Annex No.1

to the absentee resolution of the

Management Board of Otbasy Bank JSC

(Minutes No. 145) dated 05.09.2023

|  |  |  |
| --- | --- | --- |
| cid:image001.png@01D6F482.19DF78D0 | **Superior internal**  **document** | Sustainable Development Policy of Otbasy Bank JSC |
| **Owner**  **of internal**  **document** | Planning and Strategic Analysis Department |
| **Prepared by** | A.V. Finogenova - Director of Planning and Strategic Analysis Department  M.O. Zhabbarova - Head of the Strategy Division of Planning and Strategic Analysis Department |
| **Approved** | By Resolution of the Management Board of Otbasy Bank JSC Minutes No. 145 dated 05.09.2023 |
| **Effective**  **date** | 05.09.2023 |
| **Classified** |  |

**Stakeholder Map**

**Otbasy Bank JSC**

Almaty, 2021

**Contents**

[Chapter 1. General provisions 3](#_Toc256000001)

[Chapter 2. Analysis and identification of stakeholders, area and degree of importance of influence 4](#_Toc256000002)

[Chapter 3. Identifying interests and developing an engagement strategy 5](#_Toc256000003)

[Chapter 4. Interaction with the population 5](#_Toc256000004)

[Chapter 5. Final Provisions 6](#_Toc256000005)

[Annex 1 8](#_Toc256000006)

[Annex 2 9](#_Toc256000007)

[Annex 3 11](#_Toc256000008)

# 

# Chapter 1. General provisions

* 1. This Stakeholder Map of Otbasy Bank JSC has been developed in accordance with the legislation of the Republic of Kazakhstan, the Charter of Otbasy Bank JSC, the Corporate Governance Code of Otbasy Bank JSC, the Sustainable Development Policy of Otbasy Bank JSC (hereinafter referred to as the Policy), as well as the standards of best international practices in order to systematize and visualize information about Otbasy Bank JSC (hereinafter referred to as the Bank) in order to develop an adequate strategy of interaction with each stakeholder group, determine the list of stakeholders, the degree of their influence and methods of engagement.
  2. The Bank's corporate governance system, along with the unconditional priority of observing the rights and interests of shareholders, ensures protection of the rights and interests of all stakeholders.
  3. The Bank's stakeholder map is designed to build constructive relations with both external and internal stakeholders that have a significant impact on the Bank's sustainable development. An effective stakeholder engagement system provides the necessary conditions for creating sustainability, achieving strategic goals and building a positive reputation of the Bank.

4. Bank's Stakeholder Map shall use the following terms and concepts:

1) Auditors - commercial organizations that perform audits and provide operational services related to the audit;

2) Partners - legal entities (their associations) that are participants of mutually beneficial cooperation, including strategic partners;

3) Consulting organizations - legal entities providing services on issues in the field of financial, legal, technological and other expert activities;

4) Clients, consumers - individuals and legal entities to whom the Bank provides services in accordance with the current legislation of the Republic of Kazakhstan, the Bank's Charter and internal documents of the Bank;

5) Population - a set of people living in the regions where the Bank operates;

6) Public organizations - public associations, non-governmental organizations and others;

7) Personnel - the total number of the Bank's employees united by the goals of financial and economic activities and business processes;

8) Suppliers - individuals engaged in entrepreneurial activities, legal entities (except for state institutions, unless otherwise established for them by the legislation of the Republic of Kazakhstan), temporary associations of legal entities (consortiums) acting as a counterparty of the Bank in the contract concluded with the Bank for the purchase of goods, works and services;

9) Mass media - a periodical printed publication, television, radio channel, documentary film, audiovisual recording, and other form of periodical or continuous public dissemination of mass information, including Internet resources;

10) Financial institutions - organizations participating in the financial credit system (government agencies, banks, insurance companies, investment funds, pension funds, etc.);

11) Investors - legal entities and/or individuals making investments, investing their own, borrowed or other raised funds in the Bank's projects;

* 1. The terms not specified in this chapter, but used in the text of the Bank's Stakeholder Map, shall be defined in accordance with the legislation of the Republic of Kazakhstan and the Bank's internal documents.
  2. Building effective stakeholder engagement is based on the basic principle of "inclusion", which implies taking into account the interests and needs of all stakeholders.
  3. In the Bank's stakeholder engagement, the Bank seeks to engage with stakeholders based on the following principles:

1. materiality - proper assessment of the significance of issues for stakeholders;
2. completeness - understanding the materiality of the consequences of the Bank's activities and what stakeholders think about it;
3. responsiveness - demonstration of an adequate response by the Bank.

# Chapter 2. Analysis and identification of stakeholders, area and degree of importance of influence

1. The definition of stakeholders and work with them is one of the tools that makes it possible to improve the business reputation, capitalization of the Bank, establish effective and balanced relations with all stakeholders.
2. The Bank's stakeholder map – a graphical representation to clarify the position of the Bank's stakeholders. The level of proximity expresses the extent to which the Bank can influence a particular stakeholder. The Bank's stakeholder map allows for the most adequate identification of stakeholders.
3. The stakeholder analysis and assessment process consists of the following steps:



Reporting

Interaction

Interaction planning

Stakeholder prioritization

Stakeholder identification

1. The Bank defines three groups of stakeholders depending on the area of impact, the composition of which is reflected in the Bank's Policy.
2. Influence - stakeholder's power to influence the Bank, its ability to influence the Bank's activities, people who make decisions on key issues of the Bank's activities.
3. Importance - stakeholder's contribution to the Bank's performance. It is determined by the extent to which meeting the needs, addressing the concerns and interests of each stakeholder can affect the Bank's performance.
4. The degree of importance of stakeholders' influence is estimated by two parameters X/Y, where:

- X= -5 : +5 (in increments of 1 or finer) - characterizes the degree of stakeholder support/opposition to the Bank's activities and is ranked from -5 (extreme degree of opposition) to +5 (highest degree of support);

- Y = 0 : 5 (in increments of 1 or finer) - characterizes the degree of stakeholder influence on the Bank's activities and is ranked from 0 to 5.

- D = (±X + Y) - stakeholder importance parameter**.**

* 1. The degree of influence of stakeholders on the Bank's activities and the degree of dependence of stakeholders on the Bank are reflected in Annex 1 to this Bank's Stakeholder Map.
  2. Stakeholder analysis allows to identify a list of all stakeholders that may affect the Bank's activities; reflects the degree of influence of stakeholders, as well as the degree of their dependence on the Bank's decisions; allows to identify potential difficulties that may affect the growth and development of the Bank's activities; allows to assess the means, rules, and principles of communication with stakeholders and to form measures to reduce their negative impact on the Bank's activities.
  3. Identifying and working with stakeholders helps to improve the Bank's business reputation, its capitalization, as well as to establish effective and balanced relations with all stakeholders.

**Chapter 3.** Identifying interests and developing an engagement strategy

* 1. The Bank determines forms, areas and methods of stakeholder engagement that provide feedback and allow timely identification of potential risks and new opportunities for the Bank's efficient operations.
  2. The Bank considers interaction with stakeholders as a necessary condition for development and achievement of its strategic goals.
  3. The key principle of interaction between the Bank and stakeholders is to protect the interests of the Sole Shareholder and the Bank, as well as to take into account the interests of stakeholders.
  4. The main forms of interaction with stakeholders are: joint programs and projects, memorandums of cooperation, joint working groups, reporting on the Bank's activities, meetings, negotiations, publications, interviews.
  5. Key areas of stakeholder engagement: strategic and medium-term planning, financial activities, project management, environmental protection, occupational health and safety, service delivery, procurement of goods, works and services, lawmaking, operations, media relations.
  6. Effective stakeholder engagement will allow:

1. to pool resources (competencies and experience, professional resources, financial means and technologies) to solve problems and achieve goals;
2. to assess the external environment, including market development, and to identify new strategic opportunities;
3. to improve and optimize business processes;
4. to ensure openness and transparency of the Bank's activities.
   1. Information obtained in the course of stakeholder analysis by the degree of their influence on the Bank's interests, as well as interests and interactions of stakeholders are presented in Annexes 2 and 3 to this Bank's Stakeholder Map.
   2. The strategy of interaction with this stakeholder is built on the basis of the obtained assessment of the degree of support /opposition of the Bank's stakeholder, assessment of the strength of its influence and impact on the Bank, as well as the parameters of stakeholder importance.
   3. The directions of the Bank's interaction with each stakeholder, as well as methods of interaction are determined by the responsible structural unit of the Bank independently depending on the needs and specifics of the stakeholder's activity.
   4. The main forms of stakeholder engagement and areas of stakeholder engagement are described in the Bank's Policy.
   5. The Bank ensures regular feedback from stakeholders through surveys and questionnaires.

# Chapter 4. Interaction with the population

* 1. Community engagement is an important part of the Bank's activities. This allows the Bank to better understand the needs of the population and the Bank's ability to address them. The Bank strives to build and maintain relationships based on mutual respect and trust in all regions of its operations, which allows the Bank to make a positive contribution to the development of local communities.
  2. In each of the Bank's regions of operation, a person responsible for interaction with the local community is appointed.
  3. When implementing each social project, the Bank tries to take into account the specifics of the respective region. The Bank strives to ensure that all of our actions are carried out in a manner that respects the relevant cultural space and that they are communicated to all stakeholders.
  4. The Bank is open for cooperation with local executive bodies and other stakeholders if this cooperation allows making the Bank's social programs more effective for local communities.
  5. The Bank also encourages employee involvement in the local community and endeavors to provide opportunities for employees to participate in and carry out charitable activities.
  6. The Bank evaluates its social programs and seeks to identify key issues in the regions in order to make a long-term positive contribution to the development of the regions and local communities.
  7. The Bank provides the public with access to the mechanism of submission and consideration of appeals through the Bank's website.

# Chapter 5. Final Provisions

1. The Bank's stakeholder map is approved by the Bank's Management Board. Amendments and additions to the Bank's Stakeholder Map shall be made in accordance with the procedure established by the Bank's internal documents.
2. The responsibility for timely update of the Bank's Stakeholder Map lies with the Bank's Planning and Strategic Analysis Unit.
3. The Bank's stakeholder map is an open document and is freely distributed by the Bank among any stakeholders.

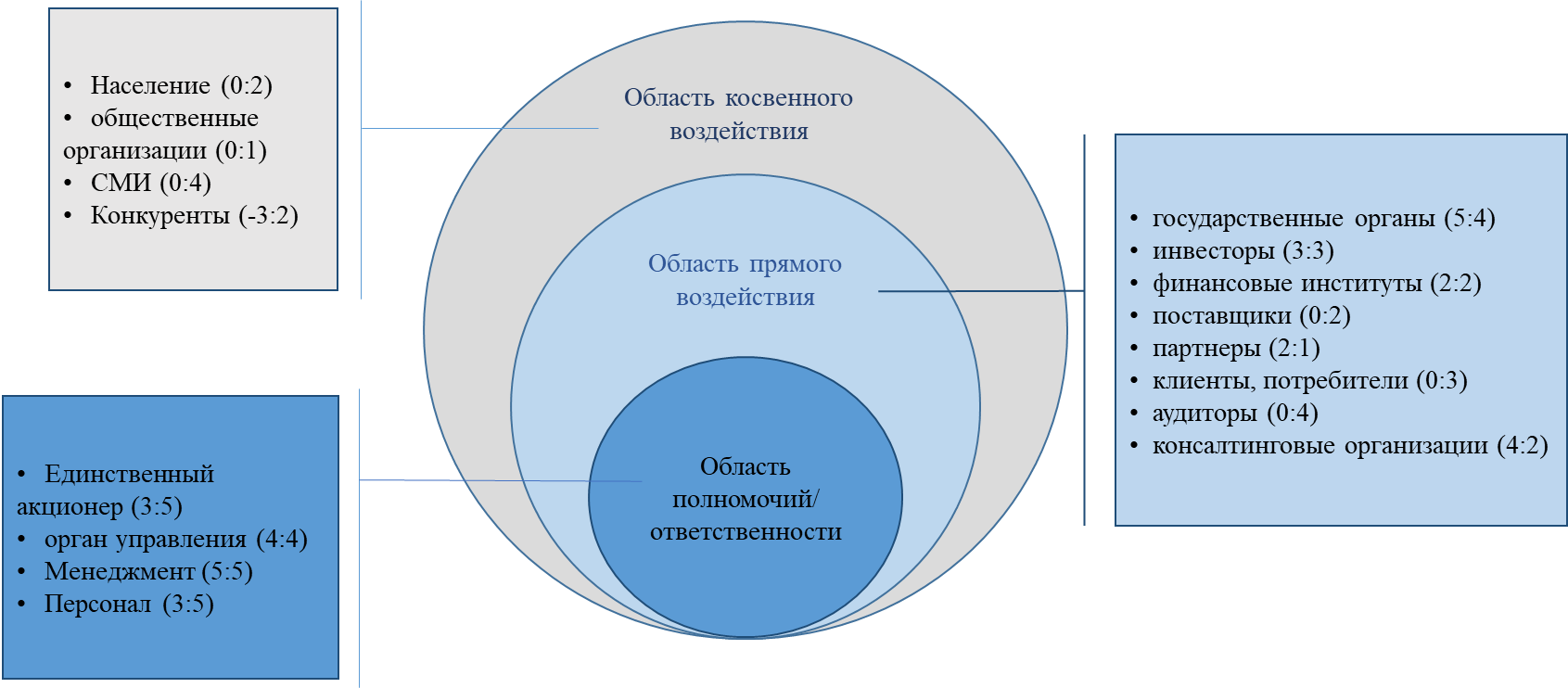
# Annex 1

to the Stakeholder Map of Otbasy Bank JSC

approved by the resolution of the Management Board of Otbasy Bank JSC

(Minutes No. \_\_\_\_ of \_\_\_\_\_\_\_\_\_\_\_\_\_2023)

**Bank's stakeholder map and the degree of their influence on the Bank's interests**



Area of authority/responsibility

Area of direct impact

Area of indirect impact

* Population (0:2)
* Public Organizations (0:1)
* Mass media (0:4)
* Competitors (-3:2)
* Sole shareholder (3:5)
* Management body (4:4)
* Management (5:5)
* Personnel (3:5)
* state bodies (5:4)
* investors (3:3)
* financial institutions (2:2)
* suppliers (0:2)
* partners (2:1)
* clients, customers (0:3)
* auditors (0:4)
* consulting organizations (4:2)

X - degree of support/opposition of the stakeholder (on the map it is indicated by the first number in brackets)

*Y* - degree of stakeholder influence (on the map it is indicated by the second number in brackets)

# Annex 2

to the Stakeholder Map of Otbasy Bank JSC

approved by the resolution of the Management Board of Otbasy Bank JSC

(Minutes No. \_\_\_\_ of \_\_\_\_\_\_\_\_\_\_\_\_\_2023)

**Stakeholders' degree of influence on the Bank's interests**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Stakeholders** | **Degree of influence over the Bank's interests** | | | | | |
| **Strategic**  **management**  **and development** | **Operational**  **activities** | **Legal**  **regulation** | **Quality**  **of project management**  **and/or**  **business processes** | **Operating**  **results** | **Reputation** |
| **Area of authority/responsibility** | | | | | | |
| Sole Shareholder | **\*** |  |  |  |  | **\*** |
| Management body | **\*** |  | **\*** |  | **\*** | **\*** |
| Management | **\*** | **\*** | **\*** | **\*** | **\*** | **\*** |
| Personnel |  | **\*** |  |  | **\*** | **\*** |
| **Area of direct impact** | | | | | | |
| State bodies | **\*** |  |  |  | **\*** | **\*** |
| Investors | **\*** |  |  | **\*** | **\*** | **\*** |
| Financial institutions |  | **\*** | **\*** | **\*** | **\*** |  |
| Suppliers |  |  | \* |  | **\*** |  |
| Partners |  |  | \* |  | **\*** |  |
| Clients, consumers |  | **\*** |  | **\*** |  |  |
| Auditors |  |  |  |  |  |  |
| Consulting organizations | \* | **\*** |  | **\*** |  |  |
| **Area of indirect impact** | | | | | | |
| Population | \* | \* |  |  | **\*** |  |
| Public Organizations  Non-profit organizations |  |  |  |  |  |  |
| Mass media |  |  |  |  |  |  |
| Competitors | **\*** | **\*** | **\*** | **\*** | **\*** | **\*** |

*Note:*

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | high degree of influence |  | low degree of influence | \* | high interest |

|  |  |
| --- | --- |
| Strategic management and development | determination of long-term priorities, strategic directions of the Bank's development through the adoption of state and sectoral development programs, and drafting and approval of the Bank's strategic documents. |
| Operating activities | ongoing day-to-day activities to manage the Bank's regular, standard processes. |
| Legal regulation | adoption of acts directly or indirectly regulating certain aspects of the Bank's activities. |
| Quality of project management  and/or business process management | the degree of competence and efficiency of the Bank's employees and management in providing project and/or business process management services. |
| Operating results | quantitative indicators of the Bank's operating performance. |
| Reputation | established public opinion about the qualities, advantages and disadvantages of the Bank. |

# Annex 3

to the Stakeholder Map of Otbasy Bank JSC

approved by the resolution of the Management Board of Otbasy Bank JSC

(Minutes No. \_\_\_\_ of \_\_\_\_\_\_\_\_\_\_\_\_\_2023)

**Table of Stakeholder Interests and Interaction**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **No.** | **Stakeholders** | **"Interests/motives."** | **Tools of Influence** | **Interaction Strategy** |
| 1 | Sole Shareholder | Observance of interests of the sole shareholder of the Bank Baiterek NMH JSC | Legislation of the Republic of Kazakhstan, Charter, internal documents of the Bank | Ensuring realization of the Sole Shareholder's rights within the framework of corporate governance principles aimed at effective adoption of key resolutions in accordance with the legislation of the Republic of Kazakhstan |
| 2 | Management body | General management of the Bank's activities, except for issues referred to the exclusive competence of the Sole Shareholder | Legislation of the Republic of Kazakhstan, Charter, internal documents of the Bank | Determination of the Bank's priority areas of activity and development strategy. |
| 3 | Management | Making resolutions on any issues of the Bank's activity, not referred by the legislation of the Republic of Kazakhstan and the Charter of the Bank to the competence of the Sole Shareholder and the Board of Directors | Legislation of the Republic of Kazakhstan, Charter, internal documents of the Bank | Execution of resolutions of the Sole Shareholder, Board of Directors of the Bank.  Preparation and implementation of development plans, and other issues related to the Bank's activities. |
| 4 | Personnel | Labor relations with the employer, direct performance of obligations under the employment contract | Labor Code, employment contract, internal documents of the Bank | Execution of official powers aimed at realization of tasks and functions of the Bank. |
| 5 | State bodies | Implementation of legislative functions stipulated in the legislation of the Republic of Kazakhstan | Legislation of the Republic of Kazakhstan | Control over observance of the legislation of the Republic of Kazakhstan. |
| 6 | Investors | Profit making | Contractual relations within the framework of investment, cooperation/partnership agreements | Priority of payment of principal and interest on invested funds, elimination of dependence on financing |
| 7 | Financial institutions | Profit making | Contractual relations within the framework of investment, cooperation/partnership agreements | Priority of payment of principal and interest on invested funds, elimination of dependence on financing |
| 8 | Suppliers | Profit making, increasing the level of competitiveness | Contractual relations within the framework of delivery of goods, performance of works, provision of services | Compliance with the requirements for the organization of the procurement process |
| 9 | Partners | Commercial interests | Contractual relationship | Conclusion of contracts and agreements on mutually beneficial cooperation and mutual understanding.  Improvement of business processes and their automation.  Control over the fulfillment of contractual relations. |
| 10 | Clients, consumers | Quality and availability of product lines and services in the housing savings market | Customer preferences and satisfaction | Improving the quality and availability of products and services in the housing savings market. |
| 11 | Auditors | Provision of financial audit services | Contractual relationship | Conclusion of contracts for audit services.  Audit of financial statements, external audit. |
| 12 | Consulting organizations | Provision of consulting services | Contractual relationship | Conclusion of contracts for consulting services. Business Process Improvements.  Control over the fulfillment of contractual relations. |
| 13 | Population | Quality and availability of product lines and services in the housing savings market | Public  opinion.  Appeals to  higher and  regulatory authorities, mass media. | Reputation audit, opinion polls, implementation of communication strategy.  Publication of the Bank's financial and non-financial statements.  Demonstration of practical commitment to the principles of social responsibility, operational transparency and sustainable development.  Adoption of additional social commitments, solution of urgent social problems.  Charity work. |
| 14 | Public Organizations | Various issues within the framework of activities of public, non-governmental organizations | Charter, contractual relations | Compliance with the legislation of the Republic of Kazakhstan, support of local community activities, charity, provision, care for the environment. Employment, social responsibility |
| 15 | Media outlet | Publications and informing about the Bank's activities. | Publications and informing about the Bank's activities. | Compliance with the legislation of the Republic of Kazakhstan, development of bilateral and multilateral relations with the media. |
| 16 | Competitors | Increasing the share of presence in the market of household deposits, mortgage lending for the purpose of construction and purchase of housing, mortgage lending | Application of modern technologies, growth of quality level of services and products provided in the financial market, active advertising campaign, development and introduction of new lines of products and services in the market of household deposits | A strategy to reduce the level of competitor opposition:  cooperation on unappealing terms for competitors;  increasing the level of staff commitment to the Bank;  expanding presence in the country;  development and introduction of new product lines and services in the housing savings market;  cooperation for mutually beneficial solutions to problems. |