and quality assurance of the Sustainability Report
- Approach to identifying significant topics

3. Corporate governance

4. Bank's contribution to achieving
UN Sustainable development
goals5. Human rights compliance,
Business ethics, and anti-
corruption efforts6. Interaction with customers
and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

Approach to reporting

●● GRI 2-1; 2-3; 2-5

The Sustainability Report (hereinafter referred to as the Report) provides information on the Bank's activities in the areas of interaction with stakeholders, support and development of employees, respect for human rights, reducing environmental impact and contributing to the development of the country's economy. The Report reflects our approach to responsible business conduct in accordance with the UN Sustainable Development Goals (hereinafter referred to as the UN SDGs) and in the interests of all stakeholders with whom we interact: customers, partners, investors, suppliers, employees and society.

⋮ This Report is the first
⋮ non-financial report of the
⋮ Bank, which includes the
⋮ results and description of
⋮ the Bank's activities from
⋮ 1 January to 31 December
⋮ 2023. The reporting
⋮ periods of the Bank's
⋮ consolidated financial
⋮ statements and the
⋮ Sustainability Report are
⋮ identical.

When preparing the Report, the Bank was guided by the requirements of the Global Reporting Initiative Standards (hereinafter referred to as GRI Standards) and the Standards for the financial sector (Commercial Banks, Consumer Finance, Mortgage Finance) published by the Sustainability Accounting Standards Board (hereinafter referred to as the SASB Standard), as well as by applying the TCFD standard.

The Bank publishes non-financial reports on its activities, addressing them to a wide range of stakeholders, and strives to present significant information in a balanced manner that meets the interests of each group. We plan to continuously improve the quality of information disclosure.

The Report has passed independent limited assurance in accordance with the requirements of the International Auditing Standard ISAE 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information".

The scope of services for independent limited assurance and verification of the Sustainability Report of Bank CenterCredit JSC for 2023 in terms of non-financial information includes and is performed in relation to the list of indicators to be verified:

- **2-7 (a)** Employees
- **2-12 (a)** The role of the highest governance body
- **2-26 (a, i-ii)** Mechanisms for seeking advice and raising concerns
- **2-30 (a)** Collective bargaining agreements
- **3-1 (a (i-ii), b)** Process to determine material topics
- **3-2 (a)** List of material topics
- **201-1 (a, i-iii)** Direct economic value generated and distributed
- **201-4 (a, i-viii)** Financial assistance received from the Government
- **205-3 (a)** Confirmed incidents of corruption and actions taken
- **303-3 (a, i-v)** Water withdrawal
- **305-1 (a)** Direct greenhouse gas emissions (Scope 1)
- **305-2 (a)** Indirect greenhouse gas emissions (Scope 2)
- **306-4 (a)** Waste diverted from disposal
- **401-1 (a, b)** New employee hires and employee turnover
- **401-2 (a, ii, iv, vii:** financial assistance, namely birth salary) Benefits provided to full-time employees that are not provided to temporary employees
- **401-3 (a, b)** Parental leave
- **403-1 (a, i)** Occupational health and safety management system
- **403-5 (a)** Worker training on occupational health and safety
- **403-9 (a, i-v)** Work-related injuries
- **404-1 (a, i-ii)** Average hours of training per year per employee
- **404-3 (a)** Percentage of employees receiving regular performance and career development reviews
- **405-1 (a, i-ii, b, i-ii)** Diversity of governance bodies and employees
- **405-2 (a)** Ratio of basic salary and remuneration of women to men
- **415-1 (a)** Total monetary value of in-kind financial and political contributions made directly by the organisation, by country and recipient / beneficiary
- **418-1 (c)** Substantiated complaints concerning breaches of customer privacy and losses of customer data



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023

- Approach to reporting
- Reporting boundaries
- Principles for defining the content and quality assurance of the Sustainability Report
- Approach to identifying significant topics

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

Reporting boundaries

●● GRI 2-2; 2-4

The boundaries of the Sustainability Report may differ from the perimeter of the Bank's consolidated financial statements and include information about the activities of Bank CenterCredit JSC, namely the Bank's head office and its branches.

For individual indicators, the consolidation outline may differ from the one indicated above. In this case, additional information is provided.

In this report, the boundaries of the Sustainability Report cover 96.49% of the Bank's consolidated revenue. The calculation is based on the Bank's operating income in accordance with the separate and consolidated financial statements.

Principles for defining the content and quality assurance of the Sustainability Report

●● GRI 3-1

When preparing the Report, the Bank was guided by the following principles of GRI Standards:

- Sustainability context in the Report
- Materiality
- Completeness
- Accuracy
- Clarity
- Balance
- Comparability
- Verifiability
- Timeliness

Approach to identifying material topics

●● GRI 2-4; 3-1; 3-2; 3-3

The Bank has started evaluating material topics for sustainable development in 2023. The analysis consisted of the following steps:

Stage 1



Trends and analysis of the external environment

Industry trends are studied and the external environment is analysed. In particular, industry reviews, changes in legislation, requirements of national and international standards, opinions of the expert community, as well as best practices were studied. The Bank takes into account the results of interaction with stakeholders during the reporting period. As a result of the first stage, a list of topics that are potentially material for various groups of stakeholders is formed.

Stage 2



Identifying material topics

The significance of the selected topics was assessed by conducting an online survey among internal and external stakeholders and further analysing of the obtained results. Respondents were asked to assess the significance of the Bank's impact on the economy, the environment and people, including the impact on human rights, as well as the impact of external factors on the Bank itself, according to the double materiality principle.

In addition, the Bank has relied on the ARDFM's environmental, social and corporate governance disclosure guidelines for banks and other financial institutions to address industry-specific issues, which have resulted in the inclusion of specific topics related to responsible banking products, availability of financial products and services, and information security. As a result, a general list of material topics for the Bank was prepared.

Stage 3



Impact of materiality assessment.

The material of each topic was ranked in terms of importance to internal and external stakeholders. As a result, a materiality matrix was formed.

Based on the analysis of material topics for 2023, the list of topics also includes three bank-specific topics: "Digitalization and Innovation", "Information Security" and "Availability of financial products and Services".

Specific topics are recognised as material for certain stakeholders, and information on these topics is disclosed in this Report.

Stage 4



Prioritisation and consideration of stakeholder recommendations

Based on the analysis of the questionnaires and the formation of the materiality matrix, it was decided to select 13 topics as material, including Bank-specific topics with an overall priority of at least 70%. The overall priority percentage is the average value between the ratings of external and internal stakeholders for each topic. This approach provides a balanced and objective approach to identifying key areas of the Bank's activities in the context of sustainable development.

In the future, the Bank also plans to take into account comments and recommendations from representatives of stakeholders, which will be taken into account when preparing the Sustainability Report.

In total, representatives of seven groups of the Bank's stakeholders took part in the survey:

- Employees
- Customers
- Business partners
- Suppliers
- Expert communities and international organizations
- Population of the regions of presence and NGOs
- Mass media

More than **2,500 responses** were received during the survey. Of these stakeholders:

- **Internal – 2465 respondents**
- **External – 50 respondents**

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023

- Approach to reporting
- Reporting boundaries
- Principles for defining the content and quality assurance of the Sustainability Report
- Approach to identifying significant topics

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes



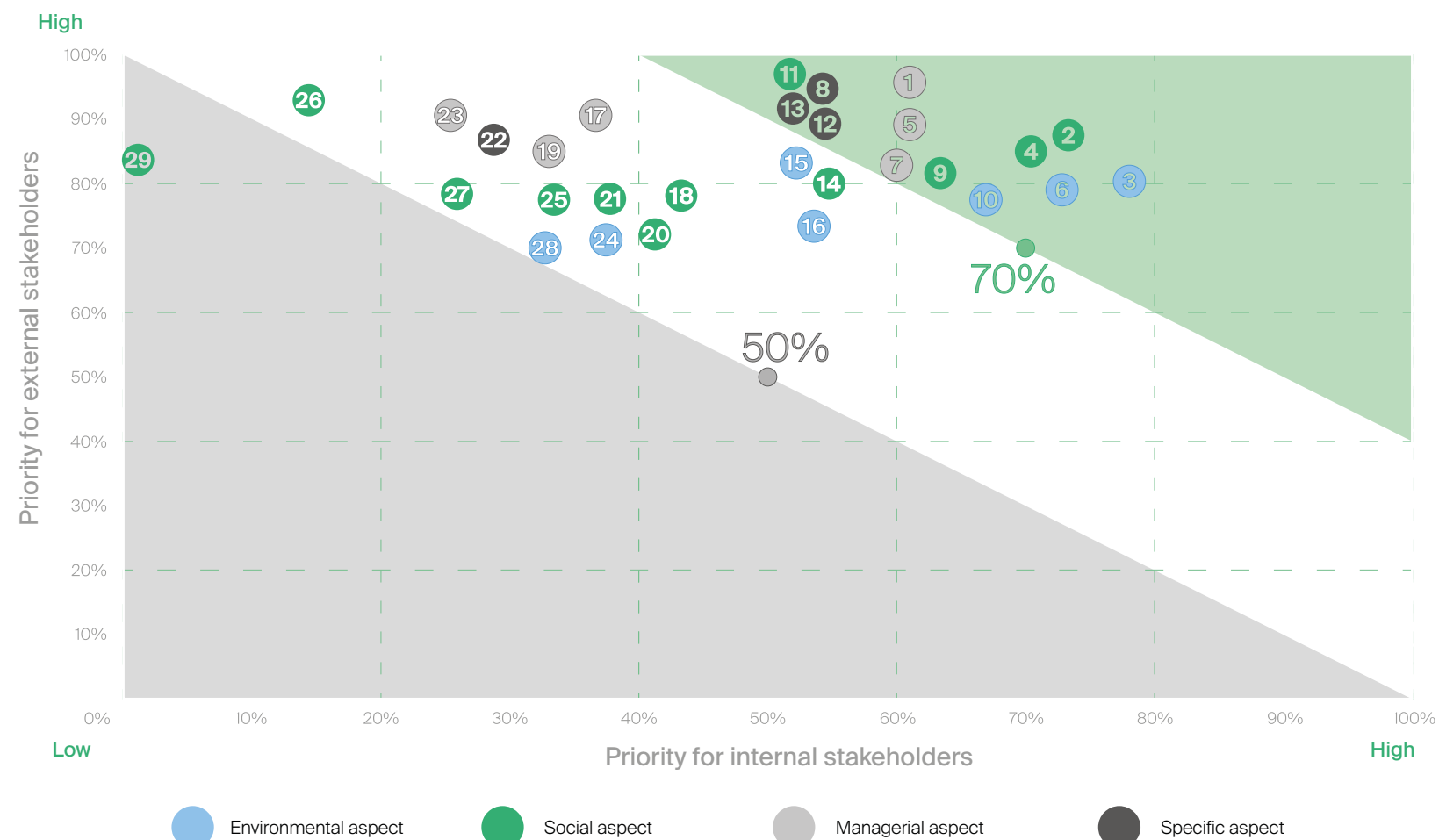
List of material topics

●● GRI 3-2

The results of the analysis of material topics were approved at the meeting of the Risk Management Committee of the Management Board of Bank CenterCredit JSC.²

The selected material topics reflect the Bank's main business areas in the context of sustainable development, taking into account the views of both internal and external stakeholders.

Matrix of material topics by priority for internal and external stakeholders



Based on the results of the analysis of material topics, 29 topics were identified. 13 top priorities were selected for disclosure in the Sustainability Report. Structure of 13 selected material topics by aspect:

- Environmental – 3
- Social – 4
- Governance – 3
- Bank-specific – 3

Disclosure requirements in the field of climate change and sustainable development are rapidly evolving. In accordance with GRI requirements, the Bank plans to annually review the list of material topics, as well as use the industry standard, which will allow building more effective communication with stakeholders and meet the current challenges and expectations of stakeholders.

Topics with an indication of materiality for stakeholders, %

Rank	Aspect	Topic	Materiality		
			Internal stakeholders	External stakeholders	Average value
1	Economic and Management	Anti-corruption measures	61	97	78.9
2	Social	Staff training and development	71	87	78.8
3	Ecological	Waste management	77	81	78.8
4	Social	Workplace safety and health	68	87	77.5
5	Economic and Management	Economic performance	61	91	75.8
6	Ecological	Energy efficiency	70	80	75.1
7	Economic and Management	Corporate governance system	60	86	73.2
8	Specific questions	Digitalisation and innovation	52	93	72.6
9	Social	Bank's Sustainable Development Strategy	63	82	72.4
10	Ecological	Water consumption	66	78	72.0
11	Social	Human rights	50	93	71.9
12	Specific questions	Information security	51	92	71.4
13	Specific questions	Availability of financial products and services	49	92	70.5
14	Social	Staff remuneration and evaluation	56	81	68.6
15	Ecological	Paper consumption	54	82	67.9
16	Ecological	Climate change	55	75	65.2
17	Economic and Management	Interaction with the state	36	90	63.2
18	Social	Human resources management	42	79	60.7
19	Economic and Management	Interaction with stakeholders	32	86	59.1
20	Social	Charitable activities	40	75	57.7
21	Social	Diversity and equal opportunities	37	79	57.6
22	Specific questions	Responsible financing	27	87	57.1
23	Economic and Management	Tax policy	25	89	56.8
24	Ecological	Environmental assessment of suppliers	37	74	55.4
25	Social	Socially responsible purchases	31	78	54.7
26	Social	Support for small and medium-sized businesses	16	92	54.0
27	Social	Socio-economic impact on the regions	28	80	53.8
28	Ecological	Biodiversity	32	70	51.0
29	Social	Contribution to the development of the population of the regions of presence	0	83	41.7

²Protocol No. 34-22 of 04/22/2024



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023a

3. Corporate governance

- Corporate governance system
- Sustainability management
- Operational risk management and internal control
- Internal Audit Function
- Risk management in the area of sustainability
- Plans for the development of the sustainable development management system

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes



Transparency and ethics

are the grounds for our corporate governance

Report Structure

Message from the Chairman
of the Board of Directors

Message from the President

1. About the Report

2. About the Bank:
key results for 2023a

3. Corporate governance

- Corporate governance system
- Sustainability management
- Operational risk management and internal control
- Internal Audit Function
- Risk management in the area of sustainability
- Plans for the development of the sustainable development management system

4. Bank's contribution to achieving
UN Sustainable development
goals

5. Human rights compliance,
Business ethics, and anti-
corruption efforts

6. Interaction with customers
and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

Corporate governance

●● **GRI 2-9; 2-10; 2-11; 2-12; 2-13; 2-14; 2-17; 2-18; 2-19; 2-20; 2-21; 2-22; 2-23; 2-24; 2-29; 3-3; 201-2; 405-1; SASB FN-CB-410a.2**

BCC recognises that the quality of corporate governance plays a crucial role in ensuring the Bank's sustainability and long-term success. Effective corporate governance underpins the Bank's operations, strategic decisions, and relations with shareholders, customers, and other stakeholders. This section describes in detail the Bank's governance structure, its approaches to managing sustainability issues, as well as risk management, internal control and audit.

Corporate governance system

●● **GRI 2-9; 2-10; 2-11; 2-18; 2-19; 2-20; 2-21; 3-3; 405-1**

BCC pays great attention to the organisation and implementation of corporate governance as one of the key elements of ensuring the Bank's sustainability, operational and financial efficiency growth.

The key objectives of the Bank's corporate governance system are:

- Exercising the rights of the Bank's shareholders
- Increasing the transparency of the Bank's activities
- Creating effective risk assessment mechanisms that can affect the value of the Bank's assets
- Efficient use of funds provided by shareholders

- Corporate governance is based on respect for the rights and legitimate interests of the Bank's shareholders and staff, and contributes to its effective operations, including: increasing the value of assets, maintaining financial stability and profitability, and creating jobs.
- Transparency in the implementation of its activities by all participants of corporate governance is the basis for effective operation and investment attractiveness of the Bank. The principles of corporate governance are aimed at creating trust in relations arising in connection with the management of the Bank.
- The risk management system ensures awareness of the authorised collegial bodies of the Bank that make decisions that carry risks by building an effective corporate governance system, having complete, reliable and timely management information about the significant risks inherent in the Bank's activities.

These principles of corporate governance of the Bank are formulated taking into account:

- The Law of the Republic of Kazakhstan 'On Joint-Stock Companies'
- The Principles of Corporate Governance of the Organisation for Economic Cooperation and Development (OECD)
- International practice in the area of corporate governance
- Other regulatory legal acts of the Republic of Kazakhstan

Following the principles of corporate governance ensures the creation of an effective approach for conducting an objective analysis of the Bank's activities and receiving appropriate recommendations from analysts, financial consultants, and rating agencies.

The Bank's corporate governance system is constantly being improved to meet the needs of shareholders and other stakeholders, ensuring a unified approach to managing sustainable business development. This approach is considered by the Bank as an integral part of the overall work to improve the efficiency of the Bank's activities and is subject to control by the Bank's Board of Directors and executive bodies.

The Bank's corporate governance principles and procedures are set out in internal documents, the main one being the Bank's Corporate Governance Code, which was updated in the reporting period considering best practices and the Bank's commitment to the principles of sustainable development and is based on the following principles:

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023a

3. Corporate governance

- Corporate governance system
- Sustainability management
- Operational risk management and internal control
- Internal Audit Function
- Risk management in the area of sustainability
- Plans for the development of the sustainable development management system

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

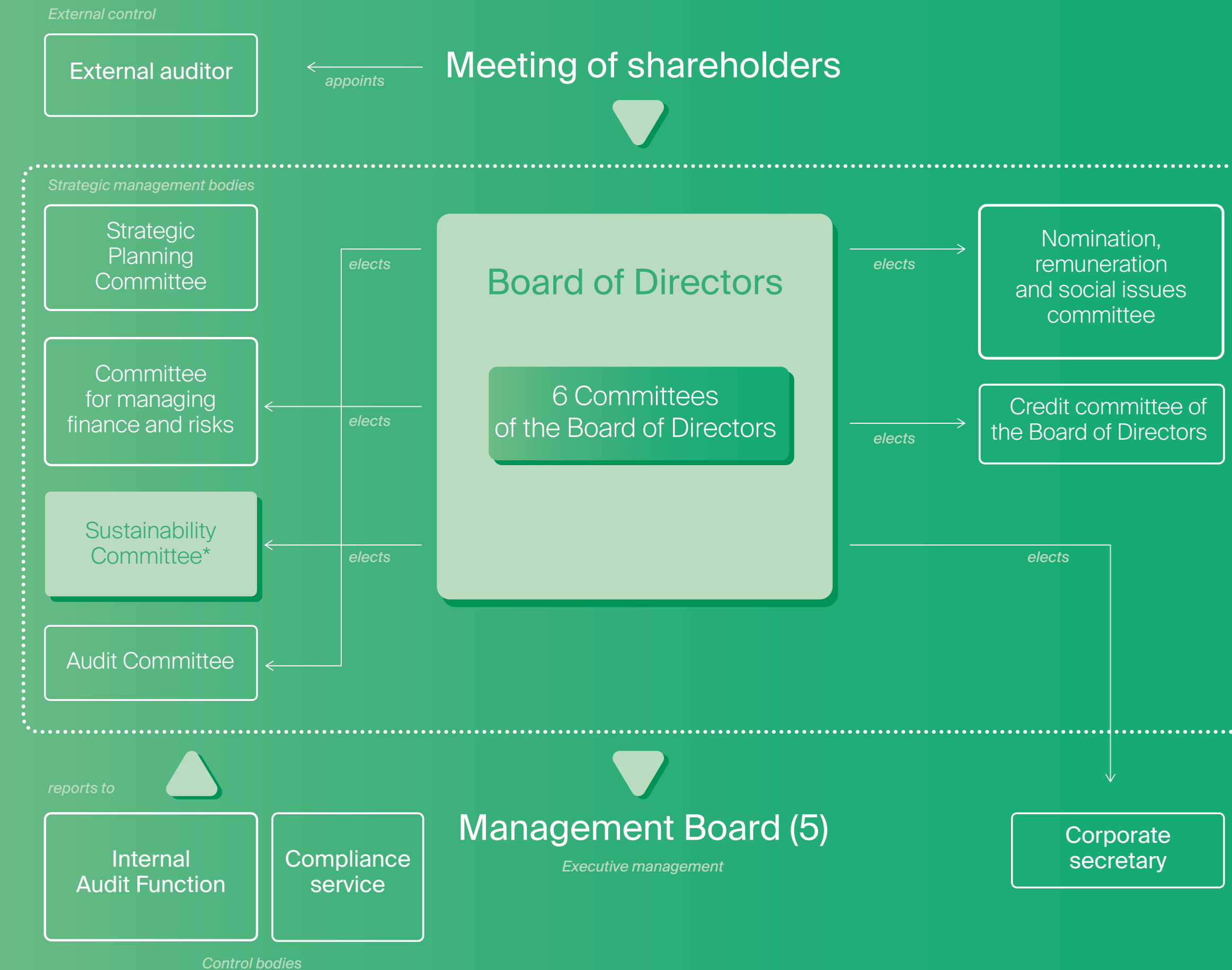
7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

Corporate governance structure of the Bank



*The committee was established in 2023

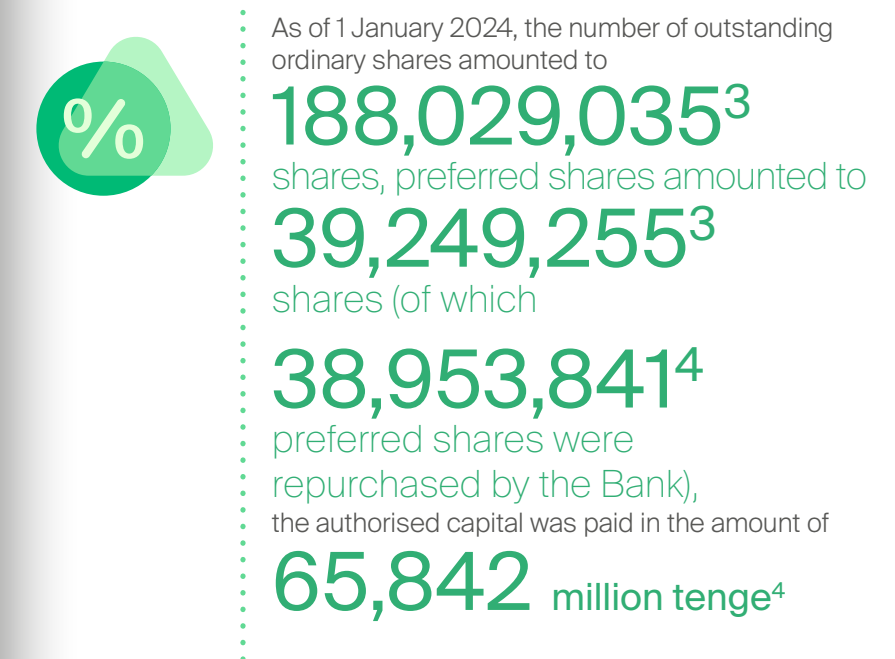
General Meeting of Shareholders

The Bank's supreme governing body is the General Meeting of Shareholders. Shareholders exercise their right to participate in the management of the Bank by voting on items on the agenda of the General Meeting of Shareholders.

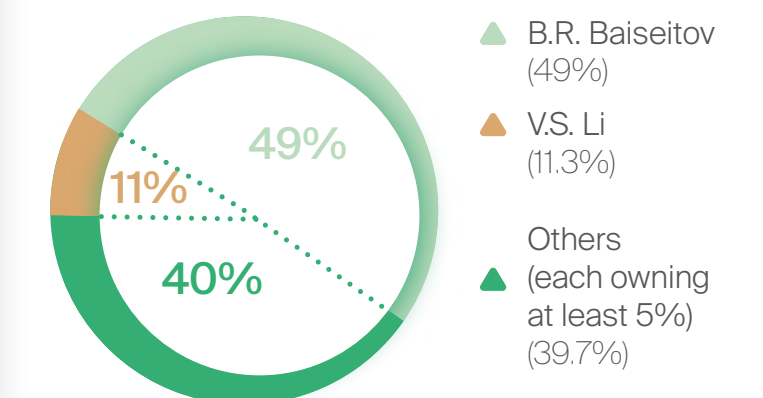
In 2023, the General Meeting of Shareholders considered a number of issues related to sustainable development, including:

- Approval of the new version of the Corporate Governance Code of Bank CenterCredit JSC
- Determination of the amount and terms of payment of remuneration and expenses to members of the Board of Directors for the performance of their duties in accordance with Article 18 of the Corporate Governance Code of Bank CenterCredit JSC

Bank's shareholders



The structure of shareholders holding at least 5.0% of the outstanding shares (except for those repurchased by the Bank) as of 1 January 2024 is presented below, %



³According to the data of the register of securities holders provided by Central Securities Depository JSC

⁴According to the separate financial statements of Bank CenterCredit JSC

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023a

3. Corporate governance

- Corporate governance system
- Sustainability management
- Operational risk management and internal control
- Internal Audit Function
- Risk management in the area of sustainability
- Plans for the development of the sustainable development management system

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

Board of Directors

●● GRI 2-9; 2-10; 2-11

The Bank's Board of Directors, elected by and accountable to shareholders, provides strategic management and control over the activities of the Bank's executive bodies: the President and the Management Board. According to the international definition, the Bank's Board of Directors is classified as a two-tier management system ("Two-Tier System Board"), consisting of the Board of Directors and the Management Board.

Members of the Board of Directors are elected through a transparent procedure that considers the diversity of shareholders' opinions, ensures that the composition of the Board of Directors meets the requirements of the law and allows for the election of independent directors.

The Corporate Governance Code stipulates that the head of an executive body cannot be elected as the Chairman of the Board of Directors. The Code also prescribes that the share of independent⁵ directors should be at least 30% of the Board of Directors.



As of 31 December 2023, the Board of Directors consisted of **six members.**

All six members of the Board of Directors of Bank CenterCredit JSC are non-executive, including three independent directors. Two members of the Board are major shareholders of the Bank, with an ownership interest of more than 5%. The Chairman is a non-executive Director, but is not an independent member of the Board of Directors.



Bakhytbek R. Baiseitov

Job title

Chairman of the Board of Directors

Date of election / re-election

12 May 2023

Duties

- Banking
- Finance
- Strategic development

Current positions

- **1996 – until now:** President of the Association of Banks of Kazakhstan
- **1997 – until now:** Chairman of the Board of Directors of Bank CenterCredit JSC.
- **2003 – until now:** Chairman of the Board of Directors of BCC Invest JSC.
- **2020 – until now:** Chairman of the Business Council of the Financial and Banking Association of Euro-Asian Cooperation (FBA EAC)
- **2023 – until now:** Chairman of the Board of Directors of Sinoasia B&R Insurance Company JSC (Sinoasia B&R)



Vladislav S. Li

Job title

Member of the Board of Directors

Date of election / re-election

12 May 2023

Duties

- Banking
- Finance
- Strategic development

Current positions

- **2000 – until now:** Member of the Board of Directors of Bank CenterCredit JSC
- **2018 – until now:** Independent member of the Board of Directors of KBTU JSC



Jumageldi R. Amankulov

Job title

Member of the Board of Directors

Date of election / re-election

12 May 2023

Duties

- Banking
- Finance
- Corporate governance

Current positions

- **2011 – until now:** Member of the Board of Directors of Bank CenterCredit JSC

⁵The definition of "independent director" used in this Report is consistent with the Law of the Republic of Kazakhstan "On Joint-Stock Companies" and the independence criteria set out in S&P Global Ratings methodologies for assessing the sustainable development of companies.

Report Structure

Message from the Chairman
of the Board of Directors

Message from the President

1. About the Report

2. About the Bank:
key results for 2023a

3. Corporate governance

- Corporate governance system
- Sustainability management
- Operational risk management and internal control
- Internal Audit Function
- Risk management in the area of sustainability
- Plans for the development of the sustainable development management system

4. Bank's contribution to achieving
UN Sustainable development
goals5. Human rights compliance,
Business ethics, and anti-
corruption efforts6. Interaction with customers
and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes



Werner
Frans
Jozef Claes

Job title

Member of the Board of Directors –
Independent Director

Date of election / re-election

12 May 2023

Duties

- ESG and sustainable development
- Accounting and auditing
- Finance

Current positions

- **2008 – until now:** President of Global Financial Consulting
- **2010 – until now:** Senior Consultant at International Financial Consulting Ltd
- **2011 – until now:** Member of the Board of Directors, Independent Director of Bank CenterCredit JSC
- **2017-2023:** Member of the Board of Directors of Bank Uralsib PJSC
- **2019 – until now:** Member of the Board of Directors of AccessBank CJSC
- **2022 – until now:** Independent member of the Supervisory Board of JSC Bank Eskhata)



Anvar G.
Saidenov

Job title

Member of the Board of Directors –
Independent Director

Date of election / re-election

12 May 2023

Duties

- Finance
- Strategic development
- Risk management

Current positions

- **2018 – until now:** Member of the Board of Directors, Independent Director of Home Credit Bank JSC subsidiary bank
- **2018 – until now:** Member of the Board of Directors, Independent Director of Development Bank of Kazakhstan JSC
- **2019 – until now:** Member of the Board of Directors, Independent Director of Bank CenterCredit JSC
- **2022-2023:** Director of 50 North Capital Limited
- **2022-2023:** Member of the Board of Directors of Unicorn Holdings Limited JSC



Kuat B.
Kozhakhmetov

Job title

Member of the Board of Directors – Independent Director

Date of election / re-election

12 May 2023

Duties

- Strategic development
- Finance
- Corporate governance

Current positions

- **2016-2023:** Member of the Board of Directors, member of the Audit and Internal Control Committee of AIFC Administration JSC
- **2020-2023:** Chief Consultant to the AIFC Governor, AIFC Administration JSC
- **2022-2023:** Independent Member of the Board of Directors, Chairman of the Strategy and Investment Committee of National Company Kazakhstan Engineering JSC
- **2022 – until now:** Independent Director, member of the Board of Directors of Standard Life Insurance Company JSC
- **2022 – until now:** Member of the Board of Directors / Independent Director of Kazakhstan Housing Company JSC
- **2022 – until now:** Member of the Board, Independent Director of Bank CenterCredit JSC
- **2023 – until now:** Independent Director, member of the Board of Directors of Banking Service Office of the National Bank of Kazakhstan
- **2023 – until now:** Independent Director, member of the Board of Directors of Sinoasia B&R Insurance Company JSC (Sinoasia B&R)
- **2023 – until now:** Member of the Board of Directors, Independent Director of First Heartland Jusan Bank JSC

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023a

3. Corporate governance

- Corporate governance system
- Sustainability management
- Operational risk management and internal control
- Internal Audit Function
- Risk management in the area of sustainability
- Plans for the development of the sustainable development management system

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes



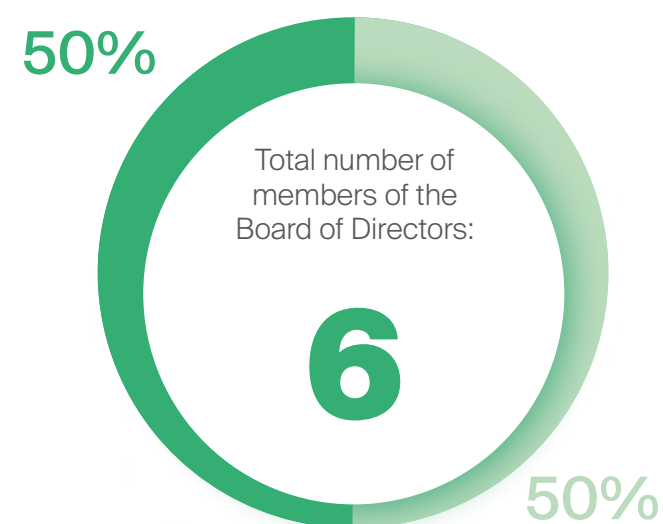
In 2023, the Board of Directors held

five in-person meetings and adopted

242 resolutions by absentee voting.

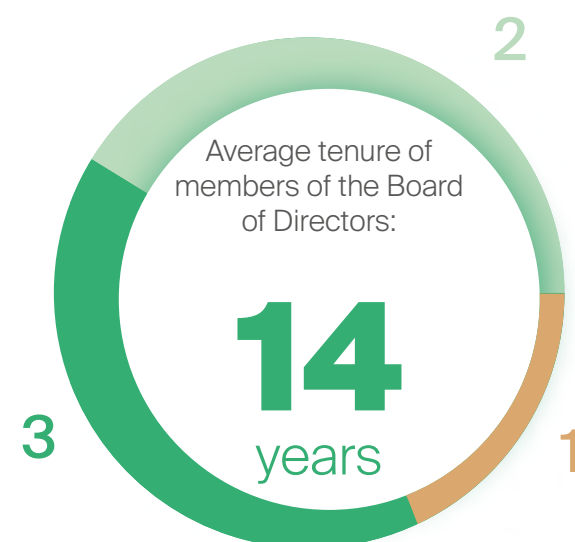
Attendance at Board meetings in 2023 was 100%. At that, in accordance with the Corporate Governance Code, the minimum quorum for holding meetings of the Board of Directors is set at 50%.

Share of independent directors, %



▲ Independent members of the Board of Directors

Number of members of the Board of Directors by term of office



▲ less than 7 years ▲ 7-12 years ▲ 13 years or more

Performance assessment of the Board of Directors

●● GRI 2-18

According to the Regulation on Performance Evaluation of the Board of Directors of Bank CenterCredit JSC, the Board performs an assessment using one of the following methods:

- Independently managed by the Board of Directors on an annual basis
- With the involvement of consultants, professional associations and organisations that assign corporate governance ratings

In 2023, the performance of the Board of Directors was evaluated based on the results of 2022, using a self-assessment method through a questionnaire, the results of which were submitted for consideration to the General Meeting of Shareholders of the Bank, held on 12 May 2023.

Members of the Board of Directors are re-elected if an item is included in the agenda at the General Meeting of Shareholders. In 2022 and 2023, the Board members were re-elected on an annual basis, but this annual frequency is not strictly regulated by the Bank's internal regulatory documents.

Committees under the Board of Directors

●● GRI 2-9

Special committees have been set up under the Bank's Board of Directors in order to improve efficiency and work in more detail in certain areas of the Bank's activities.

As of 31 December 2023, the Bank had six committees in operation:

- Audit Committee
- Financial and Risk Management Committee
- Strategic Planning Committee
- Credit Committee of the Board of Directors
- Nomination, Remuneration and Social Issues Committee

- Committee for Sustainable Development

At that, according to the Corporate Governance Code, Audit, Strategic Planning and Nomination, Remuneration and Social Issues committees should be headed only by independent members of the Board of Directors.



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023a

3. Corporate governance

- Corporate governance system
- Sustainability management
- Operational risk management and internal control
- Internal Audit Function
- Risk management in the area of sustainability
- Plans for the development of the sustainable development management system

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

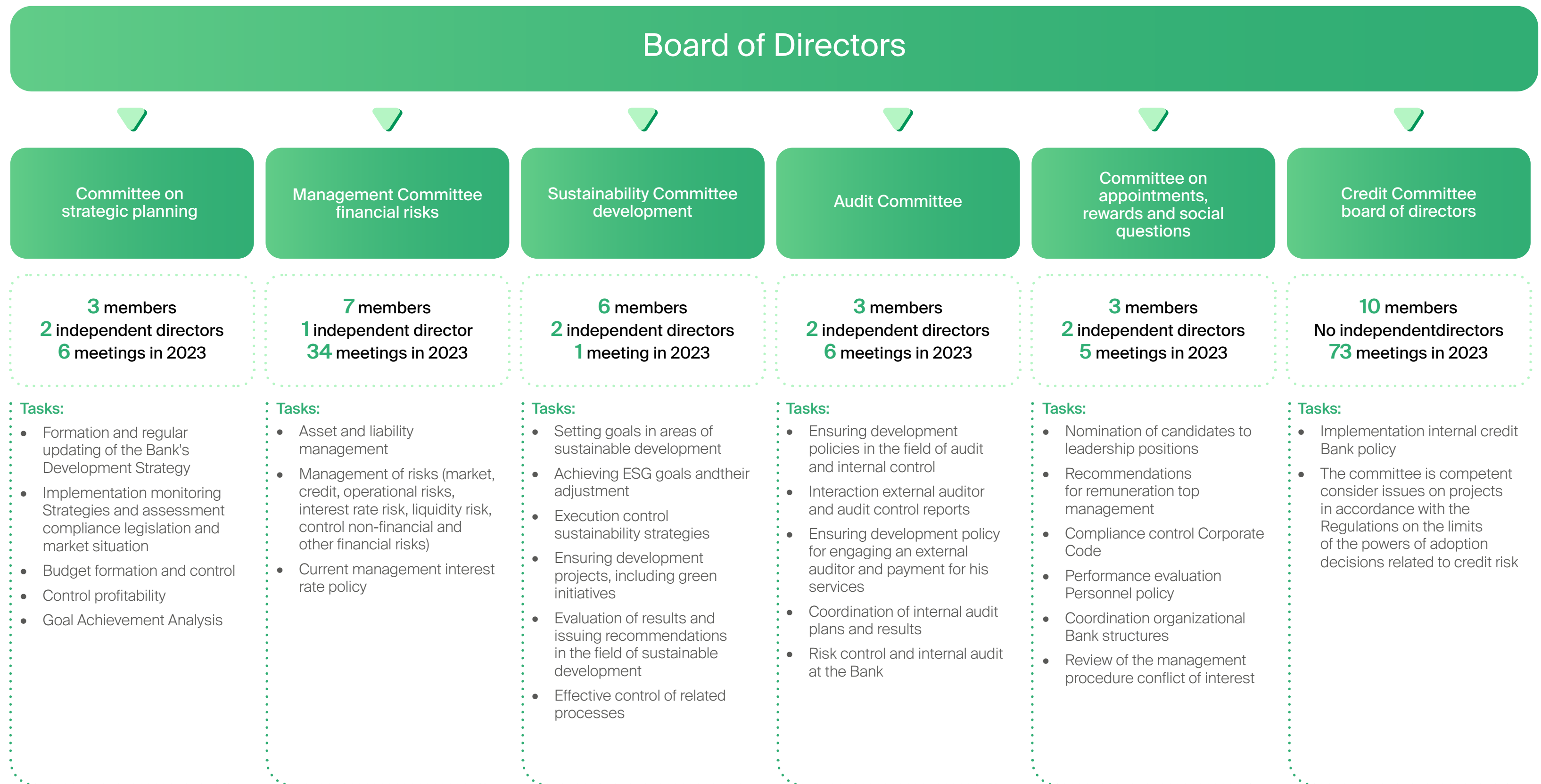
7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

Structure of committees under the Board of Directors



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023a

3. Corporate governance

- Corporate governance system
- Sustainability management
- Operational risk management and internal control
- Internal Audit Function
- Risk management in the area of sustainability
- Plans for the development of the sustainable development management system

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

Audit Committee

As of 31 December 2023, the committee consisted of three members: two of them were independent directors, including the Chairman of the committee, Werner Frans Jozef Claes.

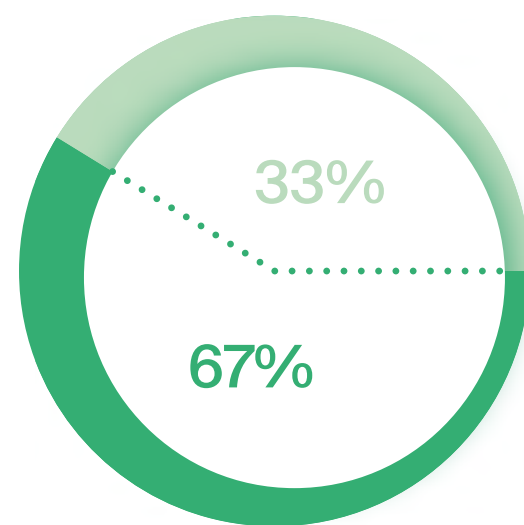
Composition of the Audit Committee

Full name of the committee member	Job title	Independence
Werner Frans Jozef Claes	Chairman of the Committee, member of the Board of Directors	Independent Director
Anvar G. Saidenov	Member of the Board of Directors	Independent Director
Vladislav S. Li	Member of the Board of Directors	-

In 2023, the Audit Committee held six meetings, two of which were held in absentia. During the reporting period, 14 issues were considered, which included, among other things:

- Review of the Bank's annual financial statements and IAS activity reports
- Review of the strategic annual internal audit plan for 2024
- Consideration of issues related to the Bank's external audit activities

Proportion of independent directors in the Audit Committee, %



- ▲ Independent members of the Board of Directors
- ▲ Members of the Board of Directors

Financial and Risk Management Committee

As of 31 December 2023, the committee consisted of seven members, four of whom were members of the Management Board. Anvar Saidenov, the Chairman of the Financial and Risk Management Committee, is the only independent director in the committee.

Composition of the Financial and Risk Management Committee

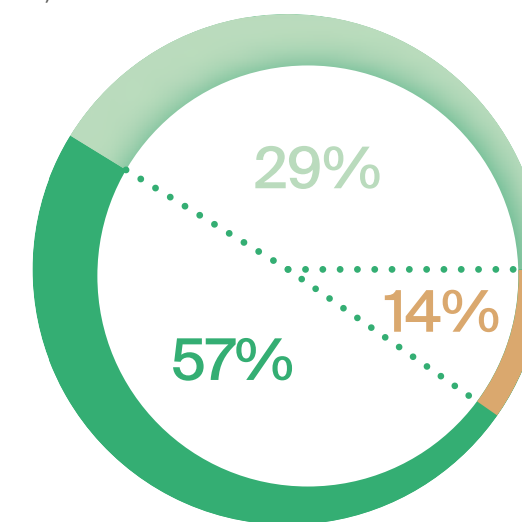
Full name of the committee member	Job title	Independence	Comment
Anvar G. Saidenov	Chairman of the Committee, Member of the Board of Directors	Independent Director	-
Vladislav S. Li	Member of the Board of Directors	-	-
Jumageldi R. Amankulov	Member of the Board of Directors	-	-
Ruslan V. Vladimirov	President	-	-
Rustam B. Tenizov	First Vice-President	-	-
Marat T. Kenzhekhanov	Deputy Chairman of the Management Board, Member of the Management Board (Vice-President)	-	Date of resignation from the Committee: 12 May 2023
Nurlan U. Shegebayev	Vice President	-	Date of joining the Committee: 5 April 2023
Anastasia S. Ovsyannikova	Vice President	-	Date of joining the Committee: 4 July 2023

In 2023, the Financial and Risk Management Committee held 12 regular and 22 extraordinary meetings, and adopted about three hundred decisions.

During the year, the Committee reviewed and made relevant and timely decisions on the Bank's activities in terms of:

- Managing the structure of assets, liabilities and capital
- Manage the current interest rate policy
- Setting interest rates on credit and deposit products for retail and business customers
- Risk management (market, credit, operational, interest rate, liquidity, non-financial and other financial risks)
- Compliance with prudential and other regulatory standards, internal limits
- Analysis of financial markets, competitive environment, and the banking sector of the Republic of Kazakhstan

Proportion of independent directors and members of the Management Board in the Financial and Risk Management Committee, %



- ▲ Members of the Management Board
- ▲ Members of the Board of Directors
- ▲ Independent members of the Board of Directors

Strategic Planning Committee

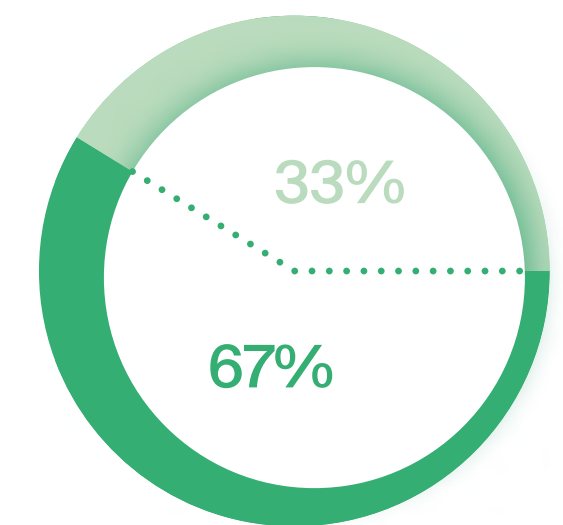
As of 31 December 2023, the Committee consisted of three members, two of whom were independent directors, including Anvar Saidenov, the Chairman of the Committee. In 2023, the Strategic Planning Committee held six meetings, where the following issues were considered:

- Reports on the Bank's financial performance
- Brief analysis of the Bank's profitability situation
- A pessimistic scenario for the Bank's strategic development until 2025

Composition of the Strategic Planning Committee

Full name of the committee member	Job title	Independence
Anvar G. Saidenov	Chairman of the Committee, Member of the Board of Directors	Independent Director
Bakhytbek R. Baiseitov	Chairman of the Board of Directors	-
Kuat B. Kozhakhmetov	Member of the Board of Directors	Independent Director

Proportion of independent directors in the Strategic Planning Committee, %



- ▲ Independent members of the Board of Directors
- ▲ Members of the Board of Directors

Report Structure

Message from the Chairman of the Board of Directors
Message from the President
1. About the Report
2. About the Bank: key results for 2023a
3. Corporate governance

- Corporate governance system
- Sustainability management
- Operational risk management and internal control
- Internal Audit Function
- Risk management in the area of sustainability
- Plans for the development of the sustainable development management system

4. Bank's contribution to achieving UN Sustainable development goals
5. Human rights compliance, Business ethics, and anti-corruption efforts
6. Interaction with customers and suppliers
7. Interaction with staff
8. Social responsibility
9. Environmental responsibility
Annexes

Credit Committee

The Committee consists of ten members from among the members of the Board of Directors and experts with the required professional knowledge.

In 2023, the Credit Committee of the Board of Directors held 42 regular and 31 extraordinary meetings, as well as considered 227 issues.

Composition of the Credit Committee

Full name of the Committee member	Job title	Comment
Jumageldi R. Amankulov	Chairman of the Committee, Member of the Board of Directors	-
Vladislav S. Li	Deputy Chairman of the Committee, Member of the Board of Directors	In the absence of the Committee Chairman
Rustam B. Tenizov	First Vice-President, Member of the Management Board	Supervises a business support group
Nurlan U. Shegebayev	Vice President, Member of the Management Board	Supervises the Corporate Business Unit
Yuri V. Voronin	Head of the Directorate	Supervises the Credit Risk Assessment Center (CRAC) for the period prior to the approval of a person for the position of Head of the CRAC
Namig N. Nurmamedov	Head of the Corporate Business Unit	-
Zhanat S. Mukhamedzhanov	Vice President for Collections	Supervises the credit management unit for non-accrual loans of Management and Control function and CenterProject LLP, as well as for accepting property on the Bank's balance sheet
Erlan M. Muratov	Executive Director of the Law Center	-
Kudaibergen A. Medetov	Executive Director of the Security Center	-
Ruslan V. Vladimirov	President of the Bank	Supervises loan restructuring issues related to financial difficulties of borrowers/groups of related borrowers whose total debt exceeds 1% of the Bank's loan amount
Akimzhan A. Muratbayev	Head of the Balance Sheet Property Sales Department of the Business Support Group	Supervises the management of the Bank's balance sheet assets, including acceptance and disposal

Nomination, Remuneration and Social Issues Committee

As of 31 December 2023, the Committee comprised of three members, two of whom were independent directors, including Werner Frans Jozef Claes, the Chairman of the Committee.

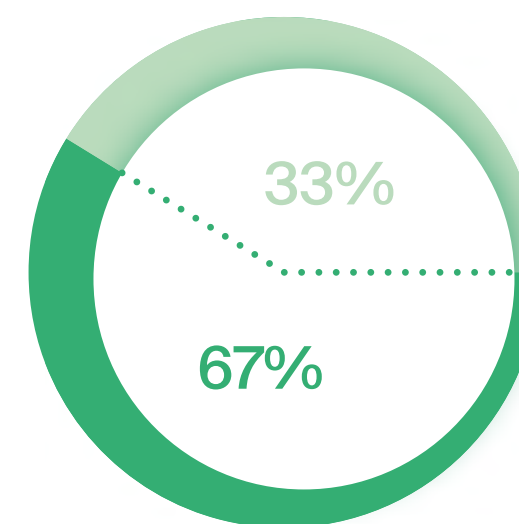
Composition of the Nomination, Remuneration and Social Affairs Committee

Full name of the Committee member	Job title	Independence
Werner Frans Jozef Claes	Chairman of the Committee, Member of the Board of Directors	Independent Director
Baiseitov Bakhytbek Rymbekovich	Chairman of the Board of Directors	-
Saidenov Anvar Galimullaevich	Member of the Board of Directors	Independent Director

The Committee held five meetings in the reporting year and considered a number of issues related to sustainable development, including:

- On amendments and additions to the Policy on Conflict of Interest Resolution of Bank CenterCredit JSC
- KPI maps of top management of Bank CenterCredit JSC for 2023

Proportion of independent directors in the Nomination, Remuneration and Social Issues Committee, %



- ▲ Independent members of the Board of Directors
- ▲ Members of the Board of Directors

Committee for Sustainable Development

The Committee was established based on the decision of the Board of Directors dated 20 September 2023 to provide recommendations to the Board of Directors on decision-making issues related to the Bank's sustainable development.

As of 31 December 2023, the committee consisted of six members, two of whom were independent directors, including Werner Frans Jozef Claes, the Chairman of the committee.

Composition of the Committee on Sustainable Development

Full name of the Committee member	Job title	Independence
Werner Frans Jozef Claes	Chairman of the Committee, Member of the Board of Directors	Independent Director
Kuat B. Kozhakhmetov	Member of the Board of Directors	Independent Director
Rustam B. Tenizov	First Vice-President, Member of the Management Board	-
Anastasia S. Ovsyannikova	Vice President, Member of the Management Board	-
Nurlan U. Shegebayev	Vice President, Member of the Management Board	-
Klara E. Ermakbayeva	Managing Director	-

In 2023, the Committee for Sustainable Development held one meeting, where three issues were considered:

- On the selection of the Bank's division that will serve as the back office of the Sustainability Committee
- Approval of the internal regulatory document "Procedure for the meeting of the Sustainability Committee under the Board of Directors"
- On the status of preparation of the Sustainability Report

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023a

3. Corporate governance

- Corporate governance system
- Sustainability management
- Operational risk management and internal control
- Internal Audit Function
- Risk management in the area of sustainability
- Plans for the development of the sustainable development management system

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

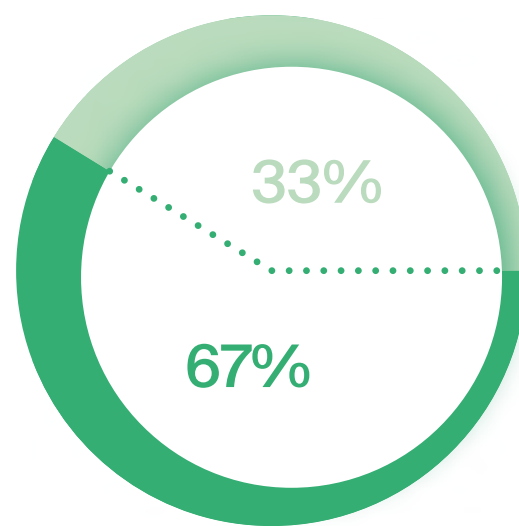
8. Social responsibility

9. Environmental responsibility

Annexes

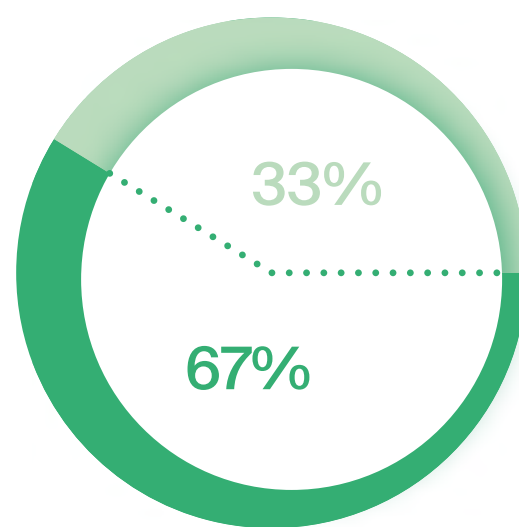


Gender structure of the members of the Sustainability Committee, %



▲ Men ▲ Women

Proportion of independent directors in the Sustainability Committee, %



▲ Independent members of the Board of Directors
▲ Members of the Board of Directors

Management Board

●● GRI 405-1

The Management Board is a collegial executive body of the Bank and manages the Bank's day-to-day operations in accordance with the selected business model, scope of operations, types and complexity of operations, risk profile, and internal documents approved by the Bank's Board of Directors.

The Management Board manages the Bank's activities in such a way as to protect the interests of shareholders and enable the Bank to develop.

To achieve these goals, the Management Board primarily solves the following tasks:

- It is responsible for the day-to-day operation of the Bank and its compliance with the Bank's budget
- It executes resolutions of the General Meeting of Shareholders and the Board of Directors in good faith, in a timely and efficient manner

Composition of the Management Board



Ruslan V. Vladimirov

Job title
President of the Bank



Anastasia S. Ovsyannikova

Job title
Vice President,
Member of the Management Board



Marat T. Kenzhekhanov

Job title
Deputy Chairman of the Management Board,
Member of the Management Board
(Vice-President)

Excluded from the Management Board in accordance with the minutes of the meeting of the Board of Directors of Bank CenterCredit JSC dated 12 May 2023



Rustam B. Tenizov

Job title
First Vice-President,
Member of the Management Board



Nurlan U. Shegebayev

Job title
Vice President,
Member of the Management Board

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023a

3. Corporate governance

- Corporate governance system
- Sustainability management
- Operational risk management and internal control
- Internal Audit Function
- Risk management in the area of sustainability
- Plans for the development of the sustainable development management system

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

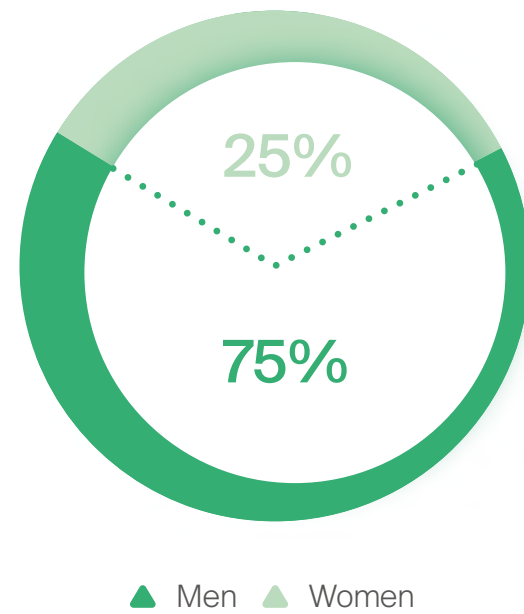
7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

Gender structure of the Board members, %



In the reporting year, the Bank's Management Board held **80** in-person meetings of the Management Board, where **895** issues related to the Bank's core business were considered, including management reporting, business development and support issues, in addition, decisions of committees and commissions were approved on procedural issues of banking activities.

Payment of remuneration to members of the Bank's Board of Directors and Management Board

●● GRI 2-19; 2-20; 2-21

Remuneration is paid in accordance with the Policy on Remuneration, Accrual of Monetary Remuneration, as well as other types of material incentives to senior employees of Bank CenterCredit JSC and persons accountable to the Board of Directors of Bank CenterCredit JSC, approved by the Resolution No. 3-0121-02 of the Board of Directors of Bank CenterCredit JSC dated 21 January 2019.

The Bank's executive compensation policy is based on the principles of fairness, competitiveness and compliance with the contribution of each manager to the Bank's activities and development. The remuneration structure includes fixed and non-fixed components.

The amount of remuneration is determined on the basis of competencies, skills and market value, as well as the contribution of the senior employee to the implementation of the Bank's strategy, the efficiency of the organisation of work, the implementation of business plans and the management of structural divisions.

Payment of non-fixed remuneration to senior employees of the Bank is made in the amount of no more than 50% of a certain amount of non-fixed remuneration and depends on the achievement of established goals and performance.

The suspended part of this remuneration is paid in equal shares for a minimum of three years, provided that there are no losses and the manager continues to work in the Bank. Part of the non-fixed remuneration may be paid in the form of shares of the Bank provided that they are held for a period of at least three years.

The Bank does not provide bonuses for appointment to a position, incentive payments for hiring, compensation for dismissal or pension benefits.

Remuneration is closely linked to performance and risk management. Goals for senior employees are set in accordance with the Bank's strategy and are evaluated taking into account the requirements of the Program for Improving the Financial Stability of the Banking Sector of the Republic of Kazakhstan and regulatory legal acts of the regulator.



The total amount of remuneration for members of the Board of Directors and the Management Board for 2023 amounted to **KZT 1,084 million** or **2.9%** of the Bank's salary fund

Diversity of governance bodies

●● GRI 405-1 (a)

The Governing Body is a formalised group of persons responsible for the Bank's strategic management, effective control over the management's activities, and accountability to the Bank as a whole and its stakeholders. The Bank's management includes: members of the Board of Directors, members of the Management Board and Vice-Presidents. At the end of 2023, the Bank's senior management consisted of 16 people, of whom three were women and 13 were men, representing 19% and 81%, respectively. The age structure of senior management is presented as follows: nine people in the category from 30 to 50, and seven people over 50 years old.

For more detailed information on the gender and age structure of the Bank's senior management, see Annex D.

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023a

3. Corporate governance

- Corporate governance system
- Sustainability management
- Operational risk management and internal control
- Internal Audit Function
- Risk management in the area of sustainability
- Plans for the development of the sustainable development management system

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

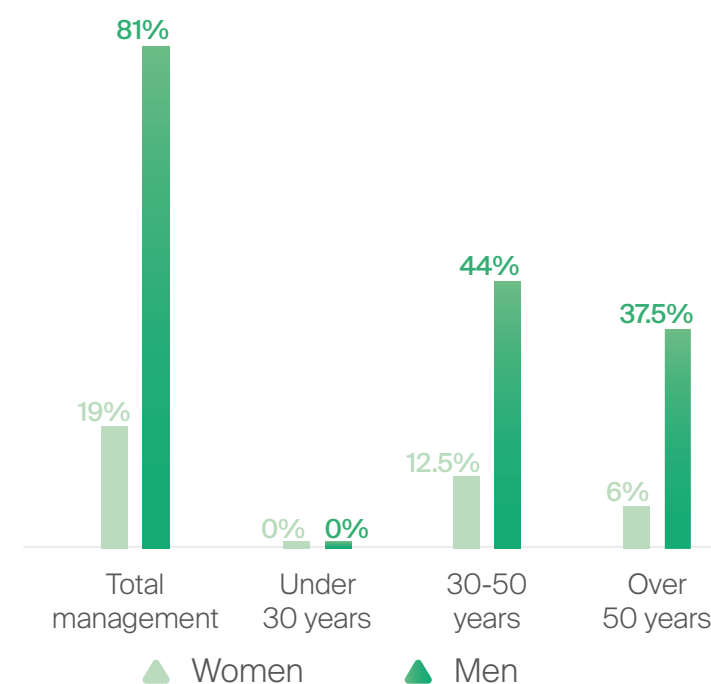
8. Social responsibility

9. Environmental responsibility

Annexes



Percentage share of senior management of Bank CenterCredit JSC, %



The Bank's dividend policy

The rights of shareholders to receive dividends and the procedure for their payment are stipulated in the Bank's Charter, approved by the resolution of the Bank's Board of Directors.

The dividend policy is based on balancing the interests of Bank CenterCredit JSC and its shareholders in determining the amount of dividend payments, increasing the investment attractiveness, financial stability, capitalisation and liquidity of the bank, ensuring market returns on invested capital, respecting and strictly observing the rights of shareholders and improving their welfare.

It is the responsibility of the General Meeting of Shareholders of Bank CenterCredit JSC to make a decision on the payment of dividends on shares and approve the amount of the dividend based on the results of the year per ordinary share.



For preferred shares, in accordance with the charter of Bank CenterCredit JSC and the share issue prospectus, a guaranteed dividend amount is established, which is calculated as the base rate of the National Bank of the Republic of Kazakhstan plus 3.5% per annum with threshold restrictions from 12 to 14% per annum⁶.

Earnings for 2023 per share in accordance with the consolidated financial statements amounted to KZT 730.46. At that, according to the data of Kazakhstan Stock Exchange JSC, the market value of one ordinary share of Bank CenterCredit JSC as of 31 December 2023 was 977.06 tenge.

Expenses of the Bank on payment of dividends, KZT thousand

Name	2022
On preferred shares	12,397
On common shares	-
Total	12,397

List of internal regulatory documents approved by corporate governance bodies in the reporting period

During the reporting year, the Bank actively worked on the development of GNI. Among other things, key documents regulating aspects of sustainable development were developed, which reflect the Bank's strategic priorities and confirm its commitment to the principles of corporate responsibility.

- Sustainable Development Policy of Bank CenterCredit JSC
- Responsible Financing Policy of Bank CenterCredit JSC
- Human Rights Policy of Bank CenterCredit JSC
- Regulations on the Sustainability Committee under the Board of Directors of Bank CenterCredit JSC
- Regulations on Interaction with Counterparties, according to the ESG rules in Bank CenterCredit JSC
- Anti-corruption policy in Bank CenterCredit JSC
- The Code of Corporate Ethics for employees of Bank CenterCredit JSC



⁶Resolution No. 21 of the Board of the Agency for Regulation and Development of the Financial Market of the Republic of Kazakhstan, dated 27 April 2023, approved terms for the distribution of profits, dividends on ordinary or preferred shares, and the repurchase of shares by a second-tier bank, in order to ensure financial stability or recovery using funds from the state budget, the National Fund, the National Bank, or its subsidiaries. Taking into account that Bank CenterCredit JSC has been participating in the Program to Improve the Financial Stability of the Banking Sector of the Republic of Kazakhstan since 2017, the payment of dividends on the preferred shares of BCC can only be made after fulfilling the prescribed conditions. These conditions, among others, include early repayment of public funds in the amount provided by the distribution, as well as the availability of a report from an independent audit organisation confirming that the amount of profit distributed as dividends complies with the terms of the distribution. Therefore, payment of BCC dividends is expected in 2024, after all conditions stipulated in the distribution have been fulfilled for 2023.

Report Structure

Message from the Chairman
of the Board of Directors

Message from the President

1. About the Report

2. About the Bank:
key results for 2023a

3. Corporate governance

- Corporate governance system
- Sustainability management
- Operational risk management and internal control
- Internal Audit Function
- Risk management in the area of sustainability
- Plans for the development of the sustainable development management system

4. Bank's contribution to achieving
UN Sustainable development
goals5. Human rights compliance,
Business ethics, and anti-
corruption efforts6. Interaction with customers
and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

Sustainable development management

●● **GRI 2-9; 2-12; 2-13; 2-14; 2-17; 2-22; 2-23;
2-24; 2-29; 3-3**

Address of the Chairman of the Committee for Sustainable Development of the Board of Directors

Sustainable development for our Bank is one of the key factors for the long-term competitiveness of our business. The importance of all aspects of sustainable development for us is reflected in the process of strategic goal setting. As part of the overall corporate development strategy until 2025, a sustainable development strategy was developed and approved during the reporting period, which included the management of ESG aspects and emphasises the Bank's commitment to the Sustainable Development Goals.

In addition, the Committee for Sustainable Development of the Board of Directors was formed and started its active work in 2023, which will allow building an effective system for managing the Bank's sustainable development agenda. During the reporting period, the Committee held a meeting, reviewed the roadmap for managing ESG aspects and defined a list of key indicators for the Bank's management, as well as formed a wide range of issues for consideration for 2024, including the development of a climate strategy, conducting a climate stress test and integrating ESG risks into the Bank's risk management system.

In the reporting year, the Bank also began an active process of ESG transformation in order to meet the regulatory requirements of the national regulator and ensure the Bank's development in the concept of guaranteed fulfillment of social, environmental and other obligations to a wide range of stakeholders.

The Bank's management recognises that the fight for the customer implies not only a product offer, but also a responsible way of doing business, given the Bank's role as one of the largest banks in Kazakhstan and a significant employer, special attention is paid to respect and protection of human rights.

On the path to sustainable development, the Bank strives to continuously improve corporate practices through interaction and open dialogue with all stakeholders, ensuring responsible corporate governance, actively monitoring risks and applying the best international and national practices. These efforts are aimed at creating a sustainable future for both the Bank and society as a whole.

Our Bank is following the path of active ESG-business transformation, which aims to meet the requirements of the national regulator⁷ as well as to implement ambitious tasks to implement best practices in the area of corporate governance, social responsibility and respect for the environment.



Mr. Werner Claes

Chairman of the Committee for Sustainable Development, Independent director

The Bank has established a Committee for Sustainable Development under the Board of Directors to make strategic decisions in the area of ESG. The Chairman and the composition of the Committee were determined, taking into account the requirements of the necessary qualifications and gender balance. The Committee is headed by an independent director, Mr. Werner Claes, who has expertise in ESG and climate risk management⁸.

The Committee's functions include overseeing the development and implementation of the ESG strategy, as well as developing projects and initiatives in the area of sustainable development.

In 2023, the Management took an active part in the development and approval of the Bank's Sustainable Development Strategy as part of its overall Corporate Development Strategy until 2025.

At the beginning of 2023, the Bank established a Sustainability (ESG) Directorate, which coordinates the process of ESG transformation of the Bank. The main tasks of the Directorate are as follows:

- Monitoring the implementation of tactical initiatives in the area of sustainable development
- Developing and monitoring the implementation of strategic ESG KPIs
- Methodological support of the Bank's divisions
- Ensuring disclosure of non-financial information in the area of sustainable development

Cooperation with international organisations

The Bank actively cooperates with international organisations, which makes it possible to integrate the best international practices and standards of sustainable development, thus ensuring social responsibility and environmental sustainability of its activities.

- In 2023, the Bank joined **the UN Global Compact.**
- The initiative is aimed at fostering social responsibility of businesses.

⁷In 2023, ARDFM approved a Roadmap for the Implementation of ESG Principles, within the framework of which an ESG Disclosure Guide for Financial Institutions was published.

⁸In 2023, Mr. Werner Claes received the following certifications: Certificate in the area of ESG issued by the Corporate Governance Institute, Certificate in the area of sustainable and climate risks SCR® under the program of the Global Association of Risk Professionals (GARP)

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023a

3. Corporate governance

- Corporate governance system
- Sustainability management
- Operational risk management and internal control
- Internal Audit Function
- Risk management in the area of sustainability
- Plans for the development of the sustainable development management system

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

Support and implementation of 10 fundamental principles in the areas of human rights, labour relations, environmental protection and anti-corruption.

The Bank participates in the SDG Ambition Accelerator. This program aims to support participating companies in setting ambitious corporate goals and accelerating the integration of the UN SDGs into business processes and management. For example, the Bank conducted a survey among managers, employees, and external stakeholders to identify priority UN SDGs to which the Bank can make a measurable contribution.

For more detailed information on the UN priority SDGs, see Section 4 "The Bank's contribution to the achievement of the UN Sustainable Development Goals".

In addition, the Bank actively participates in international initiatives to finance sustainable projects. It is a partner of the EBRD's GEFF program for green economy financing, and also participates in the UNDP Renewable Energy Financing program.

Sustainability management system

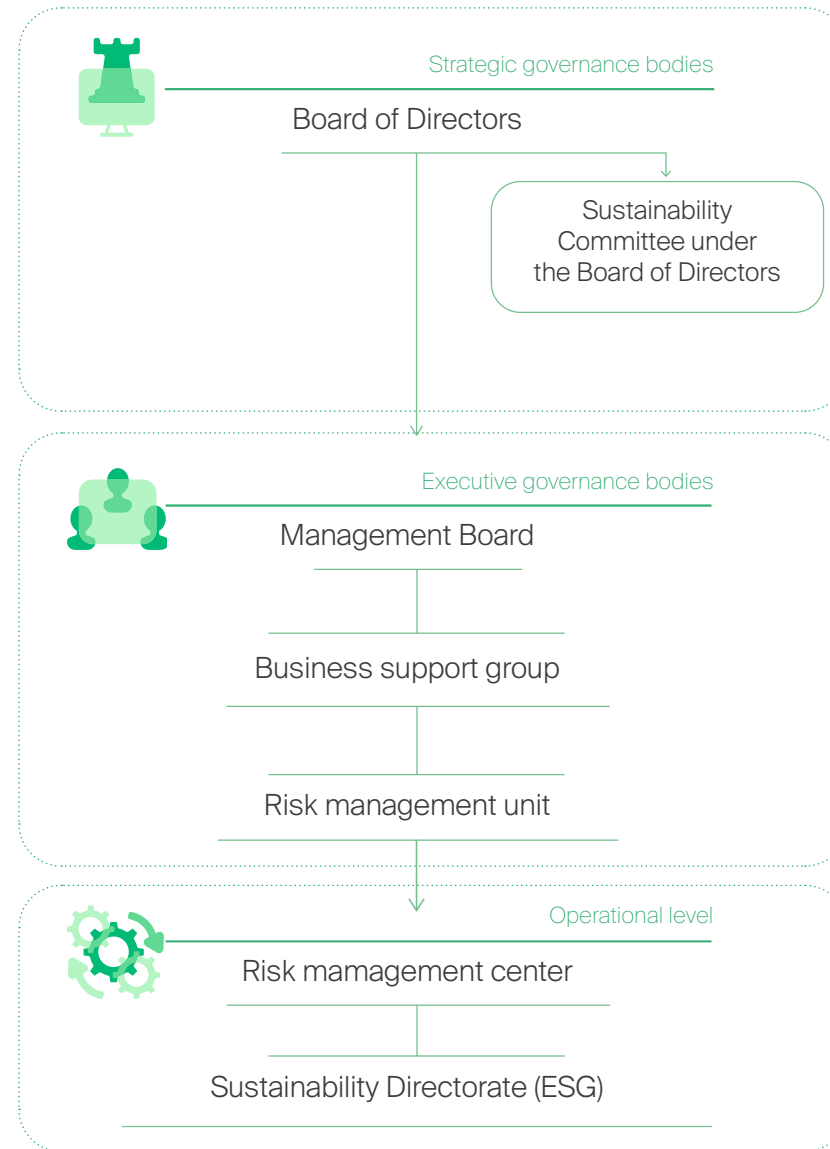
●● GRI 2-9; 2-12; 2-13; 2-14

Role of the Board of Directors and Committees in managing sustainable development

The Board of Directors determines the key priorities, goals and fundamental principles of the Bank's strategic development in the area of sustainable development, as well as methods for integrating them into the overall development strategy. This includes approving key performance indicators (KPIs) to measure the achievement of strategic ESG goals and ensuring that they are monitored. The Board also approves top-level GNI and sustainability reporting.

The Board of Directors' Committee for Sustainable Development, acting as an advisory and negotiating body to the Board of Directors, plays an important role in providing advice to the Board on issues related to the Bank's sustainable development. Established in 2023, this Committee oversees the development and implementation of the ESG and the climate strategy, as well as takes into account and assesses climate risks and opportunities. The Committee not only approves internal regulatory documents and reports in the area of sustainable development for further approval by the Board of Directors, but also ensures coordination on sustainable development issues with other committees under the Board of Directors, thereby contributing to an integrated approach to managing all aspects of sustainable development in the Bank.

Structure of management of sustainable development aspects in the Bank



The role of executive bodies and operational units in managing sustainable development

The Management Board ensures the implementation of the Bank's sustainable development strategy and compliance with procedures, processes and policies approved by the Bank's Board of Directors. The Management Board monitors the implementation of the action plan for achieving the Bank's strategic goals in the area of sustainable development.

The risk management unit determines the materiality of risks associated with ESG aspects and provides recommendations for decision-making based on the results of the risk assessment, participates in the development of assessment tools, conducts climate stress testing procedures and generates reports in accordance with specified standards.

The Managing Director is a member of the Sustainability Committee attached to the Board of Directors. As part of the implementation of the sustainable development strategy, the Managing Director oversees the work of the Sustainability ESG Directorate, and also provides communication with the heads of all structural divisions of the Bank for the successful implementation of the sustainable development strategy.

Sustainability ESG Directorate is the main coordinating structural function of the Bank, which provides expert support to other divisions of the Bank in the area of sustainable development, manages the implementation of the action plan to achieve the Bank's strategic goals in the area of ESG, monitors and reports on this area.

Internal documents of the company around sustainable development

●● GRI 2-23; 2-24

In 2023, the Bank developed and updated several key internal regulatory documents regulating its activities around sustainable development. The main documents defining the Bank's principles and obligations in the area of environmental, economic and social impacts are the Sustainable Development Policy and the Responsible Financing Policy, which are developed in accordance with the regulatory legal acts of the Republic of Kazakhstan. The approved Human Rights Policy takes into account a number of international principles and documents in the area of human rights, including, but not limited to the Universal Declaration of Human Rights and the UN Guiding Principles on Business and Human Rights.

Various aspects of sustainable development are regulated by separate corporate documents:

- Anti-corruption policy
- Code of corporate ethics
- Regulations on interaction with counterparties
- Regulations on the Sustainable Development Committee under the Board of Directors
- Procedure for coordinating charity and / or sponsorship issues

The Bank's obligations set out in these policies are binding on all employees of the Bank when planning and implementing activities related to interaction with stakeholders or affecting the interests of stakeholders, as well as when preparing and approving internal regulatory documents, developing, and



Report Structure

Message from the Chairman
of the Board of Directors

Message from the President

1. About the Report

2. About the Bank:
key results for 2023a

3. Corporate governance

- Corporate governance system
- Sustainability management
- Operational risk management and internal control
- Internal Audit Function
- Risk management in the area of sustainability
- Plans for the development of the sustainable development management system

4. Bank's contribution to achieving
UN Sustainable development
goals5. Human rights compliance,
Business ethics, and anti-
corruption efforts6. Interaction with customers
and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes



implementing business processes, exchanging information, and other types of communication.

Sustainable development strategy

●● GRI 2-22; 3-3

The main objective of the Bank's sustainable development activities is to integrate ESG aspects into the Bank's corporate long-term growth strategy in order to contribute to the growth of the national economy, preserve the environment and create added value for society in the interaction of the Bank's top management and employees with clients, the investment community, shareholders, business partners and the state. One of the tasks of the ESG transformation was to develop a roadmap to increase the Bank's maturity level in the area of sustainable development and identify key performance indicators for the Bank's management in all aspects of sustainable development.

When implementing activities aimed at achieving the Sustainable Development Goals, the Bank is guided by eight principles that correspond to sustainable banking activities.

ESG – Employee training

One of the key tasks of ESG training is to raise employees' awareness of the concept and aspects of sustainable development. In 2023, the Sustainability Directorate participated in the organisation, development and implementation of training programs:

- Online course on the basics of ESG, which was successfully completed by more than 60% of the Bank's employees
- Staff participation in a series of seminars organised in cooperation with the EBRD
- Workshops were held for employees of specialised departments, including seminars on climate stress testing and ESG transformation from the Bank's partners

The Bank's employees involved in integrating the principles of sustainable and responsible financing took part in online training seminars. These events were organised by the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market, with the support of the International Finance Corporation (IFC) and conducted by experts from the Big Four companies, the EBRD and other expert organisations in order to raise awareness and build expertise on ESG and sustainable finance issues for participants in the banking sector of the Republic of Kazakhstan. ▶

Eight key principles of the Bank in the area of sustainable development:



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023a

3. Corporate governance

- Corporate governance system
- Sustainability management
- Operational risk management and internal control
- Internal Audit Function
- Risk management in the area of sustainability
- Plans for the development of the sustainable development management system

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

Approach to stakeholder engagement

GRI 2-29

In its activities aimed at achieving the Sustainable Development Goals, the Bank considers the interests of all stakeholders and organises interaction with them through building effective communications.

The Bank interacts with stakeholders in accordance with the AA1000SES Standard, considering the following principles:

The principle of materiality

- The Bank clearly defines its stakeholders and understands which stakeholders' interests are essential.

The principle of completeness

- In the course of its activities, the Bank pays attention to the concerns of stakeholders and seeks to understand their views on significant issues, needs and expected results of its activities.

The principle of preparedness for response

- In carrying out its activities, the Bank consistently responds to all material questions of stakeholders.

The Bank has identified 11 stakeholder groups that the Bank has an impact on and they are significant to the Bank. The Table below shows the goals and methods of interaction of the Bank with stakeholders, as well as the structural substitute на functions responsible for interaction and general contact for the group of stakeholders.

Stakeholders	Purpose of interaction	Interaction mechanisms	Responsible authorities in the Bank
Shareholders and investors, borrowers	<ul style="list-style-type: none"> • Ensuring the provision of up-to-date and reliable information from the results of financial activities, as well as achievements and problems of the company's activities • Ensuring the exercise of shareholders' rights within the framework of corporate governance principles aimed at effective key decision-making • Ensuring proper management and investment attractiveness of the Bank • Receiving feedback on the results of management and implementation of key decisions 	<ul style="list-style-type: none"> • General Meeting of Shareholders • Personal meetings with shareholders • Providing comprehensive information on each item on the agenda of the general meeting of shareholders • Informational messages and written requests by e-mail and / or telephone • Personal letters when receiving a request from a shareholder • Annual and interim financial statements • Non-financial reporting (on sustainable development) • Publications on the KASE website • Mass media • External website 	<ul style="list-style-type: none"> • Planning and Finance Center • Corporate Secretary, Secretariat
Staff	<ul style="list-style-type: none"> • Informing about the Bank's strategic goals, performance results, and the contribution of employees to achieving these goals • Strengthening the employer's brand, retaining the most qualified employees • Understanding and responding to employees' needs and concerns 	<ul style="list-style-type: none"> • Regular direct communication between managers, teams and individuals • Informational messages and written requests by e-mail and / or telephone • Corporate events • Hotline (helpline) • Annual and interim financial statements • Non-financial reporting (on sustainable development) • Research on the level of employee engagement and loyalty, as well as the socio-psychological climate in divisions • Internal communication channels can be used to report possible violations: non-anonymous requests are received via corporate mail, and a channel of requests has been created for anonymous messages, which can be accessed via a link on corporate mail and in the Bank's internal messengers 	<ul style="list-style-type: none"> • HR Management Center • Sustainability (ESG) Directorate
Public authorities and supervisory authorities	<p>Regulatory authorities</p> <ul style="list-style-type: none"> • Ensuring the provision of up-to-date and reliable information on the results of financial activities and compliance with all legal and regulatory requirements • Maintaining banking licenses and minimising operational risk <p>Public authorities</p> <ul style="list-style-type: none"> • Strengthening relations with the state, both as a partner in the country's development and as a key client • Participating in the development of legislation that affects the economy and banking activities • Striving to be a responsible and conscientious taxpayer 	<ul style="list-style-type: none"> • Meetings • Informational messages and written requests by e-mail and / or telephone • Emails • Reporting • Commissions, checks, and requests • Interaction through Associations of Financial Institutions 	<ul style="list-style-type: none"> • Operational Service Center

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023a

3. Corporate governance

- Corporate governance system
- Sustainability management
- Operational risk management and internal control
- Internal Audit Function
- Risk management in the area of sustainability
- Plans for the development of the sustainable development management system

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

Stakeholders	Purpose of interaction	Interaction mechanisms	Responsible authorities in the Bank
<p>Suppliers</p>	<ul style="list-style-type: none"> • Fulfillment by the parties of the terms and conditions under the concluded contracts and agreements • Timely receipt of products or services required for the Bank's operations • Promoting the responsible attitude of suppliers and contractors to respect human rights and protect the environment 	<ul style="list-style-type: none"> • Meetings and negotiations • Informational messages and written requests by e-mail and / or telephone • Emails, questionnaires 	<ul style="list-style-type: none"> • Procurement Management Center
<p>Population of the regions where we operate</p>	<ul style="list-style-type: none"> • Building partnerships that promote integrated sustainable development activities • Receiving information from experts, communities and non-governmental organisations on key areas of sustainable development • Raising awareness of the Bank's commitments and initiatives aimed at reducing the level of environmental impact, respecting human rights, and supporting social and environmental projects of public significance 	<ul style="list-style-type: none"> • Annual reporting, sustainability reporting • Participation in public environmental events • Charity campaigns • Mass media • External website • Social networks 	<ul style="list-style-type: none"> • Marketing and PR Center
<p>Customers (networks and distributors) Consumers</p>	<ul style="list-style-type: none"> • Informing about the Bank's products and services, as well as the terms of their receipt • Understanding customer expectations and needs to ensure a high level of service • Providing professional advice • Developing and implement customer-centric innovations • Customer loyalty to the Bank • Responding to customer concerns 	<ul style="list-style-type: none"> • Satisfaction surveys, reviews, and complaints related to products, services, and interactions • Informational messages and written requests by email and / or telephone • Emails • Annual financial statements and sustainability reporting • Publications on the KASE website • Mass media • External website • Social networks • Face-to-face interaction with the client • SMS notifications • Contact center • Online banking, as well as the Bank's mobile app 	<ul style="list-style-type: none"> • Branch Network Management Center • Operational center
<p>Industry associations and expert community</p>	<ul style="list-style-type: none"> • International organisations in the ESG and sustainable development • Participating in national and international initiatives to reduce emissions • Increasing the trust of a wide range of stakeholders 	<ul style="list-style-type: none"> • Meetings and negotiations • Informational messages and written requests by email and / or telephone • Emails • Sustainability reporting • External website • Digital platforms, websites of international organisations 	<ul style="list-style-type: none"> • Sustainability (ESG) Directorate
<p>Professional community</p>	<ul style="list-style-type: none"> • Implementing ESG and sustainability principles in line with best practices • Training employees on sustainable development issues • Getting an ESG rating and improving it in the future 	<ul style="list-style-type: none"> • Meetings and negotiations • Informational messages and written requests by email and / or telephone • Emails • Sustainability reporting • External website 	<ul style="list-style-type: none"> • Sustainability (ESG) Directorate

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023a

3. Corporate governance

- Corporate governance system
- Sustainability management
- Operational risk management and internal control
- Internal Audit Function
- Risk management in the area of sustainability
- Plans for the development of the sustainable development management system

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

Stakeholders	Purpose of interaction	Interaction mechanisms	Responsible authorities in the Bank
Public, social, environmental and charitable organisations	<ul style="list-style-type: none"> • Creating partnerships that contribute to the Bank's integrated sustainability activities • Receiving information from experts, communities and non-governmental organisations on key areas of sustainable development • Raising awareness of the Bank's commitments and initiatives aimed at reducing the level of environmental impact, respecting human rights, and supporting social and environmental projects of public significance 	<ul style="list-style-type: none"> • Annual report, sustainability reporting • Participation in public environmental events • Charity events • Mass media • External website • Social networks 	<ul style="list-style-type: none"> • Marketing and PR Center
Mass media	<ul style="list-style-type: none"> • Leveraging the reach and influence of media channels to share the results of responsible business conduct with stakeholders • Dialogue with relevant stakeholders and the general public to positively influence behavior that will lead to the desired business results • Protecting the Bank's reputation 	<ul style="list-style-type: none"> • Informational messages and written requests by email and / or telephone • Emails • Briefings, interviews and press releases • External website • Social networks 	<ul style="list-style-type: none"> • Marketing and PR center
Other	<p>Financial market participants</p> <ul style="list-style-type: none"> • Providing access to borrowed capital and investment • Protection of common interests of financial market entities • Constructive interaction on financial market development and sustainable development issues 	<ul style="list-style-type: none"> • Meetings and negotiations • Informational messages and written requests by email and / or telephone • Emails • Interaction through associations of financial institutions • Annual report, sustainability reporting • External website • Publications on the KASE website 	<ul style="list-style-type: none"> • Treasury Center • Sustainability (ESG) Directorate) • Documentation Administration Directorate



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023a

3. Corporate governance

- Corporate governance system
- Sustainability management
- Operational risk management and internal control
- Internal Audit Function
- Risk management in the area of sustainability
- Plans for the development of the sustainable development management system

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

Risk management and internal control

The Bank has developed an effective risk management system that meets all the requirements of both the current legislation and generally accepted international practice. The Bank's activities are based on a comprehensive approach to risk management, which includes identification, analysis and control of market, credit, operational and legal risks, risks of loss of business reputation and liquidity risks, which are the main risks that the Bank faces in the course of its activities.

The risk management and internal control processes are approved by the Bank's authorised management bodies and regulated by internal documents that include methods for identifying and managing significant risks for the Bank.

In 2023, the ARDFM conducted an assessment of the quantitative and qualitative characteristics of SREP activities and risks. The Bank was awarded a total score of 2 according to the 4-point system. The result obtained means that the Bank is exposed to a medium or low level of viability risk.

Internal control

Internal control is an integral part of the Bank's risk management system, which ensures the Bank's performance, the safety of assets, and the completeness and reliability of financial statements. The system is focused on compliance with the legislation of the Republic of Kazakhstan and internal documents of the Bank, prevention of illegal activities and ensuring information security.

The Bank's internal control system is based on the following principles:

- Participation in the internal control process of all structural divisions and employees of the Bank and organisation of internal control as a daily activity at all levels of management
- Internal control coverage of all areas of activity and business processes and regulation of internal control procedures in all areas and business processes of the Bank
- Implementation of internal control on an ongoing basis

The main regulatory documents of the risk management and internal control system

- Internal control policy
- Credit and Risk Management policy
- Risk and Equity Management policy
- Market Risk Management policy
- Liquidity Risk Management policy
- Operational Risk Management policy
- Compliance Risk Management policy
- Know Your Customer policy
- Anti-money laundering policy, policy on countering financing of terrorism and the weapons of mass destruction proliferation
- Conflict of interest resolution policy



Development of the risk management and internal control system in 2023

In 2023, a number of measures were implemented in six key areas:

Area	Events
Decision-making strategy and model development	<ul style="list-style-type: none"> • Implementation and upgrade of decision-making strategies for digital products • Development and integration with anti-phishing services for all telecom operators
Data risks	<ul style="list-style-type: none"> • Implementation of proprietary metadata and statement reading services • Implementation of streaming analytics focused on reducing risk and fraud
Individual lending	<ul style="list-style-type: none"> • Optimisation and improvement of assessment criteria for corporate borrowers • Introduction of a new rating model for legal entities • Automation of the process of opening / closing the availability of the credit limit for development, taking into account the monitoring of alarms
Lending to the SME mass segment	<ul style="list-style-type: none"> • Implementation of a scoring card for individual entrepreneurs in the framework of unsecured lending • Implementation of the fraud detection and prevention system (AntiFraud) • Optimisation of the underwriting and verification process.
Technological processes and innovations	<ul style="list-style-type: none"> • Implementation of ModelOps: a unified environment for developing and managing the lifecycle of models • Transition to a microservice architecture for calling data sources
Objective assessment of the value of collateral	<ul style="list-style-type: none"> • Improvement of the rating model for evaluating independent appraisers • Expansion of cost verification control zones for the mass segment • Creation of a tool for online determination of the cost of apartments in large cities • Creation of a tool for determining the cost of a passenger vehicle

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023a

3. Corporate governance

- Corporate governance system
- Sustainability management
- Operational risk management and internal control
- Internal Audit Function
- Risk management in the area of sustainability
- Plans for the development of the sustainable development management system

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

Organisation of risk management

Risk management is carried out at all levels of the Bank, including the Board of Directors, the Management Board and specialised risk management units.

The Board of Directors is responsible for establishing the functioning of the risk management control system, managing key risks and approving risk management policies and procedures, as well as approving major transactions.

The Management Board is responsible for monitoring and implementing risk mitigation measures, as well as ensuring that the Bank operates within the established risk limits.

The risk management functions are responsible for overall risk management and monitoring the use of generally accepted methods for detecting, assessing, managing and reporting both financial and non-financial risks. Risk management functions are directly subordinate to the Board of Directors.

Credit, market, operational, interest rate, reputational, liquidity and compliance risks are managed and controlled both at the portfolio level as a whole and at the level of individual transactions. To improve the efficiency of the decision-making process, the Bank creates a hierarchical structure of committees depending on the type and size of risk exposure. The risk management system includes Credit Committees, the Risk Management Committee under the Management Board, and the Financial and Risk Management Committee under the Board of Directors.



Three-level line of defense

The internal control system is built on three levels of protection:



The first line of defense

is provided by the Bank's structural functions. Heads of structural functions are responsible for the organisation and implementation of internal control in the structural functions.



The second line of defense

is provided by the risk management, compliance control, legal functions, HR functions, financial control functions and other structural functions of the Bank that perform control functions.



The third line of defense

is provided by the internal audit unit through an independent assessment of the effectiveness of the internal control system.

Risk management processes

In 2023, the Bank updated its Risk and Capital Management Policy approved by the Board of Directors of Bank CenterCredit JSC. The policy includes key processes and mechanisms that ensure the sustainability and security of banking activities.

The main processes of the risk management system take into account:

- **Risk identification and management:** Identification of significant risks, their timely identification, assessment, aggregation and forecasting.

- **Risk appetite and limits:** Setting clear limits and limits for all types of significant risks, as well as developing algorithms for actions in case of violation of these levels.
- **Monitoring and control:** Continuous monitoring and control of the volume of accepted risks, as well as implementation of risk mitigation measures, where necessary.
- **Developing a risk culture:** Strengthening the culture and competencies of risk management throughout the Bank.

Risk identification process

The Bank pays high attention to risk management, especially focusing on identifying significant risks. This process is designed to identify and assess risks that may significantly affect the BCC's financial stability, reputation, or liquidity. The procedure begins with determining the total set of risks in the banking sector, then identifying those that are relevant to the Bank. The next step is a structured assessment of the significance of these risks, which includes formalising the results for subsequent analysis and monitoring. The Bank carries out a systematic risk identification procedure at least once a year. According to the report on the results of risk identification as of 1 December 2023, the following significant risks to which the Bank is exposed were identified: credit, operational, interest rate, reputational, and regulatory risks. When assessing risks, the Bank assesses the probability of occurrence of the relevant event and the materiality of the risk, expressed as the amount of losses upon occurrence of the event.

Determining a risk appetite

The Bank's risk appetite covers all significant risks identified during the identification process. It is expressed in terms of quantitative and qualitative indicators, where quantitative data is used to assess managed risks, and qualitative data is used for non-financial risks. Indicators and their corresponding risk appetite levels are recorded in the Risk Appetite Statement and are subject to review on a regular basis, at least once a year.

The process of establishing risk appetite is closely integrated with strategic and budget planning. This allows the Bank to compare actual risk appetite values with budget forecasts, ensuring effective control over compliance with risk management policies at all levels of the organisation.

Risk management mechanisms

To maintain risks at an acceptable level, the Bank uses a number of risk management mechanisms:

- **Monitoring:** constant monitoring of the level of external and internal risk factors.
- **Limiting:** setting and controlling the maximum allowable values for risky positions and potential losses, ensuring that they correspond to the current level of risks.
- **Hedging:** insuring risks by taking positions that are opposite to a particular risk factor.
- **Diversification:** risk mitigation by preventing excessive concentration of risks.
- **Provisioning:** generation of provisions adequate to the accepted risks for possible losses on active operations, including loans, outstanding loans and equivalent debt.
- **Collateral:** providing assets exposed to credit risks with collateral, guarantees, comfort letters, and other types of collateral.

Promoting an effective risk culture

The Bank pays special attention to the risk management culture, which implies an active and open exchange of information about risks at all levels of the organisation. This encourages critical assessment and discussion of risks, which is key to making informed decisions.

One of the main directions in the development of risk culture is systematic training of employees in risk management. The Bank strives not only to provide knowledge, but also to train its employees in the proper use of risk management tools in their daily work. This includes not only theoretical training, but also practical application of the acquired knowledge in real situations.

The Bank's motivation system is closely linked to the level of risks that employees take on. Rewards directly depend on the ratio of risk and performance, thus ensuring a responsible attitude to risky decisions. The Bank also implements mechanisms for adjusting non-fixed remuneration based on all aspects of risk management, including compliance with established risk appetite levels.

The Bank also conducts a thorough risk analysis before launching new products or making significant changes to its current processes. This makes it possible not only to assess potential risks, but also to adapt the level of risk appetite to changing conditions, thus ensuring the stability and safety of operations.

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank:

key results for 2023a

3. Corporate governance

- Corporate governance system
- Sustainability management
- Operational risk management and internal control
- Internal Audit Function
- Risk management in the area of sustainability
- Plans for the development of the sustainable development management system

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

Internal Audit Function

The main purpose of the Internal Audit Function is to assist the Bank in achieving its goals, ensuring the efficiency and effectiveness of the Bank's activities, using a risk-based approach to evaluating and improving the effectiveness of the internal control, risk management and corporate governance processes.

The Internal Audit Function carries out its activities in compliance with the principles of independence, objectivity, professional competence and ethics, applying in its work the international framework of professional practice of internal audit.

The independence and objectivity of internal audit is ensured by the functional subordination to the Audit Committee headed by an independent member of the Board of Directors, and to the Board of Directors.

The goals, powers and responsibilities of the Internal Audit Function are defined in the Regulations on the Internal Audit Division approved by the Bank.

The Internal Audit Function conducts audits in all areas of the Bank's business and monitors the effectiveness of measures taken by the Management Board in response to risks identified during the audits. These measures are aimed at minimising risks and strengthening control mechanisms. In addition, the Internal Audit Function evaluates the effectiveness of the Bank's policies and procedures adopted, as well as the reliability of the accounting and information system.

The Head of the Internal Audit Function submits to the Audit Committee and the Board of Directors reports on the implementation of the Annual Internal Audit Plan and on the audit results for the respective reporting periods. Based on the results of audits, recommendations are developed to improve internal control procedures.

In 2023, the Audit Committee held six meetings, where 14 issues were considered, including:

- **7 issues** related to the review of the Bank's annual financial statements and reports on the activities of the Internal Audit Service
- **1 issue** to review the strategic / annual internal audit plan for 2024
- **1 issue** related to the Bank's external audit activities
- **1 issue** related to the provision of non-audit services
- **4 questions** on the current activities of the Internal Audit Function (approval of changes in internal regulatory documents, KPI, IAF structure, etc.)

The head of the Internal Audit Function is responsible for preparing the annual audit plan based on a risk-based approach.



In 2023, the Internal Audit Function reviewed

104 processes of the Bank and its subsidiaries.

The audit tasks stipulated in the Annual Internal Audit Plan for 2023 were completed in full, in addition, unscheduled work was carried out on behalf of the Bank's management.

The management of the Bank and its branches has been informed about the results of all audits in accordance with the established procedure, and the implementation of recommendations is under the control of the Internal Audit Function.

Risk management in the sustainable development

●● GRI 201-2; SASB FN-CB-410a.2

The Bank, as one of the largest financial institutions in the Republic of Kazakhstan, recognises its influence on risks related to climate, ecology, social responsibility and corporate governance. Being aware of how these factors can affect financial stability, the Bank strives to make a positive contribution by participating in the formation of a national climate risk management system.

Starting from 2023, the Bank's top management pays special attention to managing climate risks, integrating them into the overall corporate risk management system. During the reporting period, the Bank, together with external experts, conducted an analysis of physical and transition risks, which was an important step in strengthening climate resilience.

In particular, the Bank has identified the implementation and development of climate risk and opportunity management practices as one of the key areas of its sustainable development activities.

This direction sets the following tasks for the Bank:

- Establish an effective climate change risk management system
- Ensure gradual improvement of business processes to include climate risk monitoring
- Ensure the formation and development of the risk culture of the Bank's employees in terms of ESG
- Take into account indicators / factors of significant risks in climate change when setting the risk appetite
- Integrate ESG accounting and climate change risk management approaches into the Bank's internal control system based on three lines of defense



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023a

3. Corporate governance

- Corporate governance system
- Sustainability management
- Operational risk management and internal control
- Internal Audit Function
- Risk management in the area of sustainability
- Plans for the development of the sustainable development management system

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes



List of key transition and physical risks for the Bank and their classification by type

Transition risks

The introduction of new policies and regulations, changes in market sentiment and public preferences, as well as the emergence of new technologies may result in increased costs and lower demand for company products and services, impairment of assets, lower revenue and profitability of our Bank's customers. This, in turn, can affect the creditworthiness of customers and their ability to meet their obligations. In addition, the Bank may face increased control over the banking sector, negative media coverage, damage to its reputation, and increased financial and operational risks, which may affect customer demand for banking products and profitability of certain activities.

Physical risks

The physical risks of climate change arise from a number of factors and are associated with specific weather events and the long-term effects of temperature changes. The nature and timing of extreme weather events are uncertain, but they are becoming more frequent and their impact on the economy is projected to be more acute in the future. Potential impacts on the economy include, but are not limited to, lower GDP growth, rising unemployment, shortages of raw materials and products due to supply chain disruptions, significant changes in asset prices, and industry profitability. Damage to borrowers' property and operations may result in reduced production capacity, increased operating costs, lower asset values, and lower customer creditworthiness, resulting in more defaults, delinquencies, write-offs, and impairment of assets.

Related risks

The impact of transitory and physical risks associated with climate change may result in second-class risks that could potentially affect the Bank's retail and wholesale portfolios. The effects of climate change may increase losses for those sectors that are sensitive to physical and transition risks. Any subsequent increase in the number of non-payments and rising unemployment could create crisis pressures that could result in further deterioration in the creditworthiness of the Bank's customers, increase expected credit losses, and increase write-offs and defaults among retail customers.

Analysis of the impact of risks on the Bank's risks

Type of risk	Description	Physical risks	Transition risks
<p>Market risks</p>	Risks of losses resulting from changes in the value of the Bank's assets and liabilities or a decrease in net interest income as a result of changes in the market; include currency risk, interest rate risk and price risk	Impact on asset valuation or secondary impact on insurers caused by physical climate events	Impact on prices due to climate policy, legal, technological or market changes related to climate
<p>Operational risks</p>	Risks of losses as a result of faulty internal processes or systems or as a result of external events, including internal and external fraud, events in the labour legislation and labour safety, damage to tangible assets, failures in the operation of IT systems, etc.	Operational disruptions caused by physical climate events	Forced changes required to comply with new regulatory requirements
<p>Credit risks</p>	Risks of losses arising from non-fulfilment of obligations by the borrower, counterparty or partner; risk factors include lending to customers, investments in securities, interbank placement, activities of subsidiaries, relationships with debtors, etc.	Impact on borrowers' solvency caused by physical climate events	Impacts on the client's financial performance (revenue, income, cash flow, assets or collateral) resulting from changes in climate policy, legal, technological or market changes related to climate, including the transition to 'sustainable' investments
<p>Compliance risks</p>	Risks of legal or regulatory sanctions, material financial damage or damage to the Bank's reputation resulting from the Bank's failure to comply with the requirements of current legislation and general corporate governance principles	Violations caused by physical climate events that may affect the Bank's ability to comply with internal corporate governance policies and procedures related to the climate agenda	New national and international requirements for classification and disclosure of climate-related information
<p>Liquidity risks</p>	Risks that the Bank will not be able to effectively meet both expected and unexpected cash requirements without adversely affecting its day-to-day operations or financial well-being	Climate factors and changes in the regulatory environment may cause unexpected demand from counterparties / customers for funds to finance their liabilities; decrease in the value of assets held by the Bank; or limit the Bank's ability to roll over its debt	

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023a

3. Corporate governance

- Corporate governance system
- Sustainability management
- Operational risk management and internal control
- Internal Audit Function
- Risk management in the area of sustainability
- Plans for the development of the sustainable development management system

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes



In addition, the potential impact on the Bank's customers associated with the implementation of transition climate risks was considered separately:

Analysis of the impact of transition climate risks

Transition risks	Policies and regulations	Right	Technologies	Market
Examples of drivers	<ul style="list-style-type: none"> • Carbon tax affecting sectors and customers • Tightening of emission standards • Introduction of an absolute limit on greenhouse gas emissions at production sites • Enhanced reporting obligations on greenhouse gas emissions 	<ul style="list-style-type: none"> • Government and non-governmental organisations filing lawsuits • Making companies legally responsible for their contribution to the physical impacts of climate change 	<ul style="list-style-type: none"> • Preference is given to breakthrough substitute technologies due to a lower carbon footprint • Development of emission capture and disposal facilities • Investment in new technologies • Alternatives to fossil fuels 	<ul style="list-style-type: none"> • Changing consumer preferences • Changes in the supply and demand of raw materials • Shareholder perception and consumer pressure • Changing market sentiment
Examples of potential impacts	<ul style="list-style-type: none"> • Increased operating costs due to compliance with the following requirements • Increased capital expenditures to meet regulatory standards • Operating limits • Write-offs and early disposals of assets. 	<ul style="list-style-type: none"> • Increased costs due to fines and penalties related to class action damages • Changes in the valuation of assets • Reduced demand for goods and services 	<ul style="list-style-type: none"> • Impairment of assets and early disposal of assets • Spending on research and development in the new technologies • Costs of implementing new practices and processes 	<ul style="list-style-type: none"> • Increased costs and reduced demand for goods and services • Increased production costs due to changes in raw material prices and product requirements • Decrease in revenue and revaluation of assets
Expected time horizon	Short-term (0-1 years), medium-term (1-5 years), long-term (5-30 years)			
Classification	Event-driven, structured	Event-driven, structured	Structural	Structural
Main affected risks of the Bank	Credit risk, market risk, liquidity risk, operational risk, reputational risk			
Affected secondary risks of the Bank	Behavioral risk, legal risk			
Trend	Increasing value ▲	Increasing value ▲	Increasing value ▲	Increasing value ▲

Report Structure

**Message from the Chairman
of the Board of Directors**
Message from the President
1. About the Report
**2. About the Bank:
key results for 2023a**
3. Corporate governance

- Corporate governance system
- Sustainability management
- Operational risk management and internal control
- Internal Audit Function
- Risk management in the area of sustainability
- Plans for the development of the sustainable development management system

**4. Bank's contribution to achieving
UN Sustainable development
goals**
**5. Human rights compliance,
Business ethics, and anti-
corruption efforts**
**6. Interaction with customers
and suppliers**
7. Interaction with staff
8. Social responsibility
9. Environmental responsibility
Annexes
Customer ESG risk assessment

Starting in 2023, the Bank develops approaches to credit risk assessment that take into account the impact of sustainable development factors on the credit process. These methods will form the basis for internal regulatory documents on risk assessment. It is assumed that with the accumulation of related quantitative data, the assessment of sustainability risks for corporate borrowers will be integrated into the credit rating assessment process. Currently, methods and tools for assessing the impact of sustainable development factors on the operational activities of borrowers are being implemented in the loan decision-making process.

In 2023, the Bank developed and started applying the following additional tools and procedures to assess the compliance of potential and current borrowers with the ESG principles:

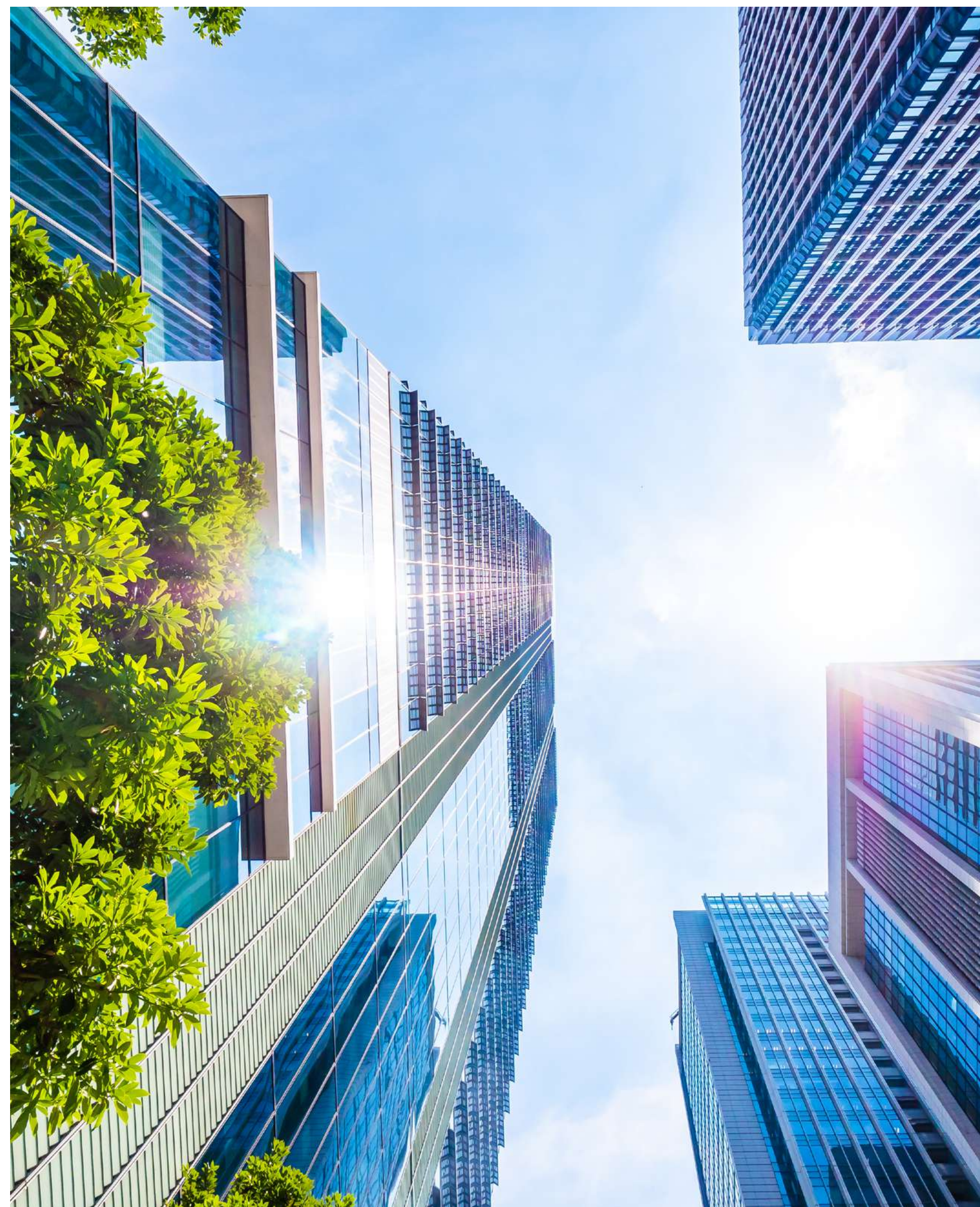
- **Exclusion list:** checks corporate clients for compliance of their activities and practices with the list of unacceptable activities.
- **Self-declaration:** filling out a questionnaire addressed primarily to SME clients and aimed at determining the level of ESG risk depending on the industry and applied practices.
- **Determination of the inherent ESG score by industry:** assessment of the exposure to climate risks / significance of sustainability factors in the main branches of operations of the Bank's corporate clients (based on available quantitative data), followed by applying the results as part of the ESG scoring procedure.
- **ESG-scoring:** a differentiated assessment of the exposure of corporate clients (usually clients of the CB segment and the largest clients of the SME segment) to climate risks and the importance of sustainable development factors in their activities, taking into account their minimization measures and adaptation initiatives and based on verified data and information.
- **Taxonomy compliance assessment:** checks whether medium and large loans meet the green and / or social taxonomy criteria (taking into account the materiality threshold).
- **ESG-project evaluation:** checking the positive environmental or social effects of the project, which can also have a positive impact on the results of ESG-scoring of corporate clients.

Currently, the described procedures and tools allow the Bank to granularly assess the ESG risks of its clients and the positive environmental and social effects of funded projects. The applied approaches and principles build a solid foundation for the gradual introduction of a more advanced mechanism for responsible financing in the future, including the launch of green products, the development of a climate strategy, the issuance of green bonds, etc.

The Bank's plans for developing a sustainable risk management system, including approaches to effective climate risk management, for 2024 include the following initiatives:

- **Formalisation of the applied methods and approaches:** development and implementation of regulatory documents and procedures aimed at accounting and managing sustainable development risks.
- **Creating an ESG database:** setting up and launching the process of collecting and systematising qualitative and quantitative information on current and potential corporate clients of the Bank related to sustainable development factors and climate change issues.
- **Automation of applied tools and procedures:** step-by-step debugging and automation of tools and procedures to assess compliance of potential and current borrowers with ESG principles.
- **Climate stress testing:** development and gradual improvement of the climate stress testing procedure, which aims to assess the potential impact of climate change on the operating and investment activities of the Bank's clients. Priority steps to develop the Bank's climate stress testing practice, including: (i) developing a comprehensive methodology that takes into account the impact of both transition and physical climate risks; (ii) developing climate stress scenarios based on data from organisations such as NGFS⁹, IEA¹⁰, and others; and (iii) defining procedures for calculating the potential impact on the quality of credit and trade portfolios of the Bank.

Successful implementation of the planned initiatives will allow the Bank to develop fundamentally new competencies in ESG risk management and move to a new level of maturity in sustainable development practices. All of this, in turn, will provide a solid foundation for implementing more integrated ESG and climate agenda principles and approaches in the medium term.



Plans for the development of the sustainability management system

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank:
key results for 2023a

3. Corporate governance

- Corporate governance system
- Sustainability management
- Operational risk management and internal control
- Internal Audit Function
- Risk management in the area of sustainability
- Plans for the development of the sustainable development management system

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes



The Bank has identified the following strategic initiatives in the sustainable development:

The initiative	Recommendations / instructions of the regulator	Implementation period	Implementation priority
Climate stress test	<p>Roadmap for implementing ESG principles of ARDFM: Development of climate stress test scenarios and assessment of possible impact of scenarios on financial institutions</p> <p>ARDFM press release, 16 November 2023: Introduction of climate risk stress testing procedures for banks in 2024</p>	End of 2024	High
Green portfolio segregation	<p>Potential amendments to Resolution No. 313 of the Board of the National Bank of the Republic of Kazakhstan dated 28 December 2018 (List of forms, terms and Rules for reporting on second-tier bank loans); provisioning of statistics on loans that meet the criteria of the National Green Taxonomy</p> <p>ESG Disclosure Guide of ARDFM: Disclosure of information on the amount of green loans issued</p>	End of 2024	Average
Climate strategy	<p>Concept of development of the financial sector of the Republic of Kazakhstan until 2030:</p> <ul style="list-style-type: none"> • The strategy and business model of the financial institution will need to take into account the sustainable development goals, ESG factors and associated risks • Establishing requirements for the risk management system for compliance with ESG principles <p>ESG Disclosure Guide of ARDFM:</p> <ul style="list-style-type: none"> • Disclosure should include information on the process of integrating sustainable development into the strategy (including the long-term sustainability of the strategy under different environmental conditions) 	End of 2024	Average
ESG information disclosure	<p>Environmental, Social and Corporate Governance (ESG) Disclosure Guidelines for banks and other financial institutions: Comprehensive recommendations on disclosure of non-financial information for financial institutions on all significant topics/ blocks, including:</p> <ul style="list-style-type: none"> • ESG risk management • Results of activities on quantitative and target indicators of sustainable development • Corporate governance • Risks and opportunities associated with climate change, etc. 	Mid-2024	High
ESG Governance, Data, Products and other requirements for risk management and corporate governance systems	<p>Qualitative assessment in the form of annual reports for financial institutions (E&S risks governance of ARDFM):</p> <p>1. ESG Governance:</p> <ul style="list-style-type: none"> • Responsibilities of the Board of Directors (supervision, development of E&S risks policies) • Senior management's responsibility for developing mechanisms and procedures • Developing procedures and processes for managing environmental and social risks <p>2. Data:</p> <ul style="list-style-type: none"> • Development of a system for collecting data and generating statistics (on the volume and share of loans checked for compliance with accepted policies / principles / standards) <p>3. Products:</p> <ul style="list-style-type: none"> • Development of sustainable finance products 	Indefinite initiative	Low



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank:
key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

- Alignment of material topics with the UN Sustainable Development Goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes



Our path to sustainable development

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

- Alignment of material topics with the UN Sustainable Development Goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

Bank's contribution to achieving UN Sustainable development goals

In 2023, the Bank initiated an assessment of the priority Sustainable Development Goals (SDGs). The evaluation consisted of the following steps:

Stage 1



Analysis of strategic priorities

Internal strategic documents of the Bank and international initiatives in the corporate responsibility and sustainable development were studied to determine aspects and directions of strategic development in the sustainable development.

A survey of the Bank's management and employees was conducted, ranking the significance of the UN SDGs on a 5-point scale (5 points mean the most important priority, 1 point means the least important priority).

- Structure of respondents:
 - Members of the Management Board and the Board of Directors
 - Managers
 - Specialists

Stage 2



Industry practice analysis

- An analysis of the UN focus SDGs among companies in the industry was carried out.
- An initial list of 8 priority UN SDGs was determined based on the results of a survey of management and employees, and their comparison with the analysis of the UN focus SDGs among industry companies.

Stage 3



Taking into account the views of stakeholders

- A survey of a wide range of external stakeholders was conducted, ranking the significance of the UN SDGs on a 5-point scale. Representatives of external stakeholders:
 - Business partners
 - Customers
 - Expert communities and international organisations
 - Population of the regions of presence and NGOs
 - Mass media
- Each UN SDG was ranked in terms of its importance to internal and external stakeholders. As a result, a matrix of priority UN SDGs was formed.

Stage 4



Prioritising the UN SDGs

Based on the results of the questionnaire analysis and the formation of the materiality matrix, it was decided to select 9 UN SDGs as priorities with an overall priority of at least 3.8 points¹¹ out of a maximum of 5 points.

In total, representatives of six groups of stakeholders took part in the survey. Bank's parties:

- Business partners
- Employees
- Customers
- Expert communities and international organisations
- Population of the regions of presence and NGOs
- Mass media

95 responses were received during the survey.



¹¹The overall priority is the average value between the assessments of external and internal stakeholders for each UN SDG.

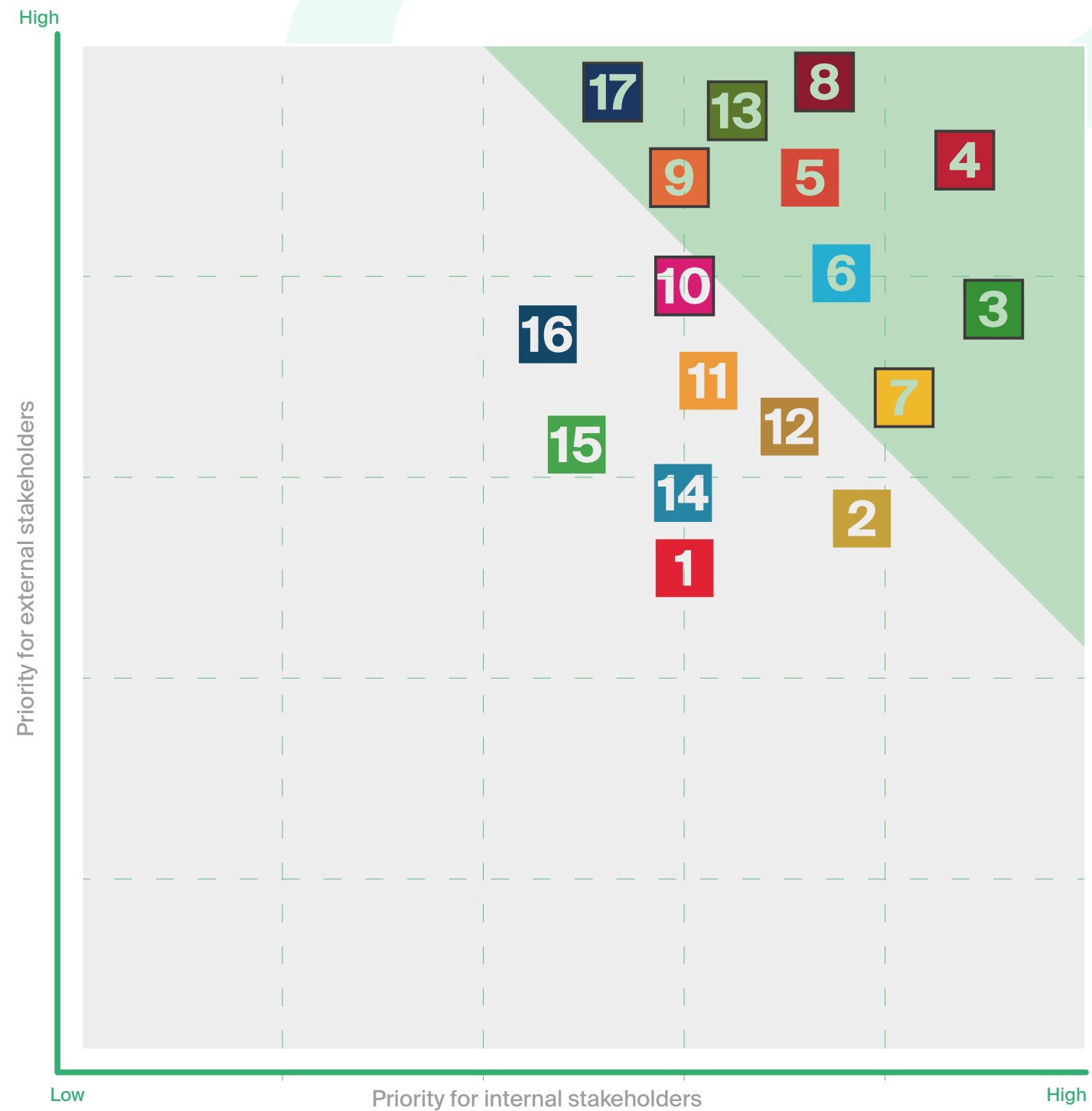
Report Structure

Message from the Chairman of the Board of Directors

Message from the President

- 1. About the Report
- 2. About the Bank: key results for 2023a
- 3. Corporate governance
- 4. Bank's contribution to achieving UN Sustainable development goals**
 - Alignment of material topics with the UN Sustainable Development Goals
- 5. Human rights compliance, Business ethics, and anti-corruption efforts
- 6. Interaction with customers and suppliers
- 7. Interaction with staff
- 8. Social responsibility
- 9. Environmental responsibility
- Annexes

SDG definition matrix for internal and external stakeholders



● Area of top-priority SDGs
 ● Area of low-priority SDGs
 □ SDGs previously defined by the Bank

SDG prioritized topics for stakeholders

	SDGs	Priority in points			
		Internal stakeholders	External stakeholders	General	
1	4	Quality education	4.05	4.35	4.20
2	8	Decent work and economic growth	3.73	4.35	4.04
3	3	Good health and wellbeing	4.23	3.80	4.01
4	13	Combating climate change	3.71	4.25	3.98
5	5	Gender equality	3.79	4.15	3.97
6	9	Innovation and infrastructure	3.65	4.20	3.93
7	17	Partnership for Sustainable Development	3.51	4.30	3.90
8	6	Clean water and sanitation	3.84	3.90	3.87
9	7	Low-cost and clean energy	3.93	3.70	3.82
10	10	Reducing inequality	3.63	3.75	3.69
11	11	Sustainable cities and localities	3.65	3.60	3.63
12	2	Ending hunger	3.97	3.25	3.61
13	12	Responsible consumption and production	3.76	3.45	3.61
14	16	Peace, justice and effective institutions	3.51	3.65	3.58
15	15	Conservation of terrestrial ecosystems	3.57	3.50	3.54
16	14	Conservation of marine ecosystems	3.61	3.40	3.51
17	1	Poverty eradication	3.61	3.35	3.48

Outcomes of the UN priority SDG identification process:

- 9 priority SDGs are identified based on the results of the analysis
- 7 of the 9 are identified SDGs were previously identified by the Bank as priorities at the stage of a survey of the Bank's management and employees (SDGs: 3, 4, 7, 8, 9, 13, 17)
- 2 SDGs out of 9 (5 and 6) are included as new priority SDGs
- SDG 10, which was considered at a priority at the stage of the survey of the Bank's management and employees, was excluded from the list of priority goals based on the results of the analysis.

Alignment of material topics with the UN Sustainable Development Goals

Contribution of Bank CenterCredit JSC to achieving significant UN SDGs in 2023

Report Structure

- Message from the Chairman of the Board of Directors
- Message from the President
- 1. About the Report
- 2. About the Bank: key results for 2023a
- 3. Corporate governance
- 4. **Bank's contribution to achieving UN Sustainable development goals**
 - Alignment of material topics with the UN Sustainable Development Goals
- 5. Human rights compliance, Business ethics, and anti-corruption efforts
- 6. Interaction with customers and suppliers
- 7. Interaction with staff
- 8. Social responsibility
- 9. Environmental responsibility
- Annexes

UN SDGs	Material topic	BCC's contribution in 2023	UN SDGs	Material topic	BCC's contribution in 2023
	Workplace safety and health	<ul style="list-style-type: none"> Charitable and social initiatives in the healthcare: financing of medical institutions¹². The Bank provides health insurance to employees and provides the necessary medical care and compensation in case of accidents at the workplace. 		Economic performance Corporate governance system Availability of financial products and services	<ul style="list-style-type: none"> EBRD funding was attracted to finance SMEs, women in business and green technologies under the GEF program for a total amount of 28 billion tenge The Bank financed 4,911 projects in the amount of 169 billion tenge under the subsidy instrument of "Damu" Entrepreneurship Development Fund" JSC in 2023. Under the guarantee instrument of "Damu" Entrepreneurship Development Fund" JSC for 2023, as of December, the Bank financed 4,592 projects in the amount of 135 billion tenge. 22.5 billion tenge was raised for portfolio guarantees and subsidies under the National Project on Entrepreneurship Development for 2021-2025.
	Staff training and development	<ul style="list-style-type: none"> The Bank is actively developing educational programs, increasing the number of trained employees in the reporting year, updating courses and introducing gamification to encourage the passage of mandatory training courses¹³. 		Digitalisation and innovation Information security	<ul style="list-style-type: none"> Continued implementation of a cashless payment system based on contactless payment technologies for various types of smartphones (Apple Pay, Samsung Pay, Google Pay, BCC Pay). BCC.KZ and BCC.Business mobile apps¹⁵.
	Human rights	<ul style="list-style-type: none"> The Human Rights Policy was approved during the reporting period. The Bank has made a significant contribution to the gender agenda at the management level, increasing the share of women among line managers to 54%¹⁴. 		Bank's Sustainable Development Strategy Waste management	<ul style="list-style-type: none"> In 2023, the Bank started calculating GHG emissions in Scope 1, 2 and 3. Principles of responsible financing have been developed. The Green Office project continued to be implemented: energy efficiency, waste. The Bank has financed more than 100 green projects under the GEF Green Economy Financing Program since 2021, which has resulted in a reduction in CO₂ emissions by more than 160 thousand tons.
	Water consumption	<ul style="list-style-type: none"> By the end of 2023, 123,636 liters of water were saved. Developed measures and recommendations based on the results of the energy audit of BCC facilities. 		Anti-corruption measures	<ul style="list-style-type: none"> In 2023, the Bank joined the UN Global Compact. The Bank is a Partner of the EBRD's GEF Green Economy Financing Program and the UNDP Renewable Energy Financing Program. The Bank participates in the SDG Ambition Accelerator.
	Low-cost and clean energy Energy efficiency	<ul style="list-style-type: none"> The Green Office project: energy efficiency was developed. Measures and recommendations were developed based on the results of the energy audit of BCC facilities. The Bank has started the transition to its own fleet of electric vehicles and is gradually abandoning the fleet with internal combustion engines (ICE). 			

¹²See more in 'Social support' section ¹³See more in 'Motivation system, recruitment and training of personnel' section ¹⁴See more in 'Social support' section ¹⁵See more in "Digitalisation of processes to improve the quality of services"



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank:
key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

- Approaches to ensuring of human rights
- Approaches to business ethics and anti-corruption issues
- Development plans

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes



Fairness for everyone:

respect for rights and ethical standards



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

- 1. About the Report
- 2. About the Bank: key results for 2023a
- 3. Corporate governance
- 4. Bank's contribution to achieving UN Sustainable development goals
- 5. Human rights compliance, Business ethics, and anti-corruption efforts**
 - Approaches to ensuring of human rights
 - Approaches to business ethics and anti-corruption issues
 - Development plans
- 6. Interaction with customers and suppliers
- 7. Interaction with staff
- 8. Social responsibility
- 9. Environmental responsibility

Annexes

Human rights compliance, Business ethics, and anti-corruption efforts

●● **GRI 2-15; 2-16; 2-23; 2-24; 2-25; 2-26; 2-27; 3-3; 205-2; 205-3; 206-1; 410-1; SASB FN-CB-510a.1; SASB FN-CB-510a**

Approaches to ensuring of human rights

●● **GRI 2-23; 2-24; 3-3**

Recognition, respect and protection of human rights are among the Bank's key areas of activity in the sustainable development. Therefore, the Bank strives to:

- Continuously increase the positive impact and at the same time prevent or mitigate the negative impact on human rights that is directly related to the Bank's activities.
- Provide feedback on human rights compliance from employees and other stakeholders.

To this end, the Board of Directors approved the Human Rights Policy in 2023, which sets out the Bank's principles and obligations regarding respect for human rights at all stages of its operations.

Human rights regulatory framework

The Bank's human rights policy is based on key international and national legal acts and is stipulated in internal regulatory documents that ensure their implementation in daily operations.



International legal acts

- Universal Declaration of Human Rights
- The United Nations Guiding Principles on Business and Human Rights
- Principles of responsible banking developed as part of the United Nations Environment Programme (UNEP FI) Financial Initiative
- OECD Guidelines for Multinational Enterprises

National regulations

- Constitution of the Republic of Kazakhstan
- Labour Code of the Republic of Kazakhstan

Internal regulatory documents

- Code of Corporate Ethics
- Sustainable development policy
- Regulations for the acquisition of fixed assets, intangible assets, inventory, works/services
- Anti-corruption policy
- Responsible financing policy

Human rights obligations to essential stakeholders

The Bank applies a comprehensive approach to human rights compliance, covering various aspects of the organisation's activities and focusing on interaction on human rights issues with the following groups of stakeholders:

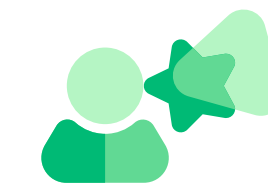
The Bank encourages these stakeholders to adopt similar approaches in respect of human rights in their own operations.



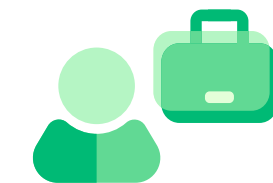
Bank employees



Society and population of the regions where we operate



Bank customers



Suppliers

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

- 1. About the Report
- 2. About the Bank: key results for 2023a
- 3. Corporate governance
- 4. Bank's contribution to achieving UN Sustainable development goals
- 5. Human rights compliance, Business ethics, and anti-corruption efforts
 - Approaches to ensuring of human rights
 - Approaches to business ethics and anti-corruption issues
 - Development plans
- 6. Interaction with customers and suppliers
- 7. Interaction with staff
- 8. Social responsibility
- 9. Environmental responsibility

Annexes

Bank's human rights obligations

The Bank has identified the following key commitments in the area of respect and protection of human rights, which it strives to comply with at all stages of its activities:

- Respect for human dignity and human rights
- Unacceptability of any form of discrimination
- Respect for employees' rights to freedom of assembly and association, freedom of opinion and expression
- Unacceptable use of child and forced labour
- Ensuring decent working conditions and compensation
- Providing a safe and healthy production environment
- Unacceptability of all forms of violence
- Respect for the rights, cultural characteristics and customs of the populations of the regions of presence
- Prevention of human trafficking
- The right to collective bargaining
- Equal remuneration

Bank's human rights activities

Responsible financing. In order to improve corporate practices in the area of human rights compliance, the Bank takes the necessary measures to minimise the risks associated with the observance of human rights in the framework of financing borrowers. The Bank's responsible financing policy includes strict adherence to human rights principles. In particular, the Bank excludes from financing business practices that violate these principles, such as:

- Failure to meet the minimum age for employment or child labor
- Forced labor and slavery
- Employment of women in underground work in mines of any kind
- Contradictions in the area of human rights, labour relations, ecology or governance

Interaction with suppliers. The Bank cooperates with suppliers that have an impeccable reputation and conduct their activities, including on the basis of human rights principles.

Activities of the Bank's suppliers are strictly prohibited:

- Any form of discrimination based on gender, age, ethnic or national origin, religion, worldview, physical ability, identity, skin color, family status, political beliefs, origin, or other individual characteristics

- Any form of violence in the workplace, including verbal, physical and psychological violence
- Use of child labour or any other form of forced labour

Starting from 2024, the Bank's counterparties participating in tenders will be subject to a questionnaire developed in accordance with the principles of respect for human rights provided for in the Constitution and the Labour Code of the Republic of Kazakhstan, as well as taking into account a number of international documents in this area.

International initiatives. Joining the UN Global Compact in 2023 was a significant step for the Bank to strengthen the protection of human rights, including through its own activities.



Approaches to business ethics and anti-corruption issues

●● **GRI 2-15; 2-16; 2-23; 2-25; 2-26; 2-27; 3-3; 205-2; 205-3; 206-1; 410-1; SASB FN-CB-510a.1; SASB FN-CB-510a.2**

Anti-corruption measures

●● **GRI 3-3, 205-2; 205-3**

The Bank does not accept corruption in any form. In 2023, the Board of Directors approved a publicly available Anti-Corruption Policy developed in accordance with the legislation of the Republic of Kazakhstan and internal regulatory documents of the Bank.



The goal of the Policy is to strengthen control over the prevention and detection of corruption, as well as the formation of a zero tolerance principle for corruption in the Bank.

The objective of the Policy is to create a culture of Bank employees that ensures compliance with the principles of honesty and transparency in the performance of official / functional duties, and zero tolerance for corruption.

All employees of the Bank, regardless of their position, are personally responsible for compliance with the principles and requirements of the Anti-Corruption Policy, as well as for actions (inaction) of their subordinates that violate these principles and requirements.

In this regard, all employees of the Bank are required to familiarize themselves with the Anti-Corruption Policy. This process is monitored by the Internal Security Directorate of the Security Center. In 2023, 100% of employees, including members of management bodies, are informed about the Bank's anti-corruption policy.

During the reporting period, there were no cases of corruption confirmed during internal or external inspections. Accordingly, the Bank was not subject to penalties or other fines for corruption-related violations.

In 2023, **100%** of the members of the Bank's management bodies received anti-corruption training.

Anti-corruption training for employees:

Indicator	2022	2023
Number of employees who completed training	2,734	3,865
Percentage of employees who completed training	42.6%	57.5%

Informing about corruption offenses the Bank has created a channel to enable employees and other persons to express their reasonable observations and suspicions about corruption offenses confidentially or anonymously by sending information to the following email address: fraudinfo@bcc.kz. For all reports of corruption offenses, the Bank conducts an audit or internal investigation in accordance with the terms of the Regulations for Organising and Conducting an Internal Investigation by the Security Support Center in Bank CenterCredit JSC with the participation of the relevant structural functions of the Bank.

Business Ethics

●● **GRI 2-23**

The Bank adheres to high standards of business practice and pays close attention to business ethics issues. BCC believes that the responsibility of every modern bank is not only to strive for financial growth, but also to maintain a high level of business standards.

The Bank's Code of Ethics is much more than just a guide to action. It provides a solid foundation for trusting relationships with customers and shareholders, and promotes the cultivation of a corporate culture based on pride in their work and the desire for achievement among all employees. These aspects are the key value of BCC. The trust placed in the Bank by its partners and customers is directly related to strict compliance with high standards of corporate ethics.

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank:
key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

- Approaches to ensuring of human rights
- Approaches to business ethics and anti-corruption issues
- Development plans

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes



Key principles and approaches of the Bank in the area of business ethics and interaction with stakeholders are set out in the Code of Corporate Ethics for Employees of Bank CenterCredit JSC. This is a set of corporate rules, principles and standards of conduct that governs the moral and ethical aspects of relationships within the Bank, as well as describes the requirements and expectations for ethical business conduct when interacting with external parties: customers, suppliers and contractors, government representatives, the public and competitors.

The Code not only regulates, but also unites and consolidates the key corporate values of the Bank. These values ensure a unified vision and coherence of employees' actions, which contributes to the effective achievement of the Bank's goals. Key corporate values include:

- Integrity
- Professionalism
- Responsibility
- Goodwill

The provisions of the Code are binding on all employees of the Bank in the performance of their official duties, in their relations with each other, with shareholders, clients, business partners, state authorities, the public and other stakeholders in the course of banking activities.

Resolution of conflicts of interest

●● GRI 2-15

Effective management of conflicts of interest significantly increases the Bank's transparency and responsibility to its customers and partners. Therefore, BCC consistently applies all available measures to carefully manage and minimise possible conflicts of interest.

Policies and procedures

The Bank strictly follows the policy on conflict of interest resolution and the procedure for preparing and maintaining information about affiliated persons and persons with special relations with the Bank. These documents, approved by the Board of Directors, are mandatory for all employees to follow when working with customers, partners, suppliers, competitors, and other third parties. At that, the Bank pays special attention to preventing any conflict between personal interests and official duties of an employee, obliging employees to put the interests of customers above their own when performing their professional duties. Each employee must immediately notify their supervisor of any potential or existing conflicts of interest in writing, as well as inform the Chief Compliance Officer. Management, in turn, should assess the potential risk to the Bank and take steps to comply with standard conditions when making decisions and making transactions.

Management structure

The Bank carefully plans its organisational structure and distribution of powers among collegial bodies to minimise the risks of conflicts of interest and ensure objectivity in decision-making.

It is the responsibility of the Compliance function to ensure that the Bank takes measures to identify, assess and control conflicts of interest.

It is also important to note the key role of the Board of Directors in managing conflicts of interest in the Bank. Thus, in order to prevent and mitigate conflicts of interest, members of the Board of Directors are required to:

- Go through the approval process before taking on responsibilities in other organisations to prevent conflicts of interest
- Immediately report any potential or actual conflicts of interest
- Abstain from voting on issues where they have a personal interest

Examples of regulated conflicts

The Bank actively manages situations that may result in a conflict of interest, such as:

- **Third-party rewards.** A conflict may arise if an employee or their relative receives a reward for the services provided to the client.
- **Confidential information.** A conflict is possible if confidential information is shared with unauthorised persons.
- **Additional benefits and gifts.** Conflict may occur if a customer service employee improperly receives or offers valuable gifts.
- **Mismatch of interests.** A conflict is possible if the employee involved in the task has a personal interest or cannot be impartial.
- **Personal transactions of employees.** A conflict may arise if employees make transactions in securities or foreign exchange transactions on their own behalf, using information obtained from the client's transactions or otherwise at the client's expense.
- **Assignment of employees.** Conflicts may arise when appointing relatives to subordinate or related positions.

Information disclosure and transparency

BCC ensures full transparency in accordance with the requirements of the legislation and internal documents of the Bank, regularly publishing information, including those related to conflicts of interest, through official disclosure channels, including information about affiliates and shareholders, as well as about transactions that may cause interest.

Through strict control and systematic monitoring, the Bank maintains high standards in managing conflicts of interest, which contributes to strengthening its reputation as a reliable and stable financial institution, demonstrating a commitment to honesty and transparency, which is the basis of trust of customers and partners.



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

- 1. About the Report
- 2. About the Bank: key results for 2023a
- 3. Corporate governance
- 4. Bank's contribution to achieving UN Sustainable development goals
- 5. Human rights compliance, Business ethics, and anti-corruption efforts
 - Approaches to ensuring of human rights
 - Approaches to business ethics and anti-corruption issues
 - Development plans
- 6. Interaction with customers and suppliers
- 7. Interaction with staff
- 8. Social responsibility
- 9. Environmental responsibility

Annexes

Mechanisms for seeking advice and raising concerns

●● GRI 2-25; 2-26; SASB FN-CB-510a.2

BCC adheres to the principles of responsible business behavior in all aspects of its activities, including in relations with stakeholders. To this end, the Bank has developed a mechanism for filing and reviewing appeals and complaints from external and internal stakeholders, through which everyone can report their concerns about possible or actual violations. This mechanism, supported by accessible and efficient communication channels, ensures that the Bank responds quickly and appropriately.

Any person can report possible violations, as well as get additional information and ask any questions that arise through any of the suggested communication methods:

- Contact any Bank branch
- Contact the call center: 505 (for individuals) and 605 (for business clients)
- Apply via the Bank's official social networks or instant messengers
- Email at info@bcc.kz
- Apply via the official website www.bcc.kz

When considering applications, the Bank guarantees confidentiality. Anonymous requests are accepted for consideration, but no response is provided.

The Compliance Control function of the Bank analyses customer complaints (applications) for compliance risk, and also conducts inspections independently or jointly with the Bank's structural divisions and officials on the facts of violations of the legislation of the Republic of Kazakhstan by the Bank's employees, in accordance with the procedure defined by the Bank's internal document.

The Bank undertakes to provide timely and complete responses to customer complaints, as well as to eliminate the reasons that result in the receipt of these complaints. This practice is part of the Bank's goal to improve the quality of service and increase customer satisfaction, thereby maintaining transparent and open relationships with customers and ensuring a high level of corporate responsibility.

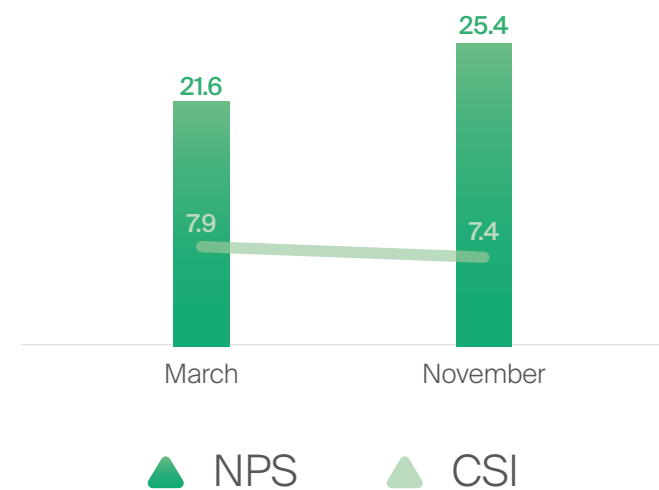
In order to monitor the effectiveness of complaint handling mechanisms and their resolution processes, participants in the Bank's process and clients are regularly informed about changes and improvements made. The Bank regularly conducts Customer Satisfaction Analysis (CSA) and Voice of the Customer (VOC) surveys, which help assess customer satisfaction and collect their feedback on the Bank's performance. The results of these studies are used to further improve the processes and mechanisms for handling complaints.

In 2023, the Bank also conducted surveys using the methods of determining the Net Promoter Score (NPS) and Consumer Satisfaction Index (CSI). The surveys covered two key segments:

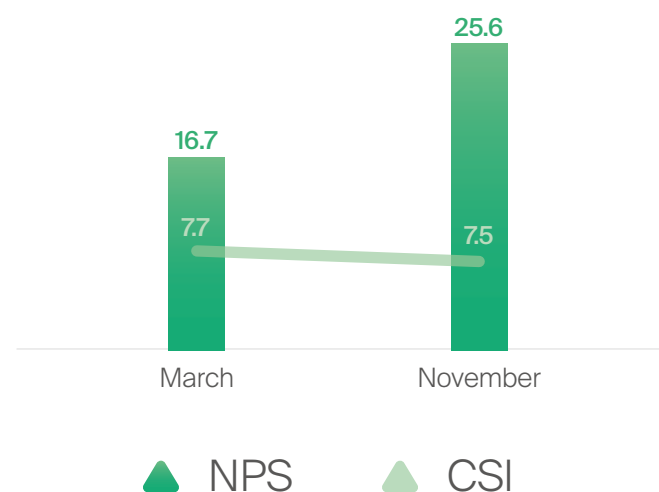
- Retail business, i.e. 301 interviews
- Mass business, including individual entrepreneurs, limited liability partnerships, NGOs, state-owned enterprises and joint-stock companies, i.e. 230 interviews

To ensure reliability and relevance, the surveys were conducted in two stages: in March and November 2023. This allowed us to assess changes in customer satisfaction and loyalty over the course of the year.

Retail business



Mass Segment



Customers can leave complaints at any time, 24 hours a day, 7 days a week, through any available communication channel. BCC ensures that every request is handled with due care and professionalism.

In addition, the Bank's Board of Directors approved an internal document 'Regulations on the internal reporting system in

Bank CenterCredit JSC', which regulates the procedure for ensuring the possibility of confidential communication by Bank employees (including anonymous ones) about violations related to the Bank's activities, internal regulatory documents of the Bank and the legislation of the Republic of Kazakhstan. Persons who have relevant information about violations may inform one of the listed authorised persons of the Bank about the violation that has become known to them: members of the Board of Directors, the President of the Bank and/or members of the Management Board or the Chief Compliance Controller. A person who has received information about an incident / violation / risk must take all possible measures to ensure the confidentiality of the person who reported the violation, and the Bank also guarantees that employees who reported their concerns or suspicions in good faith will not be subjected to any measures of influence. Based on the results of the audit, information is communicated to the Management Board in writing (internal memo), and also communicated to the Board of Directors by reflection in the periodic compliance function reports for the Board of Directors. In 2023, no such reports from the Bank's employees were received by the Compliance function, nor were they transmitted to the periodic compliance for verification from the bank's management and executive bodies.

A key element of the complaint management system is to regularly inform the Bank's management about incoming complaints. Complaint reports are compiled and submitted to management on a monthly basis. In addition, based on the analysis of these reports, an action plan is developed and implemented on a quarterly basis, aimed at reducing the number of complaints and improving the quality of products and services provided.

The BCC attaches great importance to continuous improvement of the complaints handling process. Regular analysis and evaluation of the effectiveness of the complaint handling mechanisms allow the Bank to make necessary changes and improvements to ensure faster and better resolution of the of the Bank clients' issues. In this context, the Bank also regularly reviews proposals from stakeholders to optimize the complaint handling process and mechanism. This includes optimising the systems used for receiving and handling complaints, as well as reducing the time required for handling complaints. Feedback from customers and employees of the Bank is the basis for continuous improvement of the work and improvement of service standards.

Reporting critical issues

●● GRI 2-16

To ensure transparency and efficiency of corporate governance, the Bank strictly adheres to the established principles of informing about the most significant issues that may have a significant impact on its operations. According to these principles, information about critical issues is brought to the attention of the top corporate governance body in a timely manner at in-person meetings of the Board of Directors and at monthly meetings with the Management Board. These problems are also reflected in management reporting.

The Bank continuously works to improve the corporate governance system, paying special attention to timely informing about all significant aspects of its activities. This helps build trust

on the part of shareholders, customers, and partners. During the reporting period, the Bank did not encounter any critical issues requiring notification to the supreme corporate governance body.

Compliance with the law

●● GRI 2-27; 206-1; SASB FN-CB-510a.1

The Bank maintains high standards of compliance with the legislation of the Republic of Kazakhstan and the requirements of the financial regulator. In the reporting year 2023, the Bank demonstrated its commitment to the principles of legality and responsibility in its activities. Despite this, there were some cases when the requirements of the legislation were not fully met.

Thus, in the reporting period, the Agency for Regulation and Development of the Financial Market of the Republic of Kazakhstan imposed 9 fines against the Bank totaling 4 million tenge. The Bank identifies two significant cases of non-compliance with legislative and regulatory acts related to improper verification by the Bank's employees of the accuracy of information about the client and the beneficial owner. As a result, an administrative penalty was imposed in the form of a fine in the amount of 724,500 tenge for each violation.

BCC is aware of the seriousness of these violations and takes all necessary measures to prevent them in the future. In particular, internal control procedures were strengthened and training requirements for employees were increased.

In addition, the Bank strictly complies with the antimonopoly legislation and supports the principles of fair competition in the market. During the reporting period, no lawsuits related to anti-competitive behavior or violations of the antimonopoly legislation were registered.

The Bank confirms its commitment to the principles of legality and transparency, as well as its readiness to further improve the internal control system and comply with all regulatory requirements.

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report
2. About the Bank:
key results for 2023a
3. Corporate governance
4. Bank's contribution to achieving UN Sustainable development goals
5. **Human rights compliance, Business ethics, and anti-corruption efforts**
 - Approaches to ensuring of human rights
 - Approaches to business ethics and anti-corruption issues
 - Development plans
6. Interaction with customers and suppliers
7. Interaction with staff
8. Social responsibility
9. Environmental responsibility

Annexes

Development plans

●● GRI410-1

During 2023, the Bank did not conduct specialised training programs related to human rights. However, starting from the first quarter of 2024, the Bank has stepped up its efforts in this area. An online seminar was organised in cooperation with the European Bank for Reconstruction and Development on 'Human rights, diversity and inclusion in business'. The online course 'Bank's Human Rights Policy', which is mandatory for all employees, was also launched. In addition, internal seminars were held in February 2024 to familiarize employees with key aspects of the Bank's ESG transformation, including human rights issues. All employees were provided with appropriate training materials, including the Bank's security staff.

The Bank intends to continue and expand its training program, including regular training on human rights policies and procedures for all categories of employees, to ensure full compliance with relevant standards and regulations.

In 2024, the Bank plans to introduce a course on combating corruption, which will be aimed at raising awareness and training employees in how to recognise and prevent corruption in the framework of its activities.



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

- Approach to customer interaction
- Customer focus, availability of financial products and quality of rendered services
- Digitalisation of processes to improve the quality of services
- Ensuring data security
- Approach to interaction with suppliers
- Supply chain management and procurement policy
- Development plans

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes



Partnership in action:

jointly moving to sustainable development . . .



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

- 1. About the Report
- 2. About the Bank: key results for 2023a
- 3. Corporate governance
- 4. Bank's contribution to achieving UN Sustainable development goals
- 5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

- Approach to customer interaction
- Customer focus, availability of financial products and quality of rendered services
- Digitalisation of processes to improve the quality of services
- Ensuring data security
- Approach to interaction with suppliers
- Supply chain management and procurement policy
- Development plans

- 7. Interaction with staff
- 8. Social responsibility
- 9. Environmental responsibility

Annexes

Interaction with customers and suppliers

●● GRI 2-6; 2-23; 2-24; 2-29; 3-3; 204-1; 418-1; SASB FN-CB-230a.1; SASB FN-CB-230a.2; SASB FN-CF-220a.2

The Bank strives to establish and maintain long-term, mutually beneficial relationships with customers, suppliers and contractors based on fair and ethical business standards. The Bank implements an approach of openness and mutual respect in its communications, choosing business partners with special responsibility.

Regulatory documents in the area of interaction with customers and suppliers:

- Regulation on interaction with counterparties, according to the ESG rules in Bank CenterCredit JSC
- Code of Corporate Ethics for Employees of Bank CenterCredit JSC
- Human Rights Policy of Bank CenterCredit JSC
- Sustainable Development Policy of Bank CenterCredit JSC

Approach to customer interaction

●● GRI 2-29

Key indicators:

21 branch
152 facilities
776 ATMs

More than
3 million
 clients



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

- Approach to customer interaction
- Customer focus, availability of financial products and quality of rendered services
- Digitalisation of processes to improve the quality of services
- Ensuring data security
- Approach to interaction with suppliers
- Supply chain management and procurement policy
- Development plans

7. Interaction with staff

8. Social responsibility

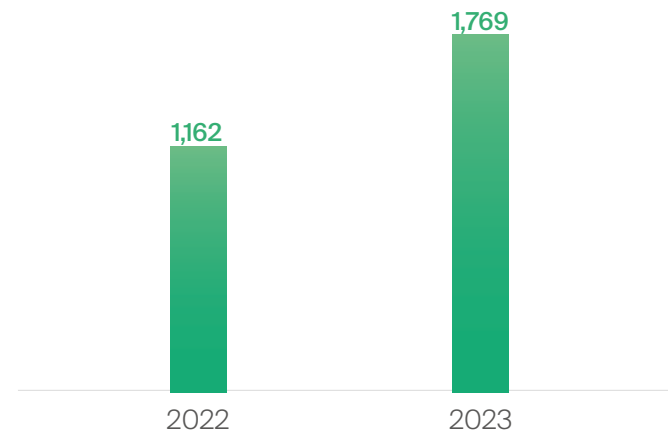
9. Environmental responsibility

Annexes

Bank CenterCredit JSC serves individuals, large businesses, as well as small and medium-sized businesses. According to the results of 2023, the Bank served more than 3 million customers, and the number of active customers of the Bank in 2023 increased from 1.3 to 1.5 million individuals and legal entities. The total loan portfolio of retail clients, large (wholesale) businesses and small and medium-sized businesses for 2023 amounted to 2.89 trillion tenge, an increase of 42.3% from 2022.

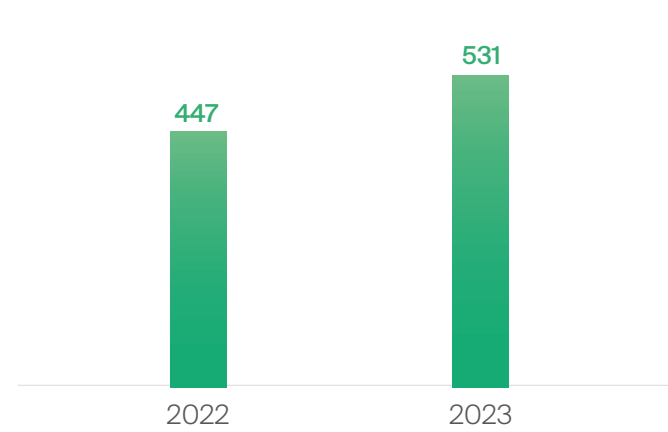
Dynamics of loan portfolio growth by type of client in billions KZT

Retail business



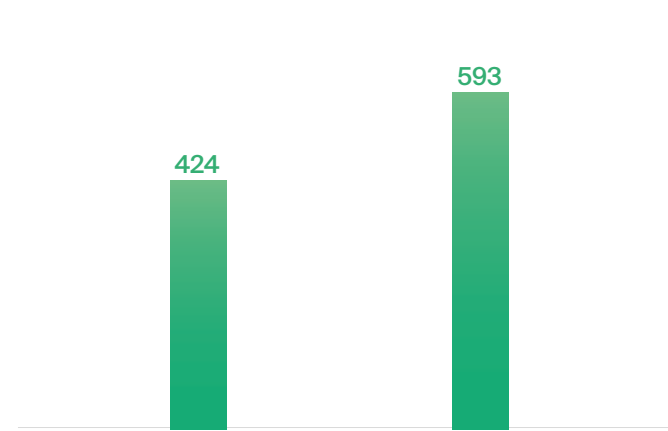
▲ Portfolio amount

Corporate loan



▲ Portfolio amount

Small and medium-sized business



▲ Portfolio amount



In its activities, the Bank is guided by the principles of strict compliance with the law and the fulfillment of all its obligations to customers. When working with clients, the Bank is guided by respect for each of them, ensuring an individual approach, ensuring that their interests are taken into account. The Bank strives to ensure that the rights of its clients are protected and maximised in accordance with the laws of the Republic of Kazakhstan and internal regulations. The Bank maintains a strict policy of non-acceptance of fraud and prevention of unfair actions of employees in relation to customers. The principles of inadmissibility of unjustified refusal to perform assigned duties and acceptance by employees for personal enrichment of any remuneration from customers are an integral part of the corporate culture. By conducting regular trainings on corporate ethics, maintaining transparency of operations and timely informing clients about the progress of their requests, the Bank builds trust and strives to build long-term and mutually beneficial relationships that serve as the basis for the stable development of all stakeholders.

The Bank is guided by the following obligations in its work with clients

1. **The Bank** primarily takes into account the interests of its customers and makes every effort to achieve their full satisfaction by providing high-quality banking products and services.
2. **The Bank** takes into account the opinions and suggestions of its clients and strives to ensure that the client constantly cooperates with the Bank.
3. **The Bank's employees** promptly and fully provide customers with all necessary and reliable information about banking services and the procedure for their provision within the framework of their official duties and powers provided for in the Bank's internal regulatory documents.
4. **The Bank** respects the confidentiality of all information, including personal data of customers and employees, as well as any information that may infringe on the business reputation or interests of customers, unless otherwise provided by the legislation of the Republic of Kazakhstan.
5. **Employees of the Bank** have no right to use official information for personal purposes or in the interests of third parties and are not entitled to disclose confidential information and information constituting a banking and commercial secret.
6. **Employees of the Bank** are not entitled to accept property or services as remuneration for performing their duties. The Bank does not allow entering into contracts that provide any personal benefits in exchange for performing official tasks.
7. **The Bank's employees** maintain ethical standards by showing a respectful, sincere and friendly attitude towards customers, increasing their trust due to their professional knowledge.

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

- Approach to customer interaction
- Customer focus, availability of financial products and quality of rendered services
- Digitalisation of processes to improve the quality of services
- Ensuring data security
- Approach to interaction with suppliers
- Supply chain management and procurement policy
- Development plans

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

8. **Employees of the Bank** are prohibited from providing unjustified benefits, privileges and preferences to customers and partners that may negatively affect the Bank's reputation and are not provided for by the legislation of the Republic of Kazakhstan.

9. **The Bank** promptly responds to customer comments, complaints and claims, finds solutions for their elimination and takes appropriate measures to correct violations and errors that have occurred.



The Bank actively applies the principle of equal access to its services for its customers throughout the country. We pay special attention to improving the inclusiveness and ensuring broad availability of our banking offerings.

Customer interaction goals

- **Informing about the Bank's products and services.** All products and services offered by the Bank, as well as the terms of their receipt, are communicated to customers. This ensures transparency and helps clients make informed financial decisions.
- **Understanding customer expectations and needs.** To maintain a high level of service, the Bank takes into account the expectations and needs of its customers in order to offer them the most appropriate and effective financial solutions.
- **Providing professional advice.** The Bank ensures that its employees have the necessary knowledge and skills to provide qualified advice to clients on all issues related to financial services.
- **Development and implementation of customer-oriented innovations.** In its activities, the Bank focuses on introducing innovations that meet the needs of customers and contribute to improving the quality of service and convenience of banking services.
- **Customer loyalty to the Bank.** One of the main goals of the Bank is to build trust and customer loyalty, which is achieved through the quality of products, level of service and attention to customers.
- **Responding to customer problems.** Timely and effective solutions to customer problems and issues help to build

trust in the Bank and maintain its reputation as a reliable and responsive financial partner.

Customer focus, availability of financial products and quality of rendered services

●● GRI 3-3

The Bank pays close attention to innovations and customer comfort, trying to develop unique banking products for each category of customers and provide them with the opportunity to use the Bank's services in the most convenient way.

Active participation of the Bank in the implementation of various state programs to support entrepreneurship has allowed it to earn recognition among the expert community and repeatedly receive awards as the best Bank for small and medium-sized businesses in Kazakhstan. The Bank's contact center provides customer support and is available for free domestic calls from mobile phones.



Individuals can call **505** and for legal entities, **605** line is provided.

Retail customers

The Bank aims to create equal opportunities for all categories of clients to use its financial services. In 2023, the Bank launched and continued to implement various initiatives aimed at improving the inclusiveness of banking products and services and ensuring their accessibility throughout the country. The past year for BCC was marked by an active expansion of digital banking services, improved conditions in customer service branches and increased ease of access to banking products for users. In addition to these measures, the Bank continued to improve its network of offices, transforming the most successful

ones based on customer requirements and preferences into more modern and functional service points.

As of 2023, there are 152 branches for customer service in Kazakhstan, as well as 776 ATMs for self-service. The Bank tries to improve the processes of providing services to its customers on a daily basis. One of the main goals is to improve the continuous operation of ATM devices.

Bank CenterCredit JSC actively supports the growing trend of inclusivity, understanding its importance for modern society. To this end, the Bank has implemented adapted features for the convenience of all customers, including those with severe visual disabilities.

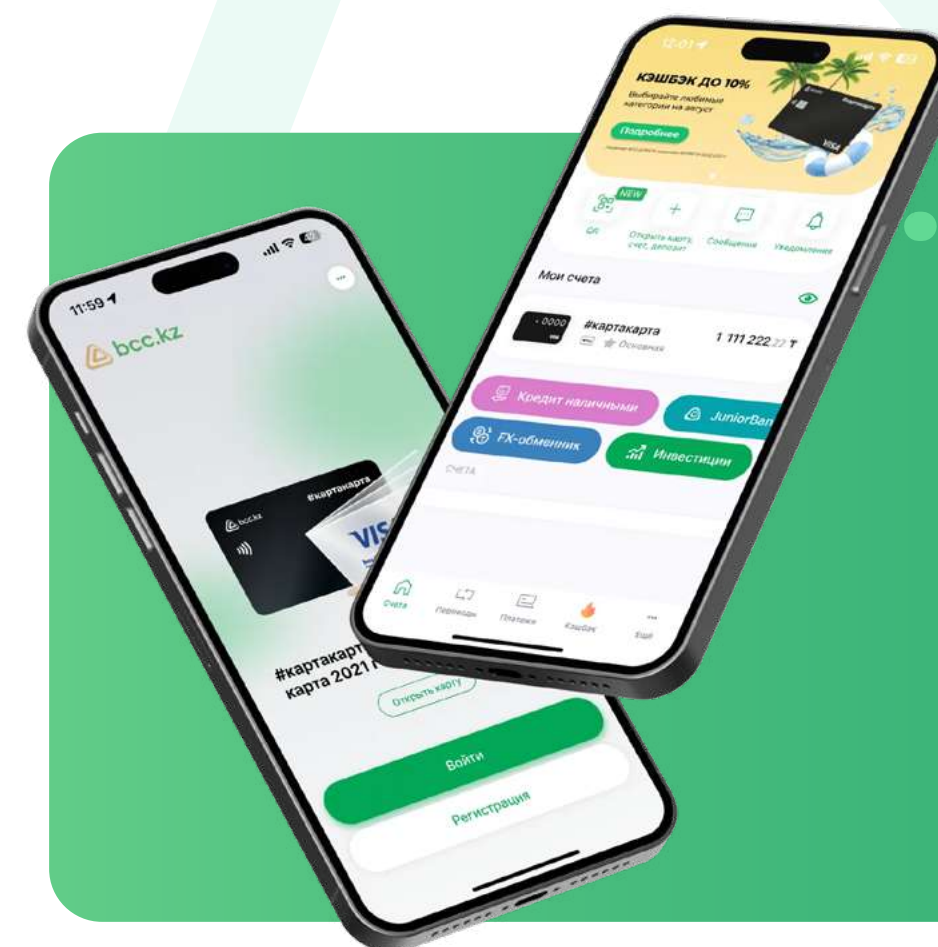


In particular,

168 ATMs of the GRG model

8 ATMs of the NCR model

were equipped with special audio connectors. This allows blind and visually impaired people to use the Bank's services more comfortably and independently, such as adding funds to their card account and withdrawing cash.



During 2023, BCC created new initiatives for the development of the Bank's mobile application. Despite the fact that the Bank positions itself as universal, i.e. it develops online and offline, success in digitalisation of services is one of the main achievements of the Bank. In 2023, the number of active customers of bcc.kz mobile app increased by 16%, which currently amounts to 1,223,000 people. The list of online banking services has increased significantly over the past year.

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

- 1. About the Report
- 2. About the Bank: key results for 2023a
- 3. Corporate governance
- 4. Bank's contribution to achieving UN Sustainable development goals
- 5. Human rights compliance, Business ethics, and anti-corruption efforts

- 6. Interaction with customers and suppliers
 - Approach to customer interaction
 - Customer focus, availability of financial products and quality of rendered services
 - Digitalisation of processes to improve the quality of services
 - Ensuring data security
 - Approach to interaction with suppliers
 - Supply chain management and procurement policy
 - Development plans

- 7. Interaction with staff
- 8. Social responsibility
- 9. Environmental responsibility

Annexes

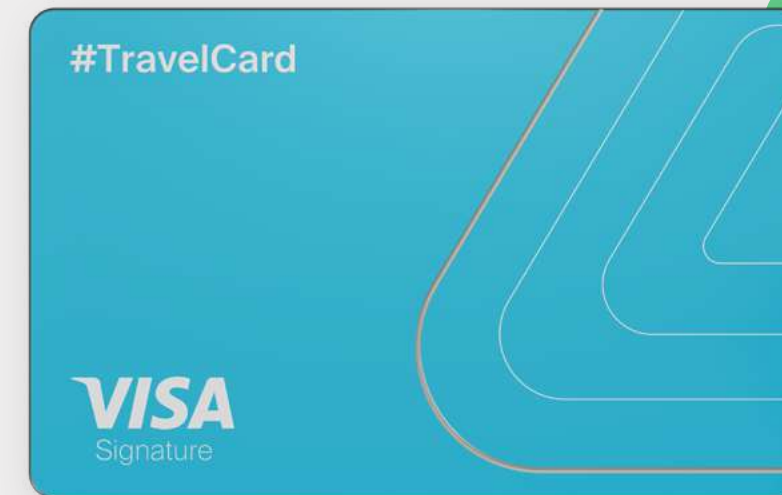
The Bank has several useful payment card rates:

#thecard



Multi-functional credit card that offers flexible financial options for its owners. Using this card allows customers to pay for purchases and enjoy an interest-free period, during which there are no charges for using credit funds. One can buy goods in installments without any extra charges from a wide range of bank partners, which makes #thecard a perfect tool for planning personal finances and making large purchases.

#TravelCard



Specially designed for travelers and offers unique bonuses such as 7% cashback on purchases of travel services such as travel packages, flights, hotel reservations and car rentals.

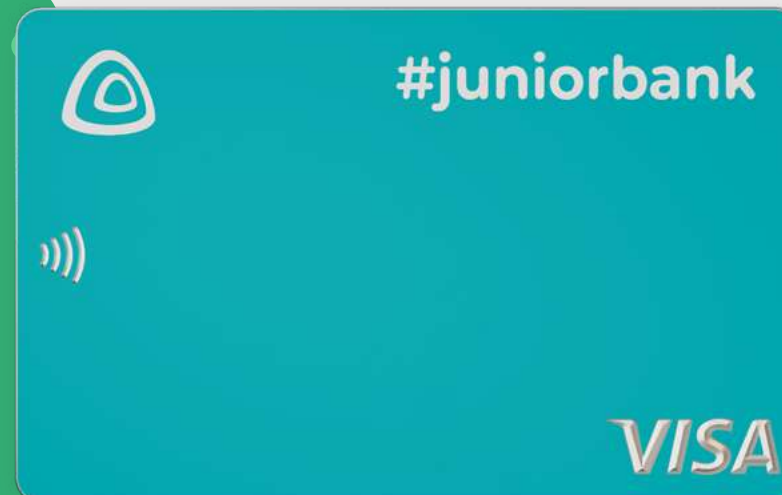
#IronCard



The premium Visa Infinite card that provides comfort and exclusivity to its owners. This card offers up to 4% cashback on all purchases. One of the big advantages is the ability to pay in multi-currencies including the US dollars, euro, rubles, pound sterling and dirhams, thus allowing customers to easily pay for their purchases in foreign countries, as well as withdraw money from an ATM. The premium card also provides many exclusive bonuses to its customers, including airport privileges, VIP guest status in the Visa Luxury Hotel Collection, as well as discounts on some travel services.

#juniorbank

Designed for kids and teens to help them learn financial skills from an early age. This card allows young users to learn how to manage their own funds and manage savings, thereby contributing to the development of financial literacy.



In addition to a rich range of bank cards, Bank CenterCredit JSC provides various financial services, including mortgage lending, consumer lending, opening deposit accounts and forming savings programs.

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

- 1. About the Report
- 2. About the Bank: key results for 2023a
- 3. Corporate governance
- 4. Bank's contribution to achieving UN Sustainable development goals
- 5. Human rights compliance, Business ethics, and anti-corruption efforts

- 6. Interaction with customers and suppliers
 - Approach to customer interaction
 - Customer focus, availability of financial products and quality of rendered services
 - Digitalisation of processes to improve the quality of services
 - Ensuring data security
 - Approach to interaction with suppliers
 - Supply chain management and procurement policy
 - Development plans

- 7. Interaction with staff
- 8. Social responsibility
- 9. Environmental responsibility

Annexes

Corporate clients

The Bank also provides a large number of financial services for legal entities. Each company can take a survey on the Bank's website to find out which service plan is most suitable for the company. The Bank also provides advice on the Open API for its clients. Open API from Bank CenterCredit JSC is a set of tools that provides integration of online banking services into partner systems and applications. This makes it possible to:

- Optimise business processes within companies
- Develop innovative business structures in the market
- Improve existing apps

The Bank aims to help businesses simplify and improve their business processes. To this end, it offers a number of business solutions and additional non-banking services that are profitable and useful for companies:

- **BCC Business** customers, both new and existing, are awarded bonuses for marketing promotions on various Yandex platforms, which helps strengthen their promotion on the Internet.
- Free online services-accounting tools in **BCC Business** that support companies' financial activities and minimise manual labour.

- In partnership with the **Uchet.kz** ecosystem, the Bank expands the range of services for accounting companies and offers discounts on professional training programs for accountants, thereby improving the qualifications of their staff.
- Using **BCC Smart**, banks can sell their services in installments without visiting bank offices. This tool helps businesses increase their sales.
- The Bank also offers **brokerage and dealer services** for its clients.

The Bank pays special attention not only to the quantitative growth of the customer base, but also to the quality of service, offering personalised solutions, taking care of the needs of each client. Striving for continuous improvement, the Bank constantly researches the market and introduces innovative approaches to expand its service portfolio, which makes it more attractive to consumers from year to year.

Digitalisation of processes to improve the quality of services

●● GRI 3-3

In an era of technological innovation and digital excellence, the Bank strives to provide customers with a comprehensive solution to their financial needs, while maintaining a balance between traditional service and digital development. The main focus of the current strategy is to digitalise the entire range of Bank services in order to provide customers with high-quality and affordable digital products.



In 2023, the Bank made a significant step forward by implementing such projects as unsecured lending through a mobile application (more than **14,000** loans worth **KZT 10 billion** were issued) and digital mortgage, which allows to apply for a mortgage loan for the purchase of housing in just one day and without visiting the bank's branch, which made it much easier and speed up the process of processing and receiving financial services.

This is only part of the Bank's path to creating fully digitised products that open up new opportunities for customers without the need to visit bank branches. Nevertheless, the Bank recognises the importance of face-to-face communication for some of its customers and continues to support this important aspect of interaction, striving for a harmonious combination of digital and traditional service channels.



The Bank is actively developing its digital infrastructure. To date, the percentage of open online deposits through the app reaches **98%**



and the share of digital mortgages launched in 2023 at the end of the same year was **20%** of the total mortgage lending volume. These indicators are just the beginning for the Bank to ensure the best customer experience and offer on the market.

Special attention is paid to the development of the super-app, which will become not only a financial assistant, but also a universal tool that combines the services of the Bank and its partners. This area of development opens up new horizons for the convenience and comfort of the Bank's clients, allowing them to manage their finances in one place and get access to a wide range of services.

BCC recognises that digitalisation is the key to the future of banking. The Bank is constantly researching and implementing cutting-edge digital solutions to provide customers with not only the best products and services, but also an impressive customer experience. One notable example is the Junior Bank product, launched in 2020, which allows children to manage their finances independently and contributes to their financial education through a play form. This service continues to improve and today offers the opportunity to open a digital children's card and the first online piggy bank in Kazakhstan, controlled directly by the child. In addition, Junior Bank's 'Task from Parent' functionality turns casual household tasks into exciting tasks, allowing parents to easily set goals and track their children's progress, and children can enjoy solving them.



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

- 1. About the Report
- 2. About the Bank: key results for 2023a
- 3. Corporate governance
- 4. Bank's contribution to achieving UN Sustainable development goals
- 5. Human rights compliance, Business ethics, and anti-corruption efforts

- 6. Interaction with customers and suppliers
 - Approach to customer interaction
 - Customer focus, availability of financial products and quality of rendered services
 - Digitalisation of processes to improve the quality of services
 - Ensuring data security
 - Approach to interaction with suppliers
 - Supply chain management and procurement policy
 - Development plans

- 7. Interaction with staff
- 8. Social responsibility
- 9. Environmental responsibility

Annexes

BCC sees digitalisation not only as a way to simplify financial transactions, but also as an opportunity for everyone to contribute to the sustainable development of society. The Bank strives to provide its clients with tools for making informed and responsible financial decisions, taking into account their impact on the economy and society. Bcc.kz and bcc.business mobile apps are not just banking applications, they are a reliable partner on the way to financial well-being and a sustainable future for the Bank's clients.

Innovation in the BCC.KZ mobile app: the path to a sustainable future

The Bank is committed to continuous improvement of the BCC.KZ mobile app to ensure innovation, convenience and security. During 2023, the Bank actively worked on improving the functionality of the mobile application, aiming to provide customers with comprehensive access to financial services. At that, the Bank expanded the range of services offered in the app to include various digital non-banking services that help simplify users' daily tasks.

In 2023, BCC.KZ mobile app has been enriched with new innovative solutions, expanding the range of services offered beyond traditional banking services:



Government Services: The integration of a wide range of government services into the app, including digital documents and individual entrepreneur registration, makes the app a hub for managing not only finances, but also important aspects of clients' lives.



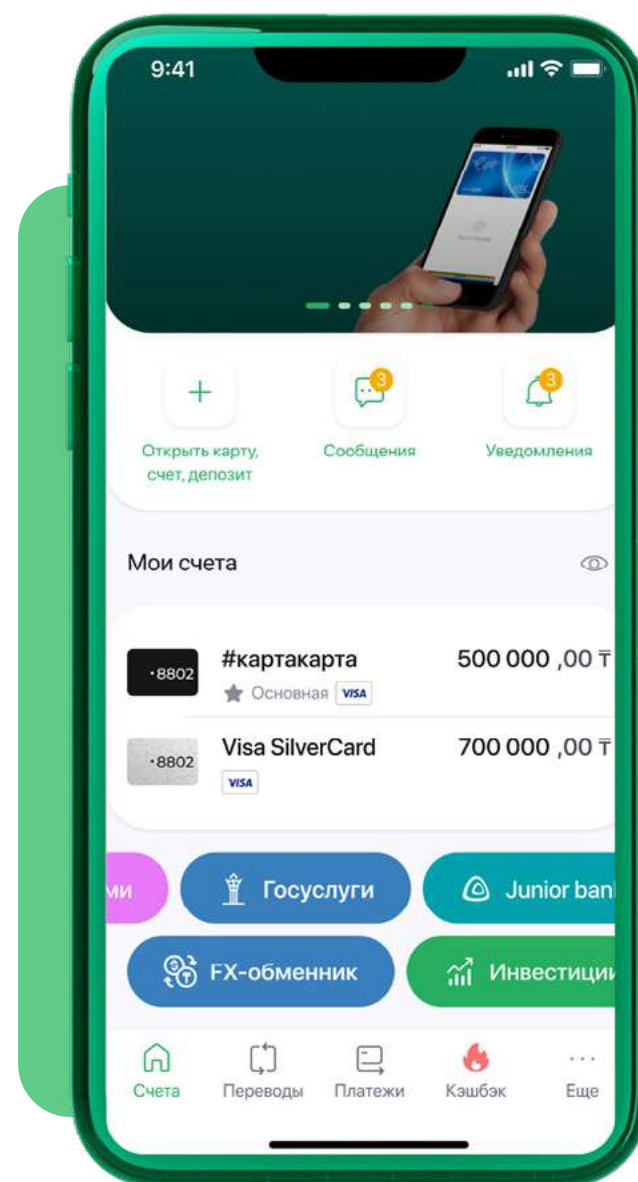
Travel and Entertainment: The mobile app makes it even easier to purchase air or train tickets, as well as tickets for various events.



Investments: now BCC.KZ app allows to invest with the possibility of participating in an IPO, as well as to buy and sell precious metals.



Insurance and raising money for charitable purposes.



Key achievements of 2023:

16%

increase in the number of active BCC.KZ app clients reaching **1,223,000** by the end of the year.

18%

increase in the number of active transactors reached **819,000 customers**, which confirms the Bank's goal to become the leading choice for daily financial transactions.

The number of daily users increased by **22%**

reaching **329,000 customers**, which indicates a high rating of the service.

In 2023, BCC.KZ app's banking services sector has also been updated, providing customers with access to improved financial opportunities, including the following:

- Launch of cash loans via the mobile app
- Launch of the ApplePay card replenishment service in BCC.KZ
- Issue of premium cards online
- Password recovery via biometrics

Mobile App for Business: Digital Evolution for Entrepreneurs

The Bank is aware of the needs of modern business in digitalisation and simplification of financial operations. To this end, BCC has developed a mobile business application that has become a true digital assistant for entrepreneurs. In 2023, the Bank not only expanded the functionality of the application, but also introduced a number of innovative solutions aimed at strengthening the sustainable development of the business community and the economy as a whole.

Key achievements of 2023

The launch of the new online banking platform BCC Business was an important step towards digitalisation of business processes. More than 100 thousand entrepreneurs successfully migrated to this platform, gaining access to operations in tenge and foreign currency, card and tariff management, as well as online accounting and many other services.

At that, the Bank facilitated the process of getting acquainted with the app's functionality through the introduction of the Frequently Asked questions section and the customer onboarding process. This not only increased user satisfaction, but also reduced the load on the Bank's contact center and branches.

Innovation and automation in the BCC Business app

- **Improving the quality of service.** The VoC measurement system allowed the Bank to collect feedback from customers, which became the basis for continuous improvement of services.
- **Counterparty verification service.** The Bank provided an opportunity to conduct inspections of partners from the Republic of Kazakhstan and the Russian Federation, increasing the reliability of doing business.
- **Optimise payments.** Automation of payment processes in tenge allowed to achieve 98% of automatically processed payments, significantly speeding up operations.
- **Online accounting.** The launch of this product enabled entrepreneurs to simplify HR records management and taxation, allowing them to plan tax payments.
- **Currency conversion.** Currency conversion functionality has been successfully launched on the new platform for the Bank's clients. Now BCC Business customers have the opportunity to convert currency for any amount.
- **Transfers in foreign currency within the Bank and international transfers.** The Bank's clients can transfer money between their accounts, as well as other clients, including international transfers in foreign currency.
- **View and edit contracts.** Now clients have the opportunity, in addition to registering contracts, to change the parameters of registered contracts online.
- **Conversion based on individual courses.** The client can convert at individual exchange rates for amounts over 50 thousand US dollars in equivalent.
- **Tariff management functionality.** On the new platform, the Bank's customers will be able to get information about the connected tariff, including the date of debiting and the

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank:
key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

- Approach to customer interaction
- Customer focus, availability of financial products and quality of rendered services
- Digitalisation of processes to improve the quality of services
- Ensuring data security
- Approach to interaction with suppliers
- Supply chain management and procurement policy
- Development plans

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

number of free payments, as well as the ability to choose and change a new tariff from the current grid.

- **Business card management functionality.** This functionality allows customers to receive information on issued business cards, rename them, manage limits, block and unlock them, set a PIN code, and close their cards.
- **Open API dashboard.**

Improvements for user convenience

- **Improved user interface.** Redesign and refactoring of the app's modules significantly improved the user experience.
- **New functionality.** Introduction of biometric authentication, tariff package management, and Push notification history.



Ensuring data security

●● **GRI 3-3; 418-1; SASB FN-CB-230a.1; SASB FN-CB-230a.2; SASB FN-CF-220a.2**

The Bank strictly complies with the legal norms of the Republic of Kazakhstan, and also pays special attention to issues in ensuring the protection of personal data. In its activities, the Bank carries out systematic work related to the protection of personal data. Mechanisms, processes, and privacy policies have been implemented for clients, as well as Rules for working with protected information that define the list of protected information. The Rules are binding for all divisions and employees of the Bank and regulate the procedure for working with protected information, including personal data, depending on the state (storage, use, transfer, destruction) and the form of submission (physical, electronic).

Access to personal data

The Bank collects and processes personal data for specific and stated purposes only after obtaining the consent of the personal data subject (owner) or his / her legal representative, except for cases stipulated by law.

Access to personal data is restricted and is granted to the Bank's employees to the extent that it is minimal and sufficient for the performance of their functional duties.

Personal data is not provided by the Bank to companies and individuals that are not affiliated with the Bank, except in the following cases:

- If the consent of the data subject is available, which can be revoked at any time
- At the request of the legislation of the Republic of Kazakhstan to comply with laws, court decisions or requirements of state bodies, as well as to prevent fraud, eliminate technical failures or security problems, and protect the rights, property or security of the Bank and its customers to the extent permitted by the current legislation of the Republic of Kazakhstan

The Bank may also provide anonymised aggregated data to its partners for statistical and other types of research. When cooperating with external organisations, the Bank undertakes to ensure the proper level of protection of personal data of customers and partners, and also requires the opposite from the participant of cooperation.

According to the Law of the Republic of Kazakhstan "On Personal Data and their protection", personal data is considered to be information related to a specific or determined on their basis subject of personal data, recorded on electronic, paper and (or) other tangible media.

The nature of the information collected, its use and storage periods are established in accordance with the legislation of the Republic of Kazakhstan on personal data protection.

Detailed information is available on the Bank's corporate website bcc.kz, in the section "About the Bank", subsection "Collection of contract forms", where the following documents are presented: The Privacy Policy of the Internet Banking System and the Privacy Policy of Junior Bank.

Organisation of data protection

●● **SASB FN-CB-230a.2**

The Bank takes all possible measures to protect personal data from unauthorised access, alteration, disclosure or destruction, as well as from other forms of misuse. In particular, the Bank is constantly improving the methods of data collection, storage and processing, including physical security measures, to prevent unauthorised access to its systems for the purpose of property theft, phishing and other types of fraud.



In the Bank's structure, there is a specialised **Data Privacy Officer**, whose task is to organise the processing and protection of personal data, reporting to the First Vice-President, a member of the Management Board.

Supervision of cybersecurity and information security is carried out by the first Head of the Bank – the Bank's President. The Bank's President directly oversees the Information Security Center, a function responsible for ensuring and implementing organisational and technical measures to protect all types of information, including personal data.

Rights of personal data subjects

In accordance with the legislation on personal data protection of the Republic of Kazakhstan, every citizen has the right to access their personal data and receive information about their processing.

The Bank also ensures compliance with the following rights under the Law of the Republic of Kazakhstan "On Personal Data and their Protection":

- The right to correct and supplement personal data if there are grounds
- The right to block personal data in case of violation of the terms of their collection and / or processing
- The right to destroy personal data collected and processed in violation of the law
- The right to withdraw consent to the collection, processing, distribution in publicly available sources, transfer to third parties and cross-border transfer of personal data
- The right to be notified of any changes in the processing of personal data
- The right to protect their rights and legitimate interests, including compensation for moral and material damage

Violations and liability

●● **GRI 418-1; SASB FN-CB-230a.1; SASB FN-CF-220a.2**

The Bank and its employees understand that they are responsible in accordance with the current legislation for disclosure of personal data without the consent of the subject (owner) of personal data, misuse of this data, loss of documents containing personal information. Liability may include disciplinary action, criminal prosecution, and liability for damages.

The Bank emphasises that ensuring security and trust is a fundamental principle of relationships with customers and partners, maintaining stability and reliability in the financial services sector.

- During the reporting period, the Bank did not register any complaints or incidents confirming the facts of leakage, theft or loss of personal data of Bank customers due to insufficient information security measures.

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report
2. About the Bank: key results for 2023a
3. Corporate governance
4. Bank's contribution to achieving UN Sustainable development goals
5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

- Approach to customer interaction
- Customer focus, availability of financial products and quality of rendered services
- Digitalisation of processes to improve the quality of services
- Ensuring data security
- Approach to interaction with suppliers
- Supply chain management and procurement policy
- Development plans

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

Approach to interaction with suppliers

●● GRI 2-29; 204-1

Interaction with suppliers is the foundation of the Bank's successful operation. The right choice of supplier and effective cooperation with them ensure business development and minimise possible risks. Suppliers are selected by carefully following approved procurement procedures. The most important standards in the selection process are: maintaining healthy competition and creating conditions for equal chances of participation for all stakeholders..

The Bank's relations with external suppliers are based on the following principles:

- Strict compliance with the legislative norms of the Republic of Kazakhstan regarding procurement activities
- Compliance with the standards and recommendations set out in the Bank's Internal Regulatory Documents, which regulate aspects of interaction with suppliers and contractors

In the course of performing their professional duties, the Bank's suppliers should eliminate the following practices:

- Bias or inequality of any kind, including discrimination based on gender, age category, ethnic or national origin, religious beliefs, general beliefs, physical fitness, sexual orientation, race, marital status, political preferences, social origin, or other personal characteristics
- Any form of harassment or aggression at work, including verbal attacks, physical harassment, or emotional pressure
- Employment of minors or illegal labour exploitation in any form

These provisions are intended to ensure fairness, safety and respect in the professional environment, in accordance with the principles on which the Bank's ethics are based and which are reflected in the laws of the Republic of Kazakhstan.

To coordinate administrative and business processes with suppliers, the Bank has established a special department, known as the Procurement Management Center.

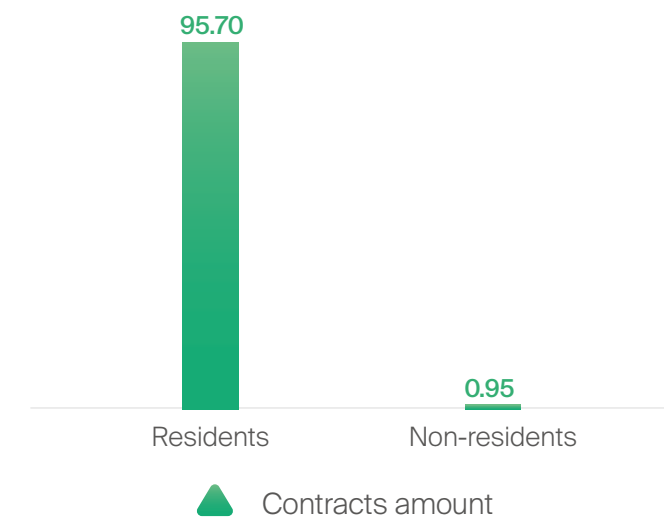
Objectives of interaction with suppliers and contractors

- **Fulfillment of obligations by the parties under concluded contracts and agreements:** the provision concerns compliance with the conditions stipulated in the documents. All established deadlines, volumes and quality standards of work or deliveries must be met in accordance with the concluded contracts. In the event of non-performance or improper performance of obligations, the parties may be held liable in accordance with the terms of the contract and applicable law.
- **Prompt receipt of the necessary products or services for the Bank's operation:** The Bank receives all the necessary resources in a timely manner to ensure continuous and efficient operation.
- **Responsible behavior of suppliers and contractors in respect of human rights and environmental protection:** The Bank pays special attention to its requirements for sustainable development and ethical production. If companies cannot meet the Bank's requirements, the BCC is ready for open dialogues in order to find and make the most appropriate decision for all parties.

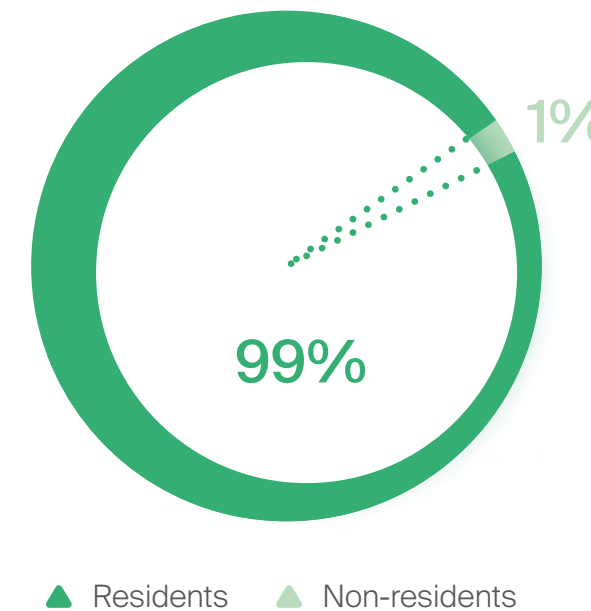
In 2023, the largest suppliers were Kazakhstan companies, the total amount of all contracts with resident and non-resident suppliers amounted to **KZT 96.7 billion**

The amount of contracts in billions of tenge for residents and non-residents of the Bank's suppliers, as well as their percentage share

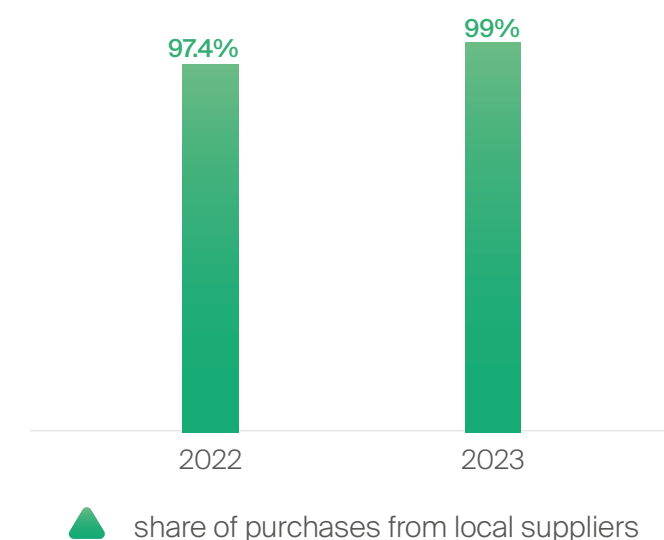
Amount of contracts



Share of suppliers

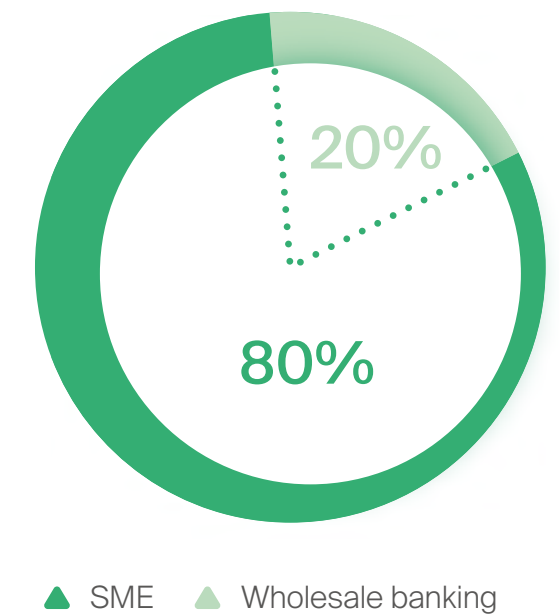


Share of purchases from local suppliers



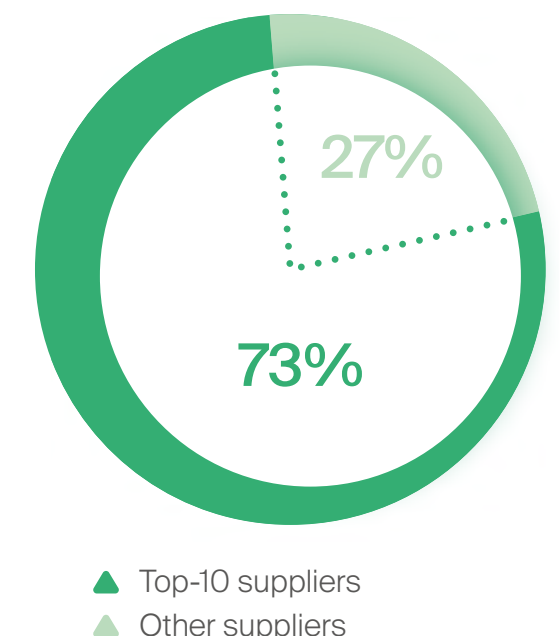
The main suppliers of Bank CenterCredit JSC are local companies: among the **10** most significant counterparties of the Bank **8** are residents of the Republic of Kazakhstan.

Structure of the Top 10 largest suppliers by business segment, as a percentage



Contracts concluded with Top-10 suppliers of Bank CenterCredit JSC occupy a significant share in the structure of contracts, accounting for 73% of the total volume of purchases.

Share of Top-10 suppliers in the total amount of contracts



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

- Approach to customer interaction
- Customer focus, availability of financial products and quality of rendered services
- Digitalisation of processes to improve the quality of services
- Ensuring data security
- Approach to interaction with suppliers
- Supply chain management and procurement policy
- Development plans

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

Supply chain management and procurement policy

●● GRI 2-6; 2-24

Bank CenterCredit JSC is attentive to the management of business relations in the supply chain, the Bank's approach is based on compliance with the legislation of the Republic of Kazakhstan, as well as internal documents on interaction with counterparties. Aware of its responsibility, the Bank strives for sustainable development in all parts of the supply chain. BCC believes that responsible procurement and efficient supplier management are not only an ethical necessity, but also the key to long-term business success.

The Bank wants to be sure that it works with suppliers whose approach to doing business is based on the principles of compliance with national legislation and international recommendations in the area of procurement, business ethics and fair business conduct, who care about labour protection, the health of their employees, and the environment and respect human rights.

Supply chain management system

●● GRI 2-6; 2-24

The document according to which the procurement process is carried out:

- Regulations on acquisition of fixed assets, intangible assets, inventory items, works/services of Bank CenterCredit JSC.

The Bank interacts with a variety of suppliers, including real estate owners, companies that provide various services, such as equipment maintenance or advertising campaigns, construction contractors, as well as suppliers of goods and materials for doing business. A significant percentage of IT service providers for the Bank are international counterparties specialising in IT services and educational programs development. In 2023, a significant part of the Bank's expenses on suppliers' services was spent on renting commercial premises, which is due to the need to have conveniently located offices and branches for our clients.

There are three main counterparties in the supply chain:

- Landlord-owner of the property or sublet
- A service provider who can engage a subcontractor to perform the tasks assigned to them
- A supplier of goods, which can be a direct manufacturer of products or a distributor engaged in resale

The interaction of the Bank with various service providers, including technology companies, outsourcing organisations and marketing agencies, is the key to its successful operation and providing customers with high-quality services. The Bank maintains stable, long-term relationships with major suppliers, for example, by entering into 12-month contracts with counterparties or for longer periods with lessors in accordance with the regulations.

Suppliers cooperating with the Bank must strictly adhere to environmental laws and regulations, ensure accurate accounting and timely submission of documentation required for obtaining environmental licenses, and fulfill the following obligations:

1. The organisation should effectively manage the process of wastewater treatment and solid waste management, ensuring their proper disposal and processing in accordance with applicable regulations.
2. The organisation is responsible for strict compliance with all legal requirements related to hazardous substances and chemicals, and must comply with the established product safety restrictions and standards.
3. Suppliers with an ISO 14001 certificate are particularly important for the Bank, which indicates the existence of an environmental management system that helps identify and reduce environmental risks.
4. The Bank encourages suppliers that monitor the level of greenhouse gas emissions.
5. It is recommended that the organisation adopt an informed approach to environmental accountability, implement initiatives aimed at improving environmental responsibility, promote the adoption of technologies that contribute to environmental protection, and use good practices throughout the life cycle of its products.

Additionally, the Bank's suppliers are required to comply with all legal requirements of the Republic of Kazakhstan related to their business activities and maintain a high level of business ethics. The Bank strives to support suppliers in implementing human rights principles in their operations. Suppliers must not tolerate any form of discrimination in the workplace, including, but not limited to, discrimination based on gender, age, ethnicity or national origin, religion, belief, physical ability, sexual orientation, skin color, marital status, political opinion or origin. All forms of workplace violence, whether verbal, physical or psychological, as well as the use of child and forced labour, are also prohibited.

Evaluation of the management of activity effectiveness in procurement management

The Bank strictly follows established procurement management procedures, which vary depending on the transaction amount. When making small purchases that do not exceed 100 monthly calculation indices (MCI), BCC is limited to the requirement to provide additional commercial offers or screenshots from websites, which allows to comparing prices and choose the most profitable option. For transactions up to 200 MCI, the Bank enters into a contract based on a comparative analysis of at least three commercial offers from different suppliers. If the purchase price is in the range from 200 MCI to 20 million tenge or the equivalent amount in US dollars, the contract is concluded after conducting electronic auctions on are held on a specialised electronic trading platform without the participation of the Tender Commission. In cases where the amount exceeds 20 million tenge or its equivalent in US dollars, the procurement process is carried out through an official meeting of the Tender Commission, which ensures transparency and compliance with all necessary procedures.

Tender process and supplier survey

- BCC has developed its own banking portal – **Centermarket.kz**, where purchases are made to ensure the Bank's vital activity. To participate in the procurement process and then submit commercial proposals, suppliers register and become participants in the tender process.

When making purchases, the Bank uses various methods/types:

- The classic method (the most common order method),
- Qualification selection (the method allows the buyer to select suppliers for regular purchases of certain goods, works, or services under framework agreements. Suppliers provide general information about their company, including experience in performing the work or providing the service, as well as the company's qualifications),
- Purchase by Price-List (this method allows the buyer to request a price list for a desired list of goods/works/services).

The decision on the winner of the purchase is made after a thorough study of the entire tender documentation for compliance with the Bank's stated technical requirements. All purchases made by the Bank are conducted openly and transparently.

Коммерческие закупки
Более 25 миллиардов тенге суммарно

Закупки и тендеры Аукционы

Поставщикам
Для участия в торгах необходимо зарегистрироваться

Войти

Преимущества

- Широкий выбор партнеров**
Мы связываем предприятия из разных отраслей и географических регионов, предоставляя широкий выбор партнеров для сотрудничества
- Онлайн торговля**
Наша платформа упрощает процесс закупок и продаж, позволяя эффективно управлять всеми этапами торговых сделок в онлайн-режиме
- Расширяем функциональность**
Мы активно работаем над расширением функциональности платформы, улучшением пользовательского интерфейса и добавлением новых возможностей
- Прозрачность сделки**
Гарантируем прозрачность сделки
- Техническая поддержка**
24/7
- Проверка контрагентов**
Возможность проверки информации о контрагенте (компания) уже вшита в функционал нашей платформы

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

- Approach to customer interaction
- Customer focus, availability of financial products and quality of rendered services
- Digitalisation of processes to improve the quality of services
- Ensuring data security
- Approach to interaction with suppliers
- Supply chain management and procurement policy
- Development plans

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes



Before submitting commercial proposals for participation in a particular Bank purchase, the participant fills out an ESG questionnaire, which helps to identify and minimise possible negative consequences for human rights.

In 2023, this survey was used as an incentive for completion. If there are several suitable candidates, priority will be given to those suppliers who have undergone the survey process. Completing the survey will be a prerequisite for suppliers' participation in the tender. To contract with the selected counterparty, the Bank adheres to the established Regulations for the acquisition of fixed assets, intangible assets, material values, works/services, ensuring transparency and compliance with legislative requirements.

ESG questionnaires for suppliers include these topics to fill out:

- Environmental management system
- Water use
- Atmospheric pollution
- Land use
- Climate change
- Working conditions and safety at work
- Personnel
- Social support
- Human rights and discrimination
- Interaction with the population of the regions where we operate

In 2023, there were some cases when bidders tried to challenge the results of procurement procedures and expressed disagreement. In this case, as a commercial bank, BCC reserves the right to choose a supplier, and this decision is made not only on the basis of cost, but also on other aspects, such as quality and timing. However, in order to resolve disputes with suppliers, the Bank sends a detailed and reasoned letter, which thoroughly analyzes and sets out the reasons and approach to the assessment, on the basis of which priority was given to another company.

Development plans

Retail risk management

In 2024, the Bank will focus on managing retail risks in order to improve operational efficiency and ensure stability in the banking business. Development plans in the area of retail risk management involve the introduction of innovative approaches and technologies to improve the processes of risk assessment and management in the retail segment.

ESG-supplier survey

In 2024, the Bank intends to fully implement the process of questioning suppliers on ESG and human rights issues. This step will allow the Bank to assess and take into account the impact of its suppliers on the environment and society as part of its operations. To successfully implement the survey, the Bank has developed standard instructions that will help suppliers access and complete the relevant questionnaires. Additionally, it is planned to provide suppliers with training material with information about the goals and significance of this process. This material will be distributed to all vendors, providing them with understanding, importance, and access to the survey process.



"Green" projects

In addition, the Bank plans to continue actively financing "green" projects, including additional support for the GEFF green technology financing program. It is planned to set more ambitious goals for financing climate-positive projects and launch new sustainable products to promote decarbonisation.

SuperApp development

The Bank plans to create a SuperApp. This app will be a key element in expanding and strengthening the attractiveness of the Bank's ecosystem. The SuperApp will combine not only a wide range of banking services, but also offers from BCC partners, including a variety of products and services. This will allow customers to receive a comprehensive service in one app, which will greatly simplify their interaction with the Bank and partners, as well as enrich their daily experience of using financial services.



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report
2. About the Bank:
key results for 2023a
3. Corporate governance
4. Bank's contribution to achieving UN Sustainable development goals
5. Human rights compliance, Business ethics, and anti-corruption efforts
6. Interaction with customers and suppliers
7. Interaction with staff
 - Approach to talent management
 - Motivation system, recruitment and training of personnel
 - Social support
 - Occupational health and safety
 - Development plans
8. Social responsibility
9. Environmental responsibility

Annexes

We strive for new victories



Spotlight on employees



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

- 1. About the Report
- 2. About the Bank: key results for 2023a
- 3. Corporate governance
- 4. Bank's contribution to achieving UN Sustainable development goals
- 5. Human rights compliance, Business ethics, and anti-corruption efforts
- 6. Interaction with customers and suppliers
- 7. **Interaction with staff**
 - Approach to talent management
 - Motivation system, recruitment and training of personnel
 - Social support
 - Occupational health and safety
 - Development plans
- 8. Social responsibility
- 9. Environmental responsibility
- Annexes

Interaction with **staff**

●● **GRI 2-7; 2-8; 2-23; 2-29; 2-30; 3-3; 201-3; 401-1; 401-2; 401-3; 402-1; 403-1; 403-2; 403-3; 403-4; 403-5; 403-6; 403-8; 403-9; 404-1; 404-2; 404-3; 405-1; 405-2; 406-1**

Key indicators



7,983
employees¹⁶



65.2%
of women

39.2

hours of training per employee per annum

64%

of senior management personnel are women

8,637

people were trained

100%

of employees received a received an overview of performance and career development.

62%

of employees hired are under 30 years of age

1,422

average number of man-hours worked

¹⁶Headcount of employees as of 31 December 2023

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

- 1. About the Report
- 2. About the Bank: key results for 2023a
- 3. Corporate governance
- 4. Bank's contribution to achieving UN Sustainable development goals
- 5. Human rights compliance, Business ethics, and anti-corruption efforts
- 6. Interaction with customers and suppliers
- 7. Interaction with staff
 - Approach to talent management
 - Motivation system, recruitment and training of personnel
 - Social support
 - Occupational health and safety
 - Development plans
- 8. Social responsibility
- 9. Environmental responsibility
- Annexes

Key regulatory documents of the Bank regulating management and interaction with personnel

- Code of Corporate Ethics for Employees
- Corporate Governance Code JSC Bank CenterCredit
- Personnel policy of Bank CenterCredit JSC
- Regulations on Corporate values of employees of Bank CenterCredit JSC
- Regulations on personnel selection and adaptation JSC Bank CenterCredit
- Employee compensation policy JSC Bank CenterCredit
- Regulations on the organization of training and advanced training for employees of Bank CenterCredit JSC
- Human Rights Policy

Corporate values of the Bank



Honesty

Providing truthful information

Integrity in action

Cooperation based partnership and respect

Professionalism

High quality and attentive customer service

Self improvement and training

Maintenance professional image

Corporate values

Efficiency

Quick actions at work

Timely completion tasks

Adaptability to change

Goodwill

Showing politeness and friendly attitude to clients

Respect for honor and the dignity of others

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report
2. About the Bank: key results for 2023a
3. Corporate governance
4. Bank's contribution to achieving UN Sustainable development goals
5. Human rights compliance, Business ethics, and anti-corruption efforts
6. Interaction with customers and suppliers
7. Interaction with staff
 - Approach to talent management
 - Motivation system, recruitment and training of personnel
 - Social support
 - Occupational health and safety
 - Development plans
8. Social responsibility
9. Environmental responsibility

Annexes

Approach to human resources management

●● GRI 2-7; 2-8; 2-29; 2-30; 3-3; 402-1; 405-1



The key success factor of Bank CenterCredit JSC is a team of trained and dedicated employees who ensure the achievement of strategic goals and make a significant contribution to the sustainable development of the business.

The Bank works to create the best conditions for the development of each employee by providing a wide range of tools for their professional growth, implementing comprehensive systems for evaluating performance and improving efficiency. This contributes to creating an atmosphere of fairness and confidence in career opportunities. In addition, the Bank actively implements social support programs and offers a competitive system of remuneration and benefits that help strengthen loyalty and retain talented employees. The Bank's HR management system is based on mutual respect and the perception of each employee as a valuable long-term investment.

The Bank's approach to HR management combines strategic focus with flexibility, allowing it to adapt to changes in the economic environment. Working with staff is structured consistently and systematically, which includes developing the necessary techniques, diagnosing needs, and regularly evaluating implemented practices. Line managers who are involved in managing their teams are directly connected to the management and evaluation system, which helps strengthen the relationship between management and employees.

BCC strives to create a motivating environment that the unlocking of the individual potential of each employee. To this end, the Bank offers retraining programs aimed at optimising work processes and meeting the changing needs of the organisation. Special attention is paid to strengthening team spirit, both in individual functions and in the Bank as a whole, which is aimed at forming corporate values, strengthening internal relations, and helping in achieving overall high results.

In general, the Bank's HR management system is an important tool that not only helps strengthen the Bank's leading position in the market, but also allows each employee to develop their abilities, feel like a valuable asset and make a significant contribution to the overall result.

Implementation of personnel management at three levels.



Management functions at each level

<p>Bank's management</p>	<p>Development and implementation of HR management strategy. Incoming functions:</p> <ol style="list-style-type: none"> 1. Identifying priorities for achieving the Bank's strategic goals 2. Analysing of management reports to assess performance. 3. Approval and control of the implementation of regulatory documents on personnel management. 4. Making key management decisions in the area of personnel policy. 5. Selection of candidates for senior positions in the head office and regional divisions.
<p>Line managers</p>	<p>Providing operational management to employees of the division and playing a key role in organising their daily work. Incoming functions:</p> <ol style="list-style-type: none"> 1. Planning tasks and monitoring the performance of employees' duties. 2. Evaluation of results and analysis of employees' activities. 3. Making suggestions for changes in the organisational structure and functions of the division. 4. Supervision of compliance with internal labour regulations. 5. Drawing up requirements for the qualification of employees. 6. Instruct about the division's goals and objectives, current results, and upcoming changes. 7. Encourage employees to achieve high performance. 8. Adapting of new team members. 9. Creating conditions for effective work, including maintaining a favorable psychological climate. 10. Identifying training needs and develop advanced training programs. 11. Managing corporate culture and behavior 12. Participation in the personnel certification process. 13. Allocation of responsibilities, powers and workshops among employees. 14. Analysing of the effectiveness of training sessions. 15. Development and implementation of regulations on structural divisions and job descriptions. 16. Establish criteria for evaluating the performance of departments and individual contributions of employees.
<p>HR management center</p>	<p>Organisation and monitoring of the HR management system. Incoming functions:</p> <ol style="list-style-type: none"> 1. Organising and coordination of the main areas of HR work, development of basic HR technologies taking into account risks. 2. Control over compliance with uniform standards and procedures for HR work. 3. Participating in the preparation of the Bank's strategy and other general banking documents related to human resources management. 4. Monitoring compliance with the Labour Code. 5. Monitoring the Bank's organisational structure and developing proposals for its optimisation. 6. Planning the number of employees of the Bank, taking into account economic indicators. 7. Conduct an assessment of the performance of personnel, develop proposals for improving performance indicators. 8. Development of the employee training concept. 9. Assessment of qualifications, development of measures for general banking training of employees, development of competencies. 10. Analysing the organisation of work with personnel and development of proposals for its improvement. 11. Study the situation in teams, develop suggestions and recommendations for improving the micro-processes of employee management. 12. Developing a performance-oriented corporate culture.

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report
2. About the Bank: key results for 2023a
3. Corporate governance
4. Bank's contribution to achieving UN Sustainable development goals
5. Human rights compliance, Business ethics, and anti-corruption efforts
6. Interaction with customers and suppliers
7. Interaction with staff
 - Approach to talent management
 - Motivation system, recruitment and training of personnel
 - Social support
 - Occupational health and safety
 - Development plans
8. Social responsibility
9. Environmental responsibility

Annexes



Every year, the Bank organises the **BCC Qurultay** event, where employees of all offices discuss key achievements and plans. This event also serves as a platform to reward the best employees, whose efforts and contributions to the Bank's work deserve special recognition.



Interaction with a team of employees

●● GRI 2-29; 2-30; 402-1

The goals of interaction with personnel include:

- **Informing about the Bank's strategic goals, results of operations, and employees' contribution to achieving the goals.** The Bank provides a stream of up-to-date information to its employees, keeping them informed of the company's current goals, achievements and future plans. It is important that employees understand how their personal contributions contribute to the overall success of the organisation.
- **Strengthening the employer's brand, retaining the most qualified employees.** In order to retain key specialists, the Bank creates an attractive image as an employer, a positive corporate culture and working conditions. This includes the following measures: providing competitive salaries, bonuses,

opportunities for professional growth, training and development programs, and creating healthy and safe working conditions.

- **Understand and respond to employees' needs and concerns.** To create a harmonious working environment, the Bank identifies and addresses the problems and needs of employees. For example, regular employee surveys, an open door system for free communication with management, and employee support programs.



Initiatives to ensure effective employee engagement:

The Conciliation Commission.

To effectively resolve labour disputes and violations, the BCC operates a Conciliation Commission. This body is a key element of the decision-making system in the area of labour relations. The Commission works on a permanent basis both in the Head Office and in the Bank's branches, and consists of an equal number of representatives from employees and the administration.

In 2023, the Commission held four meetings, which considered issues related to compensation and appeals against dismissal decisions, as well as issues related to the dismissal of employees at the initiative of the employer. The Commission also deals with cases of violations of ethical standards and the rights of employees.

Members of the Conciliation Commission regularly improve their skills by completing annual training on the basics of labour legislation of the Republic of Kazakhstan and improving their skills in negotiating and reaching consensus in labour disputes

Trade union organisation.

In the structure of Bank CenterCredit JSC, there is an active Trade union organisation, membership in which is more than 60% of the total number of employees. A symbolic membership fee of KZT 200 per annum allows each participant to contribute to the activities of the Trade union and participate in its work.

The main mission of the Trade union is to protect the rights and interests of employees, including negotiating and representing their interests in various formats of collective dialogue. The active participation of the Trade union in the Conciliation Commission is a key element in the process of protecting employees' labour rights.

The trade union organisation has the authority to propose changes to the Collective Agreement, participate in the discussion and approval of its points. In addition, the union plays an important role in organising corporate events, helping to strengthen the corporate culture and employee engagement. The organisation also distributes benefits to its members, providing support and attention to each employee when it is particularly important.

In general, the Trade union organisation serves as a vital channel for ensuring social dialogue between the bank's management and its staff, while promoting fairer and more sustainable working relationships.¹⁷

The collective agreement.

Developed in accordance with the legislation of the Republic of Kazakhstan, is a fundamental document that sets social and labour standards in the Bank. This document sets out the mutual obligations of the employer and employees, as well as their consent to comply with the established conditions.

The agreement was developed in close cooperation with the Trade union organisation and comes into force after its approval. It covers all Union members, and their interests are represented in the contract. The effectiveness of fulfilling the terms of the agreement is monitored through a bilateral commission.

During the negotiations, both sides have the opportunity to express their demands and proposals within the framework of the current legislation, which contributed to the creation of fair conditions for protecting the interests of each of the parties. The signed Collective Agreement serves as a reliable guarantee of rights and obligations, strengthening stability in labour relations on both sides. In 2023, the Collective Agreement covered 3,003 employees, which is 37.6 % of the total number of employees of the Bank. Working conditions that are not covered by the Collective Agreement are not covered by other agreements.

¹⁷In case of a reduction in the number or staff, which may result in mass dismissal of employees, it is necessary to notify the Trade Union Committee in writing at least two months prior to the start of the procedure. The committee should be provided with copies of orders on the planned reduction, schedules for the release of positions by month, a list of positions and employees to be dismissed, as well as a list of vacancies. In case of deterioration of the economic situation, it is necessary to send a written notification to the Trade Union Committee no later than one month in advance, indicating the reasons related to economic changes and the need to terminate the employment contract. In addition, it is necessary to inform the Trade Union Committee no later than two months before the planned restructuring, reorganisation or liquidation of the enterprise for the purpose of consulting on the employment of dismissed employees. With the consent of the Trade Union Committee, a part-time regime may be introduced for up to 3 months during the year, with the exception of persons of pre-retirement age (3 years before retirement) with continuous work experience in the organisation for at least 10 years. At the same time, the employee's salary should not be lower than the monthly minimum wage established in the Republic of Kazakhstan for the current period.

Report Structure

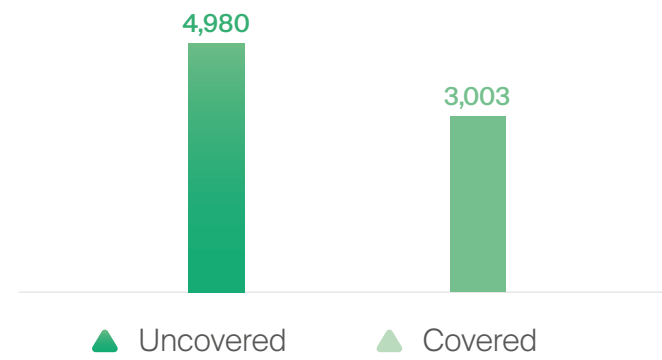
Message from the Chairman of the Board of Directors

Message from the President

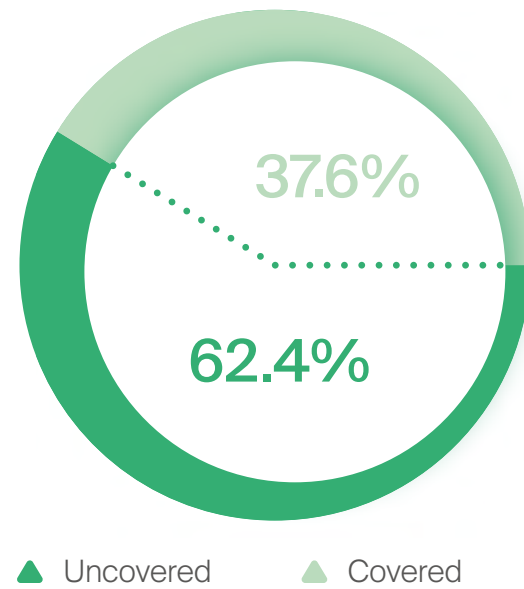
1. About the Report
2. About the Bank: key results for 2023a
3. Corporate governance
4. Bank's contribution to achieving UN Sustainable development goals
5. Human rights compliance, Business ethics, and anti-corruption efforts
6. Interaction with customers and suppliers
7. Interaction with staff
 - Approach to talent management
 - Motivation system, recruitment and training of personnel
 - Social support
 - Occupational health and safety
 - Development plans
8. Social responsibility
9. Environmental responsibility

Annexes

Number and proportion of employees covered and not covered by the Collective Agreement
Number of employees



Employees share



The Collective Agreement covers the following aspects:

- Basic obligations and rights of employees and the Bank
- Labour remuneration
- Working hours and rest periods
- Labour relations
- Social guarantees and benefits for employees
- Conditions, rights and guarantees of trade unions' activities
- Occupational health and safety
- Financial liability of the parties
- Formation and operation of the conciliation commission
- Liability of the parties

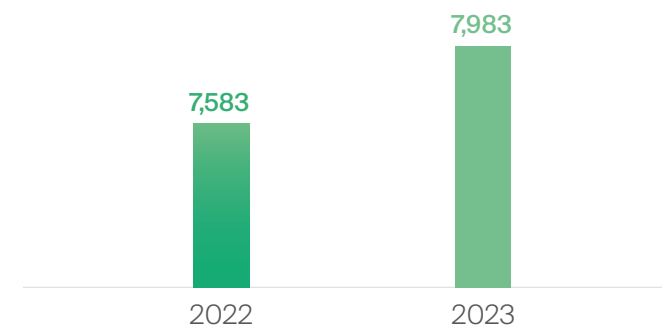
Personnel characteristics

●● GRI 2-7; 2-8; 405-1

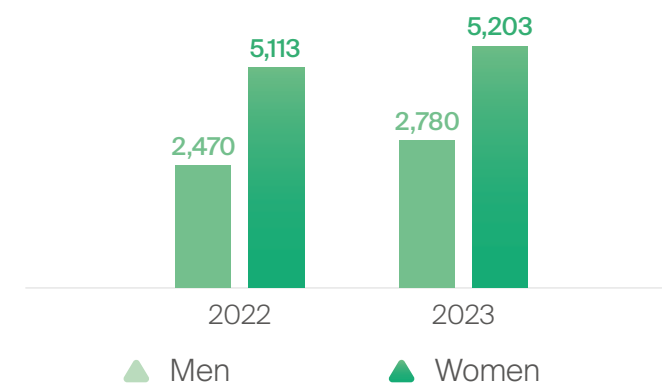


The total number of employees in the Bank was **7,983** in 2023. Staff turnover was **41%** in 2023.

Number of employees



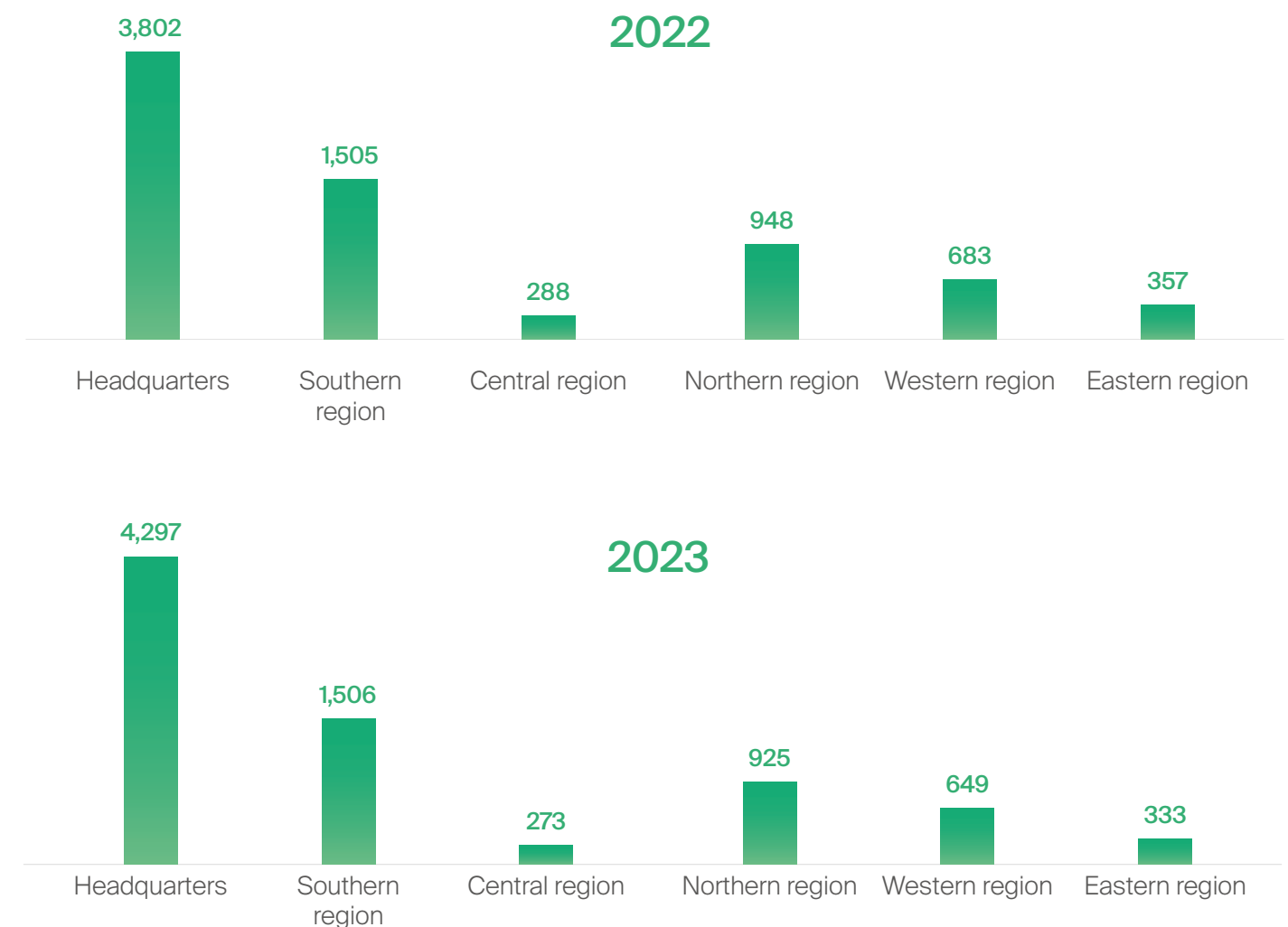
Number of employees by gender



Number of employees by contract duration



Distribution of employees by region, people



Report Structure

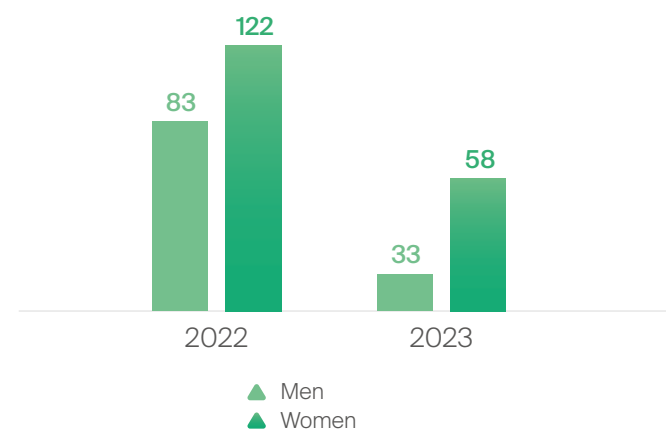
Message from the Chairman of the Board of Directors

Message from the President

- 1. About the Report
- 2. About the Bank: key results for 2023a
- 3. Corporate governance
- 4. Bank's contribution to achieving UN Sustainable development goals
- 5. Human rights compliance, Business ethics, and anti-corruption efforts
- 6. Interaction with customers and suppliers
- 7. Interaction with staff
 - Approach to talent management
 - Motivation system, recruitment and training of personnel
 - Social support
 - Occupational health and safety
 - Development plans
- 8. Social responsibility
- 9. Environmental responsibility

Annexes

Number of employees who are not employees and whose work is controlled by the Bank by gender



The Bank engages individuals to perform a certain, specific amount of work carried out without subordination to internal labour regulations, who perform work under contracts of a civil nature.



In 2023 the Bank engaged **91 persons,** and in 2022 it engaged **205 persons.**

Motivation system, recruitment and training of personnel

●● GRI 3-3; 401-1; 404-1; 404-2; 404-3; 405-2

BCC recognises the importance of attracting and retaining highly qualified professionals in a dynamic competitive environment. To better understand the needs of employees, the Bank conducts annual surveys, providing an opportunity for each employee to express their opinion and share ideas that can improve their work efficiency.

Based on the data obtained, the Bank adapts its strategies and implements changes aimed at improving the working environment and strengthening the image of one of the best employers in the financial sector. Special attention is paid to the training and development of employees, which is an investment in their professional growth and contributes to achieving high results.

The Bank also focuses on additional motivation of employees and the development of not only professional skills, but also universal (soft skills). In this context, individual assessment programs are developed and additional opportunities are provided for the development of the best employees, which will motivate employees to reach new professional heights.

Employee training

●● GRI 404-1

Continuous employee training is one of BCC's strategic priorities. As part of this strategy, the Bank offers a variety of educational programs, both through internal channels and with the involvement of external resources.

Key principles of the Bank's training include:

- Curriculum development is carried out into account current business requirements and analysis of the level of managerial and specialised skills.
- Professional development programs cover and are provided to all employees of the Bank, regardless of their job responsibilities.
- Educational initiatives are rooted in the principles and standards of corporate culture, contribute to their strengthening and long-term development.

The Bank's training goals for 2023 included:

- Developing and implementing results-based learning tools and encourage active employee engagement in the educational process.
- Organisation of specialised 'schools' that ensure consistent career growth of employees from initial positions to the level of experts and contribute to filling vacancies within the Bank.
- Conduct training programs for employees in senior management positions.
- Implementation of the Web Soft platform, which will allow the creation a corporate portal with an integrated section for staff training.
- Expanding the competence of internal specialists for their subsequent inclusion in the Bank's educational project.

Educational programs at BCC cover all employees, from senior management to specialists.



In 2023, an average of **39.2 hours per annum** were spent on training one employee. Men devote an average of **38.4 hours per annum,** and women – **39.6 hours per annum.** Managers devote **59 hours to education,** while specialists devote **37 hours per annum.**



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report
 2. About the Bank: key results for 2023a
 3. Corporate governance
 4. Bank's contribution to achieving UN Sustainable development goals
 5. Human rights compliance, Business ethics, and anti-corruption efforts
 6. Interaction with customers and suppliers
 7. Interaction with staff
 - Approach to talent management
 - Motivation system, recruitment and training of personnel
 - Social support
 - Occupational health and safety
 - Development plans
 8. Social responsibility
 9. Environmental responsibility
- Annexes

Number of employee training hours

	2023
Total hours of training	312,782
Men	106,726
Women	206,056
Managers	46,059
Specialists	266,723

The total number of training hours includes internal online training on the Web Tutor platform. In 2023, across all Bank employees, more than 312,000 hours of training were conducted in an internal online format.

Mandatory online courses include programs in the following areas:

- Sustainable development
- Corporate ethics
- Training of employees in the area of occupational safety and health
- Diversity and human rights



Basic training programs

●● GRI 404-2

In 2023, several achievements were made in the area of educational initiatives:

- Development of 19 new training courses, including those dedicated to ESG principles.
- Revised and updated information in 20 existing courses.
- 124 tests were compiled and upgraded, with an average course score of 4.8.
- A significant increase in the required course completion rate to 69% compared to 46% in the previous year,

including due to the introduction of gamification elements. This innovation allowed employees to accumulate points for timely completion of courses and exchange them for branded products and additional educational courses, which stimulated their activity and involvement in the educational process.

The Bank is actively working to improve educational programs, introducing innovative approaches to training. An example of such work is



The "Colvir (software) School"

Which aimed to attract new specialists.

As part of this program, 30 students were trained by the Bank's internal experts, and 7 of them subsequently joined the team.

"(QA) Testers School"

Was created with an emphasis on the subsequent employment of participants. Here, 27 candidates received specialised knowledge, and 7 of them found their place in the BCC structure. In addition, the Bank invests resources in developing the leadership skills of its employees.

The Leadership School program

The Leadership School program has trained approximately 80 managers in 2023, including both new and experienced managers. The school was highly appreciated and will continue its work on a regular basis.

In addition, the Bank implements programs for the development of internal trainers, which has ensured an increase in the quality of corporate training.

Additionally, it is worth emphasising that the Bank regularly trains its staff in the most important areas:

- How to resist fraudulent activities
- Awareness of compliance risks
- Measures to combat corruption practices
- Training provided by Ecosen partners on environmental programs and initiatives

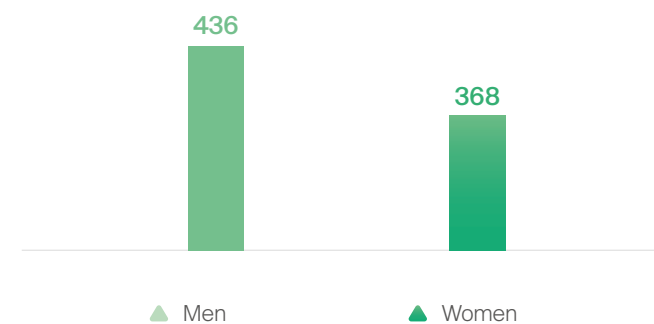
External employee training



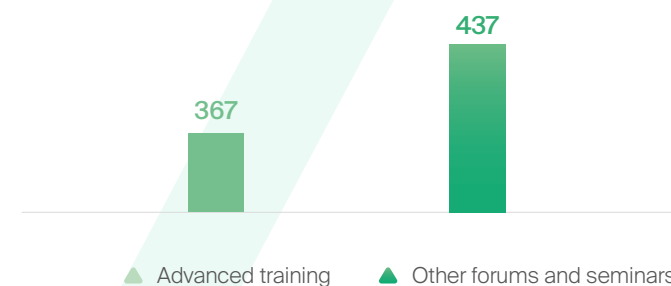
In 2023, **804 employees** completed external training, and the average number of hours of external training was **26.9 hours per annum** **KZT 175.4 million** was spent on external training.

Number of employees who completed external training by gender and type of training

Gender structure



Types of training



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

- 1. About the Report
- 2. About the Bank: key results for 2023a
- 3. Corporate governance
- 4. Bank's contribution to achieving UN Sustainable development goals
- 5. Human rights compliance, Business ethics, and anti-corruption efforts
- 6. Interaction with customers and suppliers
- 7. Interaction with staff
 - Approach to talent management
 - Motivation system, recruitment and training of personnel
 - Social support
 - Occupational health and safety
 - Development plans
- 8. Social responsibility
- 9. Environmental responsibility
- Annexes

Some of the implemented external training programs aimed at improving employees' skills, including compulsory education programs, are listed below:

Course	Number of people	Total amount, in tenge
Appraiser Licensing Program	15	3,033,700
Fire-technical minimum and Occupational Safety and Health	190	950,000
Training of the Conciliation Commission	15	334,821
Certification program for countering Money laundering and terrorist financing	7	119,000
Training in software installation, configuration, administration, and operation <ul style="list-style-type: none"> • CERTEX Public Key Infrastructure • Certex Cloud software • Software and hardware complex "CERTEX HSM" • Software and hardware complex "CERTEX HSM ES" • Support and troubleshooting for Windows 10 	25	2,738,903
Enterprise Linux System Administration (GL250) H7091S Linux Fundamentals (GL120) U8583S	5	5,015,598
Tableau Training	38	10,598,571
Golang language course and mentoring support	40	4,000,000
Online practice "Golang-developer.Basic"	11	3,715,556
Module "General disciplines"	19	3,485,590
Training in the Internal Audit program	11	1,415,000
Information security 306 Organisation of confidential office work 10961 Automation of administration with Windows PowerShell	6	1,867,000

Attracting new staff

●● GRI 401-1

Recruitment regulations

Bank CenterCredit JSC selects and adapts employees to provide the bank with qualified personnel capable of contributing to the implementation of strategic initiatives and current tasks. Recruitment of personnel is carried out within the staffing table of vacant positions. Special attention is given to the development and promotion of internal employees, as well as the use of the personnel reserve, which supports the dynamics of career growth and ensures effective staff rotation. One of the main criteria for employee promotion is a high performance indicator and an assessment of their competence and personal growth.

Some of the main sources of recruitment are:

- Resume database
- Specialised internet resources
- Recruitment agencies
- State employment agencies
- Direct search
- Internal projects to attract internal and external staff

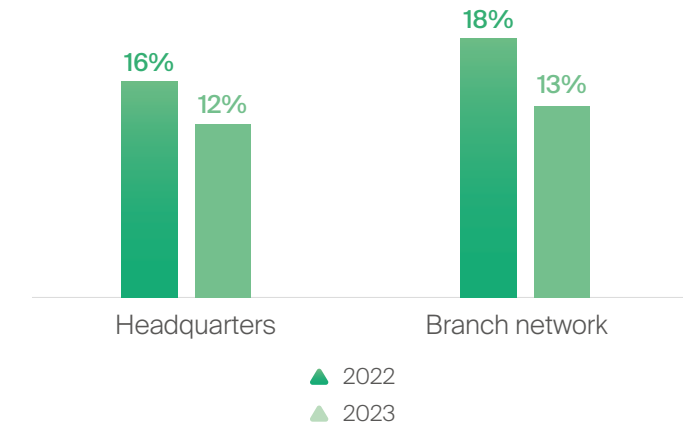
The program of adaptation of new employees in Bank CenterCredit JSC is a set of events and training sessions aimed at facilitating adaptation of new employees to the work process. The main objectives of the program include reducing recruitment costs, reducing staff turnover during the probationary period, and strengthening the Bank's reputation as an attractive employer. These measures also help improve overall productivity by providing comprehensive training for new team members.

In 2023, thanks to the effective implementation of the adaptation program, it was possible to reduce the level of staff turnover during the probationary period: up to 12% in the Head Office and up to 13% in branches, which is an improvement over the previous indicators of 16% and 18%, respectively.

Effective adaptation of new employees in the BCC begins with familiarising the new employee with the team and the basics of the Bank's activities. The team leader not only organises the

initial stage of entry into the position, but also sets specific goals and indicators for evaluating work during the probationary period. Based on the results of this period, the manager decides on further cooperation with a new team member.

Staff turnover during the probationary period at the Head Office and branches



A key role in the adaptation process is played by a mentor who provides support to the new employee, helps them get used to the new work environment and adapt to the Bank's corporate culture. This approach helps new employees enter the workflow more smoothly and quickly, and increases their productivity.



Overall staff turnover in 2023 was **41%**

Report Structure

Message from the Chairman of the Board of Directors

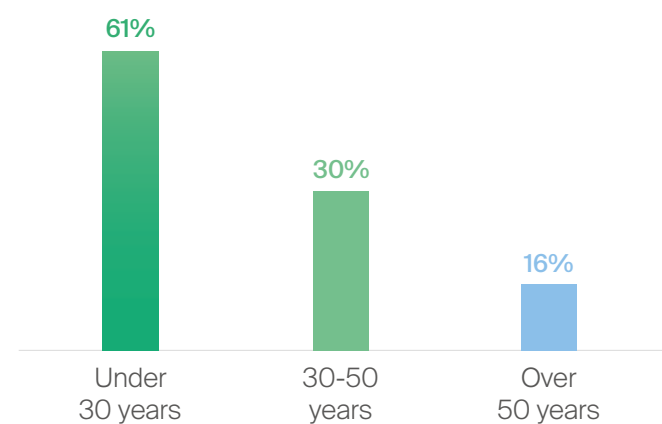
Message from the President

- 1. About the Report
- 2. About the Bank: key results for 2023a
- 3. Corporate governance
- 4. Bank's contribution to achieving UN Sustainable development goals
- 5. Human rights compliance, Business ethics, and anti-corruption efforts
- 6. Interaction with customers and suppliers
- 7. Interaction with staff
 - Approach to talent management
 - Motivation system, recruitment and training of personnel
 - Social support
 - Occupational health and safety
 - Development plans
- 8. Social responsibility
- 9. Environmental responsibility
- Annexes

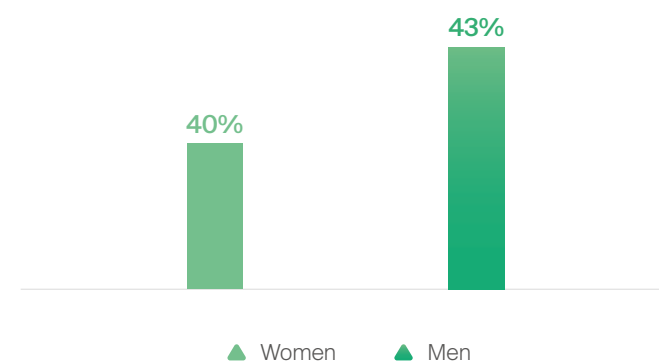
The turnover rate for the reporting period by age group, gender, and region is presented below.

For more information about staff turnover, see Annex D.

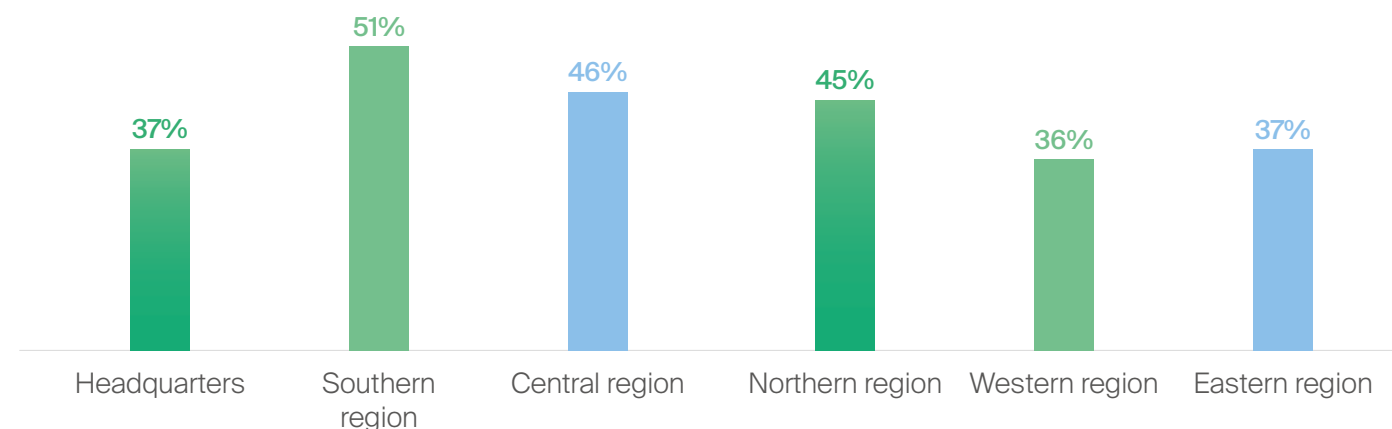
Turnover by age group



Gender structure of turnover



Turnover by region



Recruitment of young talents and cooperation with universities



In order to replenish the staff, the Bank hired **3,554** new employees over the year, a significant proportion of whom are young professionals under 30 years of age. This highlights the Bank's active involvement in attracting young talent.

The Bank maintains fruitful cooperation with leading higher education institutions in the country, providing students with opportunities for practical training and internships. The purpose of this program is to create a pool of qualified young professionals and train personnel to take up entry-level positions in the Bank.

Events organised by the Bank, including project competitions, job fairs and educational seminars, played a key role in attracting and training potential leaders. These initiatives contribute to the renewal of the Bank's human resources, as well as to the development and implementation of new ideas and innovative solutions.

The Bank's Information Security Center team actively cooperates with universities, taking a number of initiatives to raise awareness in the area of information security.

Here are some of the key activities:



Capture the Flag

at the Kazakh National Research Technical University (KazNTU) named after K. I. Satpayev: in 2022 and 2023, Capture the Flag competitions were held to promote the development of skills in the area of cybersecurity

Course on information security for KazNTU named after K. I. Satpayev:

a course consisting of ten video lectures on information security was created

Internship and practical training:

The Bank's Information Security Center accepts 3rd and 4th year students with specialised education for internship and practical training. The best students have the opportunity to get into the Information Security Center team or into the personnel reserve



Lecture at AlmaU:

AlmaU (Almaty Management University) hosted a lecture for 1st and 2nd year students covering the basics of information security

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

- 1. About the Report
- 2. About the Bank: key results for 2023a
- 3. Corporate governance
- 4. Bank's contribution to achieving UN Sustainable development goals
- 5. Human rights compliance, Business ethics, and anti-corruption efforts
- 6. Interaction with customers and suppliers
- 7. Interaction with staff
 - Approach to talent management
 - Motivation system, recruitment and training of personnel
 - Social support
 - Occupational health and safety
 - Development plans
- 8. Social responsibility
- 9. Environmental responsibility

Annexes

The BCC Human Resources Management Center (BCC) actively establishes partnerships with leading universities, examples of such initiatives include:

- **Active participation of the Human Resources Management Center in job fairs and meetings with representatives of universities interested in completing an internship in the BCC.** Among the universities with which the partnership has been established are AlmaU, Kazakh-British Technical University, Narkhoz, Turan, International University of Information Technologies, Almaty Technological University, Astana IT University, Almaty College of Economics, Talgar College of Management and Agribusiness, International Engineering and Technology University and Al-Farabi Kazakh National University. Suleiman Demirel University is in the process of negotiating a partnership,
- **Meetings with future talents:** it is planned to hold demonstration meetings with students in the offline format. Regardless of the staffing needs, representatives of the HR will come and talk about the Bank as a potential employer,
- **Creation of a banking department / faculty:** there are plans to conclude agreements with universities on the introduction of their own banking department or faculty,
- **Training for students:** Bank experts give open lectures to university students. One of these lectures took place in the fall at Al-Farabi Kazakh National University. As part of the event, students had a unique opportunity to learn about the intricacies of ESG development in the banking sector of Kazakhstan.

In 2023, BCC focused its efforts on the global transformation and expansion of its operations, which was driven by the merger with Eco Center Bank (Alpha Bank). Due to these changes, plans for active interaction with higher education institutions were postponed until 2024. The Bank plans to develop new approaches to attract young professionals and strengthen ties with universities, which will attract talent and support the Bank's innovative potential.

Motivation system

●● GRI 404-3; 405-2

Bank CenterCredit JSC attaches great importance to the development of corporate culture and employee motivation. In 2023, the Bank conducted an analysis of salaries, revealing the impact of the level of remuneration on staff retention and productivity improvement. As a result, optimisation of the remuneration system has become a key area for further development

Bank CenterCredit JSC pays special attention to the remuneration system, which includes both tangible and intangible incentives. Material remuneration consists of salaries, bonuses and bonuses, while non-material remuneration includes health insurance, training, as well as in the form of certificates of appreciation and letters. Remuneration and motivation issues are regulated by the legislation of the Republic of Kazakhstan and the relevant regulations and policies of the Bank, which ensure fairness and transparency in the system of remuneration and promotion of career development.

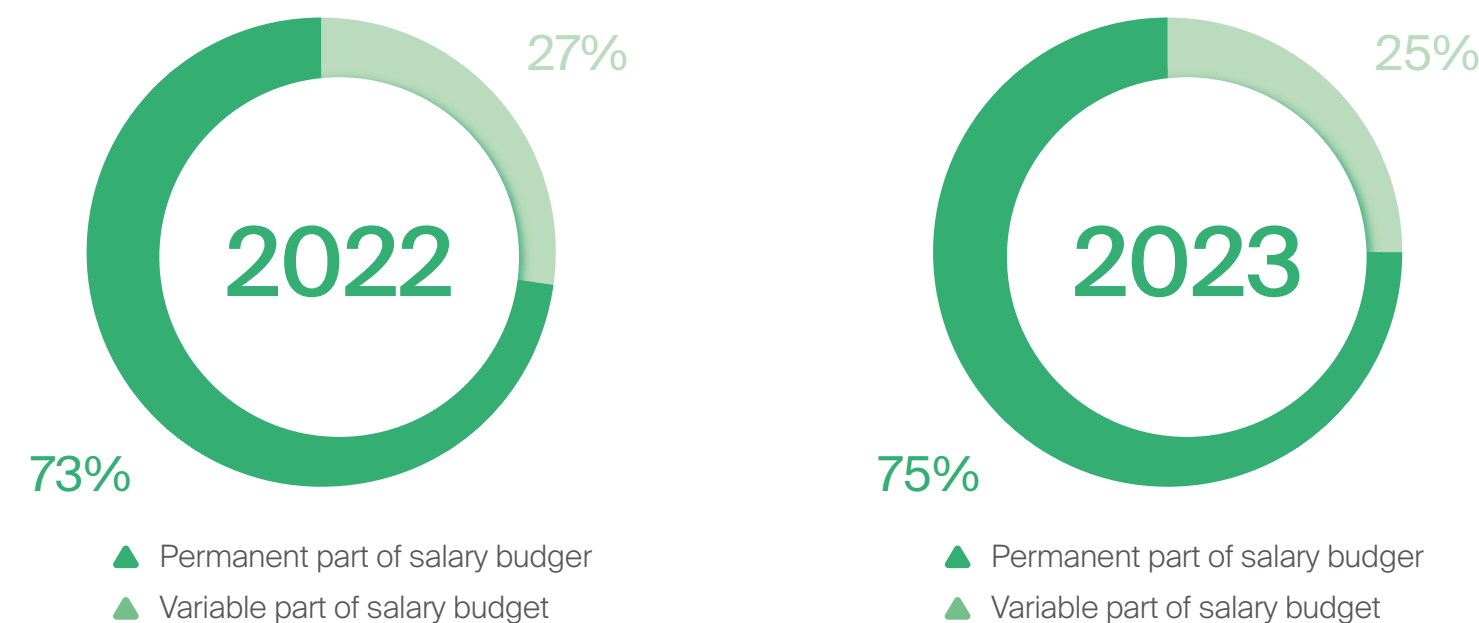
The introduction of 'personal allowances' allowed the Bank to take a flexible approach to rewarding employees who demonstrate outstanding results, thereby increasing their loyalty and engagement. The development of a new salary grade structure in 2023 was carried out with the involvement of external consultants, ensuring objectivity and compliance with the best market practices. The transition to the new system began with branches, and the full transition of the Head Office is scheduled

for 1 January 2024. The salary grading system is a structured approach to classifying various positions within an organisation according to the level of responsibility, complexity of tasks, and required qualifications.

To maintain a high level of motivation, the Bank provides employees with access to information about the bonus system through an internal digital platform, where everyone can learn

about opportunities for additional earnings. The set KPIs reflect goals adapted to the specifics of each department, and their successful implementation is rewarded with bonuses, which encourages achievement of better results.

Dynamics of the share of fixed and variable parts of the payroll fund



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

- 1. About the Report
- 2. About the Bank: key results for 2023a
- 3. Corporate governance
- 4. Bank's contribution to achieving UN Sustainable development goals
- 5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

- Approach to talent management
- Motivation system, recruitment and training of personnel
- Social support
- Occupational health and safety
- Development plans

8. Social responsibility

9. Environmental responsibility

Annexes

Ratio of basic salary and remuneration of women to men by employee category for 2023



The Bank makes every effort to offer each of its employees a chance for career advancement and professional development. During 2022 and 2023, we evaluated the performance of all employees, without exception.

Percentage of employees who passed the performance assessment

Categories	2023
By gender	
Women	100%
Men	100%
By employee category	
Bank's management	100%
Managers	100%
Line managers	100%
Staff	100%

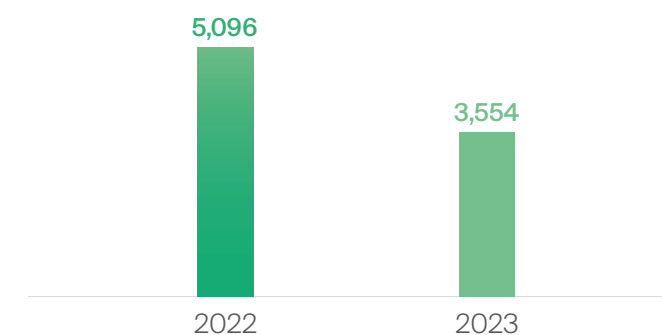
In 2023, the Bank used 4 bonus programs and evaluating the following indicators:

- **Standards/Unified System of Indicators – Point motivation¹⁸** starting in October, the front office introduced a bonus reward system focused on the use of quantitative metrics and a single metric scale that takes into account key strategic goals for department managers. This system is designed to replace all existing product incentives and aims to increase the transparency, accessibility, and efficiency of the front office employee bonus process,
- **SLA¹⁸**: Reward for achieving the goals set out in Service Level Agreements (SLAs) by back-office units,
- **Project Bonus paying¹⁸**: Bonuses are awarded based on the success of non-standard projects or project tasks that include transforming the Bank's business processes, innovating in the product line, and improving processes and technologies, all in order to achieve the organisation's strategic goals,
- **Goal card**: bonuses are paid based on an assessment of the achievement of goals for a certain time period (from three months to one year), which are set by the direct manager and agreed with the employee.

Recruitment results

●● GRI 401-1

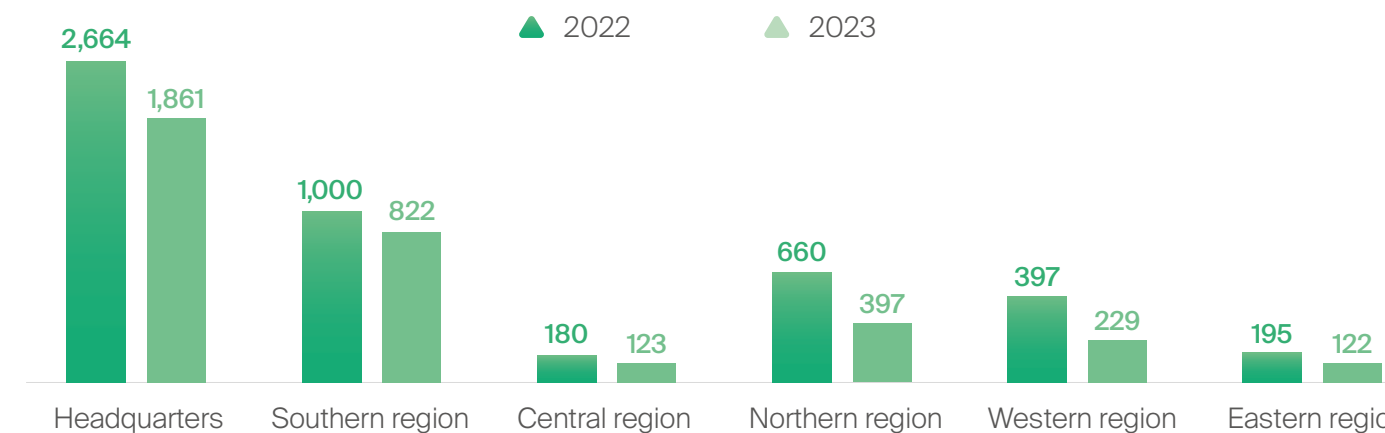
Total number of employees hired



In 2023, the Bank hired **3,554** employees of which **1,861** employees were included in the Head Office staff, and **1,693** employees – in the Branch Network.

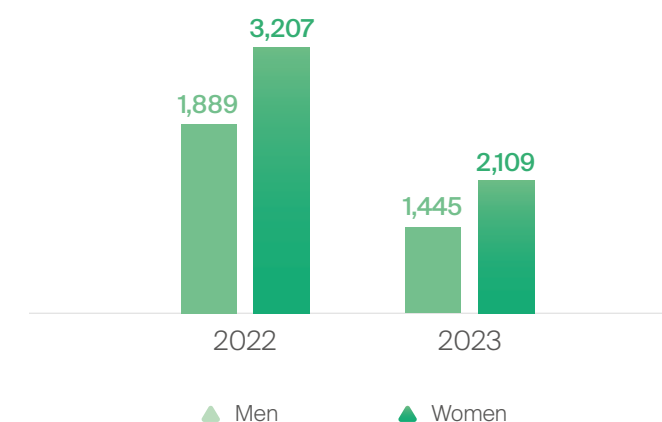
The main task was to ensure that vacancies were fully filled with personnel. As a result of the Bank's efforts, the level of staff occupancy has increased: if in 2022 it was 80-85%, then by 2023 this figure reached 90-95%.

Number of employees hired by region

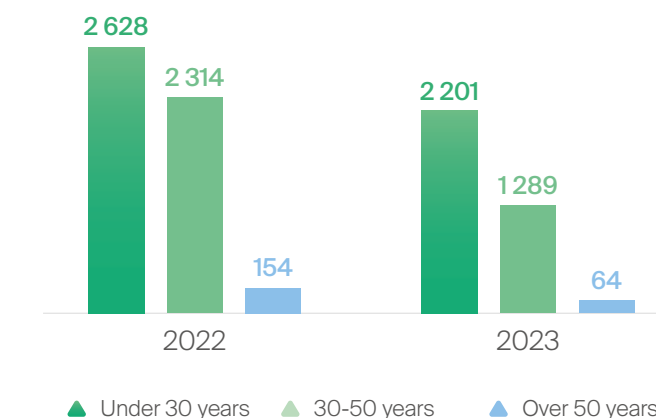


Total number of employees hired by gender and age

Gender structure



By age



¹⁸The programs reviewed lack a standardized approach to the frequency of assessments. Assessments are carried out at least once a year, but their frequency can be increased in accordance with emerging needs.

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank:
key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

- Approach to talent management
- Motivation system, recruitment and training of personnel
- Social support
- Occupational health and safety
- Development plans

8. Social responsibility

9. Environmental responsibility

Annexes

Key employees

Bank CenterCredit JSC actively develops evaluation and bonus programs aimed at increasing motivation and improving the effectiveness of employees. One of these initiatives is the **Key Employees Program**, which is designed to identify and encourage the most valuable employees who contribute to achieving the Bank's goals.

As part of the program, team leaders annually nominate the best of their subordinates for the title of Key Employee focusing on the importance of each employee for the team and the success of the Bank as a whole. The selection process evaluates and takes into account the candidate's key performance indicators, as well as their contribution to the Bank's work. This approach allows to win the title not just on the basis of short-term results, but also to take into account the wide range of employee contributions to achieving various Bank goals.



In 2023, **300** employees from various departments were recognised as **the Key Employees**

Additional benefits are provided for this category of employees, including opportunities for training and compensation of personal expenses, which serves as a powerful incentive for all employees of the Bank.



In 2023, the Bank's expenses for the Key Employees project amounted to about **KZT 99** million.

The key employees receive support that helps them stay in the Bank and develop. As a result, staff turnover among Key Employees decreased from 6.3% in 2022 to 2.4% in 2023, which highlights the effectiveness of the program in retaining talent.

●● **GRI 3-3; 201-3; 401-2; 401-3; 403-3; 403-6; 405-1; 406-1**

Social support

Bank CenterCredit JSC focuses on the social security of its employees. The development and implementation of social programs, as well as their monitoring, are key aspects of the Bank's social policy. These programs are aimed at maintaining the health of employees and creating conditions that promote loyalty and encourage high-quality and productive work.

- **Basic compensation package**, which applies to all employees and the content of which varies depending on the level of the position (VHI packages, payment of transport costs and parking, compensation for housing rental expenses),
- **Basic motivation package for all employees**, which includes flexible working hours and remote work format, training and development at the expense of the bank, corporate events, corporate discounts from partners,
- **Additional extended packages under the Key Employees project.**

Currently, the Bank offers the following types of social packages: During the reporting period, the Bank had no obligations related to pension plans that are not provided for by the legislation of the Republic of Kazakhstan and there were no special pension funds or programs.

Bank initiatives for social support and improving working conditions for employees

Within the framework of sustainable development and striving to create comfortable working conditions, the Bank actively implements initiatives aimed at developing social support and improving the comfort of employees. These initiatives contribute not only to improving the productivity and efficiency of staff, but also to creating a positive atmosphere and improving the convenience of the work environment:

Improving transport accessibility:

- Launch of shuttle buses for employees with minimum fare
- Search for compensatory travel discounts for employees.

Providing comfort in offices:

- Providing free coffee in the offices
- Plans to cover all offices with Wi-Fi in the second quarter of 2024
- It is planned to open a gym and dining room in the office Bank initiatives for social support and improving working conditions for employees Bank initiatives for social support and improving working conditions for employees.

Support for sports activities:

- Organisation of annual football tournaments
- Holding a women's volleyball tournament with plans for its annual holding;
- Conduct fitness competitions on a monthly basis
- Support for a school for runners with a paid trainer to train employees for marathons
- Plans for domestic table tennis and esports tournaments.

Improve internal communication and responsiveness:

- The Bank has developed an anonymous communication channel for complaints, ensuring transparent and open communication with employees.



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

- 1. About the Report
 - 2. About the Bank: key results for 2023a
 - 3. Corporate governance
 - 4. Bank's contribution to achieving UN Sustainable development goals
 - 5. Human rights compliance, Business ethics, and anti-corruption efforts
 - 6. Interaction with customers and suppliers
 - 7. Interaction with staff
 - Approach to talent management
 - Motivation system, recruitment and training of personnel
 - Social support
 - Occupational health and safety
 - Development plans
 - 8. Social responsibility
 - 9. Environmental responsibility
- Annexes

Developing team spirit and corporate interaction:

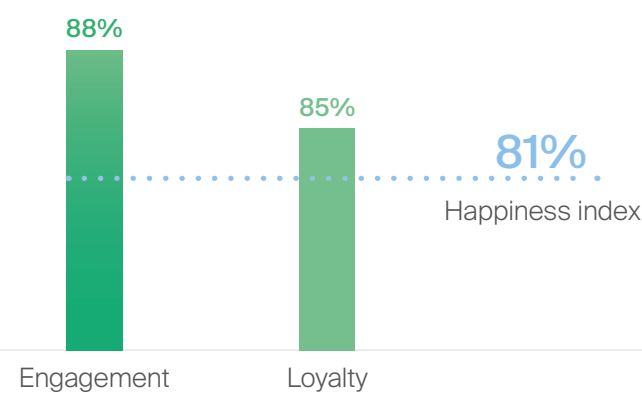
- Organisation of annual team building sessions with the possibility of sending requests on the subject from employees
- Allocation of significant funds for team building activities in the budget of general banking events

These initiatives are aimed at increasing the level of comfort, sports activity, team cooperation and ensuring open communication in the Bank.



Development of HR communications

In 2023, the Happy Job Satisfaction Survey was launched. The survey results showed:



In 2023, Bank CenterCredit JSC made significant progress in strengthening its presence in social networks and internal communications:

- In 2023, the **Instagram channel @bcc_space** increased the number of subscribers by 8% to 22,600 subscribers;
- In the Bank's closed internal **Telegram channel**, HR leads the **BCC team** category: BCC news, ECO, contests, BCC events, etc.

The development of internal events in 2023 includes the following categories of events:

1. Business Events:

- 7 bank-wide events
- Open conversation.

2. Employee Engagement and Cohesion Activities:

- An ambassador program with 120 ambassadors
- 23 team building sessions
- 3 thematic quizzes.

3. Sporting Events:

- 12 sports challenges
- 2 running marathons.

4. ECO Events:

- Cooperation with the Teplo Foundation (collection and sorting of recyclables) – 2 tons of clothing were transferred to the foundation.

5. Large-Scale Celebration of the 35th Anniversary through the Association of Employees of the Branch Network and Head Office, including:

- Soccer tournament with 600 employees
- Women's volleyball tournament with 180 employees
- Fan competition with 66 fans participating in the final event for 1,000 employees
- Challenge of combining the map of Kazakhstan for all branches
- Team building events in all branches in honor of the 35th anniversary
- BCC Stars – participation of 3 groups of Bank employees who performed musical numbers at the final event



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

- Approach to talent management
- Motivation system, recruitment and training of personnel
- Social support
- Occupational health and safety
- Development plans

8. Social responsibility

9. Environmental responsibility

Annexes

Bank's social investments for major events



Spending directions

General Bank-wide events

171 millions of tenge

Sports events

20 millions of tenge

Total number of expenses for major events

191 millions of tenge

Financial assistance

●● GRI 201-3; 401-2; 403-6

Bank CenterCredit JSC supports its employees and provides financial assistance in the amount of one official salary in the following cases:

- Birth of a child
- Adoption of a child
- Anniversaries (50, 60 years)
- Getting married
- Death of close relatives (spouse, parents or a parent, children, siblings)

If an Employee receives occupational injuries or harm while performing his / her work duties, he / she is entitled to compensation for damage in accordance with the current legislation of the Republic of Kazakhstan. Thus, the right to compensation for occupational injuries or harm or injuries is an important aspect of social protection of employees and ensures their rights and interests in the area of labour relations.

The Bank enters into an annual sickness insurance contract with an insurance company to take care of its employees. Health insurance at the expense of the employer is provided to employees from 6 months of work in the Bank. Services are provided by medical institutions under insurance programs. One can manage insurance programs through the Archimedes Kazakhstan mobile app, which displays available medical facilities, service limits, and other information.



Expenses under the voluntary health insurance program (VMI) in 2023 amounted to

230 million tenge.

To support the mental health of employees, the Bank paid for consultations with a psychologist for 3 to 5 sessions. Expenses under this program for 2023 amounted to 5 million tenge. Currently, the process of concluding an agreement with the platform for providing online consultations with psychologists for Bank employees is underway.

Social investments of the Bank



Spending directions

VHI
230.3 million tenge

financial assistance
563 million tenge
psychological assistance

4.7 million tenge

BCC Key People Project

99 million tenge

Total number of expenses for HR Programs

897 million tenge

The Bank provides benefits to all full-time employees regardless of the term of the contract. In 2023, BCC paid benefits in the amount of 798.04 million tenge to its employees, most of which went to financial assistance.

Benefits provided to full-time employees in KZT million

Types of benefits	Fixed-term and indefinite employment contracts		
	Head Office	Branch network	Total
Life insurance	-	-	-
Voluntary medical insurance	141.5	88.8	230.3
Disability payments	-	-	-
Parental leave	-	-	-
Non-state pension provision	-	-	-
Other financial assistance:			
Medical treatment	57.5	1.3	58.8
Birth of a child	170.4	82	252.4
Death of a close relative	48.2	24.2	72.4
Marriage	100.8	30	130.8
Employee anniversaries	32.8	11.6	44.4
Retirement	1.5	2.8	4.3
Psychological assistance	4.1	0.6	4.7
Total amount	798.04		

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

- 1. About the Report
- 2. About the Bank: key results for 2023a
- 3. Corporate governance
- 4. Bank's contribution to achieving UN Sustainable development goals
- 5. Human rights compliance, Business ethics, and anti-corruption efforts
- 6. Interaction with customers and suppliers
- 7. Interaction with staff
 - Approach to talent management
 - Motivation system, recruitment and training of personnel
 - Social support
 - Occupational health and safety
 - Development plans
- 8. Social responsibility
- 9. Environmental responsibility
- Annexes

Providing equal opportunities

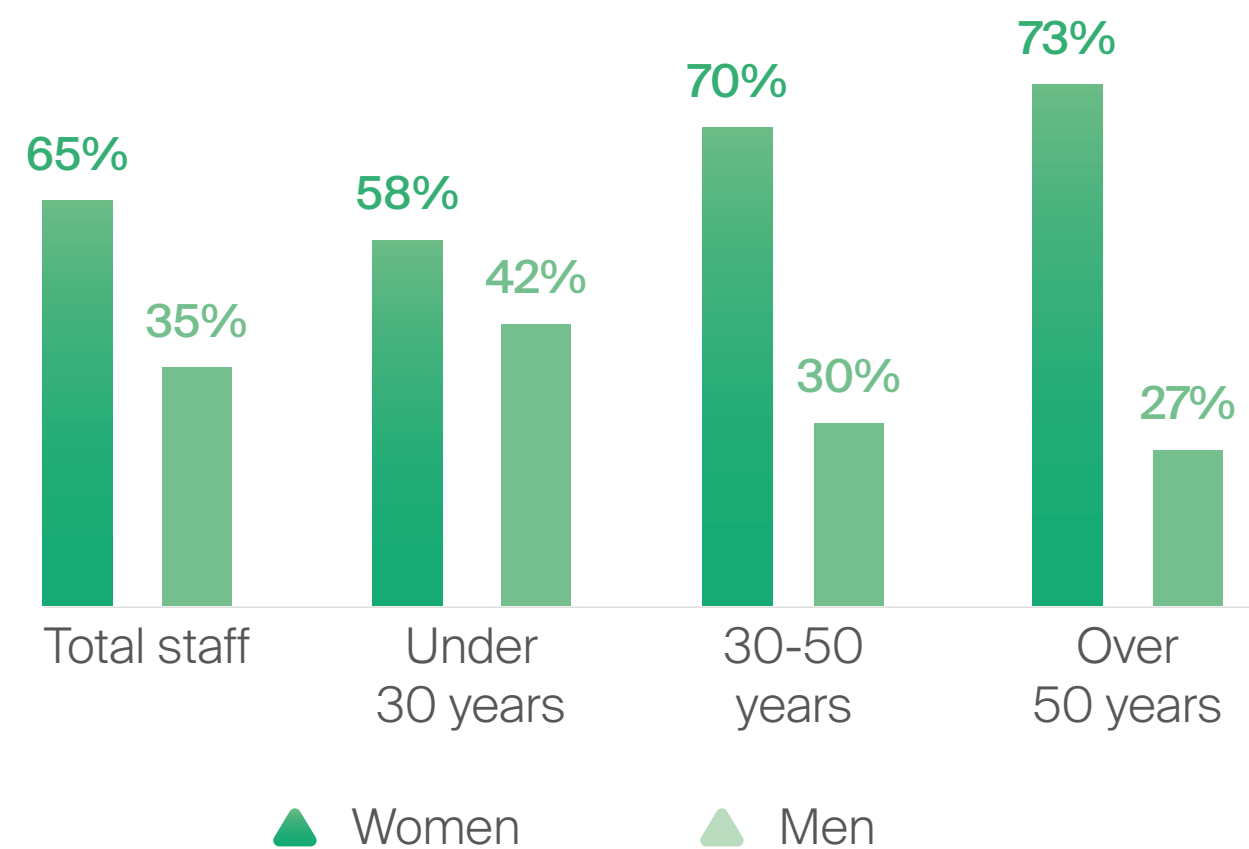
●● GRI 405-1 (b); 406-1

The Bank ensures equal opportunities and performance evaluation for all its employees, regardless of age, gender or national characteristics. According to the Human Rights Policy, the Bank's activities are guided by the principles of respect for human dignity and human rights, and the inadmissibility of any form of discrimination. Obligations towards employees include: protection of employees from harassment and discrimination for complaints about the use of any form of violence against them; unacceptability of any form of discrimination against employees based on gender, age, ethnic or national origin, religion, worldview, physical abilities, orientation, skin color, family status, political affiliation beliefs, background, and other individual characteristics. No cases of discrimination were registered in the Bank in 2022 and 2023.

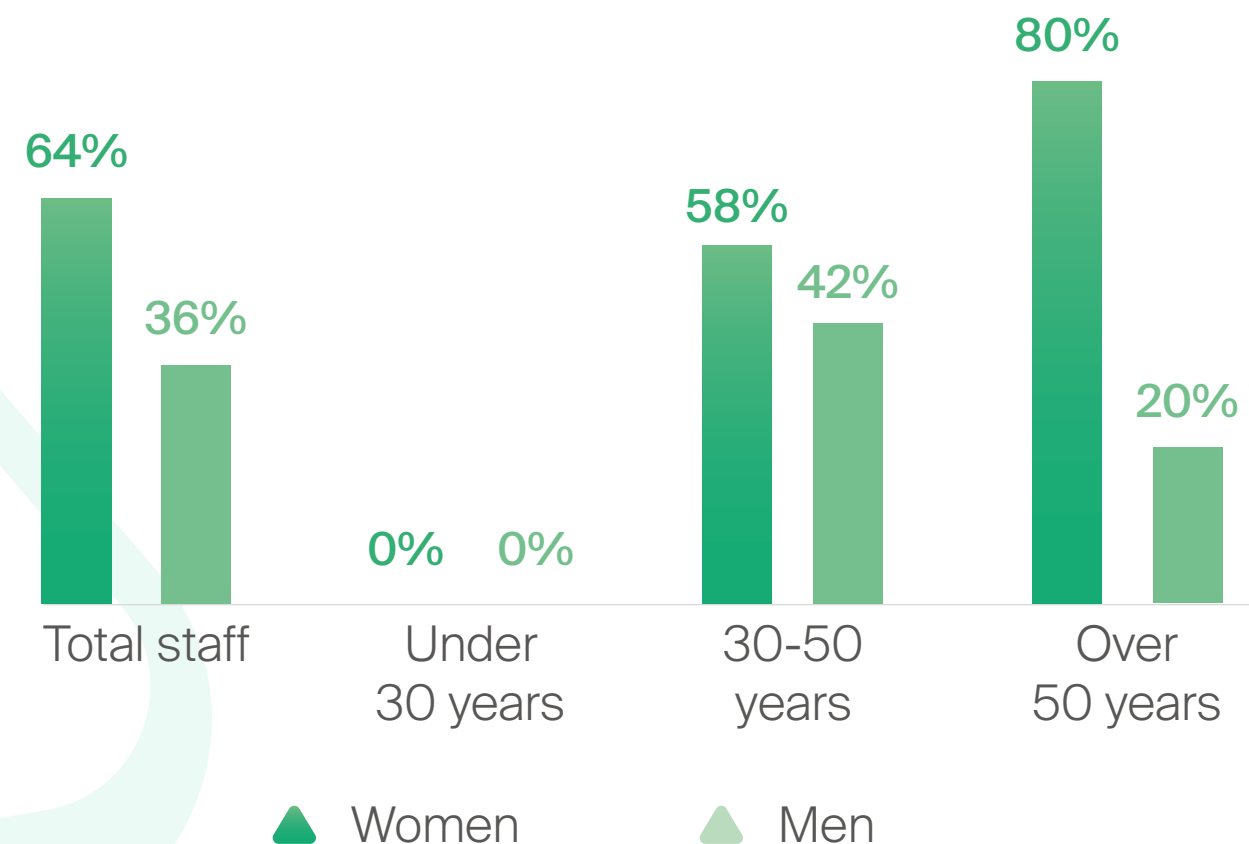
At the end of 2023, the percentage of men and women among all employees of the Bank, with the exception of senior management, was 35% and 65%, respectively. Among the Bank's line managers, 46% are men and 54% are women, which demonstrates that the principle of providing equal opportunities for both women and men to move up the career ladder is ensured.

For more detailed information on the gender and age structure of all Bank employees, see Annex D.

Percentage of all employees by gender and age, excluding the Bank's management



Percentage of managers by gender and age



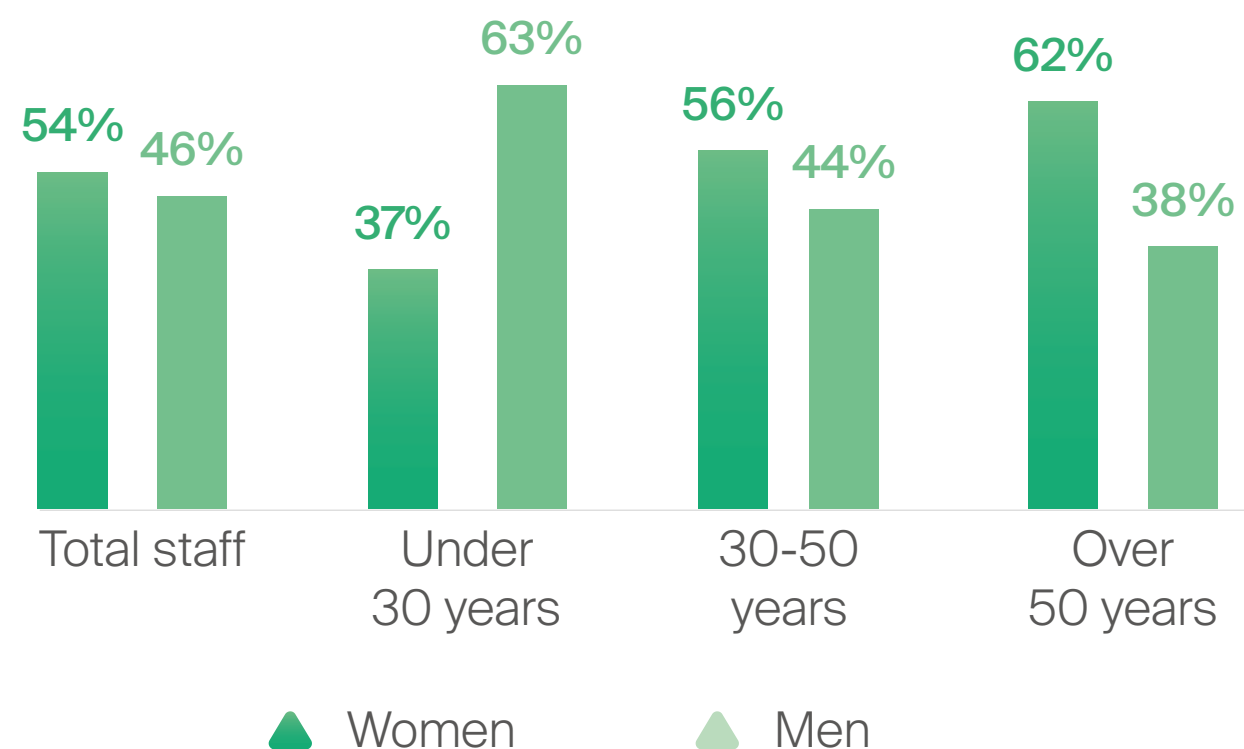
Report Structure

Message from the Chairman of the Board of Directors

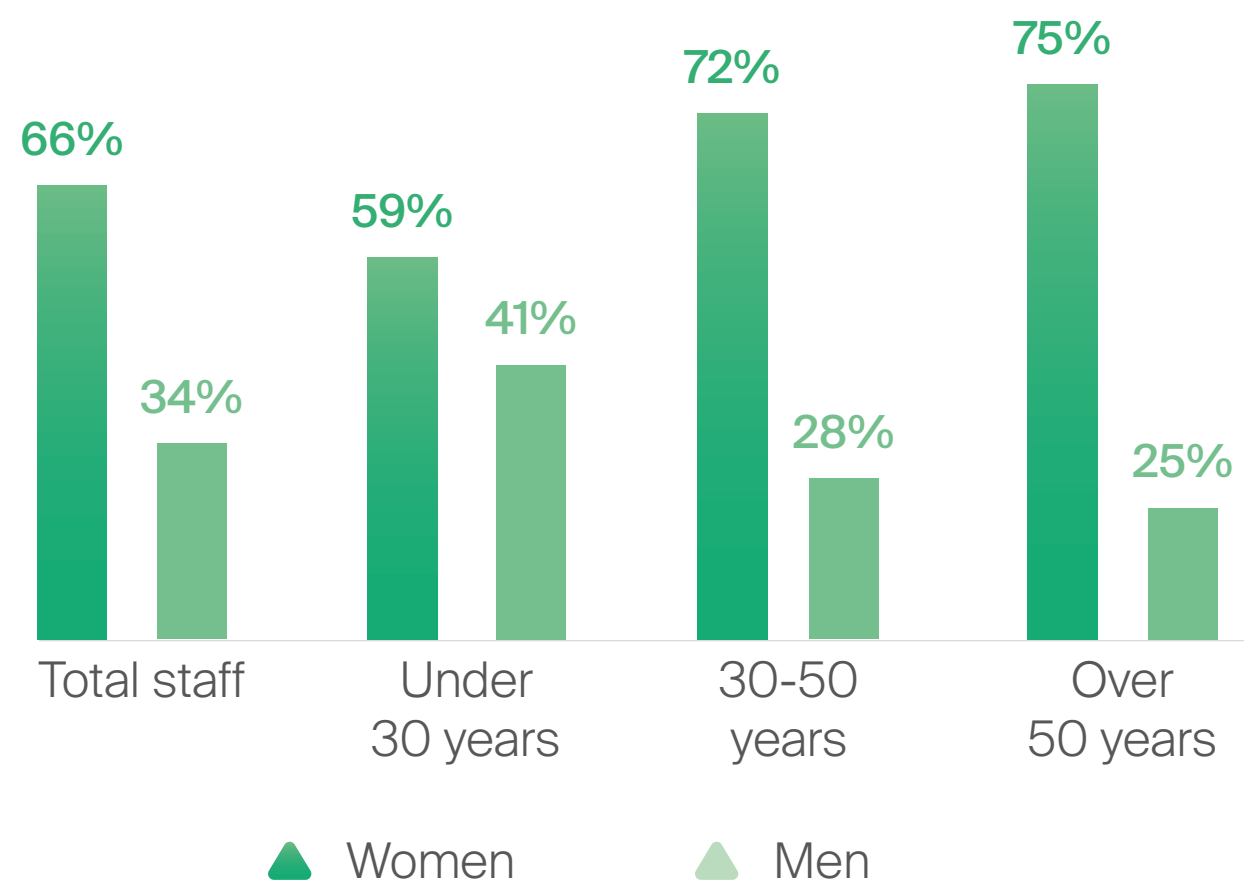
Message from the President

- 1. About the Report
- 2. About the Bank: key results for 2023a
- 3. Corporate governance
- 4. Bank's contribution to achieving UN Sustainable development goals
- 5. Human rights compliance, Business ethics, and anti-corruption efforts
- 6. Interaction with customers and suppliers
- 7. Interaction with staff
 - Approach to talent management
 - Motivation system, recruitment and training of personnel
 - Social support
 - Occupational health and safety
 - Development plans
- 8. Social responsibility
- 9. Environmental responsibility
- Annexes

Percentage of line managers by gender and age



Percentage of employees by gender and age



Provision of maternity and paternity leave



The total number of employees who took advantage of parental leave decreased from

860 in 2022 to **497** in 2023

This decrease was

363 people, or **42%**

The rate of return of women who took parental leave decreased from 83% in 2022 to 79% in 2023. The return rate for men increased from 40% in 2022 to 100% in 2023.

The retention rate for female employees decreased from 82% to 79%, while for men it decreased from 50% to 0%

Indicator	Units of measurement	2022	2023
Total number of employees eligible for parental leave	persons	7,598	7,983
including women	persons	2,478	2,780
including men	persons	5,120	5,203
Total number of employees who took parental leave	persons	860	497
including women	persons	859	496
including men	persons	1	1
Total number of employees who returned to work after the end of parental leave	persons	375	423
including women	persons	373	422
including men	persons	2	1
Total number of employees who returned to work after the end of parental leave and continued working 12 months after returning to work	persons	291	296
including women	persons	289	296
including men	persons	2	0
Total number of employees whose parental leave ends by the end of the year	persons	453	535
including women	persons	448	534
including men	persons	5	1

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank:
key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

- Approach to talent management
- Motivation system, recruitment and training of personnel
- Social support
- Occupational health and safety
- Development plans

8. Social responsibility

9. Environmental responsibility

Annexes

Occupational health and safety

●● **GRI 3-3; 403-1; 403-2; 403-3; 403-4 403-5; 403-8; 403-9; 404-1**

The Bank actively operates a comprehensive occupational health and safety management system focused on maximising the safety of working conditions and the health of employees. The main principle of the Bank's security policy is to prioritise the life and health of employees over production and financial interests.

Approach to Occupational Health and Safety management

The Bank's Occupational Health and Safety and Health Policy approved by the Management Board includes the following key areas:

- Compliance with the main principles and directions of the state policy in the area of occupational safety and health.
- Prevention of accidents and other occupational diseases through a set of measures aimed at the safety of all employees of the Bank.
- Compliance with the requirements of laws and other regulatory legal acts of the Republic of Kazakhstan, programs in the area of labour safety and health, collective agreements (agreements) on labour protection, state standards of labour safety and health, internal documents regulating the Bank's activities in the area of labour safety and health.
- Identification and analysis of occupational risks in the workplace with further development of effective protective measures.
- Systematic and targeted improvement of the professional level of employees in the area of occupational safety and health.
- Regular dialogue with employees and their representatives on improving working conditions.
- Continuous improvement of the system of regulations for the occupational health and safety management system.
- Continuous monitoring of compliance with occupational safety and health requirements.

The Bank strictly adheres to a number of regulatory acts of the legislation of the Republic of Kazakhstan in the area of labour protection and industrial safety, including:

- Labor Code of the Republic of Kazakhstan dated November 23, 2015 No. 414-V ZRK,
- Law of the Republic of Kazakhstan dated April 11, 2014 No. 188-V 3PK "On Civil Protection",
- Model regulation on the labor safety management system, approved by Order of the Minister of Labor and Social Protection of the Population of the Republic of Kazakhstan dated August 27, 2020 No. 340,
- Technical Regulations "General Requirements for Fire Safety", approved by the Order of the Minister of Emergency Situations of the Republic of Kazakhstan dated August 17, 2021 No. 405,
- Fire safety rules approved by the Order of the Minister of Emergency Situations of the Republic of Kazakhstan dated February 21, 2022 No. 55,
- Decree of the Government of the Republic of Kazakhstan dated December 28, 2023 No. 1182, "On approval of the Concept of safe labor of the Republic of Kazakhstan for 2024-2030"

As well as other regulatory legal acts of the Republic of Kazakhstan in this area, ensuring a high level of work safety and compliance with labour protection requirements. In addition, the Bank strives to comply with international standards in the area of occupational health and safety (ISO 45001 or OHSAS 18001).

The Regulations on the OHS management System at Bank CenterCredit JSC (implemented in 2023) include regular introductory briefings for all employees of the Bank, covering the basics of civil protection, fire safety and labour protection. The primary tasks of the system are:

- Development and implementation of a legally sound policy in the area of occupational safety, integrating the latest scientific and technical achievements.
- Improving the efficiency of the occupational safety management system that meets the Bank's strategy.
- Coordination of Occupational Health and Safety activities between departments, taking into account the implementation of best practices to create a favorable working environment.
- Develop incentive systems to improve working conditions and reduce operational risks.
- Cooperation with government agencies to improve working conditions and safety.
- Training and professional development of personnel in the area of work safety.



As part of these tasks, the Bank implements the following measures:

- Monitoring the state of workplaces and compliance with labour protection standards.
- Ensuring safe use of all the Bank's facilities in accordance with the rules and standards.
- Policies to improve working conditions through the introduction of safe technologies and equipment, as well as optimising the organisation of work in the context of safety at all levels of management.

These measures contribute to the creation of a safe and healthy work environment, confirming the commitment to Occupational Health and Safety as a fundamental component of corporate policy and sustainable development.

Employees of the Department of Fire Safety and Labour Protection are responsible for integrating and maintaining the functioning of the occupational health and safety management system. These professionals are regularly trained and certified to identify potential hazards in the workplace and develop risk mitigation measures. In order to maintain a high level of quality in the area of Occupational Health and Safety and to ensure the availability of relevant knowledge for all employees, the Bank has developed a list of instructions. These instructions include recommendations for personnel to act in the event of accidents and emergencies, such as earthquakes, fires, and flooding, as well as rules for the operation of machinery and equipment. These measures allow to create a safe working environment and ensure that employees are ready to act in emergency situations.

The Bank adheres to strict labour protection standards, ensuring the safety and health of its employees. The Bank's occupational health and safety management system applies to all full-time employees at all levels and departments. The exception is employees who are not full-time employees of the Bank and belong to administrative and economic personnel, whose services are provided through contractors. In such cases, the relevant contractor is responsible for compliance with occupational health and safety standards and requirements.

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

- 1. About the Report
- 2. About the Bank: key results for 2023a
- 3. Corporate governance
- 4. Bank's contribution to achieving UN Sustainable development goals
- 5. Human rights compliance, Business ethics, and anti-corruption efforts
- 6. Interaction with customers and suppliers
- 7. Interaction with staff
 - Approach to talent management
 - Motivation system, recruitment and training of personnel
 - Social support
 - Occupational health and safety
 - Development plans
- 8. Social responsibility
- 9. Environmental responsibility

Annexes

Training activities in the area of Occupational Health and safety

●● GRI 403-5; 404-1

In the context of creating a safe and healthy working environment, minimising risks and preventing occupational diseases and injuries, the Bank has also implemented a continuous training policy in the area of Occupational Health and Safety

In this direction, the Bank's officials participate in specialised external training programs that cover aspects of fire and technical safety, as well as complex issues of labour protection in accordance with approved regulatory acts. Upon successful completion of the course, employees receive official certificates confirming their professional knowledge and skills.

Further, certified personnel conduct internal training for colleagues in their departments, ensuring the dissemination of valuable knowledge and practices. Basic training is provided for all new employees and includes three key modules: civil protection, fire safety and labour protection. Certified employees, in turn, become internal mentors, training colleagues in their department. Targeted additional training is provided for employees whose activities involve potential professional risks, including security personnel, business personnel, IT specialists, and other categories of employees involved in high-risk activities.



The Bank has set strict requirements for conducting mandatory briefings with **100% staff coverage** thus emphasising the significance of these events. In addition, to ensure continued readiness and awareness of the state, a regular review of occupational health and fire safety knowledge is conducted through testing every six months.

The Bank's Personnel Management Center and Fire Safety and Labour Protection department provide training in the following programs:

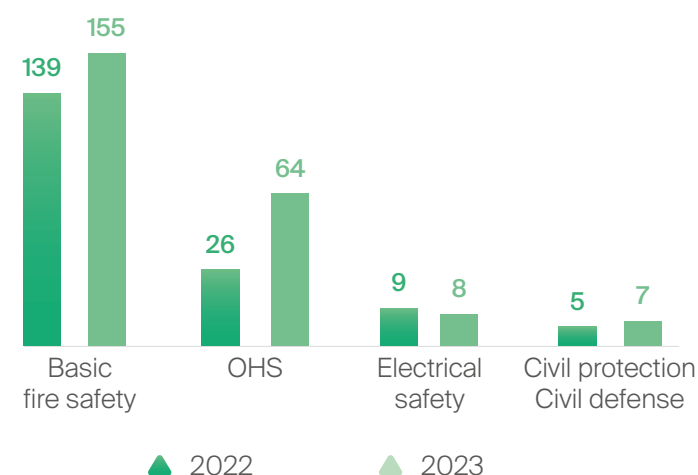
Training	Periodicity
Introductory training in the area of civil protection, occupational safety and health	When applying for a job
Initial training at the workplace	On the first working day
Re-instructing at the workplace	Every six months
Target briefing	For a specific type of work
Extraordinary briefing	When an emergency occurs

In addition, employees receive external training. Responsible persons appointed by the orders are trained in specialised centers for occupational safety and fire-technical minimum programs. And members of civil protection units are trained in the Almaty Emergency Management Department.

The need for employee training is determined by the following documents and regulations:

- The Labour Code of the Republic of Kazakhstan
- Industrial safety regulations
- The Law 'On Civil Protection'
- Regulations on the organisation of training, instructing, and testing of knowledge on civil protection, fire safety, and labour protection issues for employees of Bank CenterCredit JSC.

Number of employees trained in occupational health and safety



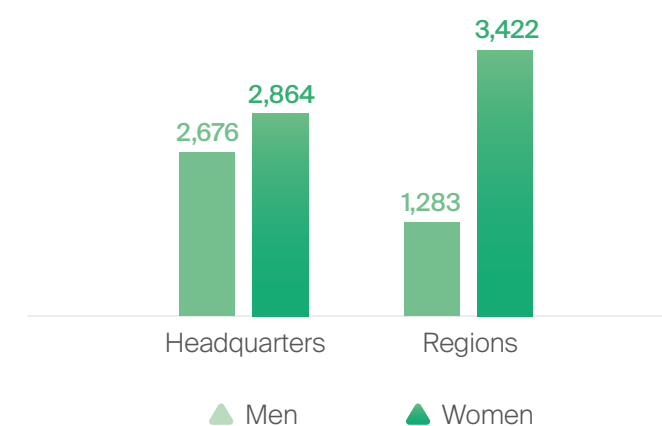
Note:

OHS – occupational safety and health.

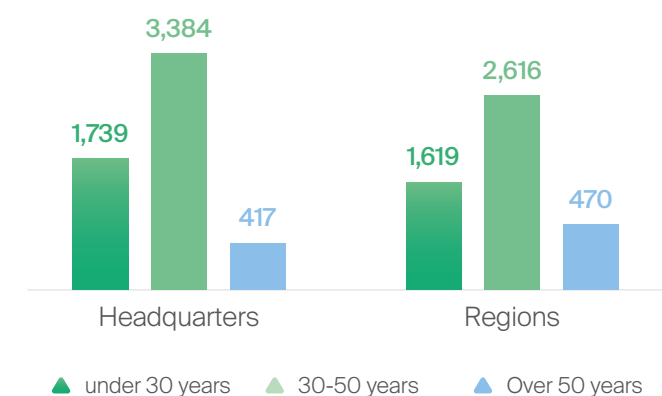
¹⁹Indicators for 2023

Total number of employees who have completed a course in OHS¹⁹

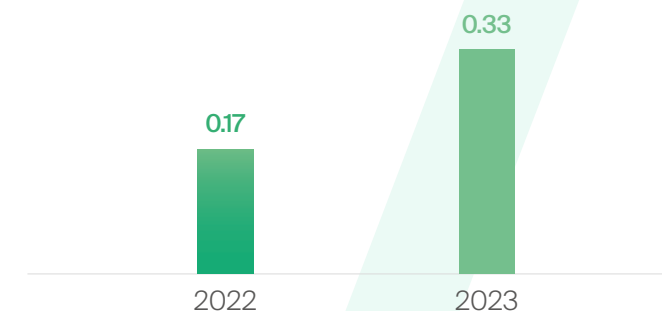
Gender structure



By age



Average annual number of training hours per employee (in OHS)



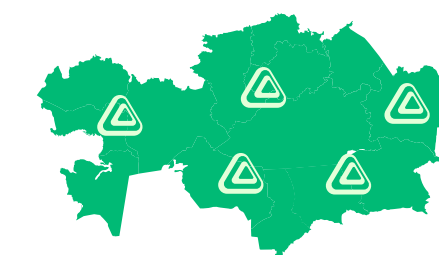
Head Office

Managers

642

Specialists

4,898



Regions

Managers

623

Specialists

4,082



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

- Approach to talent management
- Motivation system, recruitment and training of personnel
- Social support
- Occupational health and safety
- Development plans

8. Social responsibility

9. Environmental responsibility

Annexes

Risk identification process and emergency preparedness

●● GRI 403-2; 403-4; 403-8; 403-9

Employees' health and labour protection are protected in the Bank on a preventive basis to prevent possible occupational risks and threats to health even before they occur. This means taking measures to identify potential hazards in the workplace, develop and implement preventive measures, train staff in safety rules and apply preventive measures to minimise risks and ensure the safety and health of employees. Following the best international practices, the BCC is moving from a culture of control over employees in terms of ensuring security to a systematic approach based on constant dialogues between managers and employees, identifying risks and developing comprehensive measures aimed at preventing their implementation.

Due to the nature of the Bank's business, the risk of personal injury and occupational diseases among employees is minimal. The Bank evaluates the effectiveness of its work in the area of Occupational Health and Safety by a key indicator – LTIFR²⁰. All accidents are investigated in accordance with regulatory requirements and within the time limits set by law.

✓ In 2023, as in the previous reporting period, there were no cases of occupational injuries or fatal accidents among the Bank's employees. Therefore, the LTIFR coefficient is zero. The Bank strives to maintain a zero injury rate.

The Bank consistently applies measures to ensure occupational health and safety, including annual inspections of workplaces and premises. If violations are detected, an order is drawn up with a corrective work plan, which is sent to the responsible departments for immediate elimination of the identified shortcomings. The purpose of inspections is to identify possible violations of fire safety rules and other aspects of labour protection. Scheduled inspections are carried out systematically and cover all the company's work areas, including offices, archives, service areas, and other facilities. During inspections, compliance of working conditions with legal requirements and established fire safety standards is checked. The identified issues should be fixed immediately, and then re-checked to confirm the corrections made.



The Bank is taking steps to improve its warning systems and train employees on earthquake evacuation procedures. Additional transmitters were installed, briefings were conducted, and staff training was organised. Regular seismic training sessions are held with the participation of the Fire Technical Commission.

Each employee of the Bank has the right and obligation to intervene in the situation when faced with unsafe conditions and actions, or when the activity is carried out in violation of the Security Policy. To do this, all employees can call in person or send complaints or suggestions to the employees of the Department of Fire Safety and Labour Protection. Increasingly, employees identify risks themselves and report them to managers. All information about potential risks is carefully checked. The Bank provides maximum support to employees in identifying even the most insignificant security risks. In addition, the BCC responds to employee complaints and emergencies by conducting unscheduled risk identification processes. These measures are aimed at promptly identifying and eliminating potential hazards to the health and safety of personnel. The results of unscheduled risk identification processes are included in the company's occupational health and safety management system and used to adjust workplace safety measures. These measures are based on Fire Safety Regulations, Fire Safety Regulations, Occupational Safety Regulations, and other policies.

The Bank provides medical assistance and conducts investigations in case of accidents with employees. The Bank implements the procedure for clarifying the situation through special committees, including the Bank's Employees' Trade Union and the Conciliation Commission. Compensation is provided to employees who need treatment. Incident prevention measures are being taken, including training sessions and the installation of fire extinguishers. A systematic check is carried out for any injuries, recording incidents and conducting an investigation to determine the degree of guilt.

An initiative is being developed to create a single number for the emergency service (112#) to quickly call for help in emergency situations. When calling this number, the call is automatically redirected to the call center for prompt communication with emergency services.

Only drivers are subject to mandatory medical examinations. Drivers undergo a daily pre-shift checkup with a doctor to check their condition. Security guards provided by an outsourcing company are required to pass a medical examination when applying for a job, including certificates from a psychologist, psychiatrist, and narcologist.



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank:
key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

- Approach to talent management
- Motivation system, recruitment and training of personnel
- Social support
- Occupational health and safety
- Development plans

8. Social responsibility

9. Environmental responsibility

Annexes

Development plans



Selection and adaptation

The Bank is focused on improving the automation of recruitment and creating programs for the rapid adaptation of new employees. Familiarity with the Banking Structure and clear performance evaluation criteria are important aspects. The Bank actively collaborates with educational institutions and builds a talent pool for highly sought-after professions.

Staff development

The Bank plans to continue investing in training and professional development of employees, as well as in mentoring to create the infrastructure of a self-learning organisation.

Processes

To optimise its work, the Bank will continue to integrate information systems and automate processes, including the introduction of electronic digital signatures to speed up and secure document flow.

Grading and payment of labour

After a survey of employees, the Bank aims to improve wages and expand the grading system. Also, in the future, the Bank plans to conduct a better assessment of employees due to the increase in KPI indicators.

Corporate culture

The Bank develops communication programs to strengthen corporate values and creates a universal corporate portal for access to information and coordination of work.

The Bank's strategy highlights key areas for staff development:

- Selection and adaptation
- Grading and payment of labour
- Staff development
- Processes
- Corporate culture and communication

Strategic priorities and goals:

"Happy employee – happy customer":

- Centralisation of the HR training function
- Development of a competence matrix, assessment and creation of an Individual Development Plan
- Development of the internal BCC space platform based on Web Soft, which includes the following blocks: internal news portal and employee training and development
- Employee support through the Well-being program.

New HR brand and competitiveness:

- Top 3 among employers in the banking sector of Kazakhstan
- Fair income and attractive social package
- Career management
- Ability to work effectively from anywhere in the world
- BCC-Academy
- IT school "raise your experts"

Customer-centric culture and values:

- Continuous development of employees-the norm of success and quality formation
- Communicate the company's values and mission to engage employees

- A system of loyalty, attraction, development and retention of talents

Flexible processes and management system:

- 90% of employee questions are resolved through online self-service solutions
- End-to-end HR data for decision-making
- Flexible teams and effective collaboration
- Automation and fast processes
- Outsourcing of solutions and functions
- A single information area for the Group



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

- Approach to interaction with the population in the regions of presence
- Participation of the Bank in industry and government organisations and initiatives
- Support for small and medium-sized businesses
- Tax policy and payments
- Social investment and charity
- Development plans

9. Environmental responsibility

Annexes

Acting in the public interest



We care about educating the younger generation and respecting the environment

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report
2. About the Bank: key results for 2023a
3. Corporate governance
4. Bank's contribution to achieving UN Sustainable development goals
5. Human rights compliance, Business ethics, and anti-corruption efforts
6. Interaction with customers and suppliers
7. Interaction with staff

8. Social responsibility

- Approach to interaction with the population in the regions of presence
- Participation of the Bank in industry and government organisations and initiatives
- Support for small and medium-sized businesses
- Tax policy and payments
- Social investment and charity
- Development plans

9. Environmental responsibility

Annexes

Social responsibility

●● GRI 2-28; 2-29; 3-3; 201-1; 201-4; 203-1; 203-2; 207-1; 207-2; 207-3; 415-1

As a financial institution, BCC provides services to corporate clients from real sectors of the economy and individuals. The Bank focuses on developing open and honest relationships with all its clients. One of the largest in the Republic of Kazakhstan, the Bank strives to improve the quality of life of citizens, promote socio-economic development and environmental sustainability in the regions of its presence and operations, promotes innovation and increase financial literacy of citizens.



Disclosure of information in terms of created and distributed value added, in KZT million

	2022	2023
Direct economic value created (revenue)	225,664	273,392
Net interest income after credit loss expense	78,685	209,753
Net non-interest income	146,979	63,639
Distributed economic value	(80,749)	(142,876)
Operating expenses, including:	(73,919)	(118,475)
• Employee benefits, including social contributions and payroll taxes	(37,948)	(64,957)
• Tax expenses other than corporate income tax	(6,415)	(10,801)
Corporate income tax expense	(6,830)	(24,401)
Dividend payments to the Bank's shareholders	-	-
Retained economic value	144,915	130,516

The Bank adheres to the principle of active participation in the socio-economic development of the regions in which it operates. One of the key activities of the BCC is to support infrastructure projects that contribute to improving the quality of life of the population and creating favorable conditions for doing business. In this context, the Bank seeks to provide loans for the implementation of significant infrastructure initiatives, thus contributing to the sustainable development of society and strengthening the economy.



Thus, in 2023, BCC financed projects in energy and renewable energy sources, construction of schools, as well as projects in the agricultural and fish farming sectors for a total amount of

KZT 27.4 billion.

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

- Approach to interaction with the population in the regions of presence
- Participation of the Bank in industry and government organisations and initiatives
- Support for small and medium-sized businesses
- Tax policy and payments
- Social investment and charity
- Development plans

9. Environmental responsibility

Annexes

Approach to interaction with the population of the regions of presence

●● GRI 2-29

The Bank is committed to the principles of corporate social responsibility and plays a significant role in enhancing the well-being of the population in the regions where it operates. It actively participates in initiatives aimed at improving education, culture and the economy, contributing to a significant increase in the quality of life of the population. This includes assisting in the implementation of programs that promote the growth and progress of the regions where the Bank has a presence.

The Bank's policy focuses on supporting the education sector, particularly by creating favorable conditions for creating an inclusive educational environment and stimulating creativity and talent development among young people. The Bank is also actively involved in the cultural life of the country, providing sponsorship to national theater and museum projects. It promotes various cultural events, such as festivals, theater productions and concert programs, and deals with the production and distribution of literary publications, as well as the improvement and transformation of urban public spaces.

Additionally, the Bank strives to support environmentally sustainable projects aimed at protecting the environment and reducing the carbon footprint. Investing in such initiatives not only increases environmental awareness, but also contributes to economic growth through the development of green technologies. The Bank also acts as an advocate for equality and diversity, supporting programs aimed at eliminating discrimination and maintaining equal opportunities for all groups of the population.

Objectives of interaction with the population and public organisations

●● GRI 2-29

- **Creating partnerships:** establishing and expanding partnerships to improve the Bank's efficiency in implementing sustainable development concepts and involving the population of its regions of operation in this process,
- **Receive input from experts, communities and non-governmental organisations:** sharing information and gaining knowledge on key aspects of sustainable development enables the Bank to make more informed and effective decisions,
- **Raising awareness among the general public about the Bank's commitments and initiatives:** actions that purposefully reduce the impact on the environment, respect and protect human rights, and contribute to supporting socially significant and environmental projects. This aims to inform the public about the Bank's role and actions towards achieving a cleaner and fairer society.

Monitoring

The Bank pays special attention to identifying and meeting the social and economic needs of the population in the regions where it operates. The Bank participates in the implementation of programs aimed at improving living conditions and ensuring the sustainable development of local communities.

The Bank initiates and implements programs aimed at stimulating the regional economy, helping to create new jobs, and generally improving the standard of living of the population of the regions where it operates. During the reporting period, the Bank also provided financing for projects related to improving the availability and quality of education, healthcare and infrastructure, aiming to ensure socially oriented and economically profitable development.



Since from 2021, Bank CenterCredit JSC has been establishing partnerships with organisations representing the interests of people with hearing impairments, which contributes to the creation of additional jobs for this category of citizens.

Within the framework of this cooperation, the Bank's advertising banners are sent for recycling to centers that deal with the social adaptation of people with disabilities. This approach not only supports socially significant projects and facilitates the integration of the hard of hearing into society, but also contributes to the preservation of the environment, reducing waste and encouraging the use of resources in a more responsible and sustainable way.

Participation of the Bank in industry and government organisations and initiatives

●● GRI 2-28; 201-4; 415-1

Bank CenterCredit JSC takes an active part in state business support programs and is one of the largest lenders in all major programs focused on the real sector of the economy.

In 2023, the Bank participated in the implementation of programs aimed at supporting economic development, strategic cooperation with the state and the introduction of responsible financial practices:

- **Participation in government business support programs:** The Bank actively participates in major programs to support the real sector of the economy, acting as one of the largest lenders.
- **Professional development of employees:** employees of the departments responsible for implementing the principles of responsible financing take part in information seminars held jointly with the Agency for Regulation and Development of Financial Markets (APPR), the Big Four companies, the European Bank for Reconstruction and Development (EBRD) and other organisations.
- **Participation in the development of legislation:** The Bank actively participates in the development of legislation that affects the economy and banking activities in order to create a favorable investment and business environment.
- **Strategic cooperation with the state:** The Bank strengthens relations with the state as a partner in the development of the country and considers the state as a key client.

- **Financing of educational and social projects:** The Bank finances socially significant projects under a contract with the state, including the construction of 24 comfortable schools under the program of National Fund Samruk-Kazyna JSC in the amount of 162 billion tenge.

Participation in national and international organisations and associations:

- UN Global Compact
- ESG National Club
- Association of Financiers of Kazakhstan
- Association of Banks of the Republic of Kazakhstan

During the reporting period, BCC was not a recipient of State financial assistance. In addition, the Bank did not make any donations for political purposes, including support for political parties, campaigns or initiatives. The lack of participation of state and quasi-state structures in the composition of shareholders underlines the independence of the Bank in decision-making and conducting business.

We will select government support measures for your business

By UIN/BIN By type of activity

IIN for individual entrepreneurs / BIN for limited liability partnerships

Pick up

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

- Approach to interaction with the population in the regions of presence
- Participation of the Bank in industry and government organisations and initiatives
- Support for small and medium-sized businesses
- Tax policy and payments
- Social investment and charity
- Development plans

9. Environmental responsibility

Annexes

Support for small and medium-sized businesses

●● GRI 203-2

Supporting the development of small and medium-sized businesses is one of the key priorities in the ESG strategy of Bank CenterCredit JSC. This corporate segment plays an important role in ensuring the sustainable development of Kazakhstan's economy, as it contributes to improving the country's competitiveness, creating new jobs, and stimulating innovation.

In 2023, Bank CenterCredit JSC continued to actively support the development of small and medium-sized businesses in Kazakhstan, taking part in new initiatives and developing mass products for this segment. One of the key events was the launch of a bond subsidy program through the Damu Fund, which provides small and medium-sized businesses with access to financing. The Bank's subsidiary, BCC Invest, successfully acted as a financial adviser on the first transaction under this program.

In addition, the Bank continued to actively develop and offer simple and convenient products and services for the small and medium-sized business sector. This contributed to a significant increase in the Bank's loan portfolio in this segment.

In order to fully support entrepreneurs in the micro, small, medium and large business sector, the Bank actively participates in the implementation of state and non-state programs of financial support for entrepreneurs, providing its clients with access to such financial support tools as concessional lending, subsidising part of the interest rate, and guaranteeing loans in the absence of collateral.

in 2023, the Bank actively participated in the implementation of the following programs:

- **Subsidising part of the interest rate on loans under the National Project on Entrepreneurship Development for 2021-2025.** In 2023, more than 4,900 projects were credited by the Bank using the subsidy tool.
- **Guarantee of loans under the program of the National Project on Entrepreneurship Development for 2021-2025.** In 2023, the bank financed more than 4,600 projects partially guaranteed by the Damu Entrepreneurship Development Fund JSC.
- **Mechanism for lending to private businesses under the 'Economy of Simple Things' program:** this program provides concessional lending for the development of private entrepreneurship in Kazakhstan, which helps to stimulate entrepreneurial activity and develop the country's economy in the production and provision of goods and services that

are in daily demand among the population. These projects may include the production of clothing, footwear, food, building materials, as well as the construction of social facilities such as schools and kindergartens. The Bank's participation in the Economy of Simple Things program is aimed at supporting entrepreneurs and creating favorable conditions for the development of small and medium-sized businesses in Kazakhstan, which contributes to economic growth and improving the quality of life of the population.

- **Program to support the manufacturing industry of the small and medium-sized and large businesses sector:** Bank CenterCredit JSC actively participates in the program to support the manufacturing industry, providing financial support to small and medium-sized businesses in this sector. The Bank supports domestic manufacturing enterprises, helping them expand production, improve product quality and strengthen their positions in the domestic market. Bank CenterCredit JSC's participation in this program is aimed at stimulating the development of small and medium-sized manufacturing enterprises. The Bank provides soft loans for investment projects aimed at modernising production, introducing innovations and improving competitiveness in the market. Thanks to the financial support of Bank CenterCredit JSC, manufacturing enterprises have the opportunity to implement their potential projects, which contributes to the strengthening of domestic production and stimulates the growth of the country's export potential.
- **Regional support programs for entrepreneurs of Damu Entrepreneurship Development Fund JSC:** in modern conditions, the solution of problems related to ensuring outstripping growth rates of small businesses, which, due to its specifics, has a pronounced regional orientation, and also meets the priority areas of economic activity for a particular region, is of particular importance. Further rates and directions of small business development are largely determined by the availability of sources of concessional financing available to entrepreneurs implementing their projects in the regions in priority sectors of the economy, covering the needs of business both in operational and investment activities. The Bank takes a long-term and stable part in the implementation of regional support programs in such regions as: Almaty, Astana, East Kazakhstan region, Zhambyl region, Abai region, Karaganda region, Khromtau, Kostanay region, Shymkent.
- **Support programs for agribusiness entities and agricultural producers.** Due to the fact that the agro-industrial sector of Kazakhstan includes industries for the production of agricultural products, their processing and delivery to the consumer, as well as provides the processing industry with means of production, through the implementation of preferential programs, the Bank covers the need for financing in each direction of the sector. The Bank's clients are provided with affordable loans to replenish working capital for spring area work at a rate of 5% per annum, as well as the possibility of subsidising interest rates for lending to agricultural entities.

In addition, to ensure affordable lending, the Bank attracts funding from international financial institutions, such as the European Bank for Reconstruction and Development (hereinafter referred to as the EBRD). One of the joint programs is the EBRD Program of the EBRD Program:

- **GEFF green technology lending.** Thanks to the GEFF (Green Economy Financing Facility) program, Bank CenterCredit JSC actively supports small and medium-sized businesses by providing targeted financing for the purchase of energy- and resource-efficient equipment and technologies. Under this program, developed by the EBRD, the Bank acts as the first financial partner in the Republic of Kazakhstan.

• **GEFF operates through a global network of more than 188 local financial institutions in 29 countries. With the EBRD's loan portfolio of more than 6 billion euros, more than 227,000 investment projects have been implemented, reducing CO₂ emissions by more than 9.9 million tons per annum.**

Bank CenterCredit JSC, through its participation in the GEFF program, promotes the development of a green economy and supports small and medium-sized businesses in Kazakhstan by promoting the introduction of modern and environmentally efficient technologies.

The Bank, together with the EBRD, implements such programs as support for women in business and support for the SME sector by providing cheaper lending without industry restrictions.



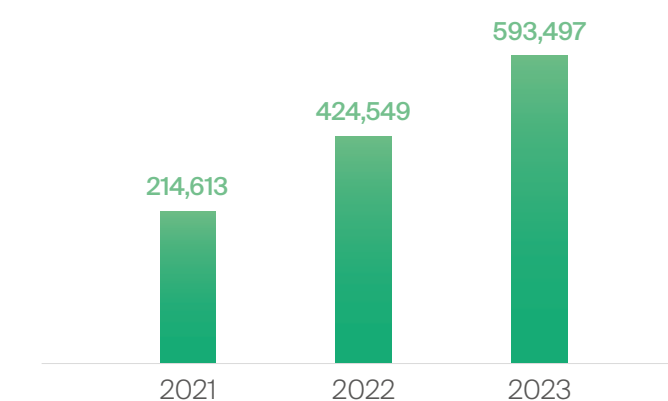
SME lending



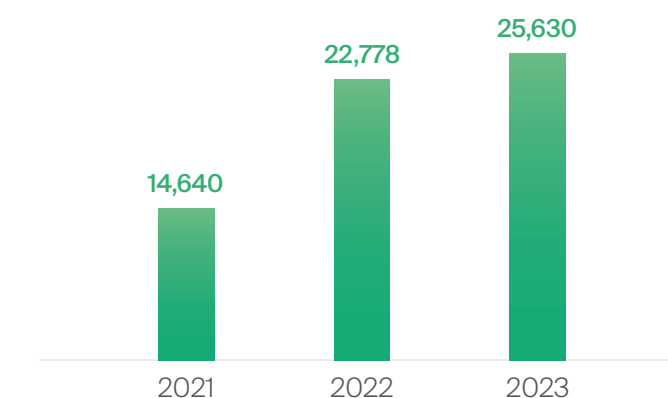
At the end of 2023, the loan portfolio of small and medium-sized business clients in Bank CenterCredit JSC reached **593 billion tenge**, an increase of **169 billion tenge** over the year compared to last year. The number of SME lending clients also increased by **13%** in 2023.

This growth was stimulated by the active development of key credit products for SMEs, including Growing Business, Credit Limit on Account, Business Loan and Revolving Credit Line, which corresponds to the Bank's strategic development directions.

Dynamics of the SME loan portfolio (gross), million tenge



Number of SME lending clients



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

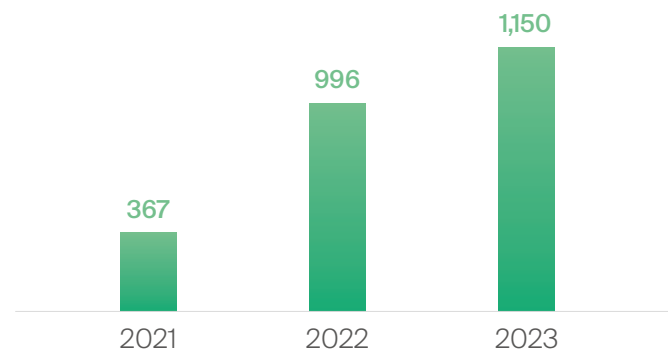
- 1. About the Report
- 2. About the Bank: key results for 2023a
- 3. Corporate governance
- 4. Bank's contribution to achieving UN Sustainable development goals
- 5. Human rights compliance, Business ethics, and anti-corruption efforts
- 6. Interaction with customers and suppliers
- 7. Interaction with staff
- 8. Social responsibility
 - Approach to interaction with the population in the regions of presence
 - Participation of the Bank in industry and government organisations and initiatives
 - Support for small and medium-sized businesses
 - Tax policy and payments
 - Social investment and charity
 - Development plans
- 9. Environmental responsibility

Annexes

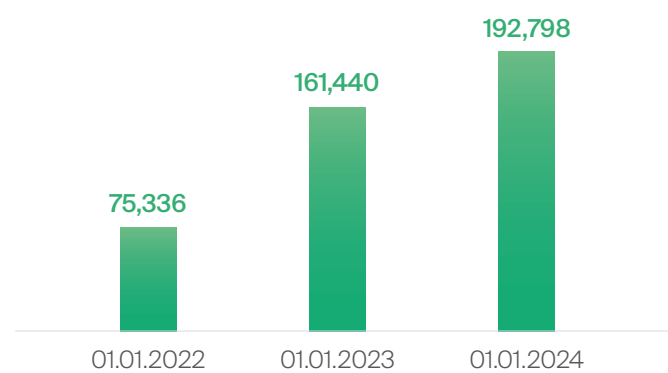
Funds of SME segment clients

As of the end of 2023, funds placed by small and medium-sized business customers amounted to KZT 1,150 billion, which increased by 15% over the year. The number of SME clients with current account and deposit balances in 2023 increased by 20% to 192.8 thousand people. The share of online deposits reached 97%. As part of the Bank's strategy to diversify its sources of financing, the share of SMEs continues to grow..

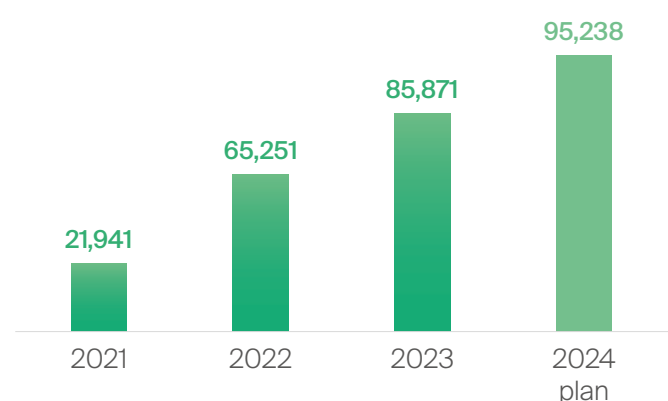
Dynamics of funds of SME clients on current accounts and deposits, **billion tenge**



Dynamics of the number of SME clients with balances on current accounts and deposits



Portfolio Growing business without collateral, **million tenge**



Results for 2023

1 July 2023

Acceptance of Personal Guarantees for guarantees for individual entrepreneurs

12 September 2023

AGRO (DAMU) product introduced (Expanding the Customer Base)

20 October 2023

AGRO (Bank) product introduced (Expanding the Customer Base)

The Bank has an initiative to support and develop small and medium-sized businesses, which includes regular creation of client stories about entrepreneurs who have successfully implemented their own projects with the Bank's support, popularisation of such successful cases is aimed at helping entrepreneurs, and active promotion in the media helps attract additional attention to such initiatives of the Bank.

In addition, as part of the initiative, the Bank organises annual open days for entrepreneurs in all regions of its presence. These events are held free of charge in order to provide entrepreneurs with useful information and additional support from the Bank. Directors of the Bank's regional divisions actively participate in such initiatives, which increases their awareness and helps establish trusting relationships with entrepreneurs from the SME segment.



Loans for small and micro businesses from 7%



Tax policy and payments

●● GRI 207-1; 207-2; 207-3

BCC adheres to strict principles and standards in tax policy management, ensuring full compliance with regulatory requirements and tax principles. The Bank's tax accounting policy, which is accessible to all employees, serves as a foundation for effective tax management.

The BCC tax policy is an important component of financial management and reflects a commitment to corporate responsibility. Approval of the tax policy is carried out by the Board of Directors after coordination with the main management and control divisions of the Bank, including the Chief accountant, Finance Director, legal center, as well as compliance and internal control services.

The tax accounting policy is reviewed in the event of changes in the Tax Code of the Republic of Kazakhstan, legislation on accounting and financial reporting or International Financial Reporting Standards, as well as in the event of internal decisions of the Bank that affect tax accounting. The Bank maintains a conservative approach to compliance with regulatory requirements, which ensures full compliance with legal and regulatory standards.

The Bank's tax policy is based on the principles of taxation established by the Tax Code of the Republic of Kazakhstan: obligation, certainty, fairness of taxation, good faith of the taxpayer, unity of the tax system and transparency of tax legislation.

An important aspect of the Bank's tax strategy is active and constructive interaction with tax authorities, which includes conducting business correspondence to clarify aspects of tax policy and participating in working groups of advisory bodies, such as the Association of Financiers of Kazakhstan and the National Chamber of Entrepreneurs of the Republic of Kazakhstan 'Atameken'.

BCC also maintains constant communication with leading banks and external consultants to exchange experience and discuss tax issues. This allows us not only to gain a deeper understanding of tax issues, but also to form optimal solutions that meet the interests of both the Bank and its customers.

The Bank's tax policy is aimed at maintaining a high level of tax discipline and compliance with all applicable tax laws and regulations, confirming the Bank's commitment to the principles of responsible business and corporate transparency. Information on tax deductions is available in the independent auditor's report, providing additional transparency and allowing stakeholders to get acquainted with the details of the Bank's tax payments²¹.

²¹For more information on the Bank's tax contributions, see Appendix E: Independent Auditor's Report.

Tax risk management

●● GRI 207-2

As part of its commitment to transparency and accountability to shareholders and society, BCC pays special attention to tax risk management. This not only ensures compliance with tax accounting policies, but also maintains a high level of business integrity with respect to taxation.

The Bank applies a systematic and integrated approach to tax risk management, including regular monitoring, analysis and assessment of the areas most vulnerable to tax risks. The accounting system has control functions, and requests for clarification are regularly sent to the tax authorities, which contributes to effective management and risk reduction. The Bank's Chief Accountant leads the process of compliance with the tax accounting policy. Assessment of compliance with the requirements of the tax management and control system is carried out by the internal control, compliance and internal audit services. Incidents or suspicions of taxpayer misconduct can be reported both within the Bank and to third parties using the established communication channels of the compliance service.

BCC has developed a strategy that integrates taxation seamlessly into key aspects of its operations.

This includes signing contracts, developing new products, approving tariffs, and other important processes that must be approved by the Tax Policy Directorate. This approach underlines the Bank's commitment to transparency and accountability in tax management.

BCC strives to ensure that the Bank's tax strategy and policy meet both current legal requirements and long-term sustainable development goals. Through transparent tax risk management and active interaction with stakeholders, the Bank maintains a high level of tax discipline. Tax reporting is included in the Bank's annual report and is subject to independent review as part of an external audit of the annual financial statements.

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report
2. About the Bank: key results for 2023a
3. Corporate governance
4. Bank's contribution to achieving UN Sustainable development goals
5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

- Approach to interaction with the population in the regions of presence
- Participation of the Bank in industry and government organisations and initiatives
- Support for small and medium-sized businesses
- Tax policy and payments
- Social investment and charity
- Development plans

9. Environmental responsibility

Annexes

Social investment and charity

GRI 203-1

Participation in social and environmental projects and initiatives

In 2023, the Bank supported more than **40 charitable social initiatives**, aimed at education, sports, health, culture and art, ecology and other social initiatives.

Stakeholders



Professional community



Population, public organisations



Small and medium-sized businesses



State and administrative bodies



Customers



Education



Professional community

Initiatives

- The first regional competition "HACKATHON-2023" at the Taraz International Innovation Institute named after V. I. Abramovich. Sherkhan Murtaza
- 2d International Competition on space technologies "Kazakhstan Smart Space" at Satbayev University
- "Case-Championship 2023" among 2-4-year students of the Kazakhstan-British Technical University (KBTU)
- Eurasian Rocketly Challenge Rocket Science Tournament within the framework of the Eurasian Summit of Digital Economy Leaders
- Almaty IT Community club – holding a special event for networking between Fintech and GameDev of Kazakhstan.
- Almaty Digitalsales 2023-practical conference on marketplaces and online trading
- Forum "Business women. Profession of women of the future"



Population, public organisations

Initiatives

- Campus project "Smart Campus" for the West Kazakhstan State Medical University named after M.Ospanov
- Financing of construction of one of the largest general education schools named after D. Kunayev in Shymkent with a capacity of 3,500 places.



Sport



Population, public organisations

Initiatives

- Final of the school basketball league in Almaty 'Give the Ball', where more than 45 teams in 5 age categories took part
- The Bank supported the Samurai Sports Academy, which specialises in training Brazilian jiu-jitsu and grappling skills as part of the support and development of free sports for orphans and children left without parental care



Population, public organisations

Initiatives



Small and medium-sized businesses

- The Bank supported the Samurai Sports Academy, which specialises in training Brazilian jiu-jitsu and grappling skills as part of the support and development of free sports for orphans and children left without parental care



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report
2. About the Bank: key results for 2023a
3. Corporate governance
4. Bank's contribution to achieving UN Sustainable development goals
5. Human rights compliance, Business ethics, and anti-corruption efforts
6. Interaction with customers and suppliers
7. Interaction with staff

8. Social responsibility

- Approach to interaction with the population in the regions of presence
- Participation of the Bank in industry and government organisations and initiatives
- Support for small and medium-sized businesses
- Tax policy and payments
- Social investment and charity
- Development plans

9. Environmental responsibility

Annexes



Health care



Population, public organisations

Initiatives

- 40 voice assistants that are key elements of the electronic roads "Sezual".



State and administrative bodies

Initiatives

- Vehicles for the State Communal Enterprise on the Right of Economic Management "Aktobe Regional Phthisiopulmonology Center"
- Vehicles for the multidisciplinary medical institution in the East Kazakhstan region - the State Communal Enterprise on the Right of Economic Management "Mother and Child Center" of the Health Department of the East Kazakhstan Regional Akimat
- Vehicles for the State Communal Enterprise on the Right of Economic Management at the East Kazakhstan Regional Emergency Medical Care Station



Ecology



Population, public organisations

Initiatives

- The national social eco-campaign "TURAQTY JOL", organised with the support of the Bank, is a significant educational initiative aimed at educating the younger generation of a conscious and careful attitude to nature. This campaign has gathered more than 3,000 participants at various events, each of which contributes to strengthening environmental responsibility among young people.
- Environmental events and clean-up days are an integral part of the Bank's corporate life. Every year, the Bank conducts this environmental activity in all regions of Kazakhstan. Employees of the Bank plant trees, clean up the territories of cities and improve them.
- The Bank joined the environmental campaign in Astana and together with the Earth Fund 'Sustainable Development' planted 100 seedlings of frost-resistant sakura in the Presidential Park



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report
2. About the Bank: key results for 2023a
3. Corporate governance
4. Bank's contribution to achieving UN Sustainable development goals
5. Human rights compliance, Business ethics, and anti-corruption efforts
6. Interaction with customers and suppliers
7. Interaction with staff

8. Social responsibility

- Approach to interaction with the population in the regions of presence
- Participation of the Bank in industry and government organisations and initiatives
- Support for small and medium-sized businesses
- Tax policy and payments
- Social investment and charity
- Development plans

9. Environmental responsibility

Annexes



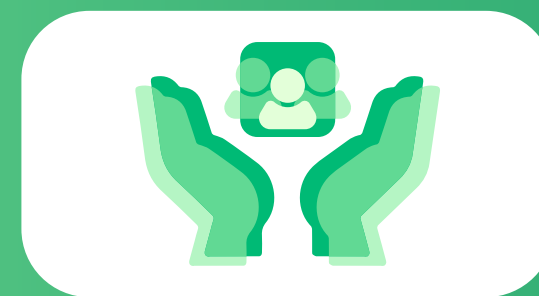
Culture and art



Population, public organisations

Initiatives

- Installation of a new art object "Kara Shapan" by contemporary Kazakh artist Syrlybek Bekbotayev in Almaty. A joint project and the first public art of abr company and Bank CenterCredit JSC with the support of the Almaty Department of Culture.



Other social initiatives



Small and medium-sized businesses

Initiatives

- Almaty hosted a large-scale exhibition of goods of Kazakhstan manufacturers "ULTYQ ÓNIM", where more than 320 participants from all regions of Kazakhstan were represented. The exhibition was organised by the Damu Foundation in cooperation with the Akimat of Almaty.



Population, public organisations

Initiatives

- Annual "Christmas Tree of wishes" for children. As part of this campaign, the Bank organises a Christmas tree for children with disabilities and single elderly people, as well as collects food baskets for large families.



Customers

Initiatives

- Development of inclusive services – currently 168 GRG and 8 NCR ATMs are equipped with headphone jacks and additional functionality for blind and visually impaired people. Such customers will be able to easily top up their card account and withdraw cash.



In 2023, the Bank allocated **690 million tenge** to support charitable, sponsorship and social activities. The main projects were implemented in the areas of education, health, culture and sports.

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank:
key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

- Approach to interaction with the population in the regions of presence
- Participation of the Bank in industry and government organisations and initiatives
- Support for small and medium-sized businesses
- Tax policy and payments
- Social investment and charity
- Development plans

9. Environmental responsibility

Annexes

Development plans

Investing in education

The Bank focuses on social investments and plans to allocate a certain percentage of its profits to educational programs and initiatives. In particular, it is planned to expand cooperation with the college in Semipalatinsk to train in-demand specialists, as well as create an academy for advanced training. It is planned to develop courses lasting 6-8 months for the foreign market, where participants will be able to receive a grant for training if they work in a Bank, or a commercial offer for obtaining a specialty without being tied to working in a Bank. The Bank plans to start implementing this initiative in 2024.

Development of small and medium-sized businesses.

The Bank aims to strengthen its ties with small and medium-sized businesses, diversify its sources of financing, and develop mass-market products. It is planned to increase the Growing Business without Collateral loan portfolio, expand lending to micro-entrepreneurs, and develop new products that meet regulatory requirements and help create jobs.

Bank's support program implementation plans for 2024:

- The Bank will continue to actively participate in business support programs for the development of priority areas in certain regions of Kazakhstan and priority sectors of the economy, by attracting additional funding under the programs of Damu Entrepreneurship Development Fund JSC.
- Increase the coverage of microenterprise lending by raising a limit on portfolio subsidies and micro-business guarantees.
- Attracting new support instruments for lending to large businesses in the form of guarantees from the Development Bank of Kazakhstan and support for the agro-industrial complex (new instruments of subsidizing and guaranteeing)."





Report Structure

- Message from the Chairman of the Board of Directors
- Message from the President
- 1. About the Report
- 2. About the Bank: key results for 2023a
- 3. Corporate governance
- 4. Bank's contribution to achieving UN Sustainable development goals
- 5. Human rights compliance, Business ethics, and anti-corruption efforts
- 6. Interaction with customers and suppliers
- 7. Interaction with staff
- 8. Social responsibility
- 9. Environmental responsibility**
 - Approach to managing environmental responsibility issues
 - Emissions, water use and waste management
 - Energy consumption and energy efficiency
 - Development plans
- Annexes



We are responsible
for shaping our future

Our concern and identity

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report
2. About the Bank: key results for 2023a
3. Corporate governance
4. Bank's contribution to achieving UN Sustainable development goals
5. Human rights compliance, Business ethics, and anti-corruption efforts
6. Interaction with customers and suppliers
7. Interaction with staff
8. Social responsibility
9. Environmental responsibility
 - Approach to managing environmental responsibility issues
 - Emissions, water use and waste management
 - Energy consumption and energy efficiency
 - Development plans

Annexes

Environmental responsibility

●● **GRI 3-3; 302-1; 302-3; 302-4; 303-3; 303-4; 303-5; 304-1; 305-1; 305-2; 305-3; 305-4; 306-2; 306-3; 306-4; SASB FN-CB-410b.4**

This section of the Report examines the environmental impact of Bank CenterCredit JSC's activities. As one of the leading financial institutions in Kazakhstan, the Bank is trying to minimise its negative impact by using rational resource consumption approaches, implementing waste management and energy efficiency programs, and starting from 2023, the Bank is implementing programs to assess, reduce and manage direct and indirect greenhouse gas emissions, as well as funded emissions in the future. in accordance with the requirements and recommendations of international standards.

As part of its strategic initiatives, the Bank continuously monitors its environmental impact, including climate risk analysis, so that it can respond to and adapt to changes in a timely manner. Principles and policies for responsible financing have been implemented, including the selection of projects that promote environmental sustainability and social responsibility, including the principle of refusing to finance certain activities.



Approach to managing environmental responsibility issues

●● **GRI 304-1**

Caring for the environment is one of the most important aspects of both social and economic activities of the Bank. Recognising the key role of financial institutions in creating a low-carbon economy, Bank CenterCredit JSC is actively implementing programs and initiatives that contribute to the development of a low-carbon economy.

● Main directions in the area of environmental care:



● Implementation of the principles of responsible financing,



● Green Office project: energy efficiency, and waste management,



● Environmental projects.

The Bank recognises its environmental responsibility and recognises that, despite the relatively small direct impact on the environment in its daily activities, it is important to contribute to the preservation of the environmental well-being of society in the regions where it operates and operates.

The main resources used by the Bank in the course of its activities are electricity, heat and water. Guided by the principle of environmental responsibility, the Bank strives to reduce resource consumption, thereby minimising its negative impact on the environment. The results are achieved by consciously managing water consumption, reducing paper consumption for office use, recycling advertising banners and plastic, sorting garbage, and other environmental initiatives, including switching to electric vehicles in the fleet. Such steps not only contribute to reducing the Bank's environmental footprint, but also strengthen the principles of sustainable development in the organisational culture and daily practice.

Within the framework of responsible use of resources, the Bank is actively working to optimise the use of materials, use them efficiently, and increase the share of recycled resources. Also, the Bank does not have facilities located in protected natural areas or areas with high biodiversity value. The Bank does not have a significant impact on biodiversity, as it does not own production facilities with a high level of environmental impact on the environment.

Emissions, water use and waste management

●● **GRI 3-3; 303-3; 303-4; 303-5; 305-1; 305-2; 305-3; 305-4; 306-2; 306-3; 306-4; SASB FN-CB-410b.4**

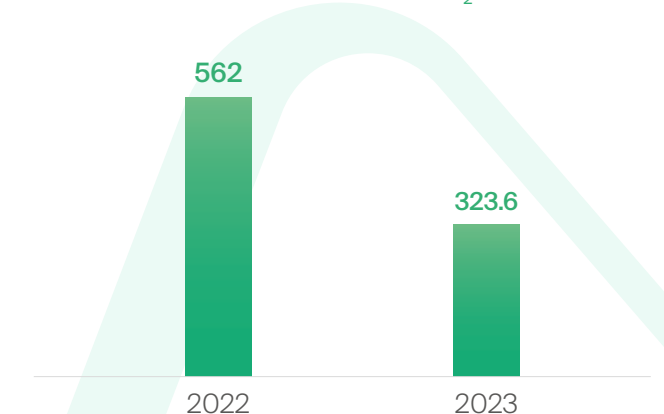
Scope 1 Greenhouse Gas Emissions

Bank CenterCredit JSC keeps records of direct greenhouse gas emissions from sources under its direct control, which corresponds to the limits of disclosure specified in the conclusion of the last Energy Audit conducted in the reporting period (the Bank's own buildings in its regions of operation).

In 2023, there was a significant decrease in direct greenhouse gas emissions, namely by 42% compared to the previous year. This reduction was mainly achieved by eliminating the use of freon, which was made possible by the modernisation initiative and the transition to more modern and energy-efficient air conditioning systems. However, in 2023, an increase in diesel and gasoline consumption was recorded compared to the previous year, which leads to an increase in direct emissions. Nevertheless, due to the measures implemented to reduce the use of freon and other initiatives, the total amount of direct greenhouse gas emissions in 2023 decreased overall.

Detailed information on the dynamics of motor fuel consumption and actions to improve energy efficiency is provided in section 9.3 'Energy consumption and energy efficiency' of this Report.

Direct emissions, Scope 1, tonnes of CO₂-eq.



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

- 1. About the Report
- 2. About the Bank: key results for 2023a
- 3. Corporate governance
- 4. Bank's contribution to achieving UN Sustainable development goals
- 5. Human rights compliance, Business ethics, and anti-corruption efforts
- 6. Interaction with customers and suppliers
- 7. Interaction with staff
- 8. Social responsibility
- 9. Environmental responsibility

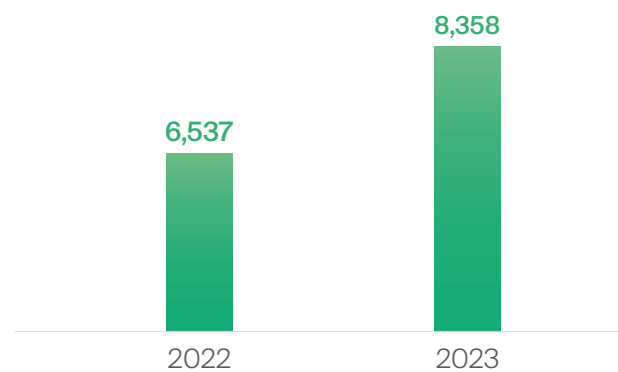
- Approach to managing environmental responsibility issues
- Emissions, water use and waste management
- Energy consumption and energy efficiency
- Development plans

Annexes

Scope 2 Greenhouse Gas Emissions

The Bank also actively manages indirect greenhouse gas emissions resulting from the consumption of electricity and heat purchased from external suppliers. When calculating greenhouse gas emissions for Scope 2, the boundaries were defined to include buildings under the Bank's management. The calculation was made using the local-based method for estimating indirect greenhouse gas emissions in accordance with the GHG Protocol. According to the results of the 2023 assessment, the total amount of greenhouse gas emissions in Scope 2 was 8,358 tons of CO₂-equivalent. The increase in energy consumption was due to an increase in the number of buildings under the Bank's management from two to eight after the merger with the subsidiary of Eco Center Bank JSC. In particular, electricity consumption increased significantly as a result of infrastructure expansion and the addition of new facilities, including the Data Processing Center located at the Bank's head office. This building, being the most energy-intensive object, consumes about 500 thousand kW of electricity per month, which is more than half of the total consumption of the Bank.

Indirect emissions, Scope 2, tonnes of CO₂-eq.



Intensity of greenhouse gas emissions

Emissions information on Scope 1 and Scope 2 were determined in accordance with the disclosure limits set out in the last energy audit, which included all facilities under the Bank's management. For 2023, the GHG emissions intensity ratio was 1.09 tons of CO₂-equivalent per employee (in 2022: 0.94 tons of CO₂-equivalent per employee).

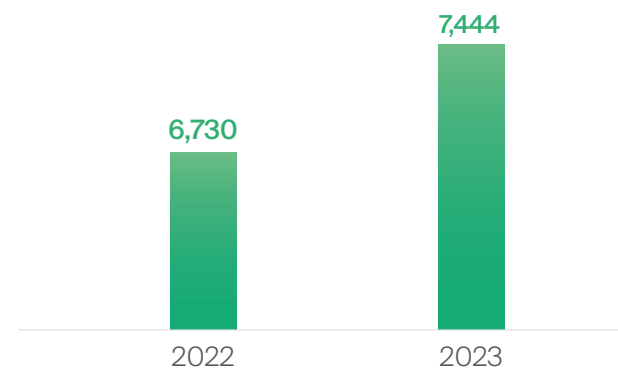
SASB FN-CB-410b.4

Scope 3 Greenhouse Gas Emissions

The Bank also keeps records of other indirect greenhouse gas emissions in Scope 3, which are classified as Upstream and Downstream emissions.

Upstream emissions include all emissions related to obtaining resources necessary for banking activities, emissions resulting from the purchase of goods and services, as well as operations related to fuel and energy consumption, movement and business travel of employees, rented premises.

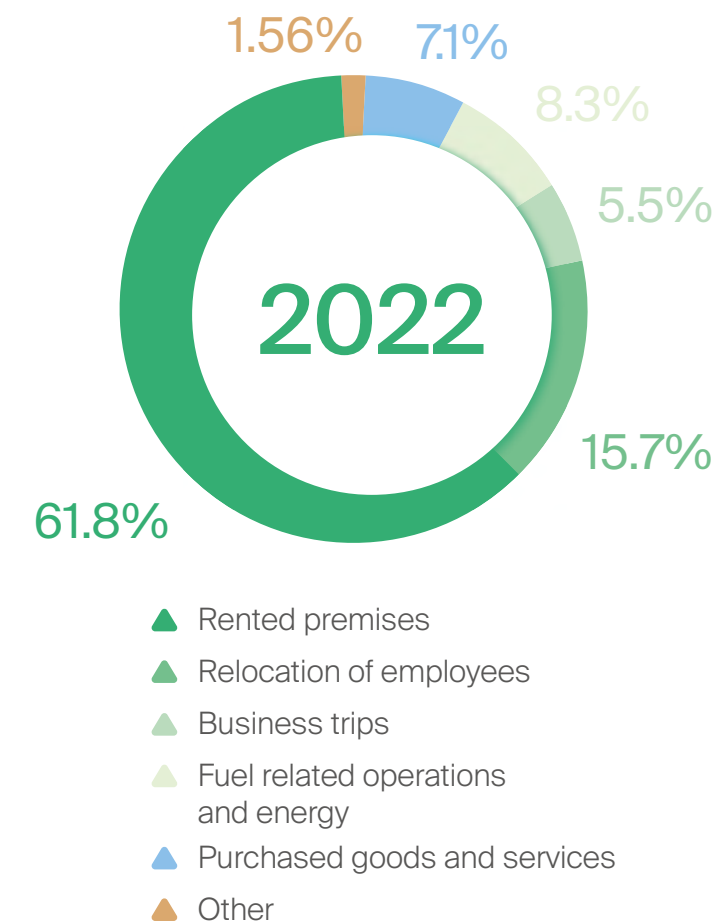
Indirect emissions of Scope 3 (Upstream), tonnes of CO₂-eq.



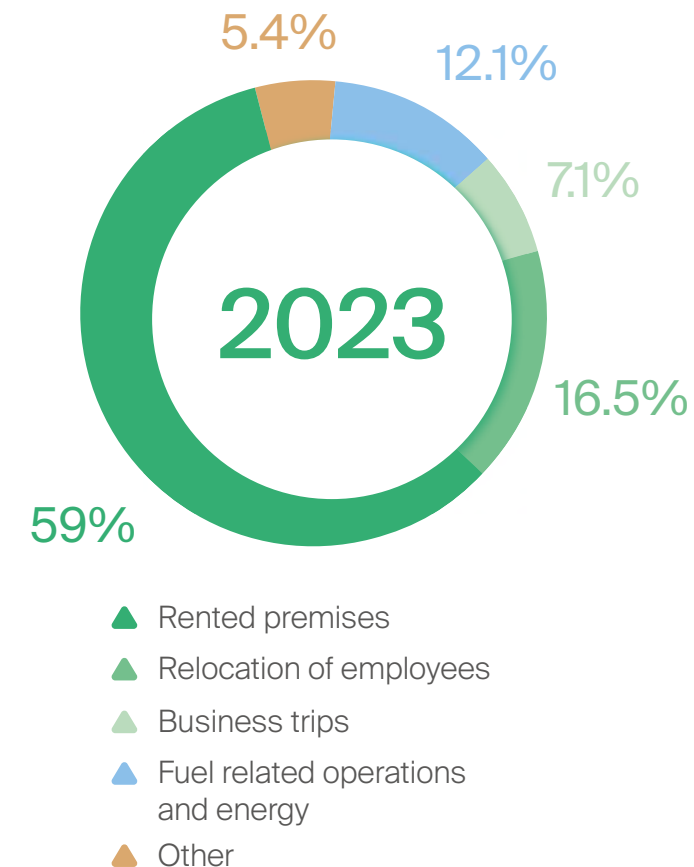
At the end of 2023, Scope 3 (Upstream) emissions totaled 7,444 tons of CO₂-eq., an increase of 11% compared to last year (2022: 6,730 tons of CO₂-eq.).

The main sources of Scope 3 (Upstream) emissions for the Bank are leased premises – rental of business centers and office space, relocation of employees - business trips of Bank employees, as well as operations related to fuel and energy-indirect emissions related to electricity losses.

Scope 3 Upstream - 2022



Scope 3 Upstream - 2023



The Bank is actively working to improve indirect Upstream greenhouse gas emissions. In particular, compared to 2022, there is a reduction in emissions in the category of goods and services (a reduction of 85%). The other category includes all other Upstream categories with a share of less than 5% in indirect emissions from Scope 3.

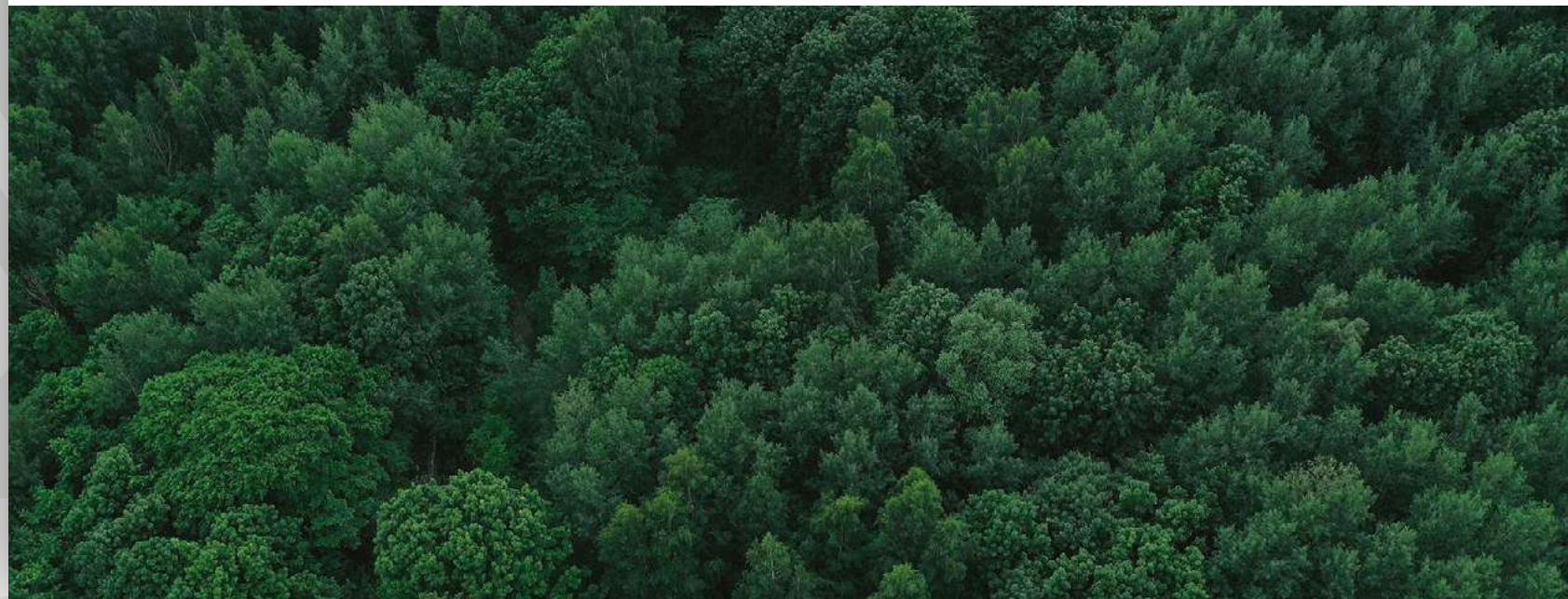
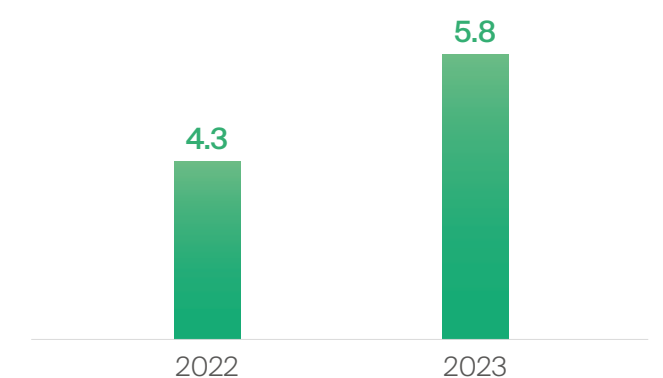
As part of the assessment of other indirect greenhouse gas emissions, Bank CenterCredit JSC takes into account emissions related not only to operating activities, but also to the financing of external projects (Downstream). Funded emissions include an estimate of emissions resulting from the provision of capital or financing of client companies, which in turn are emitters of greenhouse gases.

Financed emissions are those greenhouse gases that are released outside of the Bank's direct activities, but are also associated with the implementation of investment projects and lending to companies from various sectors of the economy.

The Bank takes an active part in assessing the environmental sustainability of its funded projects and strives to ensure that its investment activities contribute to the transition to a low-carbon economy.

In 2023, funded emissions amounted to **5.8 million tons of CO₂-eq.**, an increase of **36%**, compared to the previous reporting period, while the average carbon intensity ratio of the Bank's portfolio increased by only **9%**, from **6.55 tons of CO₂-eq/million KZT** to **7.13 tons of CO₂-eq/ million KZT**. The growth was driven by an increase in the investment portfolio.

Indirect emissions: 3, Downstream, million tonnes of CO₂-eq



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

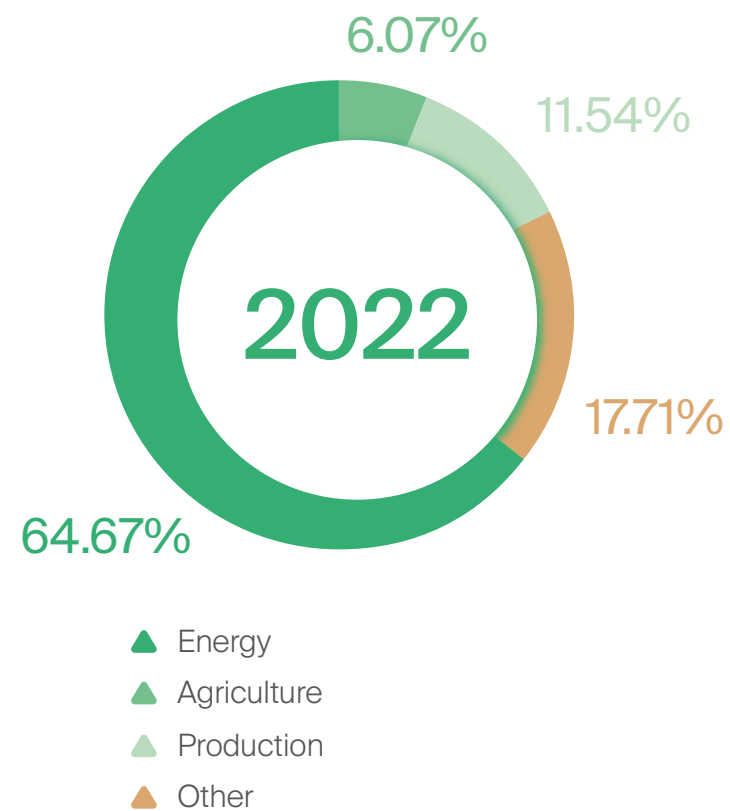
- 1. About the Report
- 2. About the Bank: key results for 2023a
- 3. Corporate governance
- 4. Bank's contribution to achieving UN Sustainable development goals
- 5. Human rights compliance, Business ethics, and anti-corruption efforts
- 6. Interaction with customers and suppliers
- 7. Interaction with staff
- 8. Social responsibility
- 9. Environmental responsibility
 - Approach to managing environmental responsibility issues
 - Emissions, water use and waste management
 - Energy consumption and energy efficiency
 - Development plans

Annexes

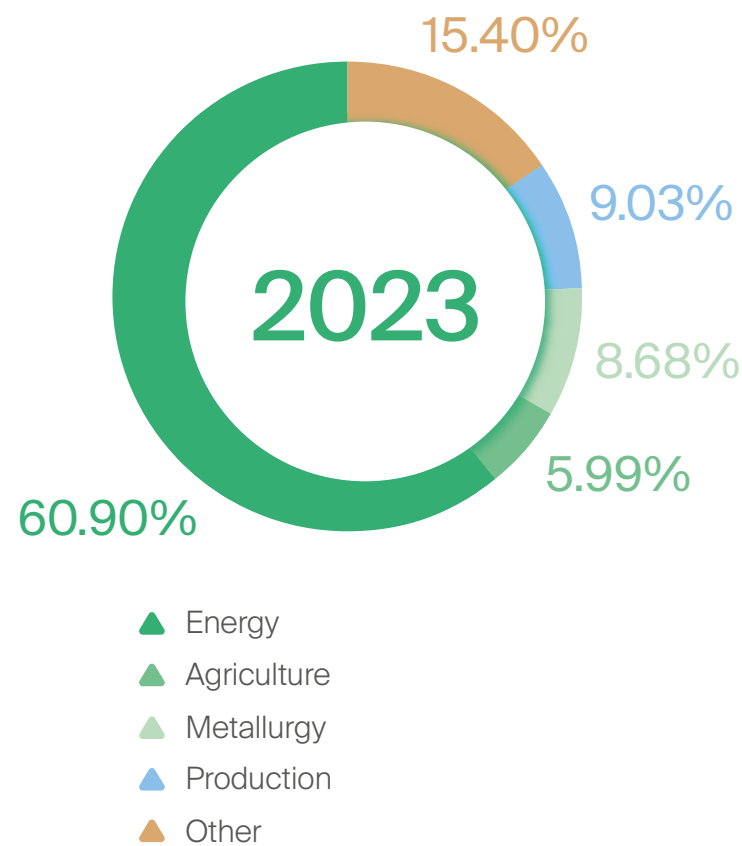


Funded emissions by industry are also presented below:

Scope 3 Downstream (by business sectors) 2022



Scope 3 Downstream (by business sectors) 2023



The dynamics of the portfolio of funded emissions showed similar dynamics compared to the previous period. The main source of emissions is the energy sector, as well as the manufacturing, agricultural and metallurgical sectors of the economy. The other category includes other industries with a share of less than 5% in the Bank's portfolio.

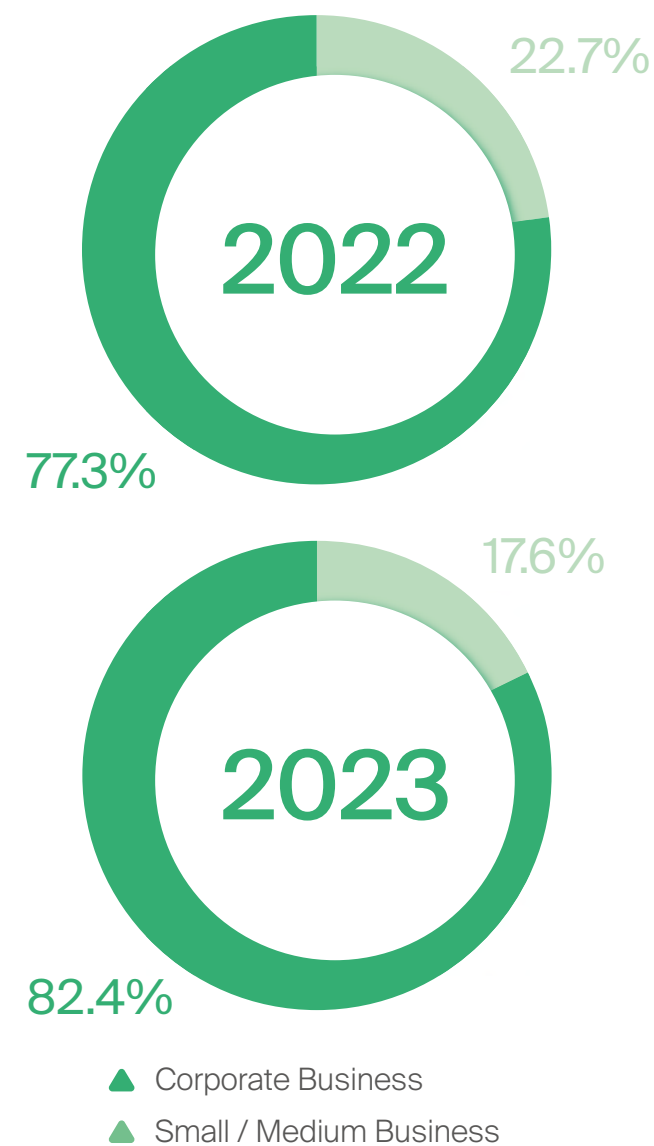
Despite the fact that the main sources of emissions remain in the energy and manufacturing sectors, in 2023 there was a slight decrease in their share, including due to the significant growth of the metallurgical sector and its separation into a separate category.

It should also be noted that in 2023, the Bank started the process of labeling the portfolio based on the National and International Classification of Green Projects (green taxonomy), which allowed optimising the volume of emissions in the portfolio by an average of 22%, mainly by clarifying the methodology for estimating greenhouse gas emissions in the energy sector.

In terms of business segments-in the reporting period, the corporate segment accounted for the majority of the portfolio – 82.4% compared to small and medium-sized businesses, which accounted for only 17.62% of the Bank's portfolio.

As part of its funded emissions management initiatives, the Bank

Scope 3 Downstream (by business segment) 2022/2023



has implemented tools such as a Responsible Financing Policy that takes into account international best practices, as well as TCFD recommendations for climate risk management approaches.

For more information, see Annex B.

To further manage its carbon footprint, the Bank is developing a climate strategy that will be approved in 2024:

Bank CenterCredit JSC uses the PCAF (Partnership for Carbon Accounting Financials) standard within the framework of the International Greenhouse Gas Protocol (GHG Protocol) for calculating and reporting greenhouse gas emissions. This standard allows for more accurate measurement and management of GHG emissions related to financial activities. The assessment of greenhouse gas emissions for large projects was carried out on the basis of non-financial reporting of clients and evaluation of the results of filling out questionnaires for large corporate clients mainly from carbon-related sectors of the economy.



Thus, the Bank not only follows international standards in reporting and managing environmental risks and climate impacts, but also actively works to reduce the negative impact on climate throughout the value chain. This highlights the Bank's commitment to the Sustainable Development Goals and contributing to the implementation of the national strategy for achieving carbon neutrality in the Republic of Kazakhstan by 2060. In addition, the Bank plans to develop and approve its own climate strategy in 2024.



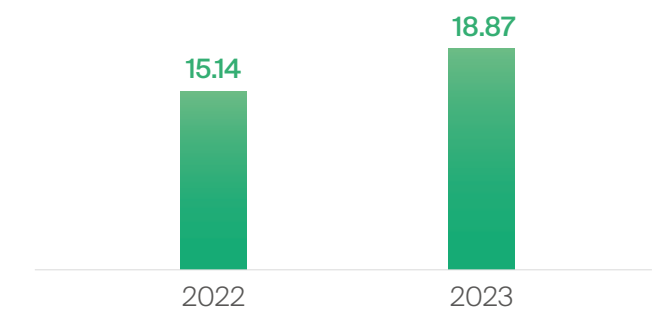
Water consumption

●● GRI 3-3; 303-3; 303-4; 303-5

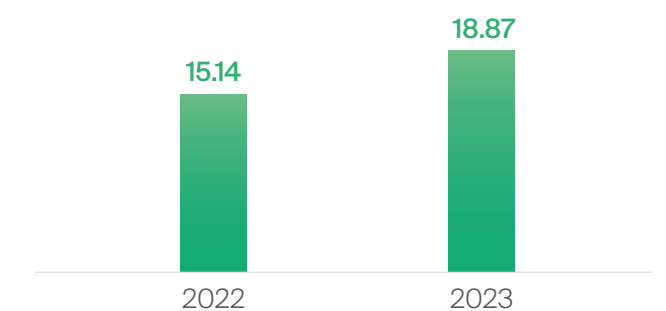
The Bank consumes all necessary water from municipal water supply systems, and apart from this source, no other sources of water consumption are used. The total water consumption accounting for 2022 shows the amount of cold, hot and industrial water consumed for two own buildings, and for 2023 - for eight buildings owned by the Bank. Water is discharged only to municipal water supply systems (sewers).

During the reporting period, the Bank's water withdrawal volumes did not exceed water consumption volumes. A slight excess of water consumption relative to disposal is usually caused by the presence of irretrievable losses (leaks and water consumption for watering green spaces).

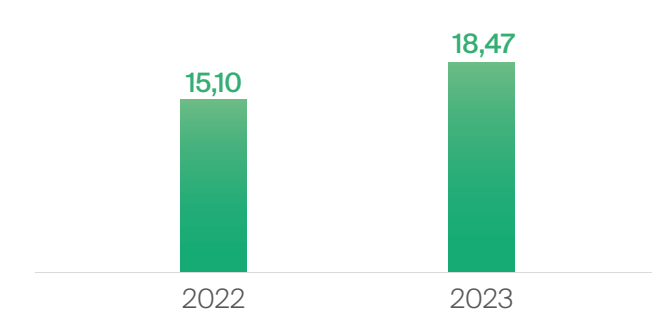
Total water withdrawal, thousand m³



Total water consumption, thousand m³



Total amount of water disposal, thousand m³



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

- Approach to managing environmental responsibility issues
- Emissions, water use and waste management
- Energy consumption and energy efficiency
- Development plans

Annexes

Waste management

●● GRI 306-2; 306-3; 306-4

The Bank is implementing a number of measures to reduce the use of printed materials as part of its strategy to switch to electronic format, which helps to reduce the negative environmental impact. This initiative is closely linked not only to digital development, but also to the Bank's participation in environmental program initiatives.

One of the Bank's key projects is a program for recycling advertising banners placed in the city. After the end of the term of use, banners are removed and transferred to the society of hard-of-hearing people. Participants in this project use banner materials to make bags, which are then distributed within the community.

This approach not only reduces the use of printed materials, but also promotes the sustainable use of materials and recycling of advertising materials.

The Bank plans to continue expanding this and other projects aimed at improving environmental responsibility and increasing its contribution to public environmental programs.

One of these projects is the Project 'Share waste! We have no other planet', in which the Bank decided to start work on the introduction of a separate waste collection system in its offices. Such green initiatives of the Bank demonstrate its fundamental commitment to reducing the negative impact on the environment and supporting sustainable development.

Since the launch of the "Green Office" project: a separate waste collection system, the following steps have been taken:

- Training of Bank employees on environmental standards with the participation of speakers from Ecosen and Kaizen center,
- Conducting training for cleaning service personnel regarding separate waste sorting,
- An agreement was concluded with Ecosen to organize the removal of separately collected recyclable materials for subsequent processing to specialized enterprises in Almaty,
- A memorandum of cooperation was concluded with the PlastNet network in order to scale the project across the Bank's branch network,

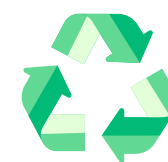


- The Bank acted as the General Partner at the annual major event in Central Asia for the development of "green" business, effective waste management and renewable energy - "VII Eurasian Business Forum "Green Energy & Waste Recycling Forum'23".

The results of this project today confirm its relevance and



effectiveness:



Participation in plastic recycling projects, including the use of office supplies from recycled materials and the manufacture of branded watches from plastic bottle caps,



Installation of eco-boxes for collecting and disposing of batteries. In 2023, 35 kg of batteries were transferred to the contractor for export and disposal,



Conclusion of separate waste collection contracts in Atyrau, Astana, and Shymkent (in addition to Almaty).

Waste management in the Bank is carried out using the following actions:

- **Scaling up separate garbage collection:** The Bank expands its separate garbage collection program for all regions of Kazakhstan,
- **Training:** The Bank trains employees on the ESG project for efficient separate garbage collection,
- **Liability to third parties:** all contracts with third parties contain waste management obligations and confidentiality agreements are signed,
- **Data collection and monitoring processes:** Recyclables are transferred under a transfer acceptance certificate, and data collection is monitored through an app and web platform for recording and controlling waste disposal and recycling processes.

The total amount of waste generated in 2023 was

190.49 tons.

At that, the amount of hazardous waste generated in the Bank, such as batteries and fluorescent lamps, is 144 kg, which are transferred for processing and neutralisation.

Waste generation in the Bank's offices and branches, tonnes

Name	2022	2023
Non-hazardous waste	13.00	190.35
Furniture, equipment and office equipment	Records were not kept	145.58
Scrap metal	Records were not kept	25.93
Waste paper	13.00	13.92
Glass	Records were not kept	2.58
Plastic	Records were not kept	2.12
Aluminum	Records were not kept	0.22
Hazardous waste	-	0.14
Fluorescent lamps	Records were not kept	0.11
Batteries	Records were not kept	0.035
Total weight of hazardous and non-hazardous waste generated	13.00	190.49

Report Structure

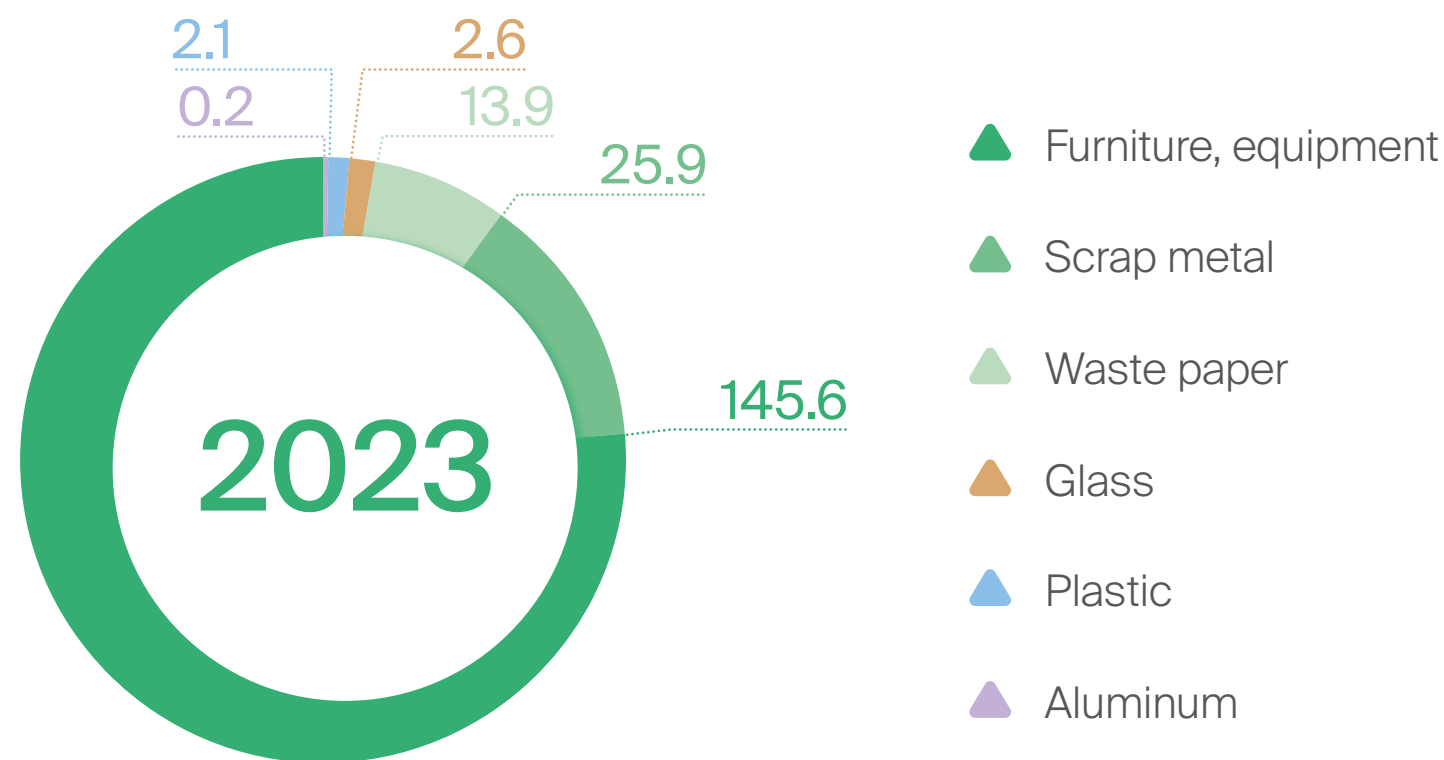
Message from the Chairman of the Board of Directors

Message from the President

- About the Report
- About the Bank: key results for 2023a
- Corporate governance
- Bank's contribution to achieving UN Sustainable development goals
- Human rights compliance, Business ethics, and anti-corruption efforts
- Interaction with customers and suppliers
- Interaction with staff
- Social responsibility
- Environmental responsibility**
 - Approach to managing environmental responsibility issues
 - Emissions, water use and waste management
 - Energy consumption and energy efficiency
 - Development plans

Annexes

Total mass of non-hazardous waste generated, in tons



In 2023, the Bank allocated 100% of the generated waste for disposal, which was properly transferred for disposal to a specialised contractor, which underlines the BCC's commitment to the principles of sustainable development and minimising environmental impact.

Recycled waste in the Bank's offices and branches, tonnes

Name	2023
Non-hazardous waste	190.35
Furniture, equipment and office equipment	145.58
Scrap metal	25.93
Waste paper	13.92
Glass	2.58
Plastic	2.12
Aluminum	0.22
Hazardous waste	0.14
Fluorescent lamps	0.11
Batteries	0.035
Total weight of disposed hazardous and non-hazardous waste	190.49

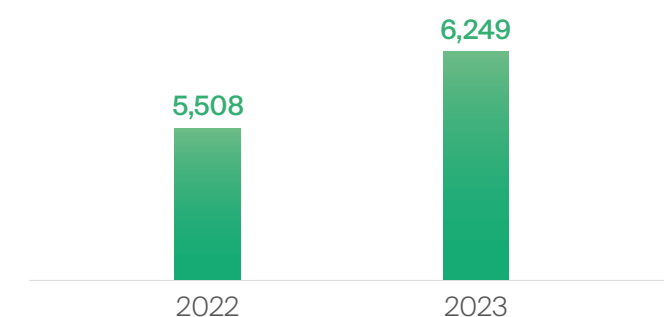
Energy consumption and energy efficiency

●● GRI 3-3; 302-1; 302-3; 302-4

The Bank is actively working to reduce energy consumption in all its offices and branches. In the current reporting period, special attention was paid to the Bank's own buildings, two of which are located in the regions, and the rest in Almaty.

Total electricity consumption was 6,249,152 kWh, which shows an increase of more than 23% compared to the previous period. This growth is due to an increase in the number of buildings under the Bank's management from two to eight (due to the merger with Eco Center Bank JSC), including new facilities in two other cities of Kazakhstan. These changes are reflected in the conclusion of the Energy Audit conducted in 2023.

Total electricity consumption*, MWh



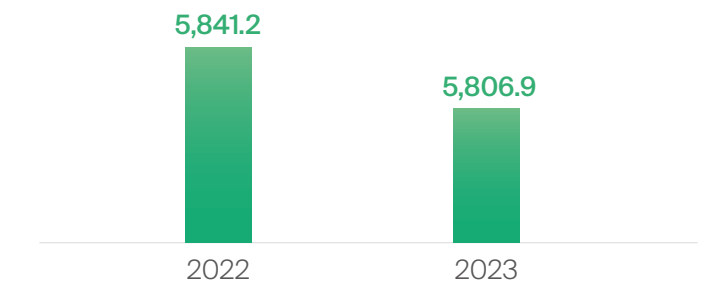
The growth dynamics in energy consumption stimulated the development of a targeted energy efficiency plan.

The Bank implemented measures, including an initiative to modernise and replace air conditioning systems with more modern and energy-efficient ones. This decision was made after a thorough analysis of the existing fleet of devices both in regional buildings and in branches of the city of Almaty. The new equipment not only helped reduce overall energy consumption, but also eliminated the use of freon, which is prohibited for use, starting in 2022.

In 2023, the Bank successfully eliminated the use of freon, which was about 200 kg of refrigerant for each refueling. In addition, the Bank has implemented regular maintenance of air conditioning and centralised liquid cooling systems. These measures will ensure that the equipment is maintained in perfect condition and help reduce potential energy losses caused by suboptimal system operation.

According to the results of the energy audit conducted in 2023, a decrease in total heat consumption was revealed to 5,806.88 Gcal compared to 5,841.22 Gcal in 2022. This decrease is particularly significant given that the area of the Bank's buildings increased to 47,599.9 square meters in 2023 (compared to 30,423.6 square meters in 2022). Such indicators show that the Bank has taken purposeful actions to optimise its energy consumption accounting and control systems, which has made it possible to increase energy efficiency, despite the expansion of used areas in 2023.

Heat consumption, Gcal



Based on the conducted energy audit, we calculated specific indicators for two key types of energy consumed: electricity and heat. Based on the specifics of banking activity, which is not characterised by a high level of energy consumption, the heated area of buildings owned by the Bank was chosen as the denominator for calculating the ratio.

For 2023, the specific²² indicator of electricity consumption was 131.3 kWh / m², which is 27.5% lower than the previous year's indicator, which was 181 kWh / m². The specific indicator of heat consumption also showed a decrease and amounted to 0.122 Gcal / m² in 2023 compared to 0.192 Gcal/m² in 2022, which shows a decrease of 37% compared to the previous reporting period. The reduction in specific indicators of electricity and heat consumption in 2023 indicates the effectiveness of the programs implemented by the Bank, which are aimed at optimising the use of energy resources.



*All electricity consumed by the Bank comes from non-renewable sources.

²²The value of the bank's office space for 2022 and 2023 was used as a parameter in the denominator for calculating specific energy intensity.

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

- 1. About the Report
- 2. About the Bank: key results for 2023a
- 3. Corporate governance
- 4. Bank's contribution to achieving UN Sustainable development goals
- 5. Human rights compliance, Business ethics, and anti-corruption efforts
- 6. Interaction with customers and suppliers
- 7. Interaction with staff
- 8. Social responsibility
- 9. Environmental responsibility

- Approach to managing environmental responsibility issues
- Emissions, water use and waste management
- Energy consumption and energy efficiency
- Development plans

Annexes



The 2023 energy audit also analyzed the dynamics of motor fuel consumption at the Bank's facilities (the Bank's own buildings). According to the results of the analysis for two main types of fuel used: gasoline used for motor vehicles, and diesel fuel used for special vehicles and in diesel generators that serve as backup power sources, total gasoline consumption in 2023 increased to 140 thousand liters compared to 89 thousand liters in the previous year. There was also an increase in the use of diesel fuel from 450 liters in 2022 to 2,300 liters in 2023. The main reason for the increase in diesel fuel consumption was the need to turn on diesel generators during emergency power outages to ensure the continuity of the Bank's critical operations.

Bank CenterCredit JSC was included in the State Energy Register in the period from 2015 to 2023, however, due to the active work to reduce energy consumption and the measures taken, which resulted in a significant reduction in energy consumption in 2022, BCC was excluded from the register at the end of 2023, which was due to a significant increase in the number of participants in the project. improvement of the Bank's energy efficiency indicators over the energy efficiency criteria set by the regulator.

The Bank purchases fuel and energy resources through third-party organisations. In the current practice of the Bank, there is no specialised accounting of the use of fuel from renewable energy sources. In addition, the Bank does not supply electricity to third parties.



Measures to reduce energy consumption

●● GRI 302-4

The Bank has developed a long-term program aimed at further implementation of energy saving measures and transition to more modern, energy-efficient technologies and equipment. The energy audit conducted by the end of 2023 resulted in measures and recommendations on energy saving that take into account the best international practices. The planned deadline for implementing measures to save electricity and heat is the fourth quarter of 2028.

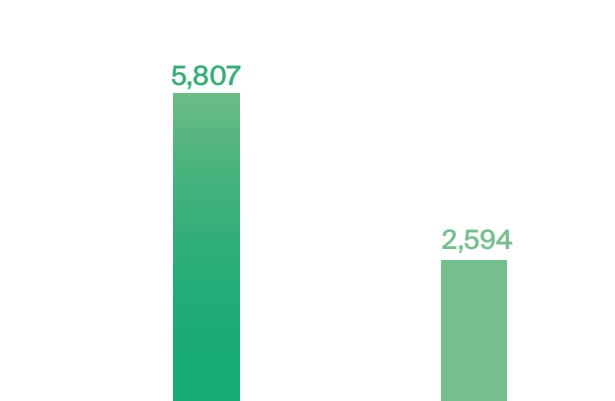
- The total reduction in heat power consumption is 3,213 Gcal, or a 55% reduction in consumption in 2023,
- The cumulative reduction in electricity consumption is 459 MW, or a decrease of 7% from consumption in 2023.

Implementation of the developed measures within the framework of the long-term energy efficiency improvement program is a strategic priority for the Bank, which will also make a significant contribution to the achievement of the focus sustainable development goals, which were defined by the Bank in 2022 and refined in 2023.

Summary data on developed events

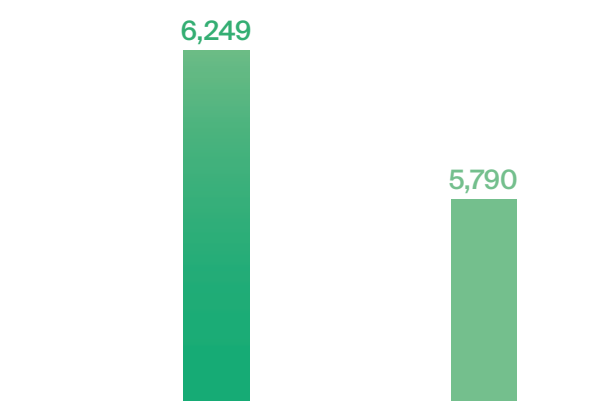
View	Event	Annual savings*
Heat power	Control over the process of generating reported volumes of heat energy consumption	2,584 Gcal
	Initiatives on heat regulation and building insulation	629 Gcal
Electric power	Optimisation and improvement of management in power supply systems	279 MWh
	Installing solar panels on roofs	101 MWh
	Electric power modernisation of facilities	79 MWh
Total by event		Heat power: 3,213 Gcal Electric power: 459 MWh

Heat energy consumption, Gcal



- ▲ 2023
- ▲ Expected consumption after implementation of measures

Electricity consumption, MWh



- ▲ 2023
- ▲ Expected consumption after implementation of measures

* Compared to 2023 figures

Summary of energy use

Indicators	Unit of measurement	2022	2023	Unit of measurement	2022	2023
Electric power	MWh	5,508	6,249	GJ	19,830	22,497
Heat power	Gcal	5,841	5,807	GJ	24,457	24,313
Gasoline	liter	89,001	140,089	GJ	2,918	4,592
Diesel fuel	liter	450	2,300	GJ	16	84
Total				GJ	47,222	51,487

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank:
key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

- Approach to managing environmental responsibility issues
- Emissions, water use and waste management
- Energy consumption and energy efficiency
- Development plans

Annexes

Development plans

The Bank's plans for training and implementing ESG principles include the following steps:

- **Regular seminars and training:** continuing to conduct seminars with Ecosen for Bank employees on proper waste management and recycling. Training on what can and can't be interfered with, how to properly handle plastic and other materials.
- **Rating of recycling companies:** continue to participate in the rating of companies that hand over garbage for recycling. Continuous improvement of waste management indicators, expansion of the Bank's branches' participation in this process.
- **Training of cleaners and other personnel:** conduct training activities for cleaners and other employees responsible for waste management. Training employees about waste separation, sorting and recycling rules.
- **Motivation and information:** motivating staff to take a competent approach to waste management, explaining the importance of proper waste sorting. Holding meetings and demonstrating examples of successful recycling of waste into products (for example, watches).
- **Expansion of the project across all branches:** continued distribution of the project across all branches of the Bank in Kazakhstan, introduction of a separate waste collection and recycling system in all offices and facilities of the Bank.
- **Integrating ESG principles into the corporate culture:** gradually integrating sustainability principles into the Bank's corporate culture, including responsible waste management and improving environmental performance.



Report Structure

Message from the Chairman of the Board of Directors

Message from the President

- 1. About the Report
- 2. About the Bank: key results for 2023a
- 3. Corporate governance
- 4. Bank's contribution to achieving UN Sustainable development goals
- 5. Human rights compliance, Business ethics, and anti-corruption efforts
- 6. Interaction with customers and suppliers
- 7. Interaction with staff
- 8. Social responsibility
- 9. Environmental responsibility

Annexes

- Annex A: GRI Content Index
- Annex B: Disclosure based on TCFD recommendations
- Annex C: SASB Industry Indicators
- Annex D: Supplementary information
- Annex E: Independent Auditor's Report
- Annex F: Glossary of Terms
- Annex G: Contact Information



Annexes

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank:
key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

- Annex A: GRI Content Index
- Annex B: Disclosure based on TCFD recommendations
- Annex C: SASB Industry Indicators
- Annex D: Supplementary information
- Annex E: Independent Auditor's Report
- Annex F: Glossary of Terms
- Annex G: Contact Information

Annex A: GRI Content Index

Indicator	Determining the GRI indicator	Report Section	Page number	Comments	External assurance
GRI 1. Foundation 2021					
Statement on the use of GRI Standards		About the Report	9	This Report has been prepared by Bank CenterCredit JSC in accordance with GRI standards and covers the period from 1 January 2023 to 31 December 2023	
GRI Version				GRI Foundation 2021	
Table of GRI indicators		Annex A: GRI Content Index			
GRI 2. General Disclosures 2021					
The organisation and its reporting practices					
2-1	Organisational details	About the Report Approach to reporting	9, 23		
2-2	Entities included in the organisation's sustainability reporting	Reporting boundaries	25		
2-3	Reporting period, frequency and contact point	Approach to reporting	23		
2-4	Restatements of information	Reporting boundaries Approach to identifying material topics	25		
2-5	External assurance	Approach to reporting	23		
Activities and workers					
2-6	Activities, value chain and other business relationships	Supply chain management and procurement policy	117		
2-7	Employees	Interaction with staff Approach to talent management	123, 127		2-7 (a)
2-8	Workers who are not employees	Interaction with staff Approach to talent management	123, 127		
Governance					
2-9	* Governance structure and composition	Corporate governance system	32		
2-10	* Nomination and selection of the highest governance body	Corporate governance system	32		
2-11	* Chair of the highest governance body	Corporate governance system	32		
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability management	53		2-12 (a)
2-13	Delegation of responsibility for managing impacts	Sustainability management	53		
2-14	Role of the highest governance body in sustainability reporting	Sustainability management	53		
2-15	Conflicts of interest	Approaches to business ethics and anti-corruption issues	92		
2-16	Communication of critical concerns	Approaches to business ethics and anti-corruption issues	92	Partial disclosure	

(*) – Indicators related to key material topics

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank:
key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

- Annex A: GRI Content Index
- Annex B: Disclosure based on TCFD recommendations
- Annex C: SASB Industry Indicators
- Annex D: Supplementary information
- Annex E: Independent Auditor's Report
- Annex F: Glossary of Terms
- Annex G: Contact Information

Indicator	Determining the GRI indicator	Report Section	Page number	Comments	External assurance
2-17	Collective knowledge of the highest governance body	Sustainability management	53		
2-18	* Evaluation of the performance of the highest governance body	Corporate governance system	32		
2-19	* Remuneration policies	Corporate governance system	32		
2-20	* Process to determine remuneration	Corporate governance system	32	Partial disclosure	
2-21	* Annual total compensation ratio	Corporate governance system	32	Partial disclosure	
Strategy, policies and practices					
2-22	* Statement on sustainable development strategy	Address of the Chairman of the Board of Directors President's address Sustainability management	1, 3, 53		
2-23	Policy commitments	Sustainability management Approaches to ensuring of human rights Approaches to business ethics and anti-corruption issues Interaction with customers and suppliers Interaction with staff	53, 89, 92, 99, 123		
2-24	Embedding policy commitments	Sustainability management Approaches to ensuring of human rights Interaction with customers and suppliers Supply chain management and procurement policy	53, 89, 99, 117		
2-25	Processes to remediate negative impacts	Approaches to business ethics and anti-corruption issues	92		
2-26	Mechanisms for seeking advice and raising concerns	Approaches to business ethics and anti-corruption issues	92		2-26 (a, i-ii)
2-27	Compliance with laws and regulations	Approaches to business ethics and anti-corruption issues	92		
2-28	Membership associations	Participation of the Bank in industry and government organisations and initiatives	168		
Stakeholder engagement					
2-29	Approach to stakeholder engagement	Sustainability management Interaction with customers and suppliers Approach to customer interaction Approach to interaction with suppliers Approach to talent management Approach to interaction with the population in the regions of presence	53, 99, 102, 115, 127, 167		
2-30	Collective bargaining agreements	Approach to talent management	127		2-30 (a)

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank:
key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

- Annex A: GRI Content Index
- Annex B: Disclosure based on TCFD recommendations
- Annex C: SASB Industry Indicators
- Annex D: Supplementary information
- Annex E: Independent Auditor's Report
- Annex F: Glossary of Terms
- Annex G: Contact Information

Indicator	Determining the GRI indicator	Report Section	Page number	Comments	External assurance
GRI 3. Material Topics 2021					
3-1	Process to determine material topics	Approach to identifying material topics	25		3-1 (a (i-ii), b)
3-2	List of material topics	Approach to identifying material topics	25		3-2 (a)
GRI 201: Economic Performance 2016					
3-3	Management of material topics	About the Bank: key results for 2023 Responsibility to society Risk management in the sustainable development	21, 165, 70		
201-1	* Direct economic value generated and distributed	Social responsibility	165		201-1 (a, i-iii)
201-2	* Financial implications and other risks and opportunities due to climate change	Risk management in the area of sustainability Annex B: Disclosure based on TCFD recommendations	70, 211		
201-3	Defined benefit plan obligations and other retirement plans	Social support	145	The Bank has no commitments	
201-4	Financial assistance received from government	Participation of the Bank in industry and government organisations and initiatives	168	No financial support was received from the government during the reporting period	201-4 (a, i-viii)
GRI 203 Indirect Economic Impacts 2016					
203-1	Materials used by weight or volume	Social responsibility Social investments and charity	165, 173		
203-2	Significant indirect economic impacts	Social responsibility Support for small and medium-sized enterprises	165, 169		
GRI 204: Procurement Practices 2016					
204-1	Proportion of spending on local suppliers	Interaction with customers and suppliers Approach to interaction with suppliers	99, 115		
GRI 205. Anti-corruption 2016					
3-3	Material Topics	Approaches to business ethics and anti-corruption issues	92		
205-2	* Communication and training about anti-corruption policies and procedures	Approaches to business ethics and anti-corruption issues	92		
205-3	* Confirmed incidents of corruption and actions taken	Approaches to business ethics and anti-corruption issues	92	These facts were not registered	205-3 (a)
GRI 206. Anti-competitive Behaviour					
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Approaches to business ethics and anti-corruption issues	92	No legal action was registered during the reporting period	
GRI 207: Tax 2019					
207-1**	Approach to tax	Tax policy and payments	172		

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

- Annex A: GRI Content Index
- Annex B: Disclosure based on TCFD recommendations
- Annex C: SASB Industry Indicators
- Annex D: Supplementary information
- Annex E: Independent Auditor's Report
- Annex F: Glossary of Terms
- Annex G: Contact Information

Indicator	Determining the GRI indicator	Report Section	Page number	Comments	External assurance
207-2**	Tax governance, control, and risk management	Tax policy and payments	172		
207-3**	Stakeholder engagement and management of concerns related to tax	Tax policy and payments	172		
GRI 302: Energy 2016					
3-3	Management of material topics	Energy consumption and energy efficiency	192		
302-1	* Energy consumption within the organisation	Energy consumption and energy efficiency	192		
302-3	* Energy intensity	Energy consumption and energy efficiency	192	Partial disclosure	
302-4	* Reduction of energy consumption	Energy consumption and energy efficiency	192		
GRI 303: Water and Effluents 2018					
3-3	Management of material topics	Emissions, water use and waste management	184		
303-3	* Water withdrawal	Emissions, water use and waste management	184	Partial disclosure	303-3 (a, i-v)
303-4	* Water discharge	Emissions, water use and waste management	184	Partial disclosure	
303-5	* Water consumption	Emissions, water use and waste management	184	Partial disclosure	
GRI 304: Biodiversity 2016					
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Approach to managing environmental responsibility issues	184		
GRI 305: Выбросы 2016					
305-1	Direct (Scope 1) GHG emissions	Emissions, water use and waste management	184		305-1 (a)
305-2	Energy indirect (Scope 2) GHG emissions	Emissions, water use and waste management	184		305-2 (a)
305-3	Other indirect (Scope 3) GHG emissions	Emissions, water use and waste management	184		
305-4	GHG emissions intensity	Emissions, water use and waste management	184		
GRI 306: Waste 2022					
3-3	Management of material topics	Emissions, water use and waste management	184		
306-2	* Management of significant waste-related impacts	Emissions, water use and waste management	184		
306-3	* Waste generated	Emissions, water use and waste management	184		
306-4	Waste diverted from disposal	Emissions, water use and waste management	184		306-4 (a)

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank:
key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

- Annex A: GRI Content Index
- Annex B: Disclosure based on TCFD recommendations
- Annex C: SASB Industry Indicators
- Annex D: Supplementary information
- Annex E: Independent Auditor's Report
- Annex F: Glossary of Terms
- Annex G: Contact Information

Indicator	Determining the GRI indicator	Report Section	Page number	Comments	External assurance
GRI 401: Employment 2016					
401-1	New employee hires and employee turnover	Motivation system, recruitment and training of personnel	133		401-1 (a, b)
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social support			401-2 (a, ii, iv, vii: financial assistance, namely birth salary)
401-3	Parental leave	Social support	145		401-3 (a, b)
GRI 402: Labour/Management relations 2016					
402-1	Minimum notice periods regarding operational changes	Approach to talent management	127		
GRI 403: Occupational Health and Safety 2018					
3-3	Management of material topics	Occupational health and safety	155		
403-1	* Occupational health and safety management system	Occupational health and safety	155		403-1 (a, i)
403-2	* Hazard identification, risk assessment, and incident investigation	Occupational health and safety	155		
403-3	* Occupational health services	Social support Occupational health and safety	145, 155		
403-4	* Worker participation, consultation, and communication on occupational health and safety	Occupational health and safety	155		
403-5	* Worker training on occupational health and safety	Occupational health and safety	155		403-5 (a)
403-6	* Promotion of worker health	Social support	145		
403-8	* Workers covered by an occupational health and safety management system	Occupational health and safety	155		
403-9	* Work-related injuries				403-9 (a, i-v)
GRI 404: Training and Education 2016					
3-3	Management of material topics	Motivation system, recruitment and training of personnel	133		
404-1	* Average hours of training per year per employee	Motivation system, recruitment and training of personnel Occupational health and safety	133, 155		404-1 (a, i-ii)
404-2	* Programs for upgrading employee skills and transition assistance programs	Motivation system, recruitment and training of personnel	133		
404-3	* Percentage of employees receiving regular performance and career development reviews	Motivation system, recruitment and training of personnel	133		404-3 (a)

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

- Annex A: GRI Content Index
- Annex B: Disclosure based on TCFD recommendations
- Annex C: SASB Industry Indicators
- Annex D: Supplementary information
- Annex E: Independent Auditor's Report
- Annex F: Glossary of Terms
- Annex G: Contact Information

Indicator	Determining the GRI indicator	Report Section	Page number	Comments	External assurance
GRI 405: Diversity and Equal Opportunity 2016					
405-1	Diversity of governance bodies and employees	Corporate governance system Interaction with staff Approach to talent management Social support	32, 123, 127, 145		405-1 (a, i-ii, b, i-ii)
405-2	Ratio of basic salary and remuneration of women to men	Motivation system, recruitment and training of personnel	133		405-2 (a)
GRI 406: Non-discrimination 2016					
3-3	Management of material topics	Approaches to ensuring of human rights	89		
406-1	* Incidents of discrimination and corrective actions taken	Social support	145		
GRI 410: Security Practices					
3-3	Management of material topics	Approaches to ensuring of human rights	89		
410-1	* Security personnel trained in human rights policies or procedures	Development plans	97		
GRI 415: Public Policy					
415-1	Political contributions	Participation of the Bank in industry and government organisations and initiatives	168		415-1 (a)
GRI 418: Consumer Privacy					
3-3	Management of material topics	Ensuring data security	113		
418-1	* Substantiated complaints concerning breaches of customer privacy and losses of customer data	Ensuring data security	113	Partial disclosure	418-1 (c)

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

- Annex A: GRI Content Index
- Annex B: Disclosure based on TCFD recommendations
- Annex C: SASB Industry Indicators
- Annex D: Supplementary information
- Annex E: Independent Auditor's Report
- Annex F: Glossary of Terms
- Annex G: Contact Information

Annex B: Disclosure based on TCFD recommendations¹

TCFD recommendations	Practices used by the Bank	Information section of the report	Relevant GRI indicator
<p>Corporate Governance The Bank's approaches to managing climate risks and opportunities</p>			
<p>The role of the Board of Directors and the Sustainability Committee in overseeing climate-related risks and opportunities</p>	<p>Issues related to climate change are considered at meetings of the Sustainability Committee at least once a year. The procedure for informing the Board of Directors and its committees on climate risk and opportunity management issues consists in the annual preparation for the Committees of the Board of Directors of materials on the current status of implementation of activities under the roadmap for improving maturity practices on sustainable development aspects, as well as the status of the development, and implementation of the Bank's Climate Strategy, which is currently being developed by the Bank and is planned for approval in 2024.</p> <p>In addition, when updating the Bank's corporate-wide long-term development strategy, ESG KPIs are taken into account, including aspect E, and indicators related to various climatic aspects.</p> <p>The relevant documents are subsequently submitted for consideration by the Financial and Risk Management Committee.</p>	<p>Corporate governance system</p> <p>Sustainability management</p>	<p>2-9</p> <p>2-12</p> <p>2-13</p> <p>2-14</p> <p>2-24</p>
<p>The role of Management in assessing and managing climate-related risks and opportunities</p>	<p>Climate issues are within the competence of the following representatives of top management:</p> <ul style="list-style-type: none"> - The President - Managing Director (Sustainability Directorate) is a member of the Sustainability Committee - First Vice President, Member of the Management Board) is a member of the Sustainability Committee - Vice President, Member of the Management Board, member of the Sustainability Committee <p>Top management representatives responsible for managing climate aspects are accountable to the Finance and Risk Management Committee and the Sustainability Committee.</p> <p>In the reporting period, the Sustainability Directorate, together with the relevant structural divisions of the Bank, monitored, analysed and consolidated data in order to form the Bank's Climate Strategy.</p>	<p>Corporate governance system</p> <p>Sustainability management</p>	
<p>Strategy Actual and potential impact of climate change risks and opportunities on the Bank's business processes, strategic and financial planning</p>			
<p>Description of climate-related risks and opportunities that the Company uses in the short, medium and long term</p>	<p>The Bank has identified the implementation and development of practices for managing climate risks and opportunities as one of the key areas of activity in the sustainable development.</p> <p>At the current stage, ESG risk management is integrated into the Bank's existing risk management system. This process begins with an assessment of the impact of ESG factors on the significance of banking risks, which makes it possible to establish a link between the level of influence of ESG factors on the financial position of the Bank and the applied approaches to risk and capital management.</p> <p>In 2023, the Bank, together with external consultants, conducted a risk analysis related to climate change. The list of such risks is presented in the relevant section of the Report, in addition, after the development and approval of the Climate Strategy, the list will be supplemented with relevant risks and opportunities for the short, medium and long term.</p> <p>An additional list of key risks for the bank and their classification by type is presented in section 3.5 'Risk management in the area of sustainability' of this Report.</p>	<p>Risk management in the area of sustainability</p> <p>Sustainability management</p>	<p>201-2</p> <p>2-22</p> <p>2-24</p>

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

- Annex A: GRI Content Index
- Annex B: Disclosure based on TCFD recommendations
- Annex C: SASB Industry Indicators
- Annex D: Supplementary information
- Annex E: Independent Auditor's Report
- Annex F: Glossary of Terms
- Annex G: Contact Information

TCFD recommendations	Practices used by the Bank	Information section of the report	Relevant GRI indicator
<p>Risk Management The Company's approaches to climate risk identification, assessment and management</p>			
<p>Description of climate risk identification and assessment processes</p>	<p>The aspects of risk management are closely linked to the Bank's sustainable development strategy and are enshrined in the Bank's internal regulatory documents, which were also developed and approved by corporate governance bodies in 2023.</p> <p>The climate risk management system is integrated into the corporate risk management system, in particular, accounting and assessment of climate risks are carried out by various departments of the Bank on a regular basis.</p> <p>In 2023, the Bank developed and began using the following additional tools and procedures for assessing ESG risks, including risks associated with climate impacts:</p>		
<p>Description of climate risk management processes</p>	<ul style="list-style-type: none"> • Exclusion list: checking corporate clients for compliance of their activities and practices with the list of unacceptable activities. • Self-declaration: filling out a questionnaire addressed primarily to clients of the SME segment and aimed at determining the level of ESG risk depending on the industry and applied practices. • Determination of the inherent ESG assessment by industry: assessment of exposure to climate risks / significance of factors of sustainable development of the main branches of the Bank's corporate clients' operations (based on available quantitative data), followed by the application of the results as part of the ESG scoring procedure. 	<p>Risk management in the area of sustainability</p>	<p>2-25 3-3</p>
<p>Description of integration of climate risk identification, assessment and management into the overall risk management system</p>	<ul style="list-style-type: none"> • ESG-scoring: a differentiated assessment of the exposure of corporate clients (as a rule, clients of the large business segment and the largest clients of the SME segment) to climate risks and the importance of sustainable development factors in their activities, taking into account the measures taken by them to minimise and adapt initiatives and on the basis of verified data and information. • Assessment for taxonomy compliance: verification of compliance of medium and large loans (taking into account the threshold of materiality) for compliance with the criteria of 'green' and/or social taxonomy. • ESG project assessment: verification of the positive environmental or social effects of the project, which can, among other things, have a positive impact on the results of ESG scoring of corporate clients. 		

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

- Annex A: GRI Content Index
- Annex B: Disclosure based on TCFD recommendations
- Annex C: SASB Industry Indicators
- Annex D: Supplementary information
- Annex E: Independent Auditor's Report
- Annex F: Glossary of Terms
- Annex G: Contact Information

TCFD recommendations	Practices used by the Bank	Information section of the report	Relevant GRI indicator
<p>Metrics and Objectives Metrics and objectives used to assess and manage climate risks and opportunities</p>			
<p>Description of indicators used by the organisation to assess climate-related risks and opportunities in accordance with its strategy and risk management processes</p>	<p>In the long-term planning horizon, the Bank's own assets, as well as the portfolio, are exposed to physical risks and energy transition risks.</p> <p>The climate opportunities arising as a response to climate risks are also applicable to the Bank's activities. A detailed roadmap on mitigating climate risks and using opportunities will be presented within the framework of the Bank's Climate Strategy.</p>		
<p>Disclosure of greenhouse gas emissions by category 1, 2 and 3 and specific indicators</p>	<p>The methodology for calculating greenhouse gas emissions indicators fully complies with the requirements and recommendations of GHG Protocol² and PCAF³ for financial institutions.</p>	<p>Corporate governance system Sustainability management Emissions, water use and waste management Energy consumption and energy efficiency</p>	<p>3-3 2-19 302-1 302-3 302-4 303-3 303-4 303-5 305-1 305-2 305-3 305-4</p>
<p>Description of the goals used by the organisation to manage climate-related risks and opportunities and the effectiveness of achieving targets</p>	<p>The implementation of the Bank's objectives in the area of climate risk and opportunity management will be monitored based on an analysis of greenhouse gas emissions under Scope 1, 2 and 3, as well as in accordance with the objectives of the Bank's Climate Strategy. It is planned to annually assess greenhouse gas emissions as a result of work on managing climate risks and opportunities, as well as conduct independent verification of emissions reporting: Scope 1, 2, starting in 2023, and Scope 3, starting in 2024.</p>		

¹Task Force on Climate-related Financial Disclosures: www.fsb-tcfd.org
²Greenhouse Gas Protocol
³Partnership for Carbon Accounting Financials

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank:
key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

- Annex A: GRI Content Index
- Annex B: Disclosure based on TCFD recommendations
- Annex C: SASB Industry Indicators
- Annex D: Supplementary information
- Annex E: Independent Auditor's Report
- Annex F: Glossary of Terms
- Annex G: Contact Information

Annex C: SASB Industry Indicators

Indicator	Report section
FN-CB-230a.1 (1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	Ensuring data security
FN-CB-230a.2 Description of approach to identifying and addressing data security risks	Ensuring data security
FN-CB-410a.2 Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	Risk management in the area of sustainability
FN-CB-410b.2 Gross exposure for each industry by asset class	Databook
FN-CB-410b.3 Percentage of gross exposure included in the financed emissions calculation	Databook
FN-CB-410b.4 Description of methodology used to calculate financed emissions	Emissions, water use and waste management
FN-CB-510a.1 Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	Approaches to business ethics and anti-corruption issues
FN-CB-510a.2 Description of whistleblower policies and procedures	Approaches to business ethics and anti-corruption issues
FN-CF-220a.2 Total amount of monetary losses as a result of legal proceedings associated with customer privacy	Ensuring data security

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank:
key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

- Annex A: GRI Content Index
- Annex B: Disclosure based on TCFD recommendations
- Annex C: SASB Industry Indicators
- Annex D: Supplementary information
- Annex E: Independent Auditor's Report
- Annex F: Glossary of Terms
- Annex G: Contact Information

Annex D: Supplementary information

Socio-cultural diversity of management personnel and employees in 2023

●● GRI 405-1

	under 30	from 30 to 50	over 50	Total employees
Management of the Bank¹				
Total	-	9	7	16
including women	-	2	1	3
including men	-	7	6	13
Including the Board of Directors				
Total	-	-	6	6
including women	-	-	-	-
including men	-	-	6	6
Including the Management Board of the Bank				
Total	-	4	-	4
including women	-	1	-	1
including men	-	3	-	3
Including vice-presidents				
Total	-	5	1	6
including women	-	1	1	2
including men	-	4	-	4
Management				
Total	-	67	17	84
including women	-	39	15	54
including men	-	28	2	30
Linear heads				
Total	65	561	46	672
including women	24	313	29	366
including men	41	248	17	306
Employees				
Total	3,184	3,678	352	7,214
including women	1,874	2,641	267	4,782
including men	1,310	1,037	85	2,432
Total employees (headcount at year-end)				
Total	3,249	4,308	426	7,983 ²
including women	1,898	2,991	314	5,203
including men	1,351	1,317	112	2,780

¹The Management of the Bank is comprised of: the Board of Directors, the Management Board, the President, Deputy Chairmen of the Management Board, Vice-Presidents, Advisers, etc.

²Except for three independent members of the Board of Directors

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

- Annex A: GRI Content Index
- Annex B: Disclosure based on TCFD recommendations
- Annex C: SASB Industry Indicators
- Annex D: Supplementary information
- Annex E: Independent Auditor's Report
- Annex F: Glossary of Terms
- Annex G: Contact Information

Correlation of basic salary of women to men for 2022 and 2023, %

●● GRI 405-2

Index borders	2022			2023		
	Headquarters	Branch network	Total	Headquarters	Branch network	Total
Average salary	0.68	0.92	0.61	0.69	0.89	0.62
Bank's management	-	-	-	0.77	-	0.77
Management	0.70	0.74	0.50	0.86	0.67	0.62
Line managers	0.78	1.06	0.70	0.74	1.05	0.70
Employees	0.71	0.89	0.62	0.67	0.88	0.60

Ratio of remuneration of women to men for 2022 and 2023, %

●● GRI 405-2

Index borders	2022			2023		
	Headquarters	Branch network	Total	Headquarters	Branch network	Total
Average salary	0.68	0.92	0.61	0.69	0.89	0.62
Bank's management	-	-	-	0.87	-	0.87
Management	0.66	0.69	0.47	0.92	0.66	0.69
Line managers	0.82	1.23	0.75	0.77	1.20	0.76
Employees	0.71	0.90	0.64	0.70	0.87	0.63

Number of courses and hours completed by the Bank's employees in 2023

●● GRI 404-1

Data for all courses in 2023	Number of courses completed by the Bank's employees (in units)			Number of hours completed by the Bank's employees during the courses (in hours)		
	Total	Regions	Headquarters	Total	Regions	Headquarters
Total	137,992	95,328	42,664	312,781.87	216,076.80	96,705.1
By gender						
Men	47,085	26,287	20,798	106,726.00	59,583.87	47,142.1
Women	90,907	69,041	21,866	206,055.87	156,492.93	49,562.9
By category						
Management	20,126	11,201	8,925	45,618.93	25,388.93	20,230.0
Specialists	117,866	84,127	33,739	267,162.93	190,687.87	76,475.1
By age						
Under 30	47,946	34,796	13,150	108,677.60	78,870.93	29,806.7
30-50	80,720	54,375	26,345	182,965.33	123,250.00	59,715.3
Over 50	9,326	6,157	3,169	21,138.93	13,955.87	7,183.1

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank: key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

- Annex A: GRI Content Index
- Annex B: Disclosure based on TCFD recommendations
- Annex C: SASB Industry Indicators
- Annex D: Supplementary information
- Annex E: Independent Auditor's Report
- Annex F: Glossary of Terms
- Annex G: Contact Information

Number of courses on ESG principles completed by the Bank's employees in 2023

●● **GRI 404-1**

ESG Principles Course	Total	Regions	Headquarters
	Passed courses	Passed courses	Passed courses
Total	4,310	1,894	2,416
By gender			
Men	1,646	498	1,148
Women	2,664	1,396	1,268
By category			
Management	535	270	265
Specialists	3,775	1,624	2,151
By age			
Under 30	1,349	629	720
30-50	2,561	1,051	1,510
Over 50	400	214	186

Total staff turnover for 2023, % (ratio of the number of employees dismissed in the reporting period to the total number of employees at the end of the year)

●● **GRI 401-1**

Indicator	Headquarters	Southern region	Central region	Northern region	Western region	Eastern region	Total
Staff turnover	37%	51%	46%	45%	36%	37%	41%
including women	39%	46%	43%	41%	33%	33%	43%
under 30	64%	69%	57%	57%	47%	54%	62%
30-50	24%	34%	38%	35%	26%	20%	28%
over 50	19%	10%	17%	7%	11%	21%	14%
including men	36%	67%	56%	58%	52%	54%	40%
under 30	51%	88%	75%	72%	65%	67%	60%
30-50	23%	42%	39%	42%	36%	35%	27%
over 50	15%	0%	0%	0%	0%	34%	13%

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report
2. About the Bank: key results for 2023a
3. Corporate governance
4. Bank's contribution to achieving UN Sustainable development goals
5. Human rights compliance, Business ethics, and anti-corruption efforts
6. Interaction with customers and suppliers
7. Interaction with staff
8. Social responsibility
9. Environmental responsibility

Annexes

- Annex A: GRI Content Index
- Annex B: Disclosure based on TCFD recommendations
- Annex C: SASB Industry Indicators
- Annex D: Supplementary information
- Annex E: Independent Auditor's Report
- Annex F: Glossary of Terms
- Annex G: Contact Information

Annex E: Independent Auditor's Report



"KPMG Tax and Advisory" LLC
Koktem Towers
180 Dostyk Ave., A25D6T5
Almaty, Kazakhstan

Independent limited assurance report of an independent practitioner on the selected information disclosed in the Sustainability Report of Bank CenterCredit JSC for 2023

To the shareholders of Bank CenterCredit JSC

Introduction

We were engaged by the Management of Bank CenterCredit JSC (the "Bank") to provide limited assurance on the Selected information, as identified below, disclosed in the Sustainability Report for the year ended 31 December 2023 of the Bank (the "Report").

Subject matter

We assessed the qualitative and quantitative information, that is identified or disclosed in the Sustainability Report and specified in the Appendix A to this report (the "Selected Information").

Applicable Criteria

We assessed the information mentioned in Subject Matter using reporting requirements in the Sustainability Reporting Standards published by the Global Reporting Initiative (the "Applicable criteria").

Management's responsibilities

Management is responsible for the preparation and presentation of the Selected information in accordance with the Applicable criteria and for establishing and maintaining appropriate internal control systems from which the Report is derived.

Management is responsible for preventing and detecting fraud and for identifying and ensuring that the Bank complies with laws and regulations applicable to its activities.

Management is also responsible for ensuring that staff involved with the preparation and presentation of the Report are properly trained, information systems are properly updated and that any changes in reporting encompass all significant business units.

Our responsibilities

Our responsibility is to carry out a limited assurance engagement in respect of the preparation of the Selected information in accordance with the Applicable criteria and to express a conclusion based on the work performed.



We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (revised) *Assurance Engagements other than Audits or Reviews of Historical Financial Information* (ISAE 3000 (revised)), and, in respect of greenhouse gas emissions, in accordance with ISAE 3410 *Assurance Engagements on Greenhouse Gas Statements* (ISAE 3410), issued by the International Auditing and Assurance Standards Board. ISAE 3000 (revised) and ISAE 3410 require that we plan and perform the engagement to obtain limited assurance about whether the Selected information is free from material misstatement.

Our firm applies International Standard on Quality Management (ISQM) 1, *Quality Management for Firms That Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Procedures performed

A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Selected information, and applying analytical and other procedures, as appropriate. These procedures included:

- Inquiries of Management to gain an understanding of the Bank's processes for determining the material issues for the Bank's key stakeholder groups.
- Interviews with Senior management and relevant staff concerning sustainability strategy and policies for material issues, and the implementation of these across the business.
- Interviews with staff responsible for providing the information in the Report.
- Comparing the Selected information to corresponding information in the relevant underlying sources to assess the accuracy of the information and determine whether all the relevant information contained in such underlying sources has been included in the Report.
- Reading the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of the Bank.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Inherent limitations

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Report may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation of the Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Conclusion

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this report.

Based on the procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that the Selected information, as identified above, of the Report is not presented, in all material respects, in accordance with the Applicable criteria.

Restriction of use of our report

Our report should not be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than the Shareholders of the Bank, for any purpose or in any other context. Any party other than the Shareholders of the Bank who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk. To the fullest extent permitted by law, we accept or assume no responsibility and deny any liability to any party other than the Shareholders of the Bank for our work, for this independent limited assurance report, or for the conclusions we have reached.

KPMG Tax and Advisory LLC

KPMG Tax and Advisory LLC
Almaty, Republic of Kazakhstan
20 June 2024

ТОО «КПМГ Аудит» компания, зарегистрированная в соответствии с законодательством Республики Казахстан, членом самостийной организации независимых фирм КПМГ, входящих в KPMG International Limited, частную английскую компанию ограниченной ответственности.

Annex E: Independent Auditor's Report

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank:
key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

- Annex A: GRI Content Index
- Annex B: Disclosure based on TCFD recommendations
- Annex C: SASB Industry Indicators
- Annex D: Supplementary information
- Annex E: Independent Auditor's Report
- Annex F: Glossary of Terms
- Annex G: Contact Information

Appendix A

Indicator name	Indicator description	GRI Index	Pages in the Report
Role of the highest governance body	The role of the highest governance body and of senior executives in developing, approving, and updating the organization's purpose, value or mission statements, strategies, policies, and goals related to sustainable development	2-12 (a)	55
Diversity of governance bodies	Percentage of individuals within the organization's governance bodies in each of the following diversity categories: gender, age group	405-1 (a, i-ii)	49-51, 131-132
Mechanisms for seeking advice and raising concerns	Organization's mechanisms for individuals to seek advice on implementing the organization's policies and practices for responsible business conduct and to raise concerns about the organization's business conduct	2-26 (a, i-ii)	95-96
Collective bargaining agreements	Percentage of total employees covered by collective bargaining agreements	2-30 (a)	130-131
Process to determine material topics	Information on how the organization has determined its material topics	3-1 (a (i-ii), b)	25-26
List of material topics	List of material topics	3-2 (a)	27-28
Waste diverted from disposal	Total weight of waste diverted from disposal in metric tons, and a breakdown of this total by composition of the waste	306-4 (a)	191
Financial assistance received from government	Total monetary value of financial assistance received by the organization from the government during the reporting period, including tax reliefs, subsidies, grants, awards, royalty holidays, financial assistance from Export Credit Agencies, financial incentives, other	201-4 (a, i-viii)	168, 203-204
Direct economic value generated and distributed	Direct economic value generated and distributed (EVG&D) on an accruals basis, including the basic components for the organization's global operations	201-1 (a, i-iii)	166
Employees	Total number of employees, and a breakdown of this total by gender and age	2-7 (a)	123-124, 131-132, 219-220
Diversity of employees	Percentage of employees per employee category in each of the following diversity categories: gender and age group	405-1 (b (i-ii))	151-153
Ratio of basic salary and remuneration of women to men	Ratio of the basic salary and remuneration of women to men for each employee category, by two significant locations: the Head Office and Branches	405-2 (a)	143
Parental leave	Total number of employees that were entitled to parental leave, by gender. Total number of employees that took parental leave, by gender.	401-3 (a, b)	154
Benefits provided to full-time employees that are not provided to temporary or part-time employees	Benefits which are standard for full-time employees of the organization but are not provided to temporary or part-time employees, by two significant locations of operation: the Head Office and Branches.	401-2 (a, ii, iv, vii: financial aid, i.e compensation on child birth)	149-150
Occupational health and safety	A statement of whether an occupational health and safety management system has	403-1 (a, i)	155-156

management system	been implemented, including whether the system has been implemented because of legal requirements and, if so, a list of the requirements.		
Worker training on occupational health and safety	A description of occupational health and safety training provided to workers, including generic training as well as training on specific work-related hazards, hazardous activities, or hazardous situations.	403-5 (a)	157
Work-related injuries	Injury rates among the organization's employees	403-9 a (i-v)	123-124, 159
New employee hires and employee turnover	Total number and rate of new employee hires/ number and rate of employee turnover during the reporting period, by age group, gender and region: the Head Office, South, West, East, North, and Central regions.	401-1 (a, b)	131, 138-139, 144, 223-224
Water withdrawal	Total water withdrawal from all areas in megaliters, excluding rented areas, and a breakdown of this total by the following sources: (i) Surface water (ii) Groundwater (iii) Seawater (iv) Produced water (v) Third-party water	303-3 (a, i-v)	188
Percentage of employees receiving regular performance and career development reviews	Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.	404-3 (a)	123-124, 143
Average hours of training per year per employee	Average hours of training that the organization's employees have undertaken during the reporting period, by gender and employee category	404-1 (a, i-ii)	123-124, 134
Confirmed incidents of corruption and actions taken	Total number and nature of confirmed incidents of corruption	205-3 (a)	92, 203-204
Direct (Scope 1) GHG emissions	Gross direct (Scope 1) GHG emissions in metric tons of CO2 equivalent, excluding rented areas	305-1 (a)	184
Energy indirect (Scope 2) GHG emissions	Gross location-based energy indirect (Scope 2) GHG emissions in metric tons of CO2 equivalent, excluding rented areas.	305-2 (a)	185
Political contributions	Total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary.	415-1 (a)	168
Substantiated complaints concerning breaches of customer privacy and losses of customer data	Statement on absence of identified substantiated complaints concerning breaches of customer privacy.	418-1 (c)	114

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank:
key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

- Annex A: GRI Content Index
- Annex B: Disclosure based on TCFD recommendations
- Annex C: SASB Industry Indicators
- Annex D: Supplementary information
- Annex E: Independent Auditor's Report
- Annex F: Glossary of Terms
- Annex G: Contact Information

Annex F: Glossary of Terms

Term	Description
ISAE 3000	The standard for confirming non-financial information. ISAE 3000 is issued by the International Auditing and Assurance Standards Board (IAASB). The standard consists of guidelines for ethical conduct, quality management, and performance of the ISAE 3000 assignment
ISO 14001	An international standard containing requirements for an environmental management system
AntiFraud	A general term for systems, procedures and measures aimed at preventing, detecting and responding to fraud
ESG-scoring	Assessment of companies based on environmental, social and managerial factors that may affect their financial stability and investment attractiveness
Exclusion list	An exclusion list that includes companies or industries that are excluded from investment portfolios or loan programs due to non-compliance with certain criteria, such as environmental or social standards
GEFF (Green Economy Financing Facility)	Green Economy Financing Program from the European Bank for Reconstruction and Development (EBRD)
ModelOps	The practice of managing the lifecycle of machine learning models, similar to DevOps for software development
Moody's	An international rating agency that provides credit ratings, research and risk analysis for financial instruments and liabilities
ODEPT	Trading platform
Open API	An open application programming interface that allows developers to create applications that can interact with other services or platforms
Price-list	Price list, a list of goods or services with prices
Push-notifications	Messages that the app can send to users on their devices, even when the app is not active
S&P Global Rating	An international rating agency that provides credit ratings, research and risk analysis
Super-app	A mobile application that includes many functions and services, allowing users to perform various tasks in one application
Underwriting	The process of risk assessment and determining the terms of insurance or credit
Anti-phishing	Measures and technologies aimed at preventing fraudulent attempts to obtain confidential information
Authentication	The process of verifying the identity of a user or device in the system
Balance sheet property	The company's assets, which are reflected in the balance sheet and may include both tangible and intangible assets
Big Four	The collective name of the four largest auditing firms in the world: Deloitte, PricewaterhouseCoopers (PwC), Ernst & Young (EY) and KPMG
Biometrics	Using a person's unique physiological or behavioural characteristics to identify or verify a person
Gamification	Applying game design elements and mechanics in non-game contexts to increase engagement and motivation
UN Global Compact	A United Nations initiative aimed at encouraging companies to take a socially responsible approach to business and ensure transparency in reporting on such activities. The UN Global Compact sets out ten fundamental principles related to human rights, labour standards, environmental protection and anti-corruption
Grade	Grouping of positions on certain grounds in order to build a motivation system
Climate stress testing	Analysis of financial institutions' resilience to climate change risks
Compliance	Compliance with legal and regulatory requirements, as well as internal rules and standards of the company
Return on equity (ROE)	A financial indicator that measures a company's ability to generate returns on shareholder investments
Cashback	Refund of part of the purchase amount to the buyer's account when using certain payment instruments
Liquidity	The ability of an asset to be quickly sold at a market price without significant losses
Stakeholders	Individuals and legal entities related to the company's activities, capable of influencing its results or being influenced by the company on their activities
"Green" economy	An economic model that strives for sustainable development without harming the environment
Inclusion	The policy or practice of including people who may be excluded or restricted due to various social, economic or cultural factors
Interface	The point of interaction between the user and a computer system, device, or program

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

1. About the Report

2. About the Bank:
key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving UN Sustainable development goals

5. Human rights compliance, Business ethics, and anti-corruption efforts

6. Interaction with customers and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

- Annex A: GRI Content Index
- Annex B: Disclosure based on TCFD recommendations
- Annex C: SASB Industry Indicators
- Annex D: Supplementary information
- Annex E: Independent Auditor's Report
- Annex F: Glossary of Terms
- Annex G: Contact Information

Term	Description
Matrix of materiality	A management tool that helps organisations identify and prioritise the importance of various economic, environmental, and social issues to businesses and stakeholders
Onboarding	The process of adaptation and integration of new employees into the company
Hazardous waste	Residues of solid, liquid or gaseous substances of natural or anthropogenic origin, the composition of which may be variable
Greenhouse gas coverage	<ul style="list-style-type: none"> • Scope 1: direct emissions from the company's activities • Scope 2: emissions from purchased energy consumption • Scope 3: emissions across the entire product value chain and employee transportation
Greenhouse gases	Gases in the atmosphere that trap heat and contribute to global warming, including carbon dioxide (CO ₂), methane (CH ₄) and nitrous oxide (N ₂ O)
Parsing	Automated data collection and systematisation
Preferred shares	A type of stock that usually provides its owners with certain advantages, such as fixed dividends or priority in the liquidation of a company
Problem loans	Loans for which the borrower has difficulty paying interest or principal
Restructuring of loans	The process of changing the terms of lending to ease the financial situation of the borrower and reduce the risk of non-repayment of debt
Refactoring	The process of changing the internal structure of software without changing its external behaviour to improve readability and simplify support
Grading system	The system of calculating official salaries based on the point-factor method and matrix-mathematical models
Scoring map	A tool used to assess the creditworthiness of borrowers based on a set of criteria and statistical data
Staff turnover	The process of employees leaving the organisation at their request or at the initiative of the employer during a certain period
Tender	The formal process of offering and selecting suppliers of goods or services based on submitted applications
Fraud	Fraud, deception or illegal actions in the area of information technology committed in order to obtain illegal benefits

Abbreviation	Abbreviation	Abbreviation	Abbreviation
JSC	Joint Stock Company	AIFC	Astana International Financial Center
ARDFM	The Agency for Regulation and Development of the Financial Market	NGO	Non-profit organisation
BCC	Bank CenterCredit	OJSC	Open Joint Stock Company
RES	Renewable energy sources	UN	United Nations
WPP	Wind power plant	OHS	Occupational health and safety
Gcal	Gigacalories	OECD	Organisation for Economic Cooperation and Development
SB	Subsidiary Bank	PJSC	Public Joint Stock Company
ICE	Internal Combustion Engine	GHG	Greenhouse gases
EAEU	Eurasian Economic Union	UNDP	United Nations Development Program
EBRD	European Bank for Reconstruction and Development	LLP	Limited Liability Partnership
CJSC	Closed Joint Stock Company	SDGs	Sustainable Development Goals
KW	Kilowatt (power measurement unit)	ATM	Automated Teller Machine
PSE	Public State Enterprise	BCC	Bank CenterCredit
CIT	Corporate income tax	CBA	Cost-Benefit Analysis
MW	Megawatt	CSA	Customer Satisfaction Analysis
MCI	Monthly calculated indicators	CSI	Customer Satisfaction Index
SMEs	Small and medium-sized businesses	CO ₂ e	Carbon Dioxide Equivalent

Report Structure

Message from the Chairman of
the Board of Directors

Message from the President

1. About the Report

2. About the Bank:
key results for 2023a

3. Corporate governance

4. Bank's contribution to achieving
UN Sustainable development
goals

5. Human rights compliance,
Business ethics, and anti-
corruption efforts

6. Interaction with customers
and suppliers

7. Interaction with staff

8. Social responsibility

9. Environmental responsibility

Annexes

- Annex A:
GRI Content Index
- Annex B:
Disclosure based on TCFD
recommendations
- Annex C:
SASB Industry Indicators
- Annex D:
Supplementary information
- Annex E:
Independent Auditor's Report
- Annex F:
Glossary of Terms
- Annex G:
Contact Information

Abbreviation	
DAU	Daily Active Users
ECB	Eco Center Bank JSC
ESG	Environmental, Social, and Governance
GARP	Global Association of Risk Professionals
GEFF	Green Economy Financing Facility
GHG	Greenhouse Gases
GRI	Global Reporting Initiative
HR	Human Resources
HSM	Hardware Security Module
IFC	International Finance Corporation
ISAE	International Standard on Assurance Engagements
IPO	Initial Public Offering
IT	Information Technology
KASE	Kazakhstan Stock Exchange
KPI	Key Performance Indicator
MBA	Master of Business Administration
NFGS	Network for Greening the Financial System
NPS	Net Promoter Score
PCAF	Partnership for Carbon Accounting Financials
ROAA	Return on Average Assets
ROAE	Return on average equity
ROE	Rental on Equity
S&P Global Ratings	Standard & Poor's
SASB	Sustainability Accounting Standards Board
SCR	Sustainability and Climate Risk certificate
SDG	Sustainable Development Goals
SLA	Service Level Agreement
SREP	Supervisory Review and Evaluation Process
SSE	Sustainable Stock Exchanges
SUCTF	Satbayev University Capture the Flag
TCFD	Task Force on Climate-related Financial Disclosures
UN	United Nations
UNEP FI	United Nations Environment Programme Finance Initiative
VoC	Voice of the Customer

Report Structure

Message from the Chairman of the Board of Directors

Message from the President

- 1. About the Report
- 2. About the Bank: key results for 2023a
- 3. Corporate governance
- 4. Bank's contribution to achieving UN Sustainable development goals
- 5. Human rights compliance, Business ethics, and anti-corruption efforts
- 6. Interaction with customers and suppliers
- 7. Interaction with staff
- 8. Social responsibility
- 9. Environmental responsibility

Annexes

- Annex A: GRI Content Index
- Annex B: Disclosure based on TCFD recommendations
- Annex C: SASB Industry Indicators
- Annex D: Supplementary information
- Annex E: Independent Auditor's Report
- Annex F: Glossary of Terms
- Annex G: Contact Information

Annex G: Contact Information

We will be happy to receive your feedback.



Address: block C,
38 Al-Farabi Ave., Almaty



Email:
esg@bcc.kz



Corporate website
<https://www.bcc.kz/>

