

POLICY
in the field of environmental and social responsibility, corporate governance and
sustainable development (ESG) at JSC Alтын Bank (SB of
China CITIC Bank Corporation Ltd)

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CHAPTER 1. GENERAL PROVISIONS.

1. This Environmental and Social Responsibility, Corporate Governance, and Sustainable Development Policy (hereinafter referred to as the “Policy”) has been developed in accordance with the Development Strategy of JSC Alтын Bank (a subsidiary of China CITIC Bank Corporation Ltd., hereinafter referred to as the “Bank”), the legislation of the Republic of Kazakhstan, the Bank’s internal regulatory framework, and the UN’s ESG concept outlined in the “2030 Agenda for Sustainable Development.”
2. Together with other ESG principles adopted by the Bank, this Policy defines the fundamental requirements for the implementation of ESG standards within the Bank.
3. The Policy outlines the goals, objectives, core principles, and processes by which ESG principles are integrated into the Bank’s strategy, operations, and corporate culture.
4. It articulates the Bank’s vision and mission with respect to environmental protection, social responsibility, and sustainable development, and affirms the Bank’s commitment to integrating environmental and social considerations into its business activities.
5. The specific principles, standards, mechanisms, and procedures for the implementation of ESG principles shall be established through the Bank’s relevant internal regulatory documents (IRDs), which collectively form an integral part of the Bank’s sustainable development framework.
6. This Policy is binding on all employees of the Bank and is subject to strict compliance and application.

CHAPTER 2. GOALS, PRINCIPLES AND OBJECTIVES OF POLICY.

7. The Bank identifies three areas for structuring its activities that correspond to the concept of sustainable development and ESG:

Environmental – environmental impact (this principle implies a responsible attitude towards the environment, including efforts to reduce harm to nature and the economical use of resources, etc.);

Social – social responsibility (this principle implies a high level of social responsibility to staff, business partners, and clients—providing comfortable working conditions, social support, user-friendly products and systems, etc.—as well as consumer protection and data and privacy protection);

Governance – corporate governance.

High quality of Bank management. Evaluation criteria:

- 1) transparency (including reporting);
- 2) measures to reduce corruption risks;
- 3) relationships with shareholders.

8. The main goals and objectives of the Policy are:

- 1) Assessing environmental risks and opportunities when making credit and investment decisions;
- 2) Supporting projects and initiatives that promote sustainable development, including financing for renewable energy sources and clean technologies;
- 3) Reducing the carbon footprint of the Bank's activities, including optimizing office processes and transitioning to sustainable energy sources;
- 4) Supporting environmental protection initiatives and participating in ecosystem restoration programs;
- 5) Ensuring high standards of customer service, including accessibility of financial services to all population segments;
- 6) Supporting diversity and inclusion within the Bank by creating equal opportunities for all employees;
- 7) Continuing to optimize the ESG and sustainable development structure, as well as expanding ESG management capabilities and building a positive image of the Bank in society and the capital market;
- 8) Implementation of ESG practices into all business processes of the Bank to ensure their consistency and effectiveness;
- 9) Ensuring transparency in the Bank's activities and reporting on sustainable development, including regular disclosure of information on ESG indicators;
- 10) Complying with high ethical standards and corporate governance norms, including the fight against corruption and fraud;
- 11) Ensuring participation of shareholders and stakeholders in the decision-making process, including regular consultation and feedback;
- 12) The ESG Department shall issue the Bank's consolidated sustainable development report at least once a year.

9. The main principles of the Policy are:

1) The principles of corporate governance are the fundamental principles that the Bank follows in the process of forming, operating, and improving its corporate governance system.

The main elements of an effective corporate governance system are:

- a) organizational structure;
- b) corporate values;
- c) the Bank's business strategy;
- d) distribution of duties and powers in decision-making between the authorized collegial bodies of the Bank;
- e) mechanisms for interaction and cooperation among the Directors, the Management Board, and the Bank's external and internal auditors;
- f) existence of an adequate management reporting system;
- g) transparency in corporate governance.

2) Principles of responsibility to personnel:

The Bank respects and values its personnel and creates conditions that foster a sense of corporate responsibility among the personnel. Employees make every effort to achieve the Bank's goals.

a) *Competitiveness, rotation, regular* assessment of individual qualities and capabilities – the Bank strives to select candidates on a competitive basis, systematically rotating positions both vertically and horizontally, by preparing a reserve for specific roles and identifying and developing employee inclinations.

b) *Long-term nature of relationships* - the Bank seeks to maintain long-term relationships with its employees. Continuity of knowledge and experience, with an emphasis on development and training, ensures that investments in staff align with the Bank's strategic goals.

c) *Evaluation of achieved performance results* - – the Bank values each employee's contribution. A performance management system is in place based on job description requirements, key performance indicators (balanced scorecards and assessments of work activity and competence), and a corporate competency model, assessment of standard implementation quality, and employee motivation and incentives.

d) *Compliance of remuneration with the volume and complexity of work performed* – the Bank aims to develop an effective remuneration system and to identify and strengthen factors that improve labor efficiency.

e) *Formation and maintenance of a favorable moral and psychological climate* – the Bank endeavors to create favorable working conditions and build relationships within the team that support effective operations.

CHAPTER 3. COMPONENTS OF SUSTAINABLE DEVELOPMENT.

10. The Bank ensures the existence of an effective ESG factors management system that corresponds to the current market situation, strategy, volume of assets, level of complexity of the Bank's operations and ensures effective identification, measurement, monitoring and control over all the Bank's risks, and includes, but is not limited to, the following components:

- 1) Procedures for assessing environmental and social risks (ESDD) associated with the activities of a potential borrower in medium-sized enterprise financing, corporate financing and project financing;
- 2) Development of draft conditions or action plans in the event of identification of medium or high levels of environmental and social risks in the activities of the Bank's client when issuing a loan;
- 3) Monitoring compliance by the Bank's clients with the terms and action plans established when issuing a loan in the presence of medium or high levels of environmental and social risks in the Bank's client's activities.

11. Participants in the risk management system (ESDD) in the Bank are:

- 1) ESG Department Employees
- 2) Employees of the Bank's Credit Risk Department involved in the lending process, in accordance with the requirements of the Bank's VND;
- 3) Head of Risk Management;
- 4) Credit Committee;
- 5) Risk Management Committee;
- 6) Board;
- 7) Board of Directors.

CHAPTER 4. RECOMMENDATIONS FOR ACHIEVING ESG GOALS.

12. Within the framework of the sustainable development system, the Bank is guided by the following recommendations:

12.1. Implementation of control over the process of assessing environmental and social risks, which is ensured by the following:

- a) approval of the Bank's development strategy;
- b) approval of the organizational structure of the Bank for the purpose of forming and ensuring the proper functioning of the environmental and social risk management system, as well as the distribution of relevant duties and responsibilities;
- c) decision-making on environmental and social issues related to important financing projects. In this context, "*important financing projects*" refer to decisions involving the issuance of a loan and/or other financial instruments to a borrower, where the amount exceeds **five percent (5%) of the Bank's equity capital** and is associated with a high level of environmental and social risks.
- d) ensuring access of the Director of the ESG Department to the board of directors for disclosure of information on sustainable development (ESG).

12.2. ESDD Risk Management:

- 1) The Bank carries out credit activities in accordance with the internal regulatory framework governing the execution of transactions that are associated with ESDD risk.
- 2) The Bank analyzes the results of the ESG rating assessment of clients based on the completed ESG Questionnaire.
- 3) Ensuring that important ESG issues are not overlooked and that steps are taken to manage identified risks.
- 4) Seeking to finance projects that can deliver additional environmental and social benefits.
- 5) All the Bank's joint ventures develop their own internal regulatory documents containing procedures for implementing internal control based on the following interrelated elements:

- a) risk management control;
- b) control actions and separation of powers;
- c) information and interaction;
- d) monitoring and correcting deficiencies;
- 6) The Bank implements internal control in order to combat the legalization (laundering) of proceeds from crime and the financing of terrorism by ensuring compliance with the requirements of the legislation of the Republic of Kazakhstan on AML/CFT.
- 7) The Bank respects and values its personnel and creates conditions that foster corporate responsibility for overall staff performance. Employees make every effort to achieve the Bank's goals. The DRP, including heads of departments and senior management, should be guided by these recommendations.
- 8) Competitiveness, rotation, regularity of assessment of individual qualities and capabilities: The Bank strives to select candidates on a competitive basis, systematically change positions vertically and horizontally, by preparing a reserve for a specific position, identifying and developing the inclinations of employees.
- 9) Long-term nature of relationships - the Bank strives to ensure that the Bank's relationships with employees are long-term. Continuity of knowledge and experience, emphasis on the development and training of employees - investments in training and development must correspond to the Bank's needs in achieving its strategic goals.
- 10) Equality and Inclusion: Creating an environment that values differences and provides equal opportunities for all employees, including hiring people of different races, genders, ages and abilities.
- 11) Working conditions: Providing safe, healthy and fair conditions for workers, including attention to the mental health and well-being of workers.
- 12) Employee Development: Creating opportunities for career advancement and skills development, training and supporting employees in their professional development.
- 13) Ethics and Transparency: Maintaining high standards of ethics in human resource management, including integrity, transparency and accountability in recruitment, termination and career development processes.

CHAPTER 5. FINAL PROVISIONS.

13. This Policy is mandatory for all employees of the Bank.
14. General oversight of the Bank's and its employees' compliance with this Policy is entrusted to the Management Board.
15. All decisions and other internal regulatory acts adopted by the Bank in the field of sustainable development management must comply with this Policy.
16. The Policy may be revised at the initiative of the interested Joint Venture Bank, the Management Board, or the Board of Directors.
17. In the event of a change in the name and/or functions of any division mentioned in this Policy, the rights and obligations of the reorganized division shall automatically transfer to its successor.
18. The Policy is subject to revision upon changes in the legislation of the Republic of Kazakhstan and/or amendments to the Bank's internal regulatory documents related to this Policy.
19. In the event this internal regulatory document conflicts with the laws of the Republic of Kazakhstan due to updates affecting its content—or in areas not regulated by this document—the Bank shall be guided by the current legislation of the Republic of Kazakhstan.