



**FREEDOM  
BANK**

# **ESG Policy of «Freedom Bank Kazakhstan» JSC**

# Chapter 1.

## General Provisions

This ESG Policy of «Freedom Bank Kazakhstan» JSC (hereinafter referred to as the Policy) has been developed with the aim of forming the approach of Freedom Bank Kazakhstan JSC (hereinafter referred to as the Bank) to compliance with principles covering **environmental, social, and corporate governance issues** (hereinafter referred to as ESG), as well as promoting sustainable development.

The purpose of this Policy is **to integrate the principles of sustainable development into all aspects of our activities**, including minimizing environmental impact, supporting human rights, developing an inclusive culture, maintaining high standards of corporate governance and ensuring fair treatment of customers, employees and partners.

As a participant in global initiatives in the field of sustainable development, the Bank is committed to assessing the impact of its activities, implementing ESG principles and sustainable development, highlighting priority goals and objectives.

### **Key regulatory legal acts, documents, and frameworks:**

- Guidelines on disclosure of information in the field of environmental, social and corporate governance for banks and other financial organizations, approved by Order of the Chairman of The Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market No. 291 dated April 28, 2023.;
- The Strategy for achieving carbon neutrality of the Republic of Kazakhstan until 2060, approved by Decree of the President of the Republic of Kazakhstan No. 121 dated February 2, 2023.;

- The concept of development of the financial sector of the Republic of Kazakhstan until 2030, approved by Decree of the President of the Republic of Kazakhstan No. 1021 dated September 26, 2022.;
- Ecological Code of the Republic of Kazakhstan No. 400-VI dated January 2, 2021;
- Methodological Guidance on Environmental and Social Risk Management for Banks and other Financial Organizations, approved by Order of the Chairman of the The Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market No. B-228 dated July 15, 2024.;
- The UN SDGs;
- ESG Policy of Freedom Holding Corp.;
- ICMA (The International Capital Market Association);
- LMA (Loan Market Association);
- APLMA (Asia Pacific Loan Market Association).

## Chapter 2.

### Concepts and abbreviations used

The following concepts and abbreviations are used in this Policy:

- **The Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market (ARDFM)**– the state body responsible for state regulation, control and supervision of financial markets, financial organizations in Kazakhstan, as well as other persons;
- **Bank**– Freedom Bank Kazakhstan JSC;
- **ID**– internal documents of the Bank.
- **Environmental, Social, and Corporate Governance (ESG)**– the company's principles of operation are based on environmental protection, the creation of favorable social conditions, fair treatment of employees, customers and proper corporate governance;
- **Freedom SuperApp**– The Bank's mobile app;
- **responsible financing**– is an approach to financial management that takes into account not only financial profits, but also environmental, social and corporate aspects.;
- **The United Nations (UN)**– International organization;
- **Media** - mass media;
- **Scope 1,2,3**– categories of greenhouse gas (GHG) emissions within the framework of the organization's carbon footprint concept;
- **sustainable development**– is the organizational principle of achieving the company's goals, in which meeting the needs of the company and its stakeholders is carried out while preserving and developing the human and natural resources necessary to meet the needs of future generations.
- **E&S**– Environmental and social in the context of a risk management system;

## Chapter 3.

### Principles and approaches

The Bank focuses on sustainable development without harming society and the environment.

The Bank ensures fair treatment of all, respects human rights and supports equal opportunities for all stakeholders.

The Bank evaluates the carbon footprint of direct and indirect emissions, including Bank-funded emissions from its investment and lending activities.

The Bank develops responsible financing mechanisms, helps clients to adapt to ESG principles, and assesses and minimizes risks associated with environmental and social factors.

The Bank operates in accordance with the legislation of the Republic of Kazakhstan and fulfills its obligations to society and the government.

## Chapter 4.

### Responsible financing

The Bank is introducing an E&S risk management system that covers the identification, assessment and management of potential environmental and social impacts, including the analysis of E&S risks that may somehow affect the financial and operational effectiveness of funded projects, as well as the overall risk profile of the Bank's portfolio.

The Bank refuses financing projects that cause serious damage to the environment or engage in socially unethical practices that contradict the Bank's values.

## Chapter 5. Environmental Impact Management

The Bank emphasizes its commitment to environmental protection and strives to reduce the carbon footprint of its operations, including the Bank believes that upgrading internal processes is an important part of its commitment to sustainable development, while focusing on improving responsible energy efficiency management and waste minimization.

The Bank manages its own environmental impact by assessing direct and indirect greenhouse gas emissions, including funded emissions from the Bank's investment and loan portfolios.

## Chapter 6. Supply chain

The Bank pays attention to interaction with suppliers and consumers in its value chain and strives to ensure that its partners and suppliers comply with sustainability standards and disclosure requirements in accordance with its ESG principles, including avoiding any actions related to human rights violations, the use of child or forced labor, discrimination and other negative practices.

## Chapter 7.

### Corporate governance

The Bank recognizes that sound and fair corporate governance, ethical business practices, effective risk management, as well as effective compliance control mechanisms, anti-corruption policies, and anti-money laundering (AML/CFT) are key elements for ensuring sustainable development and creating long-term value for employees, customers, and partners.

The corporate governance principles applied by the Bank help the Bank's authorized collegial bodies to effectively perform their functions, as well as ensure a clear distribution of tasks, responsibilities and powers among employees and divisions in the Bank, strengthening transparency and compliance with legal norms.

## Chapter 8.

### Social responsibility

The Bank ensures fair treatment of its employees by providing equal employment and career opportunities regardless of race, age, gender, social status, disability or religious beliefs, including maintaining diversity and representation of employees with different abilities, social and cultural backgrounds.

The Bank ensures the health and safety of its employees at the workplace by creating a safe and comfortable working environment, paying attention to both the physical and mental health of employees.

The Bank provides training and development for employees, providing access to programs aimed at developing professional and personal competencies, including topics covering ESG aspects.

The Bank maintains relationships with customers by providing them with convenient and comfortable banking products through digital platforms.

## Chapter 9.

### Interaction with stakeholders

Working with stakeholders is a key element for the successful implementation of this Policy. ESG and sustainable development activities are aimed at considering the interests of all stakeholders involved, as well as creating long-term value. For this purpose, the most appropriate ways of interaction and communication channels are selected. The interaction covers a wide range of stakeholders, such as customers, shareholders, regulators, employees, partners and the public, using the following interaction mechanisms:



Stakeholder group	Способы взаимодействия
<p><b>Customers</b></p>	<p><b>Feedback</b></p> <p>Regular receipt and analysis of customer reviews (requests) to improve the quality of services and products.</p> <p><b>Communication channels</b></p> <p>Hotline, email, and online chat.</p> <ul style="list-style-type: none"> <li>•salem@freedombank.kz– the external communication channel for the Bank’s customers on general issues;</li> <li>•security@freedombank.kz– the external communication channel for the Bank's customers on security issues;</li> <li>•Free call to the number 595;</li> <li>•Free call to the number +7 776 159 55 95 for customers in Kazakhstan and abroad;</li> <li>•Instagram, Facebook, TikTok;</li> <li>•Application Freedom SuperApp, Freedom Banker (Google Play, App Store).</li> </ul>
<p><b>The shareholder</b></p>	<p><b>Feedback</b></p> <p>organization of meetings and gatherings with shareholders to discuss the strategy and achieve the goals of the Bank.</p> <p><b>Reporting</b></p> <p>regular provision of financial reports and information on the Bank's performance.</p>

Stakeholder group	Способы взаимодействия
<p><b>Regulators and supervisory authorities</b></p>	<p><b>Compliance with regulatory requirements</b></p> <p>timely compliance with the requirements of the legislation of the Republic of Kazakhstan and regulatory standards.</p> <p><b>Reporting and audits</b></p> <p>conducting regular checks and audits to ensure compliance.</p> <p><b>Dialogue and cooperation</b></p> <p>constant interaction with regulators to resolve emerging issues and problems.</p>
<p><b>Employees</b></p>	<p><b>Internal communication</b></p> <p>ensuring effective internal communication through meetings, newsletters, corporate events, and other communication methods/channels.</p> <p><b>Participation and motivation</b></p> <p>encouraging employee participation in decision-making and introducing</p>

## Stakeholder group

### Partners and Suppliers

## Способы взаимодействия

### Relationship management

maintain effective and long-term relationships with business partners and suppliers.

### Assessment and control

assessment of the quality of services and products provided by partners.

### Contractual obligations

timely fulfillment of contractual obligations and maintaining transparency in business relations.

### The public and media

### Transparency and reputation

regularly informing the public about the Bank's activities, achievements and social initiatives by publishing news on the Bank's official website: [www.freedombank.kz](http://www.freedombank.kz)

### Social responsibility

implementation of corporate social responsibility programs aimed at maintaining public interests and improving the social environment, as well as charitable projects.

## **Chapter 10.**

### **The mechanism of implementation of the principles and approaches of the Policy**

Effective management of sustainable development issues is a key element of the Bank's long-term strategy. The main tool of the mechanism is the publication of a non-financial Sustainability Report on the Bank's official website.