



# ENVIRONMENTAL SUSTAINABILITY

STRENGTHENING  
A SENSE OF  
HOMELAND



# Environmental Sustainability

The Bank's operations are not environmentally hazardous and do not involve high environmental risk. The Bank supports a precautionary approach to environmental issues and promotes the development and dissemination of environmentally sound technologies.

During the reporting year, there were no violations of environmental legislation, and no penalties were imposed.

# Energy Consumption and Energy Efficiency

The Bank is a financial institution with a wide network of branches. Therefore, the Bank requires significant amounts of electricity and heat energy to support its operations. The Bank takes energy saving measures to minimize its environmental impact and improve

operational efficiency. To save money and electric energy, LED luminaires of 12-60 Watt have been installed in the buildings of the Bank's Central Office and branches.

**Energy consumption in the building of the Bank's Central Office is summarized in the table below:**

Type of energy	2021	2022	2023
Electricity (purchased), kWh	2,639,507.27	2,556,782.62	<b>1,829,498.76</b>
including from renewable sources	0	0	<b>0</b>
including from non-renewable sources	2,639,507.27	2,556,782.62	<b>1,829,498.76</b>
Heat energy, Gcal	13,807.38	9,159.20	<b>8,598.63</b>

Electricity is supplied to the Bank by a city power line from TS 21-44, based on an agreement with AlmatyEnergoSbyt LLP. Heating of the building is provided by the central heating networks (CHN) of Almaty Heat Networks LLP, based on an agreement.

To reduce the environmental impact of its operational processes and ensure the sustainable use of natural resources, the Bank aims to install automatic corridor lighting control systems (motion sensors) in the Central Office in 2024, in 10 Bank Branches in 2025, and in all 20 Bank Branches in 2026.

# Water Consumption

In its operations, the Bank seeks to reduce water consumption, improve water efficiency and minimize the impact on natural water bodies. The Bank

unreservedly accepts the importance of careful and rational treatment of the country's water resources.

**Water consumption in the building of the Bank's Central Office is summarized in the table below:**

Type of consumption	2021	2022	2023
Water consumption, m <sup>3</sup>	20,915.97	20,203.21	<b>17,872.32</b>
Sewerage, m <sup>3</sup>	20,915.97	20,203.21	<b>17,872.32</b>

The building of the Bank's Central Office does not consume or use surface water, groundwater, rainwater or wastewater from another organization as a source of water. Water supply and disposal are provided

by the central networks of Almaty Su State Utility Enterprise on the Right of Economic Management on the basis of a contract.

# Waste Management

For the Bank as a financial institution, the main types of waste are paper, consumables and waste office equipment. To reduce paper consumption in office work, the Bank has been using the Documentolog electronic office document management system since 2014. This system made it possible to automate the entire internal document flow of the Bank and to transfer such business processes as formation, coordination, verification, approval of documents, control over their execution, distribution, search and archiving into the electronic format. At the same time, in recent years the Bank has been actively implementing the practice of minimized printing and double-sided printing. The Bank has started to use digital forms of holding meetings of collegial bodies/ working groups, i.e. without wasting paper, using LED screens, tablets to demonstrate materials – to make an additional contribution to preserving forests and trees and solving the world's environmental problems. Thus,

in 2023 the Bank reduced the use of paper by 50% compared to 2022 (the amount of paper used in 2022 – 53,950 packs, in 2023 – 27,100 packs).

Also, in 2019–2020, as part of the implementation of the Environmental Policy, the Bank implemented the Green Office project to unify the collection and disposal of solid domestic waste by using a system of separate collection of solid domestic waste and sorting into three groups – glass and metal, plastic and paper – in the Bank's buildings (jointly with Eco Network). This work was temporarily suspended in 2021–2022 and resumed in 2023. Meantime, the Bank's annual delivery of waste paper for recycling continues. At the end of 2023, the Bank's Central Office handed over 222.5 kg of waste paper for recycling and disposal by hydrocracking to the Organization of Secondary Raw Materials.

Waste Management	2021	2022	2023
Total waste generation (tons)	112.43	113.34	<b>114.45</b>
<i>Including:</i>			
Hazardous waste	-	-	-
Non-hazardous waste	112.43	113.34	<b>114.45</b>
Recycled and reused waste (tons)	0	0	<b>0.33485</b>

The Bank provides additional factual data on waste as part of the ESG Databook, which is available

on the Bank's website in the Sustainable Development/ ESG Reporting section.



# Environmental Protection

Due to the nature of its operations, the Bank does not have a direct significant impact on the environment. The main resources consumed by the Bank, as mentioned above, are electricity, heat and water. The Bank applies principles and methods of sustainable use of resources that best ensure prevention of adverse environmental impact. The Bank does not pay a fee for emissions into the environment as the Bank is an operator of Category IV facilities with minimal negative impact on the environment.

At the same time, the Bank regularly carries out activities aimed at raising the level of environmental awareness of its employees, as well as compliance with safety regulations, including fire safety. Training of the Bank's employees in environmental policy, sustainable use of energy, water and other natural resources is held on an annual basis.

The Bank is constantly promoting environmental values and responsible living among its employees,

through which the Bank's employees were able to learn more about the importance of obligatory disconnection of computers and other electrical appliances from power sources after the end of the working day, switching off lights after the end of the working day, the principles and importance of waste segregation, learning together how to develop healthy habits by refusing disposable tableware, which helped to create an understanding of the enormous contribution of each employee to the Bank's social and economic development.

In its practice, the Bank conducts various environmental campaigns for greening the country's cities, planting trees in the courtyards of new buildings constructed in partnership with the Bank. In 2023, 30 employees of the Bank participated in the Almaty Clean & Green large-scale eco-campaign. The Bank's employees planted about 30 trees in a public garden in the Auezov District of Almaty.

# GHG and Other Air Emissions

The Bank is committed to the national goal of the Republic of Kazakhstan to become carbon neutral by 2060 and contributes to global efforts to mitigate and adapt to global climate change.

In its operational activities, the Bank seeks to reduce its carbon footprint and quantifies greenhouse gas (GHG) emissions from its own operations based on the Guidelines for National Greenhouse Gas Inventories (IPCC, 2006), GHG Protocol Scope 2 Guidance.

The Bank is committed to annual monitoring of fuel and energy resources consumption, data collection, and public reporting on GHG emissions assessment.

The first step towards mitigation is the approval in the reporting year of the Methodology for Calculating GHG Emissions in the Bank to quantify GHG emissions (Scope 1, 2) from processes.

The approach to GHG emissions assessment is based on the operational control approach, whereby the Bank accounts for all GHG emissions from facilities over which the Bank has operational control. GHG emissions from facilities in which the Bank has a stake but no operational control are not accounted for. Quantitative assessment of GHG emissions is carried out for the Central Office, all Regional Branches of the Bank.

The following key environmental and climate impact indicators are given:

GHG emissions	2023
Total direct GHG emissions in CO <sub>2</sub> equivalent (tons) for 2023 (Scope 1)	305.13
Direct GHG emissions in CO <sub>2</sub> equivalent (tons) for 2023 per employee	0,16
Total indirect GHG emissions in CO <sub>2</sub> equivalent (tons) for 2023 (Scope 2)	5,808.44
Indirect GHG emissions in CO <sub>2</sub> equivalent (tons) for 2023 per employee	2.96

The Bank plans to calculate other indirect emissions (Scope 3) in 2024.

The Bank provides additional actual data on GHG emissions as part of the ESG Databook, which is available on the Bank's website in the Sustainable Development/ ESG Reporting section.

# Procurement

The Bank endeavors to ensure transparency and efficiency of procurement procedures, which are performed in accordance with the Rules for Procurement of Goods, Works and Services. The Bank actively uses information systems that automate the processes of arranging and implementing procurement by means of request for quotations and open tender.

Procurement is based on the principles of:

1. optimal and efficient spending of money used for procurement;
2. openness and transparency of the procurement process;
3. providing potential suppliers with equal opportunities to participate in the procurement process;
4. fair competition among potential suppliers;
5. responsibility of procurement participants;
6. prevention of corrupt practices.

The Bank procures goods and services from a large number of state-owned enterprises. Such procurement procedures individually amount to insignificant amounts and are usually carried out on a commercial basis. Selection criteria are applied to potential suppliers of goods, works and services in accordance with the laws of the Republic of Kazakhstan.

As a result of the procurement procedures carried out in 2023, 687 contracts were concluded. The total value of concluded contracts was KZT 12,452,344 thousand (KZT 11,339,379 thousand excluding VAT), the number of disbursed items – 1,539. Total procurement savings totaled KZT 485,951 thousand, however, these savings are redistributed and re-disbursed during the year to meet the Bank's additional needs. At the same time, the share of local content in procurement for the reporting period was 70% (the scope of performance according to the received reports as of 01.01.2024 is KZT 9,896,627 thousand).