

INDUSTRIAL AND COMMERCIAL BANK OF CHINA (ALMATY) JSC



REPORT ON SUSTAINABLE DEVELOPMENT (ESG)

2023



ICBC

ALMATY

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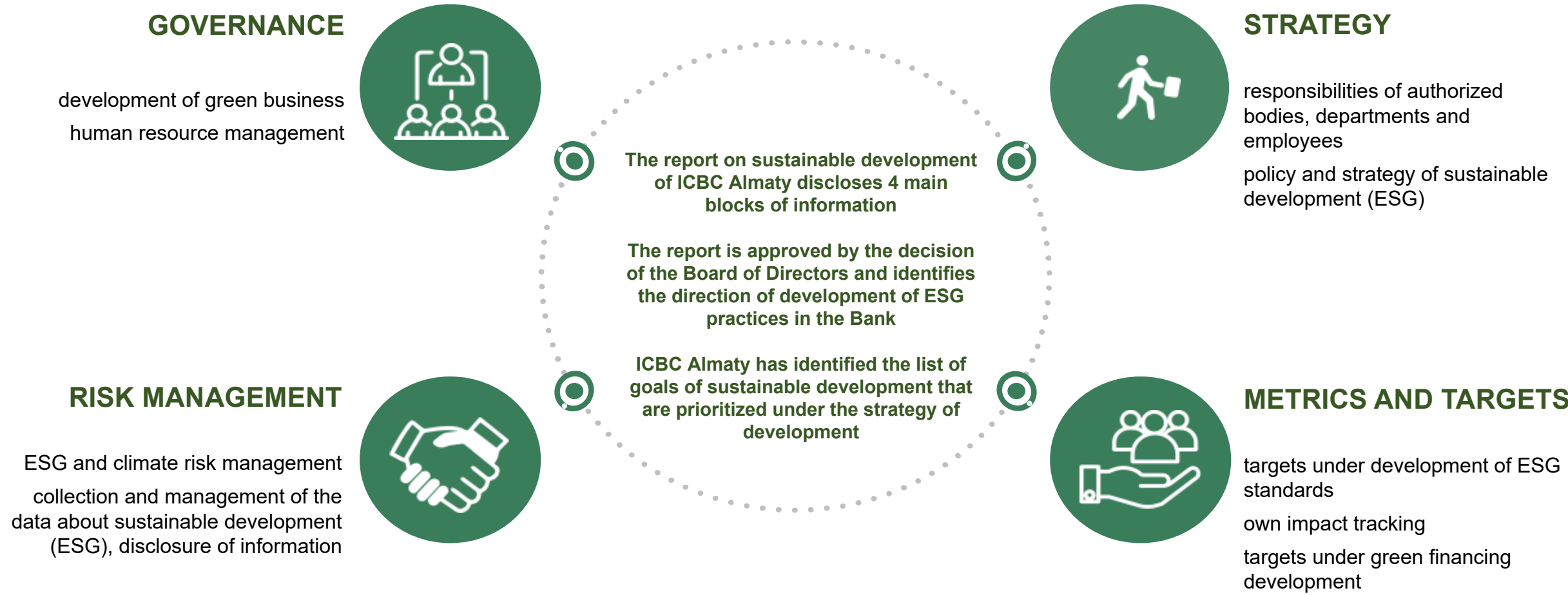
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LETTER FROM CHIEF EXECUTIVE OFFICER

To the Clients, Partners and Colleagues

For ICBC Almaty 2023 was remarkable by the transition to the brand new dimension of development - formation of the goals under sustainable development of the Bank.

Lots of challenges yet to be overgone, but in 2023 Bank already achieved significant results, the list of which includes the increase of the share of green loans in total portfolio of 40%. This is astonishing achievement for us that stimulates us even further.

Lending to green sectors of the economy is a priority area of development for us.

This year Bank celebrated its 30th anniversary of operations in Kazakhstan. ICBC Almaty has the reputation of a reliable counterparty and responsible investor, affirmed by the steady profit growth from year to year and high credit rating.

The keystone of a sustainable economy of the country is the personal responsibility of each citizen, being the basis for the policy of sustainable development of our Bank.

The direction of sustainable development of the Bank seizes intra-banking processes and the evolution of common culture of social equality and decrease of own impact among the employees and its integration into family values.

This report is a reflection of our efforts to support the United Nations Sustainable Development Goals, manifesting how the Bank, being the part of international ICBC Group with substantial experience in the area of sustainable development, manages to meet its high standards.



CEO of ICBC Almaty
Lang Weijie



TOP MANAGEMENT



LYU HONGHAI

Deputy Chief Executive
Officer

In role starting from 2023

Supervisor of front-office departments
of the Bank



LANG WEIJIE

Chief Executive Officer

In role starting from 2019

One of the “founders” of ICBC office
in Kazakhstan



BAI MING

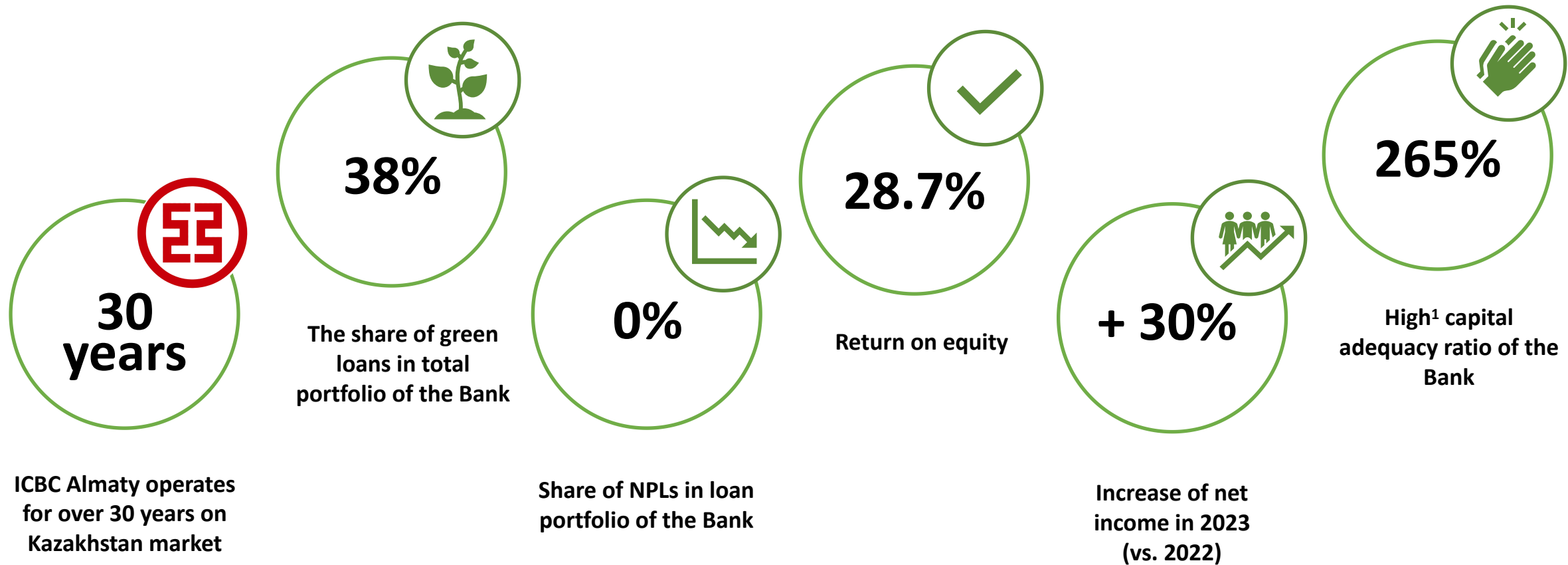
Deputy Chief Executive
Officer

In role starting from 2021

Supervisor of operational, accounting
and IT departments



ICBC ALMATY IN NUMBERS



¹Assuming the regulatory requirement of 10.5% (incl. all regulatory buffers)



KEY EVENTS IN 2023



In 2023 ICBC Almaty celebrated 30 years anniversary of operations in Kazakhstan

Bank celebrated 30 years anniversary of operations in Kazakhstan
Bank presented the historical moments and achievements over the history of the Bank
The event gathered honorable guests, including representatives of 100+ corporate clients and employees of the Bank



ICBC Almaty actively participates in promotion of settlement business between Kazakhstan and China

Participation in conference related to development of clearing business in CNY in Kazakhstan
Participation in conference related to promotion of cross-border financial services of ICBC Group
Participation in Beijing integration and consulting exhibition on import and export trade operations



In 2023 ICBC Almaty became a member of CIPS and gained the status of clearing (settlement) bank in CNY in Kazakhstan

The grand ceremony of the official start of clearing operations in CNY on the territory of the Republic of Kazakhstan was held at the format of large-scale event



Fitch Ratings once again confirmed the investment grade of credit ratings of ICBC Almaty in 2023

BBB+ / Stable



THE CEREMONY OF LAUNCHING OF CLEARING OPERATIONS IN CNY ON THE TERRITORY OF KAZAKHSTAN

The grand ceremony of the official start of clearing operations in CNY on the territory of the Republic of Kazakhstan was held at the format of large-scale event

List of participants included:

- Governor of Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market
- Deputy Governor of the National Bank of the Republic of Kazakhstan
- Senior Executive Vice President of ICBC
- Consul General of the People's Republic of China in Almaty
- Governor of the Association of Financial professionals of Kazakhstan
- Governor of Kazakhstan Stock Exchange JSC
- Representatives of the key Clients of the Bank

The meeting was attended by more than 200 market players and financial professionals from China and Kazakhstan

During the ceremony Bank presented the concept of introduction of the new business direction of the Bank under the launch of clearing operations in CNY in Kazakhstan

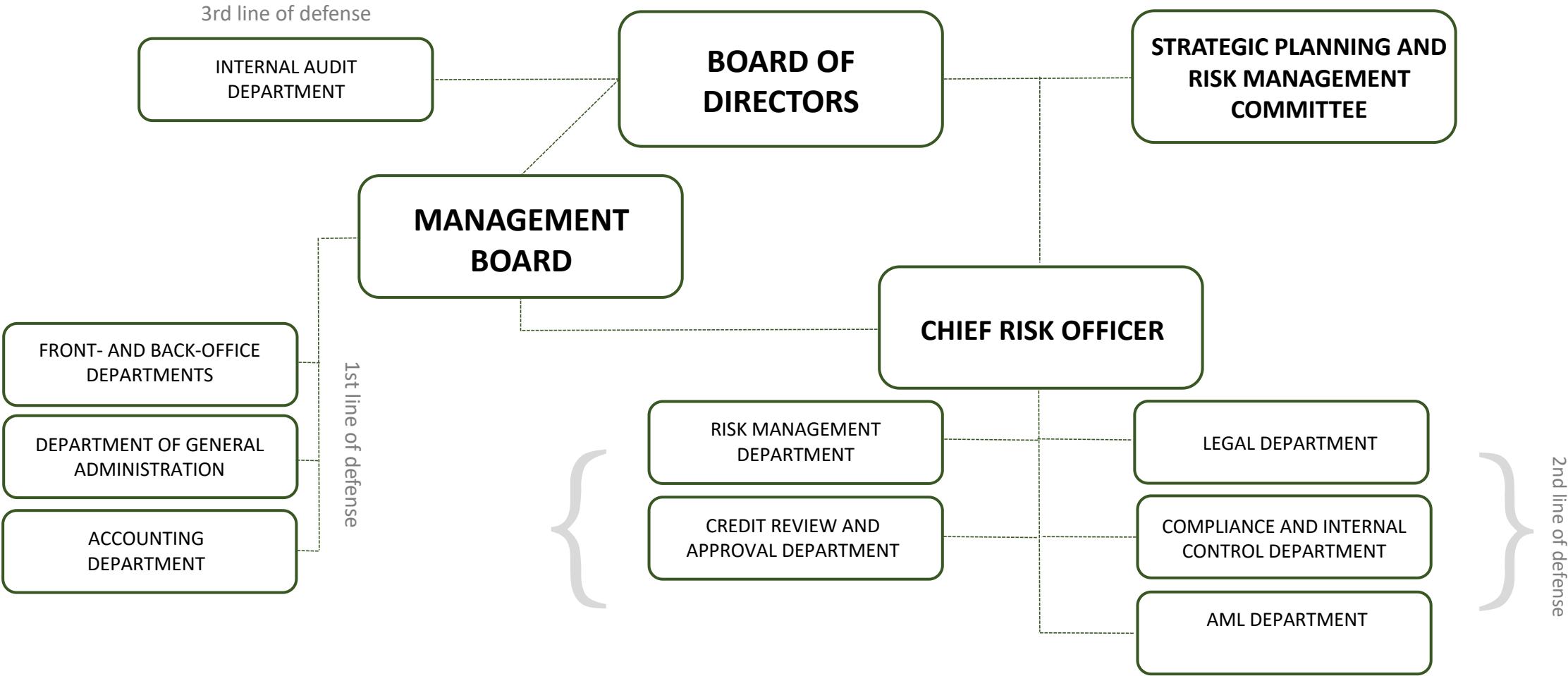
Speakers of the event presented the vision and strategy of the Bank, the main tasks and scope of the work done to prepare the Bank's systems and internal processes for the introduction of a new business direction

For ICBC Almaty, acquiring the status of a clearing bank opens up further prospects for the development of cross-border business in CNY, which is one of the main area of development aligned under the strategy and contributes to the achievement of strategic goals





ORGANIZATIONAL CHART UNDER ESG





BOARD OF DIRECTORS

“...This report is a reflection of our efforts to support the United Nations Sustainable Development Goals”

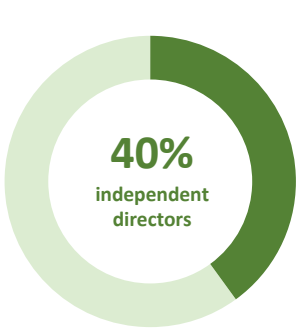
- approves the organizational structure for ensuring the formation and proper functioning of the Bank under sustainable development (ESG) and allocation of relevant responsibilities
- makes decisions on environmental and social issues related to critical high-risk projects
- reviews sustainability reporting (ESG) regarding the Bank's environmental measures
- provides overall supervision of the Bank's management in implementing approved strategies, environmental and social policies, and compliance with the requirements of the internal structure related to sustainable development (ESG)
- analyzes the report of Internal Audit department in terms of efficiency of ESG intergation, reports about significant accidents/ incidents/ fatal injuries, large complaints and other cases related to the business activity of the Bank
- ensures the preparation and approval of the Bank's ESG reporting, which includes all relevant ESG issues and the functioning of sustainable development (ESG), and ensures their proper disclosure
- approves the Bank's strategy, environmental and social policy, and internal sustainability framework (ESG), including internal rules and other internal regulations, to ensure that the roles and functions associated with the ESG are properly performed
- provides access to an in-charge employee of the Bank on the issues of the sustainable development (ESG) to the Board of Directors or periodically listens to his / her report
- sets maximum exposure limits for industries/sectors that are more hazardous to the environment, and sets limits for various environmentally friendly projects/sectors



BOARD OF DIRECTORS

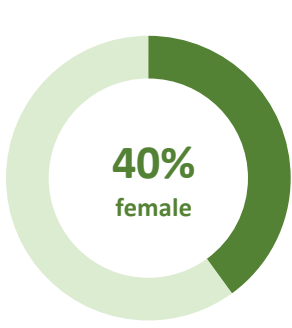
As of January,1 2024 the composition of the Board of Directors is represented as follows:

<div>Chairperson</div> <div>Tao Mei</div>	Representative of sole shareholder
<div>Member</div> <div>Lang Weijie</div>	Chairperson of the Management Board Executive Director
<div>Member</div> <div>Zheng Bin</div>	Representative of sole shareholder
<div>Member</div> <div>S. Akhanov</div>	Independent Director
<div>Member</div> <div>Y. Gerasimenko</div>	Independent Director



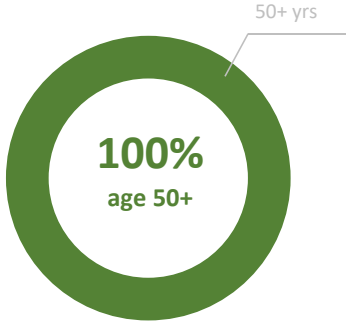
Composition of committee

The composition of Committee satisfies all regulatory requirements and corresponds to best practices



Composition of committee by gender

The composition of Committee shows gender diversity, ICBC Almaty does not accept gender discrimination in any form



Composition of committee by age

The composition of Committee shows age diversity, ICBC Almaty does not accept age discrimination in any form



STRATEGIC PLANNING AND RISK MANAGEMENT COMMITTEE

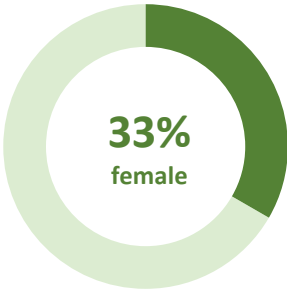
“...The direction of sustainable development of the Bank seizes intra-banking processes and the evolution of common culture of social equality”

- the main principle of work of SPRMC is rational decision-making and action in the interests of the Bank based on a comprehensive assessment of the information provided
- in 2023, the Bank approved the ESG Policy, which represents the fundamental document for the Bank within the framework of defining a new development vector, and the Committee provided its comments and vision for further improvement of existing practices under sustainable development (ESG)
- Committee members should contribute to the implementation of the high standards of the sustainable development (ESG) set by ICBC Group, as part of the defining the general strategy of development
- SPRMC considers issues of priority areas of activity and strategic goals, as well as issues related to improving the efficiency of the Bank's activities, including the issues within the framework of sustainable development (ESG) and following the principles of rational consumption and reducing own impact of the Bank
- conducts preliminary review and approves the Bank's strategy implementation report for further approval by the Board of Directors
- conducts preliminary review the Bank's ESG strategy and reports, and provides recommendations to the Board of Directors on sustainable development. (ESG), following the principles of rational consumption and reducing own impact of the Bank
- analyzes the Bank's green finance strategy, climate risk management, and monitors the implementation of other sustainable development goals and policies (ESG)
- contributes to provide accurate information under sustainable development (ESG) to the Board of Directors



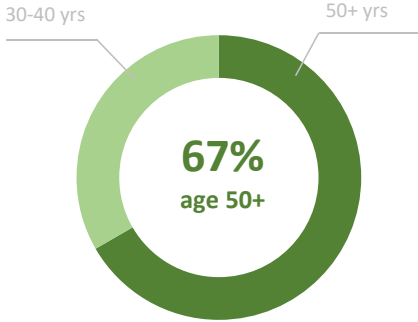
STRATEGIC PLANNING AND RISK MANAGEMENT COMMITTEE

As of January,1 2024 the composition of the Strategic Planning and Risk Management Committee is represented as follows:



Composition of committee by gender

The composition of Committee shows gender diversity, ICBC Almaty does not accept gender discrimination in any form



Composition of committee by age

The composition of Committee shows age diversity, ICBC Almaty does not accept age discrimination in any form



MANAGEMENT BOARD

- responsible for implementing all policies and procedures related to environmental and social risk management
- in case of unresolved ESG issues or non-compliance with requirements that cannot be resolved at the level of the head of the division, the Chairperson of the Management Board determines the appropriate course of action, which may include various actions to reduce the Bank's potential exposure to ESG risks
- reviews strategies, procedures and accountability mechanisms for implementing sustainable development policies (ESG) prior to approval of the Board of Directors

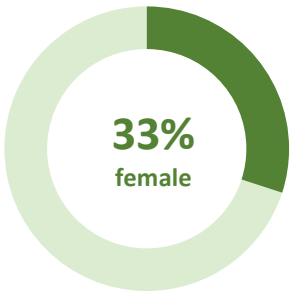
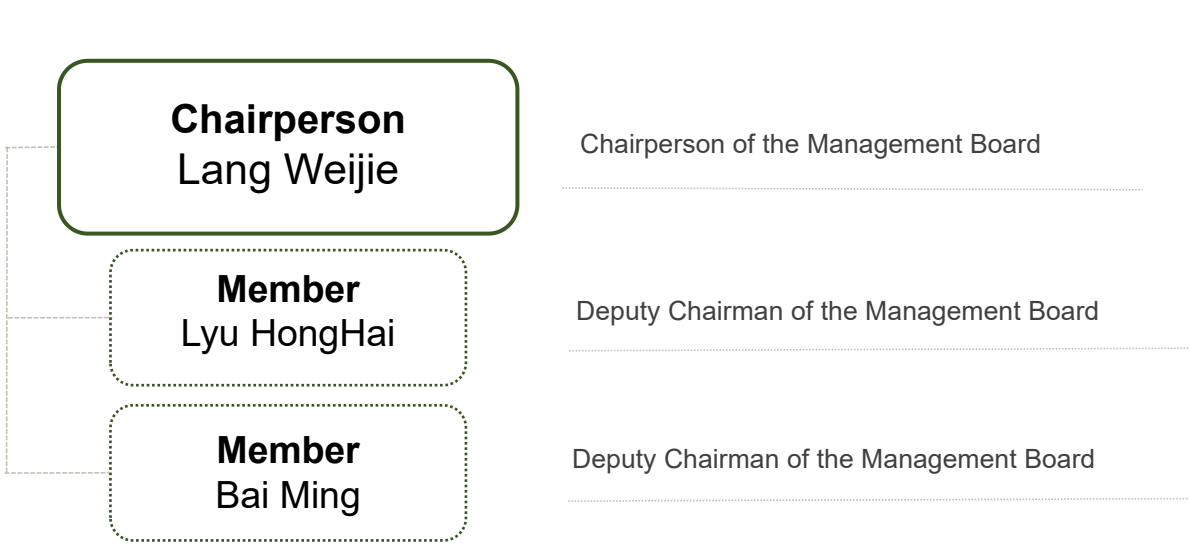
“...For ICBC Almaty 2023 was remarkable by the transition to the brand new dimension of development - formation of the goals under sustainable development of the Bank”

- establishes systems and procedures for the recruitment, involvement and continuing professional education of specialists involved in environmental and social risk management in the Bank
- establishes systems for collecting data and preparing meaningful statistics on environmental and social risk management for reporting to the Regulator
- decides whether ESG risks in strategically important projects with high risk exposure are acceptable within the Bank's overall risk appetite
- The Chairperson of the Management Board may decide to terminate the project due to increased exposure to ESG risks and potential impact on the sustainable development (ESG) of the Bank



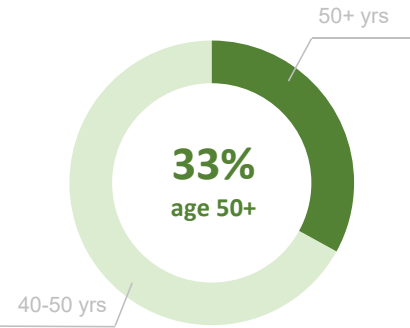
MANAGEMENT BOARD

As of January,1 2024 the composition of the **Management Board** is represented as follows:



**Composition of
committee by
gender**

The composition of Committee shows gender diversity, ICBC Almaty does not accept gender discrimination in any matter



**Composition of
committee by
age**

The composition of Committee shows age diversity, ICBC Almaty does not accept age discrimination in any matter



CHIEF RISK OFFICER

- conducts the supervision over the integration of sustainable development (ESG) and policies within the Bank's lending activities, and coordinates with various divisions and branches of the Bank to ensure compliance with ESG requirements
 - organizes regular training on sustainable development (ESG) issues for relevant employees, maintains a training calendar, includes modules on ESG issues in introductory sessions, and updates the training content for all educational sessions related to sustainable development (ESG)
 - assists in the evaluation and analysis of technical aspects of a proposed project to be financed by the Bank
 - conducts the supervision over the second line of defense under the strategy implementation and ESG risk management framework
- prepares a draft ESG policy and procedure, which provides step-by-step processes for assessing the Client's environmental and social risks, determining the category/ classification of environmental and social risks of a financial transaction, and determines the distribution of roles and responsibilities at different levels in the Bank in accordance with the guidelines of the ESG Policy
 - informs top management about the current sustainability status of the Bank's portfolio and facilitates the decision-making process in the event of unresolved ESG issues or non-compliance with the ESG provisions of the Bank
 - reports to the Board of Directors and its committees on sustainable development issues (ESG)
 - provides all necessary additional materials for consideration by the top management to
- confirm the project as “green”

 - monitors up-to-date information on ESG issues in the media and supports the responsible on reporting divisions in identifying and managing ESG risks in lending, using various communication tools and guidelines as appropriate
 - provides feedback and recommendations on medium-and high-risk projects, mainly on the main ESG risks and how to manage these risks
 - monitors the Bank's activities within the framework of sustainable development (ESG), by monitoring credit activities, as well as other aspects that have a direct impact on the Bank's sustainable development (ESG)
 - facilitates top management decision-making on projects with medium and high ESG risk exposures



FRONT-OFFICE DEPARTMENTS

- identify environmental and social risks in the Bank's Clients' activities based on interviews with the Client, conducts the field-work, collect documentation packages and receive conclusions from departments related to the project
- ensure that the Client provides all necessary information confirming the use of proceeds, so that the Bank's departments involved in the process of approving and classifying the loan within the framework of sustainable development (ESG), could issue relevant conclusions and provide a full analysis to the Chief Risk Officer and top management of the Bank
- should have a complete understanding of all the required parameters set by the Bank for defining a project as “green”
- leads the process of negotiation with Client under ESG covenants setting or action plans in case of medium or high ESG risks
- monitors the Client's compliance with the terms of loan agreement
- contribute to effective communication with Clients while approving additional terms and conditions

CREDIT REVIEW AND APPROVAL
DEPARTMENT

- analyzes the results of a comprehensive assessment of ESG aspects, including verification of compliance with requirements, categorization of ESG risks
- in cooperation with customer relations managers monitors the progress of implementation of environmental and social action plans after the loan is issued
- ensures that critical ESG issues are accounted and that sufficient measures are taken to manage identified risks within each project
- verifies the availability of sufficient documentary evidence confirming the ESG performance indicators of the Bank's Clients
- responsible for the overall quality control of the ESG integrated assessment procedure
- approves projects with a medium or high level of risk or submits them to the Chief Risk Officer and top management for final decision-making
- performs analysis on issued green loans within the established procedures based on the information provided from the Client

LEGAL DEPARTMENT

- ensures that the Bank's ESG requirements are included in the legal agreements of all projects
- notifies top management if the Client does not comply with the ESG aspects, which results in a breach of contract and is considered as an event of default, in accordance with the terms of the legal agreement that requires action by the Bank
- promotes legal compliance of the covenants established for green projects monitoring
- provides the clarifications of legislation, under the ESG framework

“...Lending to green sectors of the economy is a priority area of development for us”



INTERNAL AUDIT DEPARTMENT

- in its activities, the internal audit division is guided by the norms of legislation, the requirements of the Regulator, and the Bank's internal regulations
- in order to ensure the independence and objectivity of internal audit, it is functionally subordinated and accountable to the Bank's Board of Directors
- regular audit plans include an audit of the Bank's activities under sustainability reporting (ESG)
- analyzes compliance with the requirements on ESG
- assesses the effectiveness of risk management and management reporting processes
- assesses the effectiveness of compliance and ML/TF risk management processes and procedures
- performs an audit of the financial statements for compliance with the financial disclosure requirements
- analyzes reports for relevance, accuracy, timeliness, and consistency

COMPLIANCE AND INTERNAL CONTROL DEPARTMENT

- the main task of the compliance division is to organize activities for managing regulatory (compliance) risks, as well as assist the Bank's divisions in performing tasks related to conducting and supporting business, taking into account compliance with regulatory requirements in such areas as regulatory (compliance) risk management, conflict of interest management, and compliance with business ethics rules
- direct participation and organization of work in identifying internal fraud and corruption in the Bank and communicating relevant information to the authorized collegial bodies of the Bank
- with regard to anti-corruption measures (fraud) and illegal actions, CICD conducts comprehensive work to improve its methodological base in the areas of compliance and internal control, operational risks and personnel management, security in accordance with the best practices of ICBC Group in strict compliance with the requirements of the legislation of the Republic of Kazakhstan and its practical implication

AML DEPARTMENT

- for timely identification of threats, as well as control of emerging risks and prevention of undesirable consequences, the Bank has created an AML/CFT system, which consists of the following elements:
 - applying the "Know your Customer" principle
 - identification of transactions subject to the so-called "mandatory control"
 - identification and suppression of "suspicious" operations/ training and training of employees
- consolidated AML/CFT policy, which defines unified approaches and standards to meet Kazakhstan and international AML/CFT requirements
- the Bank's management pays special attention to compliance with AML/CFT requirements by all employees, Clients, counterparties and partners of the Bank to form transparent business processes and prevent the use of the Bank's products and services for AML/CFT purposes



POLICY AND STRATEGY OF SUSTAINABLE DEVELOPMENT (ESG)

The Bank's sustainable development policy (ESG) includes the following principles to support transition of Kazakhstan to a low-carbon and climate-resilient economy:

Political principle

The Bank strives to account the country needs in financing important economic and social projects, as well as important international economic and social projects for the development of cooperation between Kazakhstan and China, also on the territory of the EAEU, Central Asia and Causasus, assuming the size of the Bank, and promote high-quality economic development, growth and sustainable social development Kazakhstan, China

and other regions mentioned above, that are economic and political partners of Kazakhstan

The principle to serve to the human being

The Bank strives to use its financial potential to serve people and promote awareness in terms of finance literacy among the population, contribute to the growth of people well-being

Social principle

The Bank strives to continuously improve its products, increase the competitiveness and inclusiveness of financial services to meet the needs of society, and actively support public welfare and charity, by adopting the global practices of ICBC Group

Corporate principles

The Bank strives to fulfill its social obligations and maintain its creditworthiness, improve the quality of its services, and create value for shareholders, customers, and other stakeholders

The principle of sustainable development

The Bank strives for high-quality and sustainable development of financial services, and promoting the sustainable development of Kazakhstan, China, and the regions that are Kazakhstan's economic and political partners

The principle of openness

The Bank is committed to towards the development of international relations, strengthen international cooperation



POLICY AND STRATEGY OF SUSTAINABLE DEVELOPMENT (ESG)



Kazakhstan and partner countries, including financing the development of “Belt and Road Initiative” (a huge road construction project initiated by the Chinese Government); serve as an example of regional openness

The principle of confidentiality

The Bank strives to adhere to rules and laws established in the framework of information security management, in particular the management of personal data of Clients.

The main guideline is support and continuous improvement of the information security management system. This is achieved by applying advanced information solutions not only for external, but also for intra-bank disclosures of personal data of the Clients

Tasks set within the framework of sustainable development goals:

-  Strive to increase the financing of production, technological innovations, etc.
support the implementation of key national strategies and projects
-  Respect nature, comply with environmental protection requirements, strive to develop green finance services and closed-cycle economies, increase the share of green investments and reduce the share of lending to high-carbon projects; strive to promote a reduction in the number of loans allocated to high-carbon projects, carbon dioxide

emissions, pollution, as well as to directly or indirectly promote the harmonious co-existence of human-being and nature

-  Strive to provide high-quality financial services while promoting infrastructure development
-  Focus on people, optimize the quality of financial services, strive to provide high-quality service and comfortable service conditions for all categories of citizens; adhere to honest management, improve the level of corporate culture; adhere to financial ethics, effectively protect privacy and and information security of personal data of the Clients, and do not infringe their legal rights and interests



POLICY AND STRATEGY OF SUSTAINABLE DEVELOPMENT (ESG)

- Strengthen integrated risk management, including focus on ESG risks
- Continuously improve the quality of operations to create greater value for shareholders, customers, employees, and society
- Be proactive in improving resource efficiency of own activities, decreasing the own impact and carbon footprint; realization of the strategy of sustainable development; promote eco-friendly low carbon emission and sustainable development of the vendors (strive to cooperate with vendors and suppliers that follow ecological standards)

- Put people first, take care of employees (including striving to create favorable working conditions for employees), improve employee incentive mechanisms and educational system, value and protect the legitimate rights and interests of the Bank's employees, pay attention to equal employment and career development of employees, maintaining gender equality
- Strive to participate in charitable projects to help those in need, and encourage employees to participate in volunteer activities
- Continue internal process optimization under sustainable development that

- contributes to the creation of the positive public image on the markets of presence
- Develop an environmental risk management system, including the carbon (and other greenhouse gases) emission calculation
- Improve the system for countering the money-laundering and legalization of proceed from illegal businesses, and the financing of terrorism
- Make sure that on sustainable development (ESG) is complete and submitted on the regular basis with reasonable level of disclosure



POLICY AND STRATEGY OF SUSTAINABLE DEVELOPMENT (ESG)

E

ENVIRONMENTAL

ICBC Almaty has determined the direction of development of ESG standards from the list of Sustainable Development Goals (SDGs), provided by the United Nations:

1. Bank strives to increase lending volumes in eco-friendly industries, that are not harmful to the environment, and by now the share of green loans issued by the Bank reached 40% of the total portfolio

The most remarkable eco-friendly project of the Bank is the financing of the wind power plant, which also, among its obvious advantages, is significant source of jobs in a region

The Bank's priorities are:

- projects on improvement of the basic infrastructure of the regions (free access to drinking water, low-cost and environmentally friendly electricity)
- sustainable industrialization projects that have a significant impact on the creation of work places, reducing unemployment not only among professionals, but also among people without necessary qualifications and experience

The Bank focuses on financing of socially significant projects and acts as a reliable partner of cross-border corporations





REDUCTION OF OWN IMPACT - ICBC GROUP EXPERIENCE

E ENVIRONMENTAL

2. The sustainable development management system of the Bank is based, among other, on the reduction of own impact - minimizing of the negative impact from operation of the Bank on environment

Bank, being the part of large financial group ICBC , implements a strategy of preservation and adheres to its own green and low-carbon activities

ICBC Group is the active participant in the UN Principles for Responsible Banking working group in China, which contributes to the deep understanding and high level of expertise

ICBC Group, being a significant player on the global financial market, under existing ESG policy¹ and the process of reduction of the carbon footprint, declares set of achievements in compliance with the UN SDG 12, which are considered as the benchmark for ICBC Almaty, the highlights are the following:

ICBC Group has developed a system for automatized calculation of carbon emissions, which helps to determine the peak value of emissions (which is specific for business in China) and forecast the completely zero carbon footprint in the future

The ICBC Group is guided by the “paperless” office policy, which has saved more than 19 million sheets of paper weighing 98 tons



¹2022 Interim Special Report on Corporate Social Responsibility



REDUCTION OF OWN IMPACT

E

ENVIRONMENTAL

Bank, on its level, also implements a set of measures to reduce resource consumption, which includes the following initiatives:



1. Minimization of impact on environment

As part of minimizing the Bank's carbon footprint, employees are encouraged to use public transport. The Bank's office is located in a business center that was chosen on the principle of transport accessibility, with the bus stop and metro station available within walking distance (access to all types of available public transport in Almaty), the avenue where the office building is located has the special lane dedicated for buses only



2. Switch to electronic documents/ reduction of the paper usage

The Bank strives to switch all internal processes online, and in the near future, the Bank plans to increase the number of processes that do not require paper approval, including creation of a bank-wide cloud database to store electronic documents, electronic minutes of meetings, etc.



3. Improving energy efficiency and saving energy

The Bank's office is equipped with energy-saving lighting (which is switched off during non-working hours, in the absence of employees) as well as equipment with energy class A+, that helps to save energy at the level of the whole institution





REDUCTION OF OWN IMPACT

E

ENVIRONMENTAL

- 4. **Responsible waste management** - Bank has a strong focus on encouraging employees to sort waste. For this purpose, office spaces are equipped with the waste bins for sorting waste by type. The goal of the Bank is to integrate the culture of waste sorting among employees, which may result in extrapolation of such behavior across the family and society in the future
- 5. **Office supplies** are given in accordance with requests received from employees and are subject to internal control, which helps reduce their consumption
- 6. To ensure the effectiveness of measures to reduce the Bank's own impact, **employees are regularly informed about the possibility of saving resources** at informational meetings dedicated to discussion of responsible consumption and increasing environmental responsibility

In general, **The Bank is not a potentially significant consumer of natural resources.** However, due to the specifics of its activities and the lack of a broad branch network or a broad network of ATMs, the Bank is guided by the following principle: **"doing more, consuming less"**

The Bank pays special attention to the decoupling effect adapted at the corporate level of the Bank, meaning that Bank strives to reduce the consumption of natural resources with positive growth of the business, in contrast to the resource-based economy patterns

The idea of this approach is to achieve positive results, while minimizing the cost of natural resources and creating sustainable growth that does not depend on resources consumption





DYNAMICS OF CHANGES OF OWN IMPACT



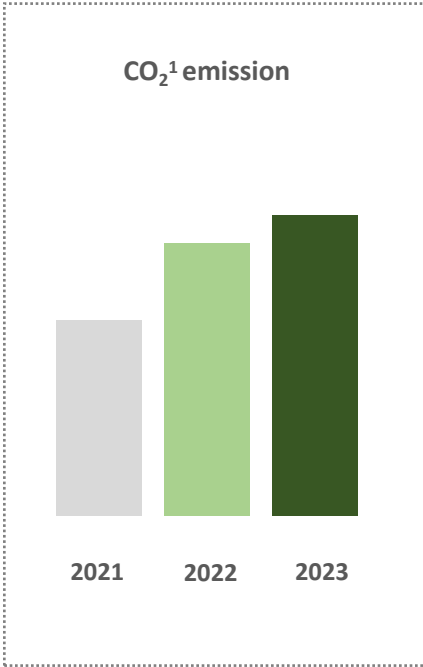
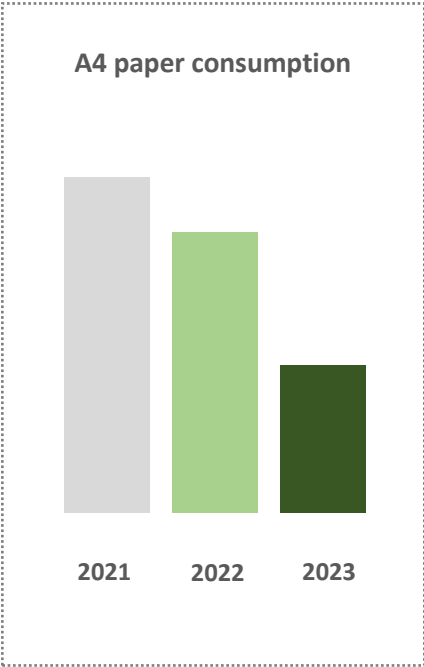
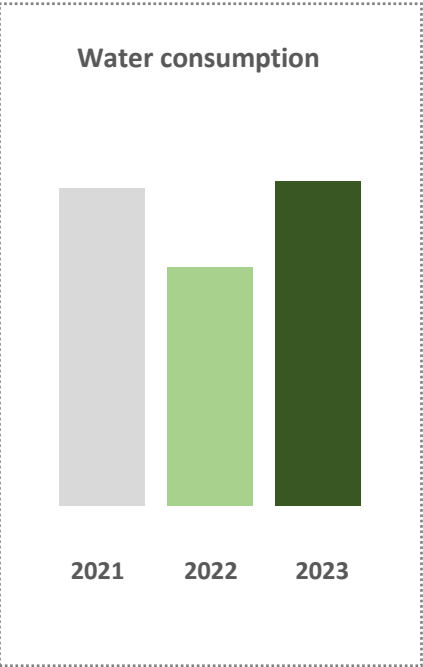
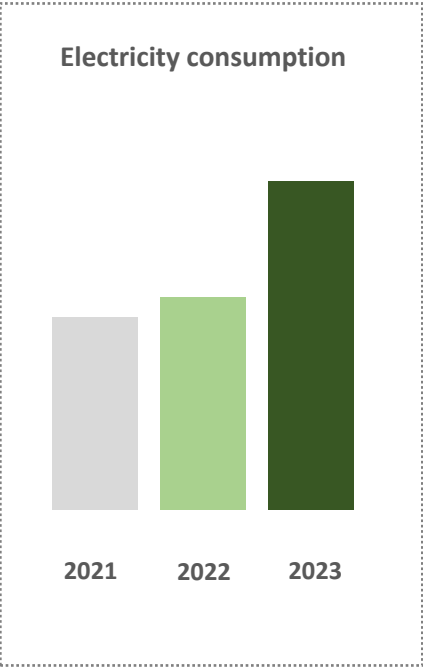
Reduced A4 paper consumption by almost **50%**



Increase of electricity consumption due to the occurrence of reserve office



Increase of water consumption due to the occurrence of reserve office



Information on electricity and water consumption is presented as expenses per employee
Information on A4 paper consumption is presented as the number of sheets per employee
Information on emissions of CO₂ based on carbon dioxide emissions of the cars in the possession of Bank

Calculation of CO₂: according to the level of emission specified under the examination of euro standards compliance to the specific car model



POLICY AND STRATEGY OF SUSTAINABLE DEVELOPMENT (ESG)

S SOCIAL

The Bank strives to continuously improve the working conditions of the employees, including physical safety issues

HR policy is aimed to maintain gender balance within the team and ensuring a unified approach to employees, without any prejudice regarding gender, national or age characteristics

The Bank has developed a training program on ESG risks to strengthen employees' understanding of the concept of sustainable development (ESG)

The program includes managing environmental, social and climate risks, promoting green business and reducing own impact within achieving of the Bank's Sustainable Development Goals

Top management of the Bank has a strong focus on ensuring and maintaining a healthy environment within the team, strictly preventing any situations that discriminate against employees' personal rights, as well as taking the necessary measures to resolve any conflict situations within the team, including preventing of spreading rumors and false information about an employee within the team

The Bank maintains the market level of salaries by conducting annual upward revise, ensuring the payment of annual bonuses, and also provides other social benefits to encourage the improvement of the standard of living of employees





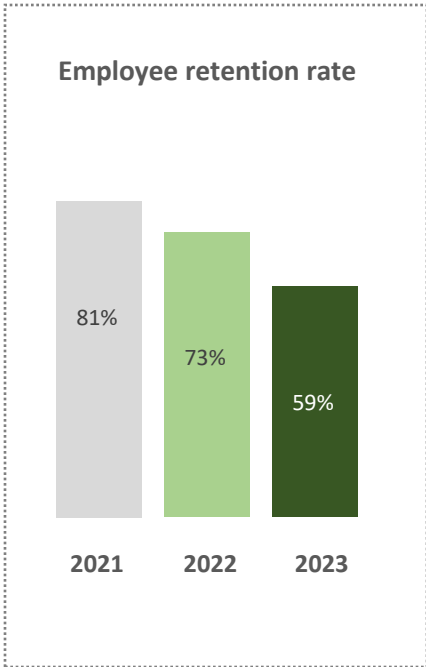
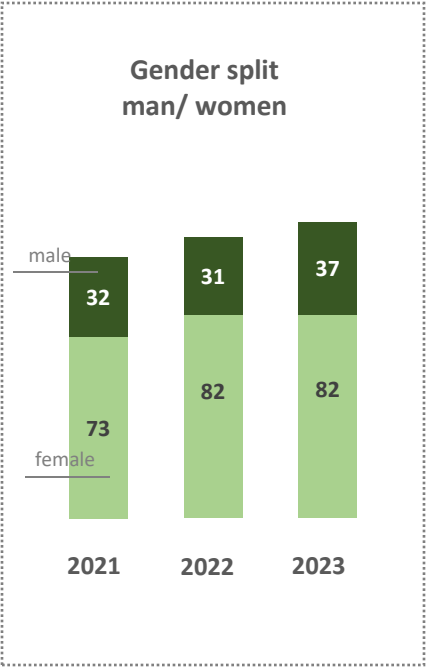
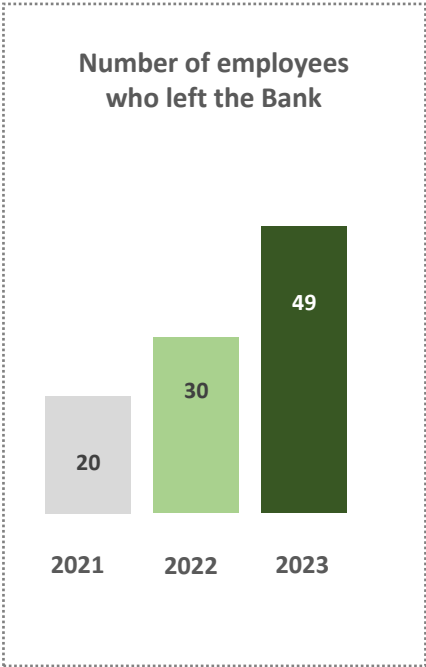
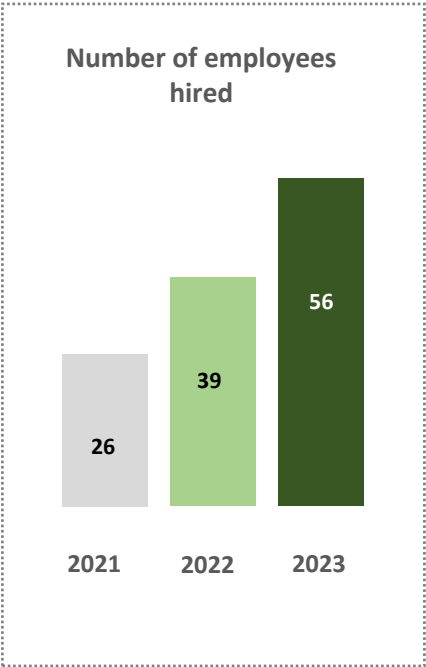
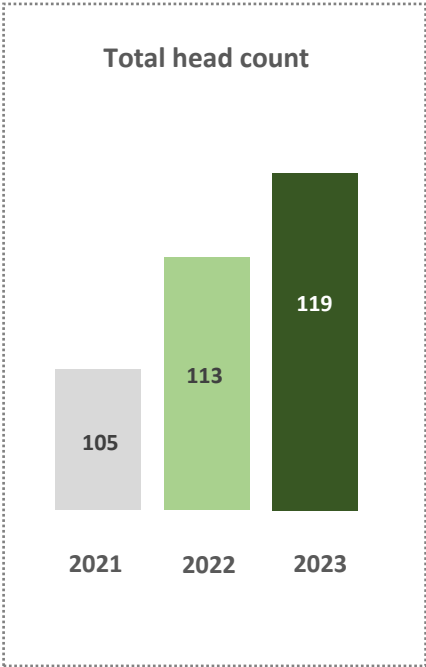
HUMAN RESOURCE STATISTICS OF THE BANK



0 injuries at the workplace
recorded in 2023



average age of Bank
employees - **36 years**

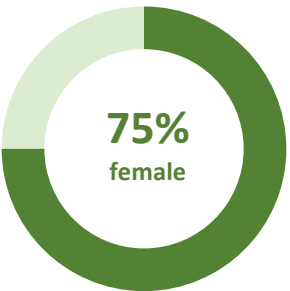




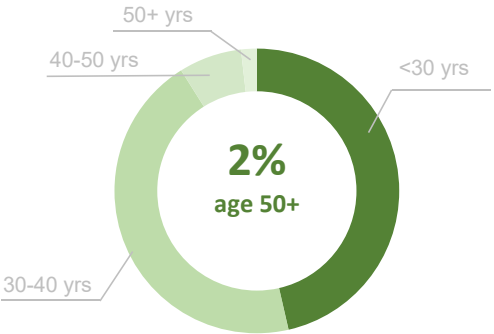
HUMAN RESOURCE STATISTICS OF THE BANK - EMPLOYEES HIRED

2023

Number of employees hired
by gender

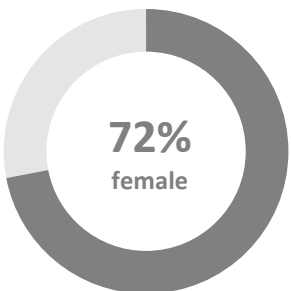


Number of employees hired
by age

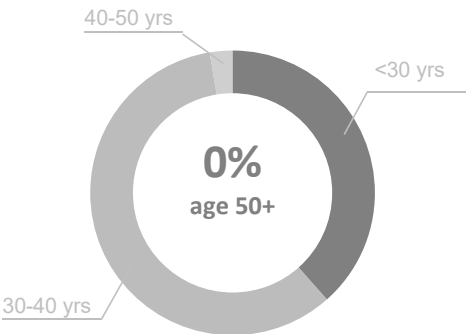


2022

Number of employees hired
by gender

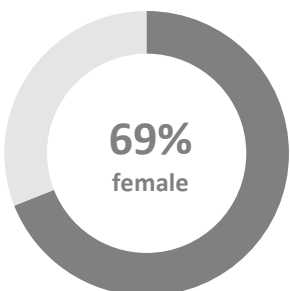


Number of employees hired
by age

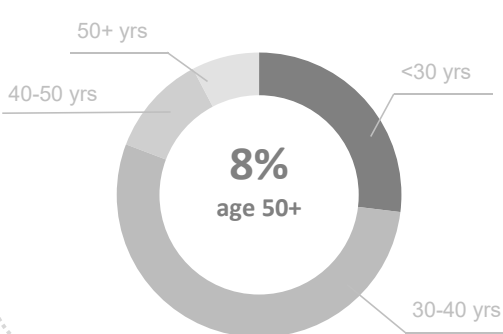


2021

Number of employees hired
by gender



Number of employees hired
by age

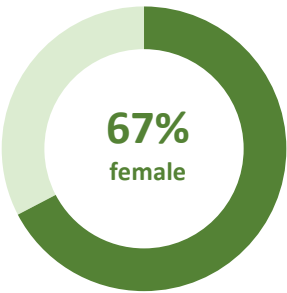




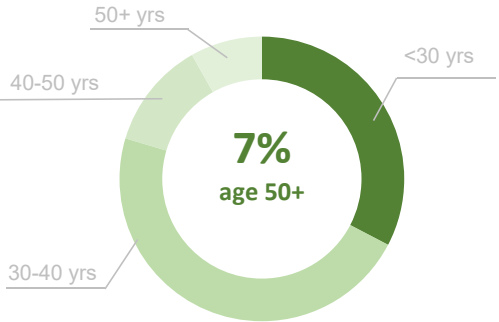
HUMAN RESOURCE STATISTICS OF THE BANK - EMPLOYEES WHO LEFT THE BANK

2023

Number of employees left the Bank
by gender

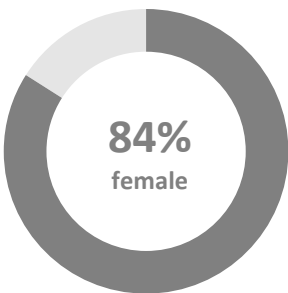


Number of employees left the Bank
by age

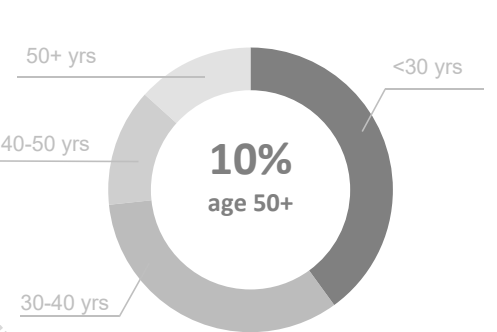


2022

Number of employees left the Bank
by gender

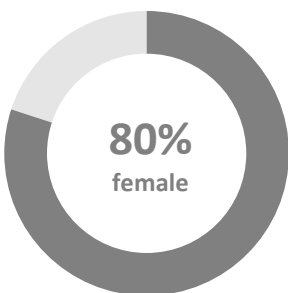


Number of employees left the Bank
by age

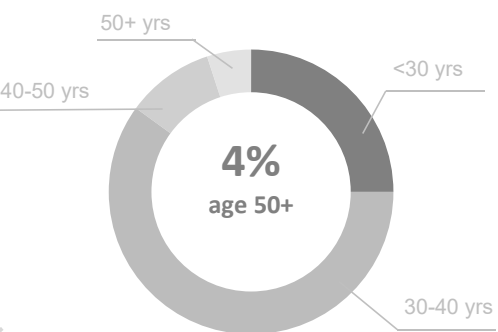


2021

Number of employees left the Bank
by gender



Number of employees left the Bank
by age





CARE ABOUT EMPLOYEES

TRAINING	INCENTIVE PROGRAMS	HEALTH AND SAFETY
<p>1. In order to form and maintain the necessary level of qualification and competencies of employees, taking into account the requirements and prospects of the Bank's development, Bank encourages growth of professionalism and professional knowledge, qualification tests and advanced training, disclosure of personal potential, growth of motivation, increase employee loyalty, by providing trainings to employees, the costs of which are covered by the Bank</p> <p>2. Employees of the Bank also have the opportunity to share the experience within ICBC Group in the course of regular internation conferences organized by ICBC Group Head Office</p>	<p>1. In order to keep employees motivated, the Bank has established a semi-annual bonus payment, the amount of which increases depending on the achievemnet of Bank's financial KPIs</p> <p>2. A distinctive feature of the Bank as an employer, is also the payment of additional bonuses to employees dedicated to significant holidays (including public holidays in Kazakhstan and China, and professional holidays that are not official)</p> <p>3. The incentive system includes the opportunity to participate in the competition of significant achievements among employees within the Bank and entire ICBC Group, that allows each employee to participate</p>	<p>One of the strategic goals of the Bank is to maintain the high level of social and material support for employees:</p> <p>1. Bank provides health security to the employees</p> <p>2. Bank organized regular visit of the doctor in the office</p> <p>3. Conduction of day-to-day wet cleaning, quartz cleaning, in case of increased number of illnesses among employees; the office is subject for regular aeration during the day</p> <p>4. There is a meal providing program for employees, the ration is balanced and diversified in accordance with the recommendations of professionals</p> <p>and does not contain potentially allergic products</p> <p>5. The office is equipped with the bactericidal air recirculators to provide the Bank's employees with the purified air, which in turn allows to reduce the risk of seasonal illnesses, and also minimizes all kinds of allergic reactions associated with air quality</p> <p>6. The Bank organizes regular trainings on security measures with the involvement of external speakers who are working in the field of security</p>



POLICY AND STRATEGY OF SUSTAINABLE DEVELOPMENT (ESG)



GOVERNANCE

The basis of corporate governance of the Bank:

The Bank strives to ensure full transparency of its financial statements by strictly complying with the requirements of the Regulator

The Bank acts in the interests of the sole shareholder and ensures that the interests of ICBC Group are protected in the course of its business activities, assuming strict compliance with the requirements of the legislation

The Bank is a reliable partner in cross-border operations, interacting with many foreign companies

Bank conducts optimization of internal processes, contributing to the implementation of the Bank's goals in the planning period in relation to anti-corruption measures (fraud) and illegal actions, contributing to the construction of a peaceful and open society

Associated strategic goals under the process of building the efficient corporate governance system:

- 1. ESG risk management
- 2. Creation of a Board of Directors with an extended set of competencies
- 3. Maintaining transparency of reporting and a sufficient level of corporate culture development
- 4. Reducing exposure to long-term environmental, social and governance risks
- 5. Improving effort efficiency, employee safety, and independence of the Board of Directors
- 6. Maintaining sustainability reporting to better represent the Bank's potential for shareholders, investors and other stakeholders





POLICY AND STRATEGY OF SUSTAINABLE DEVELOPMENT (ESG)



GOVERNANCE

Highlight of the main four directions of efficient corporate governance development:

- 1. Structure and control – the structure of the Bank's corporate organization is the basis for high standards of transparency of the Bank's activities and risk control
- 2. Code and Values – Bank is applying the highest standards of the ICBC Group, does not accept discrimination and harassment in any form
- 3. Transparency and accountability – disclosure of information should always meet the needs and interests of the Bank's shareholders, investors, Clients and other stakeholders
- 4. IT risks and internal systems – data security and ensuring the safety of investments is a basic priority for the Bank

The efficiency of the corporate governance under the identified directions of development contributes to the achievement of the following effects for the Bank:

The company's top management takes into account the interests of everyone

- 1.Long-term corporate success and economic growth
- 2.Increased investor confidence and, as a result, increasing opportunities to strengthening the position on the markets of presence
- 3.Improved control over management systems and information systems; increased information security
- 4.Minimization of losses, corruption, and unprofessional risk measurement
- 5.Building a strong brand reputation
- 6.Ensuring the Bank's sustainable growth as part of its development strategy





GREEN LOANS

Funds intended for financing environmentally sustainable projects



renewable and clean energy projects:

- solar energy projects
- wind projects
- projects for generating electricity from biomass
- hydropower projects
- smart grid projects
- energy-saving and environmental services
- energy-saving services



rural and urban water supply projects:

- engineering projects for drinking water safety
- water saving projects
- urban water saving projects



eco transportation projects:

- railway transport projects
- waterway and ship procurement projects
- urban public transport projects
- transport projects for environmental protection



nature protection, eco-restoration and disaster prevention or recovery projects



water management services

cyclical economy services

recycling projects



energy saving or green building projects:

- green transformation
- green building, development, operation and maintenance projects



energy saving or green building projects

construction of socially significant facilities for the region (hospitals, schools, etc.)



environmental protection services

waste management and pollution prevention projects





PRINCIPLES OF GREEN FINANCING

1. USE OF PROCEEDS

The Borrower must provide a full description of the intended use of the funds (the category of the project within the framework of sustainable development), indicating the objects of refinancing (if any); all feasible and planned benefits of implementing this project within the framework of sustainable development (ESG)

3. MANAGEMENT OF PROCEEDS

The proceeds of a green loan should be credited to a dedicated account or otherwise tracked by the Borrower in an appropriate manner, so as to maintain transparency and promote the integrity of the product. Each utilized tranche should be accounted separately

2. PROCESS FOR PROJECT EVALUATION AND SELECTION

In order to effectively evaluate a potential investment, the Bank requests the following information from the Borrower: the goal of the project implementation within the framework of sustainable development (ESG); criteria by which the Borrower evaluates the project as green; additional information that identifies potential ESG risks of the project

4. REPORTING

The Borrower must provide all reports in a timely manner as part of the use of proceeds confirmation, taking into account all necessary disclosures. The report should contain information about the project and the amount allocated for its financing (if any NDAs with project counterparties is signed, the Bank can accept information in general terms based on portfolio basis





GOALS UNDER GREEN BUSINESS OPERATIONS

As part of the development of green financing ICBC Almaty strives to achieve the following goals:

1. Take into account current trends in the energy industry, clean production and waste-free economy, and promote the acceleration of innovative development of green finance

2. Strengthen comprehensive support for green and low-carbon economies and promote green and low-carbon production and lifestyle

3. Increase the share of green investment and financing
4. By various means and financial instruments, including the involvement of consulting services on sustainable development, encourage Clients' commitments to sustainable, eco-friendly and low carbon operations

5. Effectively monitor high-carbon financing and support transformational financing

6. Intelligently monitor lending activity for a gradual transition to green finance
7. Support the reduction of carbon dioxide and pollution, provide financial products and services for the transition of enterprises to low-carbon activities and the transformation of enterprises with high energy consumption and high pollution, and support the efficient use of fossil energy

8. Strive actively and steadily to promote carbon reduction and carbon neutrality, while providing financial services



ESG RISK MANAGEMENT

In the process of ESG risk management Bank has set the following internal goals:

1. Implementation of climate risk management processes

2. Analysis of existing loan portfolio at the exposure to ESG risks and analysis of future loan issues by the criteria of green financing

3. Strengthening the cooperation with regulatory and professional institutions

4. Gradual integration of ESG risks into the stress testing processes

5. Gradually promote green and low-carbon operations

6. Including ESG risks in the calculation of economic capital, thereby emphasizing the significance and materiality of these risks for the Bank
7. Launching of the comprehensive strategy of further promotion of energy-saving technologies and lowering carbon dioxide emissions

8. Increase of the share of digital financial transactions, launching the concept of fully paperless office

9. Minimizing the Bank's own exposure and carbon footprint

10. Strengthen vendors selection management, giving priority to those, who strive to meet ESG standards, thus promoting the responsible consumption and production

11. Implementation of the risk appetite system in relation to ESG-risks, including preventive quantitative indicators of risk appetite, potential restriction on lending to Borrowers, who do not meet the ESG standards
12. Full integration ESG risks in the Bank's risk management system. As part of the implementation of the Bank's strategy of sustainability for 2023-2027, Bank continues to implement the principles of sustainable development (ESG) in its risk management system. In 2024, it is planned to introduce the impact of sustainable development risk factors on the risk management system, including the process of significance identification of various risks

13. Development of methodology to manage ESG risks, development of risk assessment methodology, including sustainable development (ESG) risk factors

14. Development of approaches to assess the efficiency of the risk measurement methodology, including validation of quantitative risk measurement models



CLIMATE RISK MANAGEMENT





DATA COLLECTION AND DATA MANAGEMENT

The Bank is committed to maintain high standards of ESG information disclosure:

1. Validity

the content of the disclosed information should be reliable and valid. The cited data and materials must be reasonable with the identification of the source

2. Accuracy

the content of the disclosed information should reflect the clearly stated objective facts, without using specific terms that hinder the understanding of the content, or corresponding explanation should be provided

3. Completeness

disclosure of information must comply with the requirements of the Regulator and reflect the needs of disclosure to the shareholder, Clients, investors and other stakeholders of the Bank

4. Consistency

the disclosed information must comply with established standards and be consistent with the information previously provided, which ensures comparability with previous periods. If there are adjustments to previously disclosed information, an explanation should be provided

5. Adaptability

the disclosed information must contain key queries based on subject analysis, while following the principle of consistency, information is adapted to meet the needs of information recipients. At the same time Bank carefully manages the safety of personal Clients' data

6. Timeliness

the disclosed information should be up-to-date and contain a description of important events, especially if there are significant events after the reporting date

CONTACT INFORMATION

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