

Environmental Risk Management Policy at JSC Alтын Bank (SB of China CITIC Bank Corporation Ltd)

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CHAPTER 1. GENERAL PROVISIONS.

1. This Environmental Risk Management Policy (hereinafter – the "Policy") has been developed in accordance with the legislation of the Republic of Kazakhstan, the Internal Revenue Code of Alтын Bank JSC (SB China CITIC Bank Corporation Ltd) (hereinafter referred to as the "Bank"), as well as international standards and the UN Sustainable Development Goals.

2. The Policy, together with other internal regulatory documents and Policies of the Bank, defines the key requirements for forming ESG principles within the Bank.

3. The Policy defines the goals, principles, and mechanisms for integrating environmental factors into the Bank's strategy, processes, and corporate culture.

4. The Policy sets out the Bank's vision and mission with respect to the environment, society, and contribution to sustainable development. It includes a statement of the Bank's commitment to incorporating environmental aspects into its commercial activities, as well as its contribution to sustainable development.

5. The Bank recognizes that effective environmental risk management is an integral part of the corporate governance system and contributes to strengthening its reputation, reducing potential losses, and increasing the trust of clients and counterparties.

6. The Policy serves as a basis for developing internal procedures and guidelines related to the assessment, monitoring, and reporting of environmental matters.

7. The implementation of the provisions of this Policy is carried out in accordance with the principles of integrity, transparency, and accountability, and takes into account best international practices in the field of ESG.

8. The Bank's internal regulatory documents establish the principles, standards, and mechanisms for managing environmental aspects, which constitute a key element of the Bank's sustainable development process and corporate responsibility.

9. The Policy applies to all employees of the Bank and is subject to mandatory compliance and implementation.

CHAPTER 2. GOALS, PRINCIPLES AND OBJECTIVES OF POLICY

10. The main goals of the Policy are:

- 1) Development of a corporate culture of environmental responsibility;
- 2) Support for projects and initiatives that contribute to sustainable development, including financing renewable energy sources and environmentally friendly technologies;
- 3) Support for environmental protection initiatives and participation in ecosystem restoration programs;
- 4) Reduction of the Bank's own environmental footprint through efficient use of resources, energy saving, and reduction of greenhouse gas emissions.
- 5) Engagement with stakeholders to promote environmentally responsible initiatives and practices.

11. The main objectives of the Policy are:

- 1) Integration of environmental risk assessment into the processes of making credit and investment decisions;
- 2) Development of a corporate culture of environmental responsibility;
- 3) Support for sustainable projects by promoting financing and facilitating projects with a positive environmental impact (renewable energy, environmentally friendly technologies, emission reduction);
- 4) Ensuring transparency and regular reporting on environmental risks to regulators, investors, and other stakeholders.

12. The main principles of the Policy are:

- 1) Sustainable Development Principle – conducting the Bank’s activities taking into account a balance of economic, social, and environmental interests to ensure long-term stability.
- 2) Proportionality Principle – making management and environmental decisions in a scope commensurate with the nature, scale, and degree of impact of the Bank’s activities on the environment.
- 3) The Bank, in its activities, relies on the Precautionary Principle when considering environmental aspects.
- 4) The Bank openly discloses its environmental impact, or the absence thereof, and reports on the results of its environmental activities, ensuring transparency of its operations.
- 5) The Bank collaborates with government bodies, businesses, and public organizations to jointly address environmental challenges and promote sustainable initiatives.
- 6) The Bank respects the interests and expectations of stakeholders regarding environmental protection and seeks to balance them through open and constructive dialogue.

CHAPTER 3. KEY DIRECTIONS FOR IMPLEMENTING THE POLICY IN THE FIELD OF ENVIRONMENTAL PROTECTION

13. The Policy is implemented through the following key directions:

- 1) Improvement of the corporate sustainable development management system, with a significant focus on the environmental component and environmental protection;
- 2) Implementation of measures and initiatives aimed at reducing negative environmental impact, including improving the efficiency of material, energy, and water use, reducing atmospheric emissions, and managing waste;
- 3) Continuous enhancement of the Bank employees’ environmental awareness and competencies regarding environmental protection and the measures taken by the Bank under this Policy;
- 4) Ensuring transparency and accountability in environmental activities to stakeholders, including the accessibility of environmental information and the annual inclusion of relevant data in the Bank’s sustainable development reporting.
- 5) The Bank encourages employee participation in environmental and social initiatives, such as tree planting, recycling collection, participation in clean-up programs, and volunteer projects.
- 6) The Bank develops “green” financial products and services, supporting clients implementing projects in the fields of renewable energy, energy efficiency, waste recycling, and other areas of sustainable development.
- 7) When making lending decisions, the Bank applies a balanced approach, taking into account the specifics of the borrower’s activities and potential environmental risks, ensuring responsible management of the credit portfolio and support for sustainable development.

For the effective implementation of the aforementioned directions, the participants in the Bank’s environmental risk management system play a key role, ensuring compliance with procedures, risk control, and the implementation of environmental initiatives.

14. The participants in the Bank’s environmental risk management system are:

- 1) Employees of the ESG Department;
- 2) All Bank employees involved in processes related to sustainable development, environmental responsibility, and compliance with this Policy;
- 3) Head of Risk Management;
- 4) Corporate Credit Committee;
- 5) Risk Management Committee;
- 6) Management Board;
- 7) Board of Directors.

CHAPTER 4. MANAGEMENT OF THE BANK’S OWN ENVIRONMENTAL IMPACT

15. Due to the specifics of its activities, the Bank does not have a significant direct impact on the environment. The main resources consumed are electricity, heat, and water. Nevertheless, the Bank acknowledges its responsibility to society and nature and strives to minimize the indirect impact of its activities on ecosystems and natural resources.

16. The Bank takes environmental risks into account when making strategic, investment, and operational decisions. Environmental risks may arise in the following forms:

- 1) Risks related to the impact on the natural environment resulting from the Bank’s operational activities;
- 2) Reputational and regulatory risks arising from non-compliance with environmental norms and standards;
- 3) Financial risks associated with investments in projects with high environmental impact.

Lending decisions may be made by the Bank’s credit committees within the authority and limits established by the regulations governing such committees. In these cases, the Committees apply a balanced approach, taking into account the specifics of the borrower’s activities and potential environmental risks.

17. To manage environmental risks, the Bank applies the following measures:

- 1) Assessment of environmental risks in lending, investing, and contract execution;
- 2) Development of practical measures to minimize potential environmental harm, such as:
 - a) Eliminating leaks and saving water in offices,
 - b) Optimizing lighting and heating to reduce energy consumption,
 - c) Informing employees about proper resource management.
- 3) The Bank strives to implement modern technologies and digital solutions that help reduce environmental impact and increase operational efficiency;
- 4) The Bank encourages employee initiatives aimed at improving environmental performance and considers their proposals within internal programs and corporate activities.

18. The Bank maintains reporting on environmental indicators within the framework of internal control and annual non-financial (ESG) reporting, ensuring transparency and openness for stakeholders.

CHAPTER 5. FINAL PROVISIONS

19. This Policy is mandatory for all employees of the Bank.

20. General oversight of the Bank’s and its employees’ compliance with this Policy is entrusted to the Management Board.

21. All decisions and other internal regulatory acts adopted by the Bank in the field of environmental risk must comply with this Policy.

22. The Policy may be revised at the initiative of the interested Joint Venture Bank, the Management Board, or the Board of Directors.

23. 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.

24. 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.

25. 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.

ESG Department