

# CLIMATE CHANGE



STRENGTHENING  
A SENSE OF  
HOMELAND



# Climate Change Management

The Bank's Board of Directors is responsible for organizing and ensuring the effective functioning of the risk management and internal control system.

As potential risks are identified and adverse events occur, the Bank fills in the Risk Register and Risk Maps on an ongoing basis. The Risk Register and Risk Maps are submitted for review and approval by the Bank's Board of Directors annually.

The Bank is currently working on the inclusion of climate change risks in the Risk Register and Risk Map. The Bank plans to update and revise the Risk Register and Risk Map to include climate change risks in 2024. Accordingly, disclosure of information on the results of this work is expected in the Bank's subsequent reports.

## Strategic Direction

ESG-related issues are an integral part of the Bank's new 2024–2,033 Development Strategy. Strategic key performance indicators (KPIs) cover not only operational and financial indicators, but also sustainable development requirements, namely, in terms of climate-related issues, the following KPIs are set:

1. Reduction of greenhouse gas emissions from the Bank's operations (Scope 1, 2) by 2026 – minus 5% of the base year (2023), by 2,033 – minus 10% of the base year;
2. Installation of 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.
3. Tree planting: 150 trees in 2024, 250 trees in 2025, and 350 trees in 2026;
4. Reduction of paper consumption by 5% annually over 2024–2026.

The Bank's objectives in mitigating environmental impact and global climate change are:

- Environmental protection, including the sustainable use of resources, reducing the impact on global climate change;
- Fulfilment of mandatory legislative and other requirements adopted by the Bank;
- Application of environmentally friendly, energy- and material-saving technologies.

In doing so, the Bank recognizes its responsibility for its environmental impact and contribution to global climate change. The Bank seeks to reduce its impact by minimizing contributions from operations, sustainable use of natural resources and reducing greenhouse gas emissions, using a structured approach to managing the Bank's impact from operational processes as well as from invested impacts.

During 2023, PwC's international consultants carried out an ESG diagnostic of the Bank, based on the results of which the Bank approved the Roadmap for further ESG rating. As part of the Roadmap, new internal documents on ESG implementation in the Bank's operations are being updated and adopted.

In 2024, the Bank plans to work on climate risk issues, namely to integrate climate risks into the Bank's risk management system, assess their impact on the Bank's business model, financial position, loan portfolio indicators, etc. Today, the Bank sees physical and transition climate risks in mortgage loans and their collateral, and therefore recognizes the need for a more robust and sustainable approach to credit underwriting.

In the reporting year, the Bank developed the Environmental and Climate Impact Mitigation Policy, the Methodology for Greenhouse Gas Emissions, and other internal environmental documents.

# Risk Management

In 2024, the Bank plans to build processes to identify, assess, prioritize and manage climate risks and opportunities in the short, medium and long term, as well as processes to integrate them into the Bank's

overall risk management process. Accordingly, disclosure of this information is expected in the Bank's subsequent reports.

## Indicators and Target Values

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 adapt to global climate change. 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 are electricity, heat and water.

In its operational activities, the Bank seeks to reduce its carbon footprint and quantifies 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 following key environmental and climate impact indicators are given:

Reporting scope in % of full-time equivalent 100%				
Direct and indirect GHG emissions, Scope 1, 2	UOM	2023	2022	2021
Scope 1	CO <sub>2</sub> -equivalent	305.13	350.21	375.16
Scope 2		5,808.44	4,806.54	4,596.27
<b>TOTAL</b>		<b>6,113.57</b>	<b>5,156.75</b>	<b>4,971.43</b>
GHG emission factor	UOM	2023	2022	2021
GHG emissions per employee	tons of CO <sub>2</sub> per person	3.1	3.36	3.1