



Sustainability Policy of BAKAI BANK OJSC
Bishkek, 2025

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1. General Provisions

1. The Sustainability Policy of BAKAI BANK OJSC (hereinafter referred to as the Policy) formulates unified approaches and voluntary commitments of BAKAI BANK OJSC (hereinafter referred to as the Bank) in relation to corporate environmental and social policies, responsible, ethical and sustainable business development, including taking into account the priorities of the National Development Strategy of the Kyrgyz Republic for 2018–2040 and the United Nations Sustainable Development Goals.

2. The Policy should be considered in conjunction with other internal regulatory documents of the Bank in the sustainability area, such as the Corporate Code of BAKAI BANK OJSC, the Environmental and Social Risk Management Policy of BAKAI BANK OJSC, the Anti-corruption Policy of BAKAI BANK OJSC, the Human Rights Policy of BAKAI BANK OJSC and others.

3. The provisions of the Policy should be taken into account when developing internal regulatory documents, products and processes of the Bank.

4. The Bank encourages employees to openly discuss the Policy and positively perceives any constructive proposals for its improvement.

5. The following terms and abbreviations are used in the Policy:

Client	an individual or legal entity (organization), sole proprietor, foreign trust or legal entity accepted for servicing or being serviced by the Bank, or with whom the Bank establishes or has established business relations.
Counterparties	any legal entities and individuals, individual entrepreneurs interacting with the Bank on the basis of contracts or other legally binding agreements, including within the framework of pre-contractual relations.
Discrimination	illegal and unjustified restrictions on the rights and freedoms of employees, clients, counterparties and other stakeholders of the Bank.
Employee of the Bank	employees of the Head Office, as well as branches, departments, and representative offices of the Bank, who work based on an employment contract concluded with the Bank.
ESG	sustainable development factors taken into account in activities of the Bank, namely environmental factors, including climate factors, social factors and corporate governance factors.
Human rights	inalienable rights of every human being, based on the recognition of dignity, freedom and equality.

Responsible banking	the Bank's systematic consideration of the United Nations Sustainable Development Goals, social and environmental aspects in decision-making and strategic planning, the Bank's promotion of ethical and sustainable approaches to effectively respond to strategic and long-term economic, environmental and social challenges and problems, the Bank's implementation of advanced corporate governance and risk management practices, and the Bank's positioning of the long-term well-being of its stakeholders and consideration of their interests as a more significant value than short-term corporate financial performance.
Stakeholders	legal entities and individuals who may be interested in the results of activities of the Bank and creation of value and/or may have a significant impact on activities, products and services of the Bank, or whose decisions or actions may affect ability of the Bank to create value, successfully implement its strategies and achieve its goals, as well as individuals and legal entities affected by activities of the Bank.
Sustainable development	development in which the Bank manages the impact of its activities on the environment, economy, society and makes decisions considering the interests of stakeholders. Sustainable development should meet the needs of the present without compromising the ability of future generations to meet their own needs.
United Nations Sustainable Development Goals	global development goals defined in the Declaration “Transforming our world: the 2030 Agenda for Sustainable Development”, adopted by the United Nations General Assembly Resolution No. 70/1 of 25 September 2015.

2. Responsible Attitude Towards Sustainable Development

6. Being a finance and technology company, the Bank strives to strictly comply with the legislation of the Kyrgyz Republic and is strictly guided by the principle of compliance with contractual and other obligations arising from business relations or caused by them.
7. The Bank strives to create long-term value for all stakeholders, including through client centricity and improving operational efficiency.
8. The Bank operates in accordance with the principles of openness, accountability, transparency, ethical behaviour, respect for interests of stakeholders, legality, respect for human rights, intolerance to corruption, and inadmissibility of conflicts of interest.
9. The Bank focuses on responsible banking, takes into account the United Nations Sustainable Development Goals and the principles of the United Nations Global Compact in its strategic priorities, planning and decision-making process.
10. The Bank is focused on implementing advanced ESG practices in its activities and stakeholder engagement processes. The Bank intends to improve its long-term stability and competitiveness through a phased ESG transformation.
11. The Bank strives to integrate uniform principles of sustainable development, responsible business conduct and business ethics into its subsidiaries.
12. The Bank respects fundamental human rights and freedoms, including the labour rights of employees, and does not accept any forms of discrimination or harassment against stakeholders.
13. The Bank continues to make efforts to increase the availability of banking products and services for the population and businesses throughout the Kyrgyz Republic, including sustainable financing instruments.
14. The Bank aims to expand sustainable finance, provide financial products and services with a positive impact on achieving the United Nations Sustainable Development Goals, supporting



ESG-oriented clients, implementing green and social projects and initiatives, increasing the efficiency of natural resource use, decarbonizing the economy of the Kyrgyz Republic, mitigating the effects of climate change and adapting to climate change.






15. The Bank strives to increase financing for small and medium-sized businesses.
16. The Bank participates in international and national initiatives in sustainable development and responsible banking, and develops financial partnerships aimed at supporting sustainable development.
17. The Bank actively develops innovations and digital solutions, including for expanding financial inclusion and reducing the impact on the climate.
18. The Bank strives to cooperate with counterparties that demonstrate a commitment to the sustainability principles, while the Bank reserves the right to include sustainability-related terms and requirements in contracts with them to reduce non-financial risks and to form predictable business relationships.
19. The Bank promotes the dissemination of high standards and best practices in labour relations, respect for human rights, and environmental protection among counterparties.
20. The Bank implements advanced practices in managing non-financial risks during its activities, including those related to climate risk management. Non-financial risks are managed within the framework of the corporate-wide risk management system of the Bank.
21. The Bank implements a system for assessing and managing environmental and social risks (ESG factors) of retail and corporate borrowers (clients) of the Bank as part of the borrower (client) due diligence process to minimize its exposure to environmental and social risks during lending.
22. The Bank does not finance certain types of activities with increased environmental and/or social impact that are included in the officially approved list of activities not financed by the Bank.
23. The Bank implements charitable programs and provides sponsorship assistance aimed at resolving various social issues of interest to local communities in the regions where the Bank is present.

3. Priority United Nations Sustainable Development Goals

24. The Bank supports all Sustainable Development Goals reflected in the Declaration “Transforming our world: the 2030 Agenda for Sustainable Development”, adopted by the United Nations General Assembly Resolution No. 70/1 of 25 September 2015.

25. Considering the specifics of its activities, the Bank identified the following priority United Nations Sustainable Development Goals, within the framework of which the Bank can have the greatest positive impact:

Priority United Nations Sustainable Development Goals	Examples of actions and initiatives of the Bank aimed at achieving the United Nations Sustainable Development Goals
 <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<ul style="list-style-type: none"> - Providing opportunities for personal and professional development of employees of the Bank. - Improving the financial and entrepreneurial literacy of clients of the Bank and population in the regions where the Bank operates. - Interaction between the Bank and higher education institutions on the issue of attracting qualified personnel.
 <p>Achieve gender equality and empower all women and girls</p>	<ul style="list-style-type: none"> - Preventing gender discrimination in hiring and career development of employees. - Ensuring women's representation in governance bodies of the Bank. - Equal remuneration for men and women for equal work. - Financing women's entrepreneurship.

 <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<ul style="list-style-type: none"> - Financing of micro, small and medium businesses, as well as industrial enterprises. - Creation of comfortable and safe workplaces for employees and assistance in their professional development. - Compliance with the labour legislation of the Kyrgyz Republic, prevention of discrimination, forced and child labour. - Creation of jobs in the regions where the Bank is present, including through business lending.
 <p>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p>	<ul style="list-style-type: none"> - Development of financial innovations and digitalization that are aimed at ensuring financial inclusion among other things. - Financing of micro, small and medium businesses, as well as industrial enterprises. - Financing of construction, operation and modernization of infrastructure facilities.
 <p>Take urgent action to combat climate change and its impacts</p>	<ul style="list-style-type: none"> - Implementation of climate reporting and climate risk/opportunity management in corporate governance system of the Bank and stakeholder engagement processes. - Annual assessment by the Bank of greenhouse gas emissions of Scope 1, Scope 2, Scope 3 categories based on international approaches. - Expanding financing for clients and projects focused on decarbonization and low-carbon development.
 <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	<ul style="list-style-type: none"> - Zero tolerance for corruption, implementation of systemic measures to combat corruption at the corporate level. - Proper functioning of the system to combat money laundering and terrorist financing at the corporate level.
 <p>Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development</p>	<ul style="list-style-type: none"> - - Participation in national and international sustainable development associations and organizations. - - Expansion of financial partnerships with the involvement of the Bank, aimed at financing sustainable development and responsible business practices. - - Participation in the activities of the banking community to develop and promote sustainability initiatives. - - Responsible approach to paying taxes and complying with tax legislation.

4. Ethical Business Practices

26. The Bank continuously improves corporate governance and risk management taking into account the requirements of the legislation of the Kyrgyz Republic and international experience, including ensuring the involvement of senior management in sustainability planning and decision-making, striving to develop its competencies in that area.
27. The Bank is committed to fair, open and honest business practices, including ethical marketing and sales practices.
28. The Bank focuses on open and constructive interaction with clients, considering their opinions and interests in the process of making decisions by the Bank affecting sustainability issues.
29. The Bank adheres to the principle of zero tolerance for corruption in any form and manifestation, including those related to the receipt or giving of a bribe, causing abuse of official position by an official, commercial bribery, as well as any illegal use by an individual of official position contrary to the legitimate interests of the Bank, society and the state for a purpose of obtaining personal gain.
30. The Bank strives to strictly comply with the legislation of the Kyrgyz Republic on combating the legalization of proceeds from crime and the financing of criminal activities.
31. The Bank supports free and fair competition and complies with the antimonopoly legislation of the Kyrgyz Republic, avoiding unfair competition, including the rejection of concluding any anticompetitive agreements with other market participants, both verbal and in writing.
32. The Bank complies with the tax legislation of the Kyrgyz Republic and international taxation treaties to which the Kyrgyz Republic is a party, maintaining a reputation as a bona fide taxpayer.
33. The Bank does not participate in illegal tax transactions and does not allow tax evasion, for example, through the use of international offshore schemes and countries with preferential tax regimes for a purpose of tax optimization.
34. The Bank ensures the protection of confidential and non-public (insider) information, including by restricting access to such information, ensuring restrictions on its distribution, disclosure or use in employment contracts concluded with employees of the Bank, civil and business contracts concluded with counterparties of the Bank, confidentiality agreements and other means. The Bank seeks to ensure prompt response to any threats or realized incidents concerning confidential information and constantly improves cyber-security systems.
35. The Bank ensures the protection of personal data of employees, clients and other subjects of personal data, collects, uses and stores personal data for lawful purposes and within reasonable limits necessary for activities of the Bank.
36. The Bank strives to ensure openness and transparency of its sustainability activities for all stakeholders, in particular through publication of annual non-financial reports based on international standards. Material topics for non-financial reports are updated annually through a survey of stakeholders of the Bank and are considered by the Management Board of the Bank.
37. The Bank takes into account the opinions of stakeholders, promptly responds to requests from stakeholders and concerns they express.

5. Responsible Labour Relations

38. The Bank sets as a long-term priority the provision of decent working conditions, professional and personal growth, maintaining the health of employees, and developing employee loyalty to the interests of the Bank.
39. The Bank provides opportunities for training and professional development of employees and believes that training on sustainability issues is important for employees to acquire skills necessary to perform their duties.
40. The Bank demonstrates zero tolerance for discrimination against employees and prohibits any form of harassment, bullying and violence in the workplace.

41. The Bank highly values the opinions of employees and strives to take into account the feedback received from them when making decisions.
42. The Bank supports the concept of zero tolerance for injuries in the workplace and conducts its activities in strict accordance with the requirements of applicable legislation to ensure safety in the conduct of its activities.
43. Employees of the Bank have the right to refuse work if their life and health are threatened by reasonable risks and dangers due to violation of labour protection and safety requirements.
44. In the event of a situation that poses a danger to health and safety, Bank employees should immediately report it to their immediate supervisor or employees of the Bank responsible for ensuring safety and labour protection.
45. The Bank seeks to consult with employees and support employee involvement in the process of preventive identification of risks and hazardous factors associated with performance of work duties. Bank employees may make reasonable proposals for development, implementation and evaluation of the occupational health and safety management system.
46. The Bank conducts internal inspections and audits annually to identify risks and hazardous factors in occupational safety and health.
47. The Bank ensures a detailed investigation of accidents related to the work activities of Bank employees, including registration, recording and analysis of accidents and occupational diseases related to work activities.
48. On the territory and facilities of the Bank or when carrying out activities on behalf of the Bank, employees of the Bank are strictly prohibited from consuming alcohol and narcotic substances, as well as being in the workplace while intoxicated or under the influence of drugs.
49. In the event of failure by employees of the Bank to comply with the procedures of the Bank, regulations and instructions on occupational safety and health, the Bank has the right to apply disciplinary measures against them in accordance with the legislation of the Kyrgyz Republic and the internal regulatory documents of the Bank, if there are legal grounds.

6. Political Engagement

50. The Bank does not participate directly or indirectly in any political activity.
51. The Bank does not provide financing, including sponsorship, charitable and other financial payments, in favour of public officials (politically significant persons), political parties, political campaigns, related organizations and funds.
52. The Bank respects the civil rights of employees and recognizes their right to personal participation in political activities, but not on behalf of the Bank, and if such personal participation does not create a conflict of interest.
53. The political views of employees of the Bank and their possible personal donations for political purposes should not affect the performance of their work duties.
54. Employees of the Bank are prohibited from directly or through intermediaries promising, offering or transferring to public officials (politically exposed persons) and their close relatives incentive payments (payments for simplification of formalities), cash and any other valuables, loans, services, payment for entertainment, recreation, transportation expenses and other remuneration, giving them expensive gifts in connection with their official position or in connection with performance of their official duties, including in exchange for or with the purpose of obtaining undue advantages or preferences for the Bank or for employees of the Bank.

7. Environment Responsibility

55. The Bank intends to prevent, minimize or offset its own negative impact on the climate and the environment as a whole by implementing measures to improve the efficiency of energy use, natural and non-renewable resources, and rational waste management.
56. The Bank seeks to contribute to implementation of the climate strategy of the Kyrgyz Republic through expansion of green financing for clients, as well as preparation of systemic measures to reduce the carbon footprint and financed emissions of the Bank.

57. The Bank takes steps to develop a system for assessing and managing environment-related and climate-related risks, preventing and eliminating possible consequences associated with environment-related and climate-related factors that potentially affect operations and loan portfolio.

58. The Bank seeks to disclose information related to climate-related risks and opportunities as part of annual non-financial reporting.

59. The Bank carries out an annual assessment of greenhouse gas emissions based on international approaches.

60. The Bank intends to increase the awareness and competence of employees of the Bank on issues related to the cyclical economy, ecology and climate agenda.

61. The Bank welcomes the transition of corporate clients and counterparties to low-carbon development and publication of regular non-financial reporting based on international standards.

8. Reporting Violations

62. The Bank ensures an availability of communication channels for employees, clients, counterparties and other stakeholders to inform the Bank of actual or potential violations of the Policy, guaranteeing protection for those who contact it from any harassment and pressure.

63. The Bank expects that employees, clients, counterparties and other stakeholders of the Bank will report reliable and detailed information about actual or potential violations that have become known to them, and about possible damage to the interests or reputation of the Bank on issues related to the Policy by e-mailing to ethics@bakai.kg. The ESG unit of the Bank is responsible for maintaining records and preliminary analysis of requests from stakeholders on actual or potential violations, as well as on possible damage to the interests or reputation of the Bank on issues related to the Policy.

64. In the event of receiving information about actual or potential violations of the Policy, the Bank conducts internal investigations and take measures to eliminate such violations and prevent them in the future.

9. Compliance with the Policy and the Sustainability Management System

65. The Policy is mandatory for compliance by all structural units and employees of the Bank.

66. If there are legal grounds, disciplinary measures may be applied to employees of the Bank who violate or fail to comply with the provisions of the Policy in the manner prescribed by labour legislation and internal regulatory documents of the Bank.

67. General control over the functioning of the sustainability management system is assigned to the Management Board of the Bank.

68. Coordination of activities of the Bank in key sustainability areas is assigned to the Sustainable Development Working Group and the ESG unit of the Bank.

69. Control over the implementation of the provisions of the Policy by employees of the Bank is assigned to the heads of structural units of the Bank.

70. The governance bodies and structural units of the Bank participate in the implementation of the Policy within the scope of their tasks and powers.

71. To prepare the annual non-financial report (sustainability report) and other ESG reporting, structural units of the Bank provide the ESG unit of the Bank with requested data and information within the scope of their tasks and powers.

10. Final Provisions

72. The Policy is published on the official website of the Bank and is intended for mandatory familiarization and application by all governance bodies of the Bank, including the Board of Directors, all structural units and employees of the Bank. The Policy is also communicated to stakeholders in accordance with the internal and external communication mechanisms established and used by the Bank.

73. The Policy, as well as additions and amendments made to it, shall be agreed upon by the Management Board of the Bank and approved by the Board of Directors of the Bank.
74. The Policy comes into force on the date of approval by the Board of Directors of the Bank, unless a different period for its implementation is established by a decision of the Board of Directors of the Bank.
75. The Policy is subject to regular review (at least once a year) for its relevance and compliance with the legislation of the Kyrgyz Republic and international sustainability practices that do not contradict the legislation of the Kyrgyz Republic.
76. On all issues not reflected in the Policy, the Bank is guided by the legislation of the Kyrgyz Republic and internal regulatory documents of the Bank.
77. If, as a result of changes in the legislation of the Kyrgyz Republic, certain provisions of the Policy come into conflict with it, the current legislation of the Kyrgyz Republic should be followed until changes are made to the Policy.

List of Activities Not Financed by BAKAI BANK OJSC (Exclusion List)

BAKAI BANK OJSC undertakes not to finance the following activities that are characterized by negative social and/or environmental impact.

1. Casinos, gambling business and other activities related to organization of gambling and betting, including online.
2. Production of weapons and military equipment and trade in them.
3. Growing tobacco, manufacturing tobacco products.
4. Exploration and production of crude oil.
5. Use of forced labour, and use of child labour that does not meet the requirements of the legislation of the Kyrgyz Republic.
6. Trade in species of wild fauna and flora regulated by the CITES Convention.
7. Activities of non-profit organizations, except for organizations engaged in entrepreneurial activities, if it is provided for in their charter and is aimed at achieving statutory goals, including development of material and technical base of an organization.
8. Direct financing of pawnshop activities.
9. Refinancing of problem debts in other banks or non-bank financial and credit organizations.
10. Illegal activities prohibited by the current legislation of the Kyrgyz Republic.