Appendix No. 5

to the default decision

of the Management Board of Otbasy Bank JSC

(Protocol No. 40) dated April 4, 2024

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| С 23 января стартует прием заявок на использование пенсионных денег -  новости Kapital.kz | **Superior internal document** |  Code of Business Ethics of Otbasy Bank JSC |
| **Owner of internal document** | Department of Human Resources and Organizational Operations  |
| **Developed by** | A.I. Aitkulov – Director of the Department of Human Resources and Organizational Operations |
| **Approved by** | the decision of the Management Board of Otbasy Bank JSC No. 40 dated April 4, 2024 |
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**The regulation on Human Rights**

**in Otbasy Bank JSC**

Almaty, 2024

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# Chapter 1. General provisions

1. This Regulation on Human Rights in Otbasy Bank JSC (hereinafter referred to as the "Regulation") regulates the activities of Otbasy Bank JSC (hereinafter referred to as the "Bank") in the field of ensuring equal rights, labor protection, freedom of association, and defines the basic minimum requirements for identifying, preventing and tracking potential human rights violations. Respect for human rights is an urgent task within the framework of sustainable development which is regulated by the legislation of the Republic of Kazakhstan and international law.

The Bank's implementation of this Regulation contributes to the prevention and minimization of human rights violations.

1. The main objectives of this Regulation are the following:
2. the protection of human rights in all aspects of the Bank's activities;
3. creation of a framework for the implementation of the Bank's responsibility for human rights;
4. compliance with international human rights standards and principles;
5. responding to stakeholders' expectations;
6. compliance with the principles of Sustainable Development and Environmental, Social, and Corporate Governance (hereinafter – "ESG").

3. The following regulatory documents were used in the development of this Regulation:

1. The Universal Declaration of Human Rights;
2. The United Nations Guiding Principles on Business and Human Rights;
3. Declaration of the International Labour Organization on Fundamental Principles and Rights at Work;
4. The Constitution of the Republic of Kazakhstan;
5. The United Nations Global Compact;
6. Human Rights Guidelines of the International Finance Corporation, the international financial institution;
7. Human rights Guidelines of the European Bank for Reconstruction and Development, the international financial institution
8. Human rights Guidelines of the Asian Development Bank, the international financial institution;
9. The Bank's Code of Business Ethics;
10. ILO Convention No.138 on the Minimum Age for Employment
11. The following definitions and abbreviations are used in the Regulation:
12. discrimination is any distinction, exclusion or preference based on race, skin color, gender, religion, political beliefs, national
origin or social affiliation that leads to the destruction or violation of equal opportunities or equal treatment in the field of occupation;
13. stakeholder is any person (or group of persons) who may have an impact on the Bank's activities or be under such influence. This is the person whose human rights are affected by the operations, services of the Bank, by virtue of the standards of the legislation of the Republic of Kazakhstan, contracts and agreements (Bank customers, Bank employees, business partners, shareholders, suppliers, authorities, insurance companies, associations, non-governmental organizations, and society at large);
14. inclusiveness is the creation of conditions where different socio-cultural groups of people and each individual are valued, accepted and respected for their unique skills, experience and development prospects; as well as in terms of which, the people are given equal opportunities to participate in obtaining the success by the Bank;
15. Diversity is the empowerment of people based on respect and recognition of the value of differences between them by age, gender, ethnicity, religion, disability, sexual orientation, education, nationality, abilities, social origin and other characteristics;
16. adverse impact on human rights is a situation when a certain action deprives a person of the opportunity to exercise their human rights, or restricts such an opportunity;
17. Human rights are the inalienable rights of all persons, determined by their belonging to the whole of human individuals. Human rights are based on the recognition of the inherent dignity of a person, as well as the freedom and equality of people;
18. forced labor is the execution of work under threat of any kind of punishment (violent influence);
19. RK is the Republic of Kazakhstan.
20. senior management includes the head and members of the management body, the head and members of the executive body, other heads of the bank who coordinate and (or) control the activities of the structural divisions of the bank and have the right to sign documents on the basis of which banking transactions are conducted, chief accountant, and deputy chief accountant;
21. ESG (Environment, Social and Governance) is the principles of sustainable development based on environmental protection, creation of favorable social conditions, fair treatment of employees and customers and proper corporate governance. Thanks to these three principles the Bank ensures [the sustainable development](https://ru.wikipedia.org/wiki/%D0%A3%D1%81%D1%82%D0%BE%D0%B9%D1%87%D0%B8%D0%B2%D0%BE%D0%B5_%D1%80%D0%B0%D0%B7%D0%B2%D0%B8%D1%82%D0%B8%D0%B5) management.

Other definitions and abbreviations in this Regulation are used in the meaning defined in the legislation of the Republic of Kazakhstan and other internal documents of the Bank.

5. All the principles set out in this Regulation must be observed by senior management and all employees of the Bank.

# Chapter 2. Basic principles and obligations

1. Basic principles of respect for human rights:
2. Respect for human rights.

The Bank ensures fair and respectful treatment of people.

An important factor in ensuring the long-term competitiveness and efficiency of the Bank's activities is the guarantee of socio-cultural diversity, equal opportunities and inclusiveness for employees of the Bank.

The Bank recognizes the risks of adverse effects on human rights, as well as the risks of conflict in all aspects of the Bank's activities, takes responsibility for the observance of human rights and takes measures to protect them, specifically, prevents the promotion and benefit from any form of human rights violations.

1. Health and safety.

The Bank strives to create the safest and most favorable working conditions for all employees of the Bank and its counterparties, and complies with all applicable laws and internal requirements in the field of occupational health and safety.

The Bank strives to implement the highest standards and procedures in terms of occupational health and safety in order to minimize the health risks;

3) The environment.

The Bank is focused on protecting the health of citizens and the environment by implementing programs in compliance with environmental standards for housing construction to minimize environmental impact, conducting environmental campaigns and events to increase the level of environmental awareness of the Bank's employees.

The Bank strives to apply the best international practices in the field of environmental protection and the social impact of its services within the framework of its activities in accordance with the laws of the Republic of Kazakhstan
 On Housing construction savings in the Republic of Kazakhstan, On banks and banking activities in the Republic of Kazakhstan, and the Charter of the Bank.

4) A decent renumeration.

The Bank strives to provide its employees with decent remuneration that allows them to meet their main needs and the needs of their families in all regions where Bank operates, as well as other means of social security.

5) Non-discrimination.

Equal opportunities and intolerance to discrimination and any kind of oppression are provided at all levels of the Bank's activities. The Bank provides jobs that are free from discrimination and oppression based on race, gender, skin color, national or social origin, religion, age, disability, sexual orientation, gender identity, marital status or any other status.

The Bank rails against physical, verbal, visual, sexual and psychological violence that leads to the formation of a hostile and unsafe atmosphere in the workplace, undermining and damaging the reputation of an employee of the Bank, humiliation, intimidation and aggression.

The Bank provides all employees with equal opportunities for development, which depend on the results achieved, competence and qualifications. In turn, the Bank expects all employees to be proactive, eager to gain new knowledge on human rights and willing to share this knowledge with colleagues.

 6) Freedom of association.

The Bank maintains its relations based on transparency and cooperation, and strictly respects the right of employees to freedom of association and collective bargaining.

7) Forced labor and human trafficking.

The Bank rails against the use of any form of forced and bonded labor, any form of slavery and human trafficking. The Bank addresses the observance of children's rights and rails against the child labor. The minimum allowable age of employees is established in accordance with the current labor legislation of the Republic of Kazakhstan.

8) Interaction with the regions.

The close interaction with stakeholders in the regions where the Bank's branches and representative offices are located. The Bank strives to create economic opportunities and establish friendly relations with local residents in the regions associated with its activities.

9) Identification of the impact on human rights.

The Bank recognizes the need to analyze and identify the impact of its activities on human rights, including the right to social well-being and equal opportunities in the provision of services.

10) Openness to feedback.

Creating comprehensive feedback mechanisms that allow all stakeholders to report any issues, problems and violations while respecting the principles of confidentiality, without fear of bias or harassment.

The Bank interacts with external stakeholders to form stable and long-term relationships based on mutual trust, transparency of intentions and actions, openness and willingness to find optimal solutions considering the opinions and expectations of external stakeholders regarding the Bank's activities. In turn, the Bank expects external stakeholders to strive for respect for human rights, engagement and cooperation in achieving sustainable development goals and developing the most optimal solutions for all stakeholder groups on aspects of the Bank's activities. The Bank is open to support joint projects with the stakeholders, as well as to constructive mutually beneficial cooperation.

11) Awareness.

Raising awareness of the Bank's employees and external stakeholders about the key principles of human rights.

7. In order to comply with the established principles in the field of human rights, the Bank undertakes the following voluntary obligations:

1. respect human rights in accordance with the legislation of the Republic of Kazakhstan and international standards in accordance with paragraph 3 of this Regulation, comply with all the above principles, make efforts to avoid being involved in human rights violations;
2. implement programs aimed at human rights protection that may be affected within the framework of the Bank's activities;
3. exercise due diligence on human rights by monitoring the Bank's impact on human rights;
4. promote diversity and inclusiveness among employees through the implementation of appropriate programs;
5. in case of human rights violations, assess the extent of human rights violations related to the Bank's activities, minimize its consequences and, if necessary, compensate for damage;
6. collect information on violations of the requirements of this Regulation (including information obtained through the complaint mechanism) from internal and external stakeholders, persons whose human rights are or may be adversely affected;
7. take measures to prevent human rights violations by conducting annual training, interviewing the employees of the Bank in order to regularly assess awareness and respect for human rights;
8. to familiarize all stakeholders (including employees) with this Regulation by posting the document on the official website of the Bank www.hcsbk.kz;
9. ensure access of stakeholders to a mechanism for filing and reviewing complaints in the field of human rights violations related to the Bank and their activities in order to resolve and obtain legal protection;
10. to communicate to the public a common approach to solving the problem of human rights risks by posting information in the Annual Report of Otbasy Bank JSC for the corresponding year.

# Chapter 3. Collection of information and reporting

8. The control over compliance with the principles of this Regulation is conducted in the Department of Human Rights and Organizational Operations of the Bank by collecting information on human rights violations:

1. on an annual basis by conducting a survey of employees;
2. on a daily basis, based on the received written requests/complaints from employees, that were sent to:
* the Director of the Department of Human Resources and Organizational Operations;
* the Representative of Bank employees (for Bank employees);
* the Ombudsperson of the Bank (for Bank employees);

3) on a daily basis, based on the received written requests/complaints from external stakeholders of the Bank, that were sent:

* to the Bank's e-mail via the "Request" tab on the Bank's official website: mail@hcsbk.kz;
* Blog of the Chairperson of the Board;
* on paper by mail;
* via the Bank's contact center.

9. Information on the observance and protection of human rights, on the events of violations of the requirements of this Regulation, as well as on inconsistencies with the real-life conditions and current requirements, if identified (hereinafter referred to as the revealed violations), as well as on the measures taken by the Department of Human Resources and Organizational Operations, is reflected in the Annual Report of Otbasy Bank JSC for the corresponding year.

# Chapter 4. Responsibility

10. The Department of Human Resources and Organizational Operations is responsible for:

* monitoring compliance with the requirements of this Regulation by employees of the Bank;
* collecting information on the identified violations reported by employees of the Bank, including from the stakeholders, with immediate notification to the Chairperson of the Management Board by means of the internal memo via BPM system with an action plan to eliminate the causes of human rights violations;
* familiarization of employees of the Bank with the Regulation by conducting a training on the http://distanobuch/mira / website: <http://distanobuch/mira/> followed by testing and an annual survey;
* placement of the document on the official website of the Bank www.hcsbk.kz for the information of stakeholders;
* completeness and relevance of this Regulation;

11. All employees of the Bank are responsible for compliance with this Regulation.

12. The concerned structural divisions of the Bank take part in:

1) risk management in the field of observance and protection of human rights in terms of their functional responsibilities;

2) the consideration and settlement of complaints/appeals from the stakeholders, including from employees of the Bank within its remit.

# Chapter 5. Final provisions

13. This Regulation is subject to periodic review to ensure the compliance with international standards and legislation of the Republic of Kazakhstan in the field of human rights.

14. The employees of the Bank are informed about the changes in this Regulation in accordance with the Rules for the development, coordination, and approval of general internal documents.

15. The implementation of the provisions of this Regulation is ensured through open and constructive cooperation and interaction with all stakeholders.

16. Failure to comply with the provisions of this Regulation entails the disciplinary actions in accordance with the standards of applicable law and internal documents of the Bank.