



Appendix No.20
to the decision of the Board of Directors
of Otbasy bank JSC
(protocol No. 6 of May 28,2021)

**REPORT ON THE SUSTAINABLE DEVELOPMENT
OF OTBASY BANK JSC FOR 2020**

Almaty, 2021

About the Bank

Otbasy Bank JSC was established in 2003 in order to improve and increase the efficiency of long-term financing of housing construction and the development of a system of housing savings aimed at improving the living conditions of the population.

The main activities of the Bank are:

- deposit acquisition in housing construction savings, opening and maintaining depositors' accounts;
- provision of housing, preliminary housing and interim housing loans to depositors for carrying out measures to improve housing conditions;
- deposit acquisition, opening and maintaining bank accounts of depositors accumulating funds for the overhaul of the common property of the condominium object and providing them with housing loans.

The founder of the Bank is the Government of the Republic of Kazakhstan represented by the State Property and Privatization Committee of the Ministry of Finance of the Republic of Kazakhstan, which has the right to dispose of the state stake in the Bank. Since August 2013, the sole shareholder of the Bank is "Baiterek" NMH" JSC.

The Bank operates in the Republic of Kazakhstan. The organizational and legal form of the Bank is a joint-stock company with 100% (one hundred percent) state participation in the authorized capital of the Bank and is part of the unified banking system of the Republic of Kazakhstan.

About the Bank's Sustainable Development Report

The Bank's Sustainable Development Report for 2020 has been prepared in accordance with GRI standards: the main version. The report is discussed at the Management Board of the Bank, then approved at a meeting of the Board of Directors of the Bank. To determine the list of information to be included in this report, the Bank analyzed all the topics of sustainable development proposed by the GRI Standards. The topics were evaluated according to the degree of importance for the Bank, taking into account its development strategy, and according to the degree of importance for stakeholders, which was determined during the interaction with them during the year. Based on the results of the analysis, a Materiality Matrix was constructed. The essential topics are fully disclosed in the Report. The boundaries of collecting information on significant topics are defined in such a way that the Report describes all the most significant impacts of the Bank. This report has not passed external certification.

Sustainable Development of the Bank

- Sustainable Development Management;
- Definition of essential topics;
- Effective interaction with stakeholders;
- Key indicators in the field of sustainable development;
- Corporate governance;
- Prevention and combating corruption;
- Support for state policy;
- Environmental impact management;
- Responsible work practice;
- Relationship between employees and management;
- Workplace health and safety;
- Sponsorship and charity.

Sustainable Development Management

The Bank is aware of the importance of its influence on the economy, the environment and society to ensure sustainable development in the long term. As part of the implementation of this principle in the Bank, the Sustainable Development Policy (hereinafter referred to as the Policy) was approved by the decision of the Board of Directors of the Bank dated June 04, 2019 (Decision No. 7).

In accordance with the provisions of the Policy, the roles, competencies, responsibilities of each body and all employees for the implementation of principles, standards and plans in the field of sustainable development are clearly defined and fixed in the management system of sustainable development.

The Board of Directors of the Bank provides strategic guidance and control over the implementation of sustainable development, the Management Board of the Bank forms an appropriate action plan.

The objectives of the Sustainable Development Policy:

- the principles and directions of the Bank's activities in the field of sustainable development are defined, including in terms of creating an effective and transparent system of interaction with stakeholders;
- the roles, competencies, responsibility of each body and all employees of the Bank for the implementation of the principles of sustainable development are fixed;
- the interrelation of sustainable development and key processes of the Bank is determined.

Solving tasks in the field of sustainable development, the Bank relies on its mission, the provisions of the Bank's Development Strategy, and also uses international norms of behavior and principles enshrined in international standards in the field of sustainable development.

Recognizing the principles of the UN Global Compact, the Bank declares its commitment to the following principles in its activities:

<i>in the field of human rights protection</i>	<ul style="list-style-type: none"> – The Bank ensures and respects the protection of human rights proclaimed at the international level; – The Bank ensures non-involvement in human rights violations.
<i>in the field of labor relations</i>	<ul style="list-style-type: none"> – The Bank supports and recognizes the right to conclude collective agreements; – The Bank contributes to the elimination of forced labor, discrimination in the field of labor and employment.
<i>in the field of environmental protection</i>	<ul style="list-style-type: none"> – The Bank supports an approach to environmental issues based on the precautionary principle; – The Bank undertakes initiatives aimed at increasing responsibility for the state of the environment; <p>The Bank promotes the development and dissemination of environmentally friendly technologies.</p>
<i>In the field of anti-corruption</i>	<ul style="list-style-type: none"> – The Bank declares intolerance to all forms of corruption and other illegal actions, including extortion and bribery.

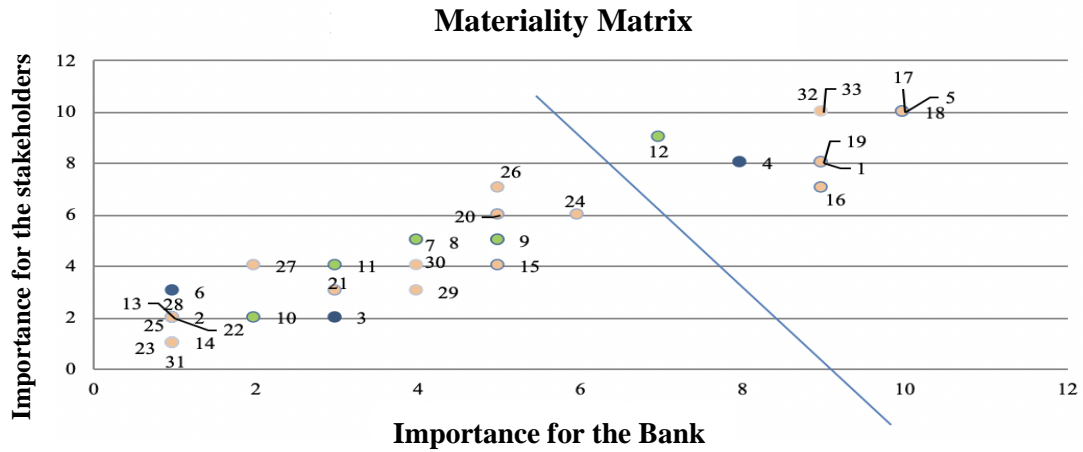
In accordance with the Corporate Governance Code of Otbasy Bank JSC, The Bank's Sustainable Development policy has built a management system in the field of sustainable development, which includes:

- 1) commitment to the principles of sustainable development at the level of the Board of Directors, Management board and employees;
- 2) analysis of the internal and external situation on three components (economy, ecology, social issues);
- 3) identification of risks in the field of sustainable development in the social, economic and environmental spheres;
- 4) building a stakeholder map;
- 5) integration of sustainable development into key processes, including risk management, planning, human resource management, investments, reporting, operational activities and others, as well as into development strategy and decision-making processes;
- 6) definition of goals and KPI in the field of sustainable development, development of an action plan and identification of responsible persons;
- 7) professional development of officials and employees in the field of sustainable development;
- 8) regular monitoring and evaluation of activities in the field of sustainable development, assessment of the achievement of goals and KPI, the adoption of corrective measures, the introduction of a culture of continuous improvement.

The Board of Directors and the Management Board ensure the formation of an appropriate system in the field of sustainable development and its implementation. All employees and officials at all levels contribute to sustainable development. In the Sustainable Development Report, we strive to disclose information about our impact on the environment, society and the economy. The measures taken in these areas have the greatest positive effect in terms of achieving long-term sustainability, ensuring economic efficiency and social stability of the Bank. Implementing the Sustainable Development Policy, the Bank, within the framework of the Action Plan in the Field of Sustainable Development for 2019-2020, provides for the implementation of measures in the field of sustainable development. Thus, in 2020, 9 of the planned 15 sustainable development activities were implemented. In 2021, the implementation of the planned activities will continue.

Definition of essential topics

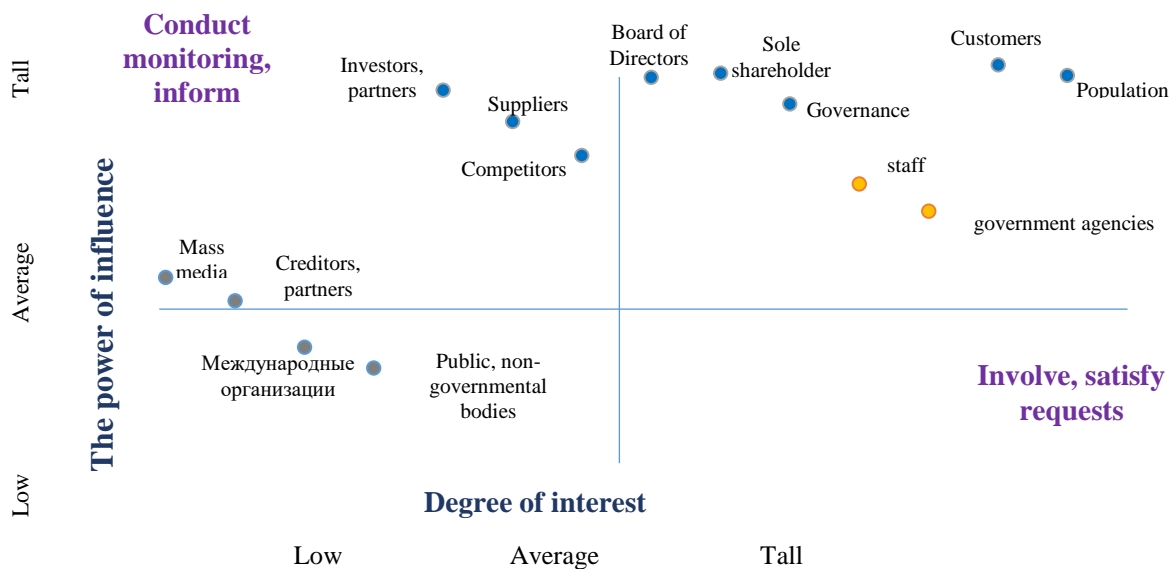
To determine the list of information to be included in this report, the Bank analyzed all the topics of sustainable development proposed by the GRI Standards. The topics were evaluated according to the degree of importance for the Bank, taking into account its development strategy, and according to the degree of importance for stakeholders, which was determined during the interaction with them during the year. Based on the results of the analysis, a Materiality Matrix was constructed, presented below. The topics that fell into the upper right corner of this matrix were recognized as the most significant and were disclosed in this report.



Effective interaction with stakeholders

The Bank defines a complete list of stakeholders with whom it interacts in the course of its activities, with a description of the contribution of stakeholders and their interests. When assessing the importance of stakeholders, stakeholders are ranked by importance for the Bank according to two factors: the strength of the interested party's influence on the Bank and the degree of interest of the stakeholder in the Bank's activities. The interested parties (stakeholders) of the Bank are customers, the population, employees of the Bank, the Sole Shareholder, the Board of Directors, the Management Board, government agencies, competitors, investors, strategic partners, creditors, suppliers, international organizations, mass media and public, non-governmental bodies.

The card of stakeholders of Otbasy Bank JSC



The Bank strives to achieve break-even performance, ensures sustainable development, and maintains a balance of interests of stakeholders.

The principles and procedures of interaction with stakeholders are formulated by the Corporate Governance Code and the Sustainable Development Policy.

The list of stakeholders includes, but is not limited to:

Stakeholders	Contribution, influence	Expectations, interest
Investors, including the sole shareholder, international financial institutions	Financial resources (equity, borrowed funds)	Return on investment, timely payment of dividends, principal debt and remuneration
Employees, officials	Human resources, loyalty	High wages, good working conditions, professional development
Trade unions	Promotion of social stability, regulation of labor relations and conflict resolution	Observance of workers' rights, good working conditions
Customers	Financial resources through the acquisition of the organization's services	Getting high-quality services at an affordable price
Suppliers	Supply of resources (goods, works and services) to create value	Reliable sales market, permanent solvent buyer
Local communities, the population in the places of activity, public organizations	Support in places of activity; loyalty and support of local authorities; favorable attitude; cooperation	Creation of additional jobs, development of the region
Government, State bodies, Parliament	State regulation, return of allocated funds from the National Fund and the Republican Budget	Taxes, solving social problems

The Bank draws up a map of stakeholders, taking into account risks and ranking them taking into account dependence (direct or indirect), obligations, situation (paying special attention to high-risk areas), influence and various prospects.

Methods of interaction with stakeholders include, but are not limited to the following forms:

Level of interaction	Methods of interaction
Consultations: bilateral interaction; stakeholders answer questions from the Bank and organizations	Questionnaires; focus groups; meetings with stakeholders; public meetings; seminars; providing feedback through communication tools; advisory councils
Negotiation	Collective negotiation based on the principles of social partnership
Engagement: Bilateral or multilateral interaction; building experience and knowledge from all sides, stakeholders and organizations act independently	Multilateral forums; consultation panels; consensus-building process; joint decision-making process; focus groups; feedback schemes
Cooperation: Bilateral or multilateral cooperation; joint development of experience and knowledge, decision-making and measures	Joint projects; joint ventures; partnerships; joint initiatives of stakeholders
Provision of authority; stakeholders (if applicable) take part in the management	Integration of interaction issues with stakeholders in management, strategy and operational activities

Key indicators in the field of sustainable development

Distribution of economic value, million tenge
Распределение экономической стоимости, млн тенге

	2018	2019	2020
Created economic value (income):			
Income from core business (interest income)	62,605	84,435	111 434
commission income	1,144	1,275	1 538
other income	114	8	13
Distributed economic value:			
labor costs	8,489	9,491	10 456
tax expenses and fees to the state budget	386	517	693
payments to capital suppliers (interest and dividend payments)	7,676	7,937	8 293
charity and sponsorship	-	-	3 522
other operating expenses	6,108	7,402	4 017
other non-operating expenses	-	-	-
Economic value to be distributed (net profit)	26,455	27,347	31,784

Key indicators in the field of personnel

Indicator	2018	2019	2020
Total number of employees	1 092	1 389	1 389
Total number of divisions	25	25	26
Women	652	872	803
Men	425	457	538
Staff turnover, %	9,4	9,1	6,1
Salary fund, thousand tenge	7 639 812	8 219 930	8 299 307
Social taxes, thousand tenge	533 205	576 776	645 873

Corporate governance

The Bank considers Corporate governance as a means of increasing the efficiency of its activities, ensuring transparency and accountability, strengthening its reputation and reducing the cost of raising capital, as well as a contribution to ensuring the rule of law in the Republic of Kazakhstan and a factor determining the Bank's place in the modern economy and society as a whole.

The Bank's Corporate governance is based on the principles of fairness, honesty, responsibility, transparency, professionalism and competence. An effective Corporate governance structure implies respect for the rights and interests of all persons interested in the Bank's activities and contributes to the successful operation of the Bank, including the growth of its value, maintaining financial stability and profitability.

The relations between the participants in the Corporate governance system in the Bank are regulated by the Bank's internal documents developed on the basis of international practice. The Corporate governance structure of the Bank complies with the legislation and determines the division of responsibilities between the Bank's bodies.

The principles of corporate governance of the Bank in accordance with the Corporate Governance Code of the Bank are:

- 1) the principle of separation of powers;

2) the principle of protecting the rights and interests of the sole shareholder of the Bank provided for in accordance with the civil, banking legislation of the Republic of Kazakhstan, the legislation of the Republic of Kazakhstan on joint-stock companies and support for the implementation of these rights and interests;

3) the principle of effective management of the Bank by the Board of Directors and the Management Board;

4) the principle of sustainable development;

5) the principle of risk management, internal control and internal audit;

6) the principle of regulating corporate conflicts and conflicts of interest;

7) principles of transparency and objectivity of disclosure of information about the Bank's activities in accordance with the banking legislation of the Republic of Kazakhstan, the legislation of the Republic of Kazakhstan on state regulation, control and supervision of the financial market and financial organizations, the legislation of the Republic of Kazakhstan, on currency regulation and currency control, on payments and payment systems, on the securities market, on countering the legalization (laundering) of proceeds from crime and the financing of terrorism, on joint-stock companies.

8) the principle of compliance with the scale and nature of the Bank's activities, its structure, risk profile, and the Bank's business model.

9) the principle of compliance with the scale and nature of the Bank's activities, its structure, risk profile, and the Bank's business model.

Diagnostics of the corporate governance system is carried out by the Internal Audit Department of the Bank once every two years in accordance with the Rules on the Organization of Internal Audit approved by the decision of the Board of Directors of the Bank.

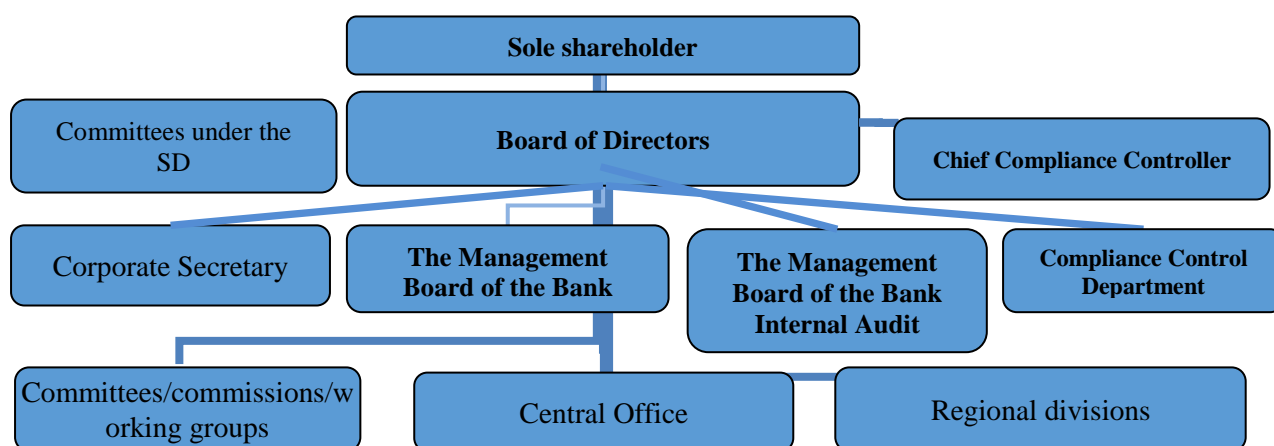
According to the latest assessment of the Bank's corporate governance diagnostics conducted in 2019, the assessment of the risk management and internal control system is assessed as adequate (the rating "Adequate"), in percentage terms amounted to 95.1%. There was no assessment of the Bank's corporate governance diagnostics in 2020. The table below provides information on previous years.

Dynamics of assessment of compliance of the level of corporate governance of Otbasy Bank JSC with the requirements of best practice in dynamics

Criteria	Percentage of compliance with best practices		
	2015	2017	2019
1. Structure			
Corporate governance structure	85	95	95
Overall commitment to corporate governance principles	50	93,8	93,8
Rights of financial stakeholders	75	92,9	92,9
Conflict of interest	85	90	95
Differentiation of competencies	87,5	100	100
Total:	78,3	94,2	95
2. Processes			
Effectiveness of the Board of Directors	72,9	91,7	100
Corporate social responsibility and sustainable development	25	75	95
Remuneration and succession	78,6	85,7	78,6
Risk management	82,5	92,5	100
Planning and monitoring	81,3	90,6	96,9
Total:	72	88,7	95,2

3. Transparency			
Information Policy	62,5	93,8	93,8
Financial disclosure	85,7	92,9	96,4
Disclosure of non-financial information	54,5	59,1	93,2
Audit process	85	90	100
Internal audit	82,7	90,4	94,6
Total:	73,8	82,5	94,6
TOTAL OVERALL RATING	74,3	87,9	95,1

Corporate governance structure



In accordance with the legislation of the Republic of Kazakhstan, the organizational structure of the Bank consists of the following management authorities:

- the Highest authority is the Sole Shareholder;
- managing authority is the Board of Directors. There are 4 committees under the Bank's Board of Directors: the Audit Committee (*supervises the preparation of the Bank's financial statements and ensuring the reliability and completeness of the Bank's financial statements, ensures control over the independence of internal and external audits*), the Strategic Planning and Corporate Development Committee (*considers issues of priority areas of activity and strategic goals, as well as issues to improve the efficiency of the Bank's activities*), the Risk Management Committee (*considers issues of ensuring the reliability and effectiveness of risk management, as well as coordination of activities and provision of methodological support on internal control issues*) and the HR, Remuneration and Social Affairs Committee (*considers issues of recruitment policy, election (appointment), remuneration of Bank executives, Bank employees whose appointment falls within the competence of the Bank's Board of Directors, as well as issues to improve the efficiency of the Bank's management on social issues*);
- the executive authority is the Management Board. There are 11 committees under the Management Board of the Bank: the Strategy and Corporate Development Committee, the Asset and Liability Management Committee, the Committee on Banking Products and Processes, and Service Quality, the Credit Committee, the Information Resources Committee, the Budget Committee, the Controlling Committee, the Personnel Committee, the Information Security Committee, the Commission for Determining the Value and Write-off of Fixed Assets, Intangible Assets and Stale Inventories, the Risk Committee;
- the authority exercising control over the financial and economic activities of the Bank is the internal audit department;

– other permanent collegial authorities of the Bank established in accordance with the legislation of the Republic of Kazakhstan and internal documents of the Bank for the implementation of various activities of the Bank.

Strategic management and control over the implementation of sustainable development is carried out by the Bank's Board of Directors. Sustainable development issues are also delegated to the competence of the Strategic Planning and Corporate Development Committee of the Bank's Board of Directors. The Management Board ensures the formation of an appropriate system in the field of sustainable development and its implementation, as well as forms an appropriate action plan. All employees and officials at all levels contribute to sustainable development.

The main department coordinating the issues of sustainable development of the Bank is the Department of Planning and Strategic Analysis, which performs the following work:

- carries out planning of activities in the field of sustainable development.
- coordinates the activities of the Bank's departments aimed at achieving the goals and objectives in the field of sustainable development.
- prepares a report on the implementation of the action plan and KPI in the field of sustainable development.
- prepares the Bank's annual report with the inclusion of a section on sustainable development.
- conducts training seminars for Bank employees in order to improve the skills of Bank officials and employees in the field of sustainable development with the involvement of external trainers or independently.
- interacts with international organizations, institutions, agencies and departments of the Bank on sustainable development issues.

The Bank has a Corporate Governance Code. The objectives of the Code are to improve corporate governance, ensure transparency of governance, and confirm adherence to standards of good corporate governance.

Analysis of compliance with the principles and regulations The Bank's Corporate Governance Code has shown that the Bank fully complies with all the principles and provisions of the Corporate Governance Code in the reporting year.

The Bank has a Code of Business Ethics, which is developed in accordance with the provisions of the legislation of the Republic of Kazakhstan, the Charter and internal documents of the Bank, the Code of Business Ethics of "Baiterek" NMH" JSC, taking into account recognized international standards of business conduct and corporate governance and is a set of rules that establish the fundamental values and principles of corporate (business) ethics and which are guided by the Bank's employees.

The Code applies to members of the Bank's Board of Directors and to all employees of the Bank, regardless of their position, and is applied on an equal basis with other internal documents of the Bank. Employees are guided by the requirements of the Code in their relations with the Sole Shareholder, members of the Board of Directors, the Management Board, colleagues, customers, partners and suppliers.

The Bank has approved a Policy on the settlement of corporate conflicts and conflicts of interest, which defines a list of measures aimed at preventing conflicts of interest in the Bank, which is based on a clash of oppositely directed interests, opinions, goals, and various ideas about how to achieve them.

The Policy clearly establishes the duty of officials (members of the Board of Directors and the Management Board of the Bank), employees of the Bank to act in the interests of the Bank and its Sole Shareholder, and also defines their responsibility.

According to the requirements of the Policy, officials and employees of the Bank, in order to prevent a conflict of interests, are obliged to avoid any actions and relationships that could potentially cause a conflict of interests. Any conflict of interest between personal interests and professional responsibilities in the Bank must be disclosed and resolved in accordance with the norms of the legislation of the Republic of Kazakhstan and the Policy. In order to exclude a conflict of interest, the Bank's employees sign an obligation to comply with actions that limit the risk of a conflict of interest.

The Regulations on the Bank's Board of Directors also provide that the Chairman of the Board of Directors, in case of corporate conflicts, takes measures to resolve them and minimize the negative impact on the Bank's activities, and promptly inform the sole shareholder if it is impossible to resolve such situations on their own. The Bank confirms that as of January 01, 2021, there are no appeals from the Sole Shareholder against the actions of the Bank and its officials in 2020.

In 2020, the facts of a conflict of interest, including on the part of Bank officials, were not revealed.

Prevention and combating corruption

The Bank pays special attention to anti-corruption issues. Activities in this direction are carried out on an ongoing basis, in strict accordance with the requirements of the legislation of the Republic of Kazakhstan and the internal documents of the Bank - the Anti-Fraud and Corruption Policy, and the Anti-Fraud and Corruption Rules.

All employees of the Bank, regardless of their position, are warned about the obligation to report known facts of corruption in the Bank to their direct managers or to the security and internal audit units. At the same time, each employee of the Bank is personally responsible for concealing the facts of involvement of any of the Bank's employees in corrupt activities.

In order to prevent corruption offenses, the Bank carries out a set of measures, the end result of which is the exclusion of corrupt activities.

The business processes most vulnerable to corruption have been identified and in accordance with the approved action plan, as well as the following work is being carried out by the Bank:

- prevention of negative manifestations among the Bank's staff, identification of employees prone to committing corruption offenses;
- study and analysis of the received appeals of individuals and legal entities for the presence of corruption-related information in them;
- checking of employees accepted for vacant positions of the Bank for compliance with anti-corruption restrictions;
- instructing newly hired Bank employees on anti-corruption issues;
- examination of clients' loan applications at the stage of loan issuance;
- verification of the intended use of loans issued and compliance by the Bank's customers with contractual obligations;
- analysis of the Bank's procurement plan execution procedures for compliance with the Bank's internal documents and the legislation of the Republic of Kazakhstan;
- verification of clients, counterparties and housing construction facilities that intend to conclude cooperation agreements with the Bank, including for possible affiliation with Bank officials.

Regardless of the detection of corruption violations among employees of the Bank, the responsible departments on an ongoing basis give recommendations on combating corruption.

In addition, internal training of the Bank's employees on combating fraud and corruption is regularly conducted, with mandatory testing of the acquired knowledge. Thus, during the period from December 01 to December 20, 2020, the security department conducted internal training of Bank employees and employees under a contract for the provision of paid services on combating fraud and corruption, followed by testing of the knowledge gained. The training and testing were completed successfully.

The Bank operates a Hotline, which is a means of obtaining confidential information about corruption violations by employees and consultants of the Bank (the phone number and email address of the Hotline are indicated on the Bank's external website). The analysis of the received appeals in the second half of this year showed that all of them were of a reference and advisory nature and did not contain information indicating the involvement of Bank employees in corrupt actions.

Additionally, pursuant to the instruction of the Administration of the President of the Republic of Kazakhstan dated December 16, 2019, the Bank's management appointed a responsible person - the Deputy Chairman of the Bank's Management Board, who oversees issues of interaction with the Agency of the Republic of Kazakhstan for the State Service for Combating Corruption and the responsibility of Bank officials for committing corruption crimes by subordinate employees.

The complex of measures carried out by the Bank contributed to the fact that, based on the results of the work done, no corruption violations were detected among the Bank's employees and consultants in 2020.

Support for government policy

In accordance with the approved Development Strategy until 2023, the Bank's mission is to provide Kazakhstani families with their own housing and strengthen the sense of Homeland. In this regard, the Bank supports the government's policy in the field of housing construction.

As part of its activities, the Bank has a significant impact on the development of regions, and therefore the Bank periodically evaluates the multiplier effect on related industries and the economy as a whole.

Environmental impact management

The Bank is a financial institution with a wide network of branches.

The Bank needs significant amounts of electrical and thermal energy to maintain its operation. The Bank takes energy-saving measures to minimize its environmental impact and increase operational efficiency. In order to save financial resources and save electrical energy, LED lamps with a capacity of 18-48 watts are installed in the Bank building. The amount of energy consumed in the Bank's main building for 2020 is 1,020,509 kW. The Bank's branches also continue to implement measures aimed at reducing the consumption of energy and heat resources.

For a Bank as a financial institution, the main types of waste are paper, consumables and used office equipment. In the reporting period, the Bank made efforts to transfer the used paper for recycling. To reduce paper consumption in office work, since 2014 the Bank has been using the electronic office document management system "Documentolog". This system made it possible to automate the entire internal document flow of the Bank and translate into electronic format such business processes as the formation, approval, verification, approval of documents, control of their execution, distribution, search and archiving.

In addition, in August 2019, the Bank joined the "Green Economy" program implemented by "Baiterek" NMH" JSC. The first step of the Bank in the comprehensive program was the introduction of eco-boxes in the building of the central office of the Bank. Thus, in 2020, the Bank managed to collect 294 kg of waste paper, 3 kg of plastic, 24 kg of glass and aluminum. Also in

November 2020, an action called "Green Office" was held in the central office, by which the Bank's employees learned together to develop useful habits by giving up disposable tableware, were able to learn more about the principles and importance of waste sorting, which helped to create an understanding of the enormous contribution of each employee to the preservation of the environment.

It should also be noted that there were no violations of environmental legislation during the year, there are no penalties.

Responsible work practice

One of the priority tasks of the Bank is the formation and maintenance of a staff of employees that meets the qualification requirements of the Bank, aimed at achieving strategic goals and solving the tasks facing the Bank. Labor relations are regulated by the Rules of Labor Relations and internal labor regulations of the Bank in accordance with the legislation of the Republic of Kazakhstan.

Taking into account that personnel development is one of the components of the success of any organization, the Bank annually plans funds for staff training and development

During 2020, training events were held on a regular basis for the Bank's employees on the basis of the Bank in connection with amendments and additions to regulatory documents, innovations of the Bank as part of the introduction of a new information system and improvement of IT infrastructure, and others. Training events were also held in order to improve the professional qualifications and motivation of the Bank's employees who are able to make effective decisions to achieve the goals and objectives facing the Bank. In addition, the Bank's employees were trained at external seminars, courses, online trainings in various areas in order to develop professional skills and study world experience. The Bank's employees periodically undergo mandatory specialized courses in order to improve their professional qualifications and pass certification.

Due to the outbreak of the coronavirus pandemic in 2020, most of the training was transferred to a distance format.

In 2020, 566 employees of the Bank completed external training, which is 40.7% of the total number of employees. Of these, 280 people are employees of the Central Office and 286 people are employees of the Bank's branches. For comparison, 1,213 employees received external training in 2019, which was 87.3% of the total number of employees.

In 2020, according to MBA/EMBA programs in domestic and foreign universities, 17 employees of the Bank have successfully defended their qualification papers (master's theses), continue their studies in MBA/EMBA programs 14 people. 6 more employees of the Bank have enrolled in the MBA program in 2020.

The total number of hours of study (external training) in 2020 amounted to 8,612 academic hours, taking into account training in short-term programs (two-day programs – 16 academic hours) and long-term MBA/EMBA training programs. The average number of hours of training (external training) per 1 employee of the Bank in 2020 was 15.2 academic hours.

Internal training in 2020 covered 1,389 people, which is 100% of the total number of employees. For comparison, there were 1,092 employees in 2018.

The total number of training hours (internal training) in 2020 amounted to 21,356 training hours, taking into account short-term training (webinar, technical study) and asynchronous training (e-courses). The average number of training hours (internal training) per 1 employee of the Bank in 2020 was 16.4 training hours.

85 internal training events were held for employees of the Central Office and branches of the Bank, with the plan for 2020 – 85 events. The topics of internal training were diverse: Anti-fraud and Corruption Policy, Corporate Governance in the Bank, Operational Risk and Business Continuity Management System, organization of internal control system in the Bank, Code of

Business Ethics, Bank products, procedure for reviewing customer complaints, gamification and others.

The number of e-learning courses in the Bank's distance learning system (internal training) in 2020 amounted to: 4,731 trainings by employees of the Central Office and 10,903 trainings by employees of the Bank's branches.

During the year, the library of electronic interactive training courses in the Mirapolis distance learning system, aimed at all employees of the Bank, was also regularly replenished. Electronic courses on the following topics were developed and uploaded: "Corporate governance in the Bank", "Remote work skills", "Emotional intelligence", "Stress tolerance", "Assertive behavior". The electronic course "Code of Business Ethics" has been updated.

On the basis of the iSpring SDS, training was conducted for the Bank's employees in 3 courses, introductory briefings for new employees on the topics "Operational risk management System", "Rules for documenting and managing information" and "Rules for accounting, use and storage of protected information" were translated into an online format.

Relationship between employees and management

An appeal of the Chairman of the Management Board to the employees is formed for all significant projects carried out in the Bank. So, in 2020, the appeal to the Bank's employees concerned projects on the use of pension savings by citizens of the country, the new function of the Bank for the centralized implementation of accounting, installation and distribution of housing, the development of business processes, product line, remote sales channels, as well as projects within the framework of state and regional housing construction programs. At the same time, within the framework of the relationship between employees and management, the Bank regularly conducts:

- 1) weekly planning meetings with the participation of executives and heads of structural divisions on operational issues;
- 2) quarterly meetings of the Chairman of the Management Board with the heads of structural divisions on the issues of achieving the approved Strategic goals for the reporting period.

The Bank also holds joint team-building corporate events, trainings and sports events with the participation of the Bank's management.

Workplace health and safety

Every year, the Bank carries out a set of measures aimed at:

- creation and provision of safe and healthy working conditions for employees;
- conducting exercises and trainings on civil defense, testing plans to ensure the continuity of the Bank's activities;
- compliance with fire safety requirements;
- conducting military registration of conscripts and conscripts.

In accordance with the provisions of regulatory legal acts and internal documents of the Bank in the field of occupational safety and health, measures are being taken to train, instruct and verify the knowledge of employees, responsible persons of the Central Office and branches of the Bank, instruct employees of contracting organizations that perform work and provide services under business contracts, temporary workers, students undergoing internships in the Bank's divisions.

In 2020, the following events were held:

- online training of employees on safety and labor protection by a specialized organization, with examinations and certificates - 27 people;
- introductory briefings of newly hired employees - 72 people.

In the field of fire safety in 2020, Instructions on fire safety measures of the Central Office and branches of the Bank were developed and approved, employees and responsible persons were

instructed, periodic inspections of the fire-fighting condition of buildings, premises and territories of the Bank were carried out. In 2020, an online training of the Bank's responsible persons was conducted according to the fire-technical minimum program and certificates were obtained - 27 people.

Sponsorship and charity

Charity and sponsorship are part of the Bank's corporate culture and one of the traditional areas of participation in the life of society, ensuring the social, political and economic stability of the territory where the Bank operates.

For the Bank, charitable activities and sponsorship are significant in terms of strengthening the Bank's business reputation and developing internal corporate culture. The Bank considers all incoming requests for charitable and sponsorship assistance and develops a program for involving employees in charitable projects in various forms of participation: private monetary and other donations, each employee has the opportunity to make his personal contribution to the common cause.

Charitable, sponsorship and philanthropic assistance by the Bank is carried out in strict accordance with the Rules of the Bank's Charity and in accordance with the main directions of the Bank's Charity Program for 2018-2020.

The objectives of the Bank's Charity Program for 2018-2020 are:

- support of socially significant initiatives and projects to improve financial literacy of children and social adaptation of disabled people, including disabled children;
- support for socially vulnerable segments of the population who are depositors of the Bank.

In 2020, the Bank received 22 applications for charitable and sponsorship assistance from public organizations and individuals. In accordance with the Rules of the Bank's Charity, applicants must fill out a questionnaire of an individual/legal entity and provide a full set of constituent documents, which are considered by the compliance control unit before being submitted to the HR Committee and the Management Board of the Bank.

According to the article "Charitable and sponsorship assistance" in 2020, sponsorship in the amount of 3.5 million tenge was provided to the Public Fund "Chess Development Fund" for the continuation of the implementation of the Charity Project for children with disabilities "Chess for All" until March 31, 2020.

Within the framework of this project, an online portal for distance learning of children with disabilities has been developed and tested. The portal was launched in test mode in February-March 2020 and at the moment all the functionality of the portal is implemented. The portal hosts courses on learning to play chess. Each course has from 10 to 20 topics, each topic can contain from 1 lesson to 20, depending on the material and its in-depth study. To date, more than 4,000 tasks have been uploaded to the program to solve, more than 240 minutes of video tutorials have been recorded.

A lot of work to help those in need was carried out at the expense of own funds of employees of the Central Office and branches of the Bank. Assistance was provided in the form of fundraising for the purchase of expensive medicines to Bank employees who are in a difficult financial situation as a result of loss of health. Employees of the Central Office took an active part in the annual campaign "Donor Day" and honoring veterans of the Great Patriotic War, timed to the Victory Day.

In the conditions of the pandemic, employees of branches, within the framework of the "Take care of yourself and your loved ones" actions, medical masks were distributed in public transport. Also, the employees of the branches regularly hold charity and sponsorship events for low-income families, children from orphanages, orphans and children left without parental care, children with disabilities, veterans of the Great Patriotic War and the home front, the elderly, single mothers in difficult situations, orphanages and social support centers. In addition, employees of the Central Office organized work on the distribution of medicines and personal hygiene products for needy employees of the Bank from a partner from the Russian Federation free of charge.

Contact info

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GRI Content Index

The 2020 Sustainable Development Report has been prepared in accordance with GRI standards: the main version

Universal standards

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GRI 102 (2016): General disclosures			
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102-3	Location of the headquarters	Contact info	
102-4	Location of the activity	About the Bank	
102-5	Nature of ownership and organizational and legal form	About the Bank	
102-6	Markets where the organization operates	About the Bank	
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Interaction with stakeholders			
102-40	List of stakeholder groups	Effective interaction with stakeholders	
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GRI201 (2016): Economic performance			
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Standard Number	Indicator	Report Section/Comment	Page
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GRI404 (2016): Training and education			
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