

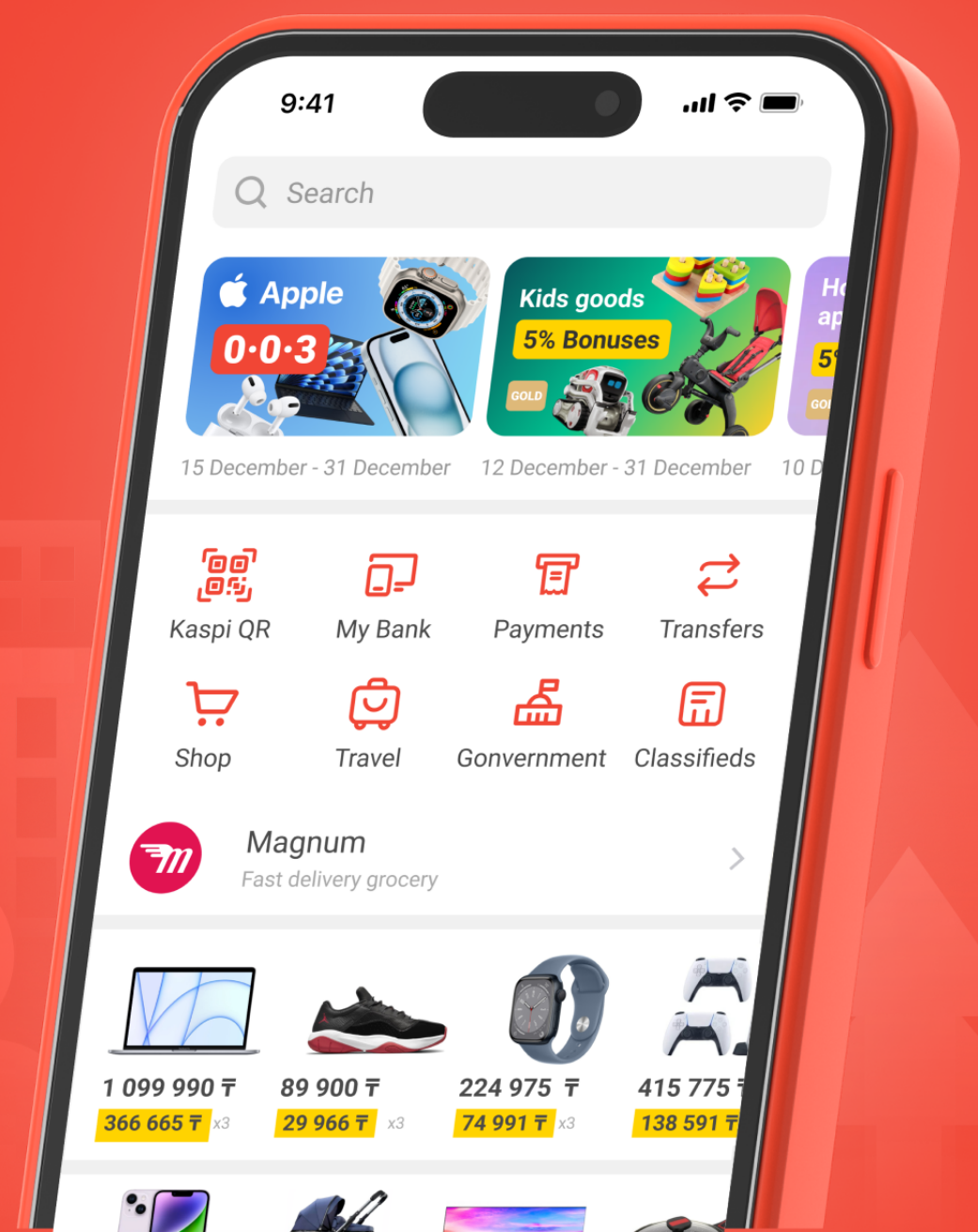


Social Impact Report

2023



2023





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Cover Letter

Mikheil Lomtadze on Kaspi.kz and social responsibility

Our central mission is to develop modern digital products that improve day-to-day life. To achieve this, we must continue to deliver growth, increased competitive advantage and strengthen our position as Kazakhstan's leading Super App. We do this, whilst striving to reduce the environmental impact of our fast-growing operations.

As we deliver on our mission, the benefits are felt across all our stakeholders. First and foremost, the citizens of Kazakhstan, its rapidly growing entrepreneurs and dynamic SMEs. With Kazakhstan's government, we work constructively to ensure the benefits of digitalisation are felt across society. Our employees are integral to everything we do and as a public company the long-term interests of our shareholders are always at the front of our mind.

This is our second detailed Social Impact Report and primarily covers our activities between January 1 to December 31, 2023. During 2023 we worked hard to prepare Kaspi.kz for our US listing on Nasdaq, which took place in January 2024. This required us to update our Codes of Ethics and Corporate Governance, which we discuss in more detail later in this report.

Going forward we believe we can continue to make progress across four key pillars - social innovation, responsible business practices, employees & culture and environmental sustainability. We will also reinforce our efforts to ensure best-in-class transparency and disclosure around our corporate governance and ESG efforts.

Some of our most important Environmental, Social and Governance (ESG) initiatives in 2023, included:

| Social Innovation

Kaspi.kz's most important stakeholders are Kazakh citizens, who are usually our consumers and merchants. Every transaction we facilitate, deepens our relationship and leads to an even greater positive effect across society.

Merchants

We promote the formalisation of commerce and the interests of small businesses and entrepreneurs. In 2023 we had 581 thousand merchants, up from only 50 thousand merchants in 2020. Having scaled at such a dramatic rate, Kaspi Pay has played a major role in Kazakhstan's rapid transition to an almost entirely digital and cashless payments-based economy.

What's more, we focus on domestic Kazakh merchants and brands. With 92% of our merchants either individual or micro businesses, we're specifically helping local entrepreneurs participate in the country's fast growing modern digital economy and accelerate their own development.

The digital services we design make it easier for merchants, to manage all aspects of their business. One area where we've long championed the benefits of digitalisation is taxation.

Small businesses need simple tools to calculate how much tax they owe and then make the required payment in a convenient and timely way. With this in mind, in 2023 we launched Tax Reports. The results in just the first year were impressive, with business taxes and contributions to the budget equivalent to KZT 660 billion collected through Tax Reports and Kaspi Pay.

We aim to continually launch new products and services for merchants around their business needs. Over the last 18 months, some of the most important merchant focussed products that we have continued to scale include Kaspi B2B Payments, Kaspi Advertising, our proprietary Kaspi Register, merchant financing and Kaspi Delivery.

Consumers

For consumers we're a trusted, reliable partner and the Kaspi.kz Super App makes a difference. Everything we're now doing builds upon the success of Kaspi Gold our digital wallet. In Kazakhstan, Kaspi Gold along with the Kaspi.kz Super App has been transformational in terms of making our payments, fintech and shopping products as widely available as possible. In doing so Kaspi Gold has helped eliminate adults without access to a bank account.

Kaspi e-Grocery went from strength to strength in 2023 and is a price leader when it comes to a household's regular weekly shop.

At the same time, we help consumers save for everyday purchases and fulfil their long-term financial goals. Kaspi Deposit is Kazakhstan's most popular savings account. In 2023, 4.8 million deposit consumers, were able to save, earn competitive rates of interest and immediately access their money, without losing interest.

With Kaspi Delivery, consumers can purchase and merchants can sell nationwide. In 2023 we delivered 43 million orders, with 88% of orders delivered free for the consumer. We're using our growing scale and advances in technology to narrow socioeconomic differences across Kazakhstan's regions. With 39% of orders delivered using Kaspi Postomats, we're bringing down the cost of delivery and making shopping more environmentally friendly.

Government

We believe that mobile digital technology not only enables commerce but makes life easier.

As part of Kaspi GovTech, we work hand in hand with various government agencies to help digitalise important public services.

In 2023, 11 million users visited the Kaspi.kz Super App GovTech Platform. Digital documents, car ownership registration, driver's license issuance and new business registration were our most widely used government services.

When the Kazakhstan government organises forums to discuss different aspects of the country's digital development, we lead by example and proactively contribute. This enables us to share our experience and play a part in helping to make Kazakhstan one of the most digitally advanced societies by global standards.

Charitable giving

As a company, we recognise the role we must play supporting our communities when they're negatively affected by unexpected events. Following severe flooding in parts of Kazakhstan in early 2024, Kaspi.kz quickly stepped up and donated KZT 620 million to help Kazakhstani's impacted. We also offered interest free, repayment holidays to our effected loan customers.

Kaspi.kz's co-founder Vyacheslav Kim and I have made personal donations of KZT 20 billion to help those effected by the floods.

More generally, the Kaspi.kz Super App has emerged as one of the main platforms for charitable giving in Kazakhstan. In 2023 the scale of charitable donations using Kaspi.kz was significantly greater than ever before, with KZT 15 billion donated.

| Responsible Business Practices

As part of our listing in the US, we updated our Code of Ethics and Corporate Governance Code. We aspire for our board and its committees to align with other best-in-class technology companies listed on Nasdaq.

Safeguarding customer trust and operating in a consistent and ethical manner is fundamental to achieving our long-term business strategy. In this report, we provide more detail on our leading cyber security initiatives, long-established data security practices and other important steps we take to protect our customers and platform.

| Employees & Culture

We continue to hire the best professionals to support our existing products and future plans. Our Kaspi Lab's corporate university program is specifically designed to recruit Kazakhstan's top University graduates and is just one example of this. With our flexible approach to work we can hire people located in all regions of Kazakhstan.

Our internal culture promotes long-term learning and development. The combination of the career progression we offer, education and training and our approach to financial rewards is helping us to not only deliver on all aspect of our strategy but play a major role in ensuring that Kazakhstan has the right human capital for the evolving digital future.

| Environmental Sustainability

As part of our environmental strategy, we work to mitigate our footprint by carefully considering how we consume resources and integrate the best environmentally focused technology into our business. Despite rapid growth, our carbon footprint has declined over the last three years. Going forward, we will take further steps to minimise our carbon intensity, even as our business continues to expand.

Your thoughts and feedback on our ESG initiatives are always welcome.

Mikheil Lomtadze

Kaspi.kz CEO & co-founder

Social Innovation

Kaspi.kz only grows by improving the lives of our consumers, merchants and the broader society in Kazakhstan. Our mission to improve everyday lives is the starting point for every Super App product and service we create.

We are transforming payments and commerce for all types of merchants, especially local entrepreneurs and SMEs, who have largely been ignored by big business. We help our merchants to digitalise their businesses and grow nationwide. This is helping to narrow regional inequality and with our technology, more women can launch and grow their own businesses, closing the gender and socioeconomic gap.

All Kaspi.kz Super App consumers have their own Kaspi Gold digital wallet, with which they can access our fintech products. This enables them to manage their day-to-day finances, anytime, anywhere, without the need to visit a physical location.

Our fintech services are available regardless of gender or social status and with 14 million consumers we not only integrate almost Kazakhstan's entire population into the economic life of the country but have helped largely eliminate adults without access to a bank account.

We recognise the importance of charitable giving for creating a fairer society and the Kaspi.kz Super App has emerged as one of the main platforms for this in Kazakhstan. In 2023 the scale of charitable donations with Kaspi.kz was significantly greater than ever before.

In this section

- With 14.0 million average MAUs we're advancing financial accessibility across Kazakhstan
- We promote economic opportunity for SMEs & Entrepreneurs
- GovTech is another channel for us to digitalise everyday life
- Kaspi.kz and charitable giving

SDGs reflected in this section

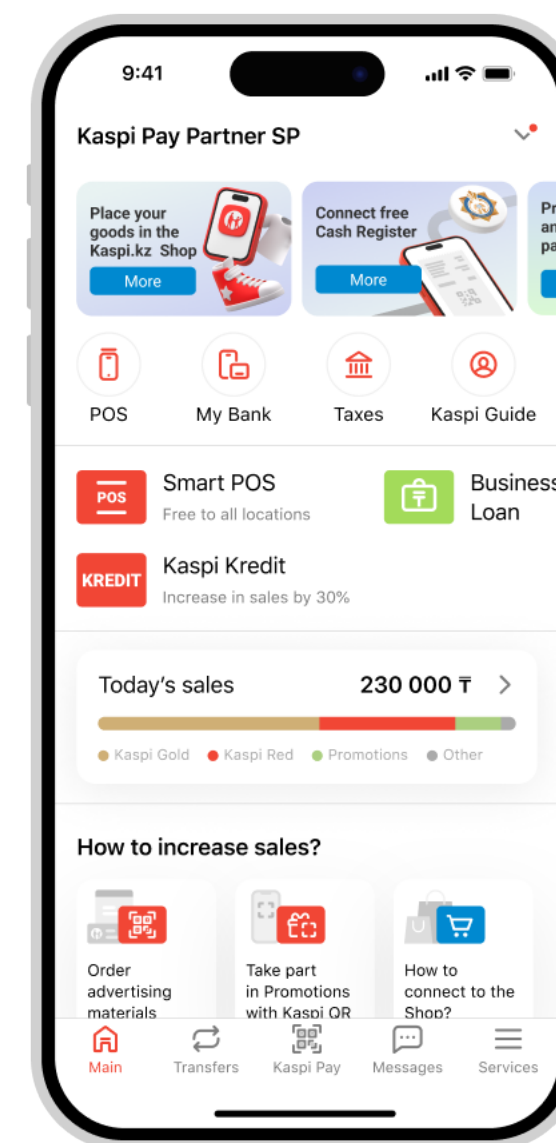
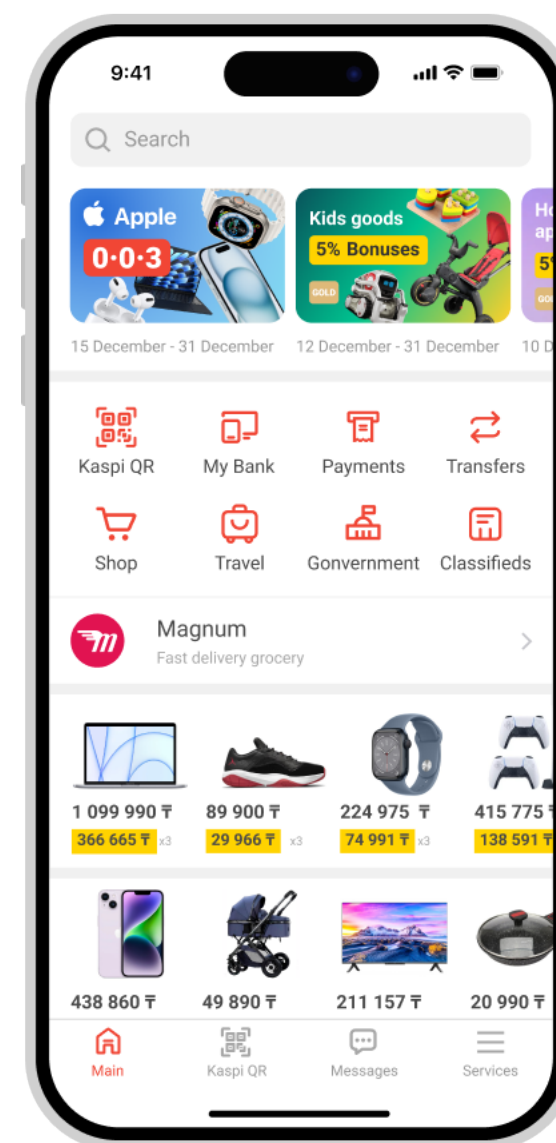


- ✓ With 14 million average MAUs we're advancing financial accessibility across Kazakhstan

Irrespective of whether times are good or more challenging, world class, highly relevant digital products and services, ensure the Kaspi.kz and Kaspi Pay Super Apps are integral to day-to-day life in Kazakhstan.

During 2023 Super App engagement hit all-time highs as new and existing users discovered more reasons to use more of our services. The ratio of average daily to average monthly users is 65%, which is amongst the highest of any Super App globally.

Average monthly transactions per active consumer reached 71 per month. With our products everyone can thrive, especially those traditionally underserved in the formal economy.



With the Kaspi.kz Super App consumers can more conveniently make everyday payments & purchases

For consumers, our Payments Platform is a highly convenient way to pay for shopping transactions, pay regular household bills and make peer-to-peer payments. Key services in our Payments Platform include:

- P2P Payments enables individuals to move their money to other individuals instantly through the Kaspi.kz Super App, with transfers to other Kaspi.kz consumers commission free.
- Kaspi QR, powered by our proprietary technology, is used to make payments between consumers and merchants, eliminating the need for a plastic card and is Kazakhstan's most widely accepted payments method.
- Kaspi Gold is our digital wallet that enables consumers to make everyday transactions in-store and online with Kaspi QR. Kaspi Gold can be opened fully digitally, removing the need to visit a physical location. Consumers are identified using our proprietary Kaspi ID biometrics technology. In Kazakhstan, Kaspi Gold along with the Kaspi.kz Super App has been transformational in terms of making our payments, fintech and shopping products as widely available as possible.
- Household Bill Payments enables consumers to pay recurring bills, commission free using the Kaspi.kz Super App.

Our Marketplace Platform is fully integrated into our Super Apps and connects both online and offline merchants with consumers, enabling consumers to purchase a broad selection of products and services. Key services in our Marketplace Platform include:

- e-Commerce offers product selection, purchase and in most cases free delivery for the consumer.
- e-Grocery enables consumers to order groceries with free home delivery within 24 hours. As well as making grocery shopping more convenient, we aim to offer amongst the lowest prices available. We're also playing a major role modernising the grocery sector, which has largely existed in the informal economy in the past. For consumers, this means not only lower prices, but better health and safety standards and consumer protection.
- m-Commerce brings a digital shopping experience to merchant's physical location. Through the Kaspi.kz Super App, consumers complete purchases in-store with Kaspi QR and BNPL products.
- Kaspi Travel allows consumers to purchase rail, air tickets and international package holidays.
- Kaspi Classifieds allows consumers to advertise services and jobs, as well as contribute to the rapidly growing circular economy with the sale and purchase of used goods.
- Kaspi Bonus enables consumers to earn points when making transactions, which they can apply at checkout to reduce the cost of future purchases.

e-Grocery is transforming the food shopping experience in Kazakhstan

We started e-Grocery in Almaty just over 2 years ago and have subsequently expanded to Astana and Kazakhstan's third largest city, Shymkent. Having seen rapid growth since launch, e-Grocery finished 2023 serving 496K consumers.

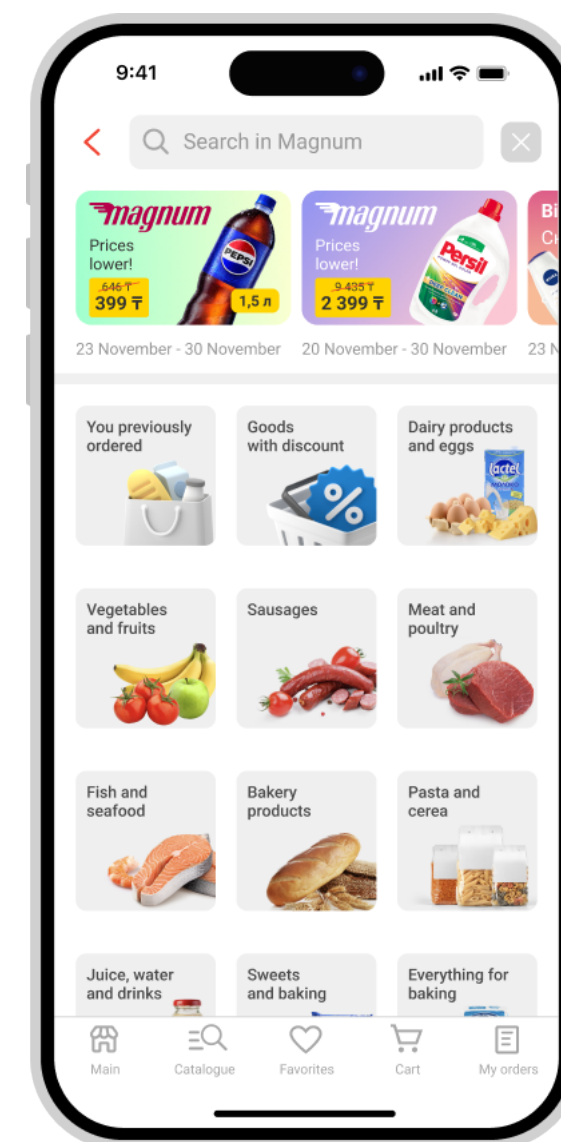
e-Grocery is a great example of how with our data led approach and focus on superior user experience, we can be a force for positive change. The grocery segment is large, estimated at around \$14 billion in 2022 and relevant to all our consumers. However, historically in Kazakhstan a substantial part of the grocery market has existed informally.

Our core proposition allows consumers to select from around 11K SKUs, with free delivery in 24 hours and often same day. In addition to convenience, with scale we can offer highly competitive pricing. This is especially relevant at a time when high food inflation, has been a challenge for consumers in many parts of the world.

Formalisation of the grocery market also means consumers benefit from a more consistent high-quality fresh offering, with better health & safety standards and better customer service.

We have created jobs in e-Grocery, many of which offer the benefit of flexible working hours.

For the government in Kazakhstan, formalization of food retail means increased visibility around consumer spending in the economy and higher tax collections.



To help consumers make purchases more affordably we offer Kaspi.kz Buy-Now-Pay-Later (BNPL)

Our consumer loan portfolio is mainly represented by small ticket, short-duration loans.

We adhere to a transparent pricing policy; at the application stage consumers can see their monthly repayment, a clear repayment schedule and the total amount to be repaid.

We have developed a proprietary scoring model and have strict mechanisms in place to set loan amount upper limits.

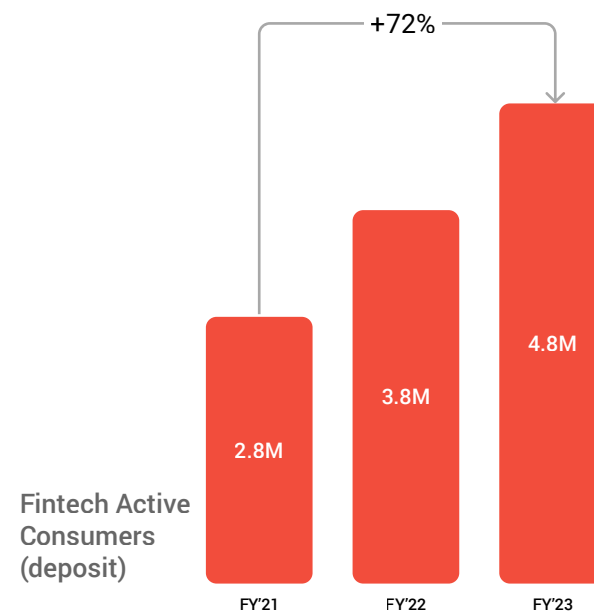
When a loan becomes overdue, we continue to work with the consumer, which we believe is a more responsible approach, than selling the loan to an external collection agency. We were the first financial institution in Kazakhstan to stop accruing overdue penalties or fines, which fixes the outstanding amount and makes it easier for the consumer to repay the loan.

Kaspi Deposit helps consumers save and reach their financial goals faster

We help consumers save for everyday purchases and advance their long-term financial goals.

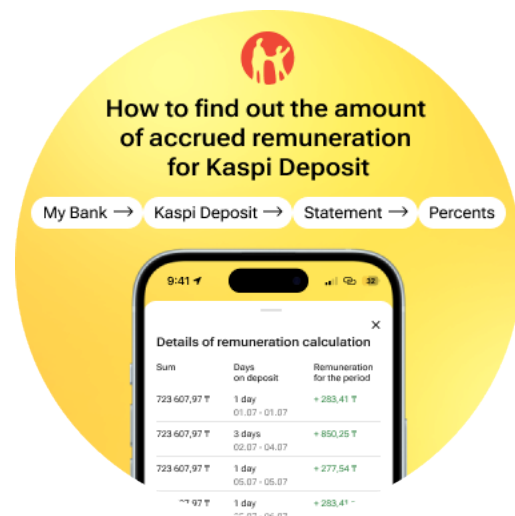
Kaspi Deposit is the no.1 savings product in Kazakhstan. We finished 2023, with 4.8 million deposit consumers, with an average balance of KZT 1.1 million, equivalent to just over \$2,400. Kaspi Deposit can be opened digitally through our Super App, pays a highly competitive rate of interest and allows instant access, without losing accrued interest. Deposits are guaranteed by the Kazakhstani Deposit Insurance Fund.

In 2023 our deposit base experienced substantial growth with average savings up by 43% year-over-year to KZT4.5 trillion.



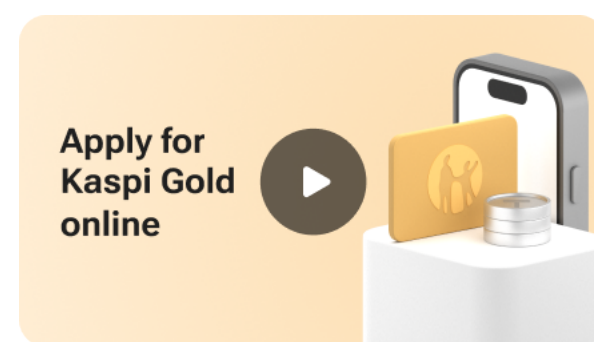
Kaspi.kz promotes financial education

Kaspi Guide, available via our Super App, provides consumers with easy-to-understand product information. Kaspi Guide Chat allows customers to ask us their questions and receive answers in real time.



Educational post on Instagram Kaspi.kz

To improve the financial education of our customers, we also use popular social networks - including Instagram <https://www.instagram.com/kaspi.kz/> Facebook <https://www.facebook.com/Kaspi.kz/> and Youtube. Topics covered range from deposit and loan features to good financial habits and ways to detect fraud.



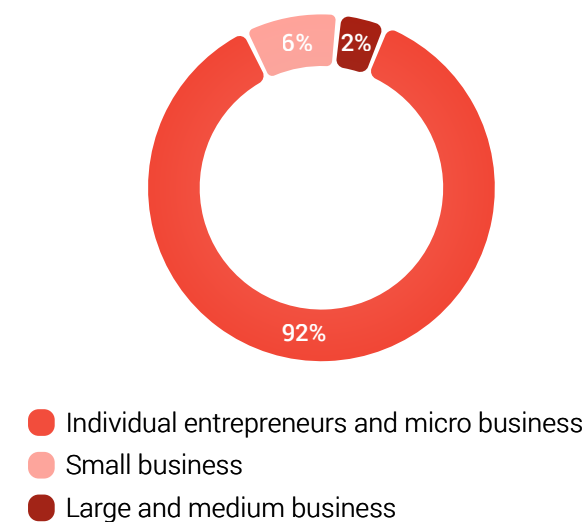
Educational video on YouTube Kaspi.kz

In 2020 we launched Kaspi Kids aimed at children 6 years and older which we hope will introduce future generations to basic financial education. Our young consumers receive a digital Kaspi Gold account to which money can be transferred from another account and can make payments with Kaspi QR codes. When shopping on our Marketplace, only age-appropriate goods are available. To date, more than 1.9 million Kaspi Kids accounts have been opened.

✓ We promote economic opportunity for SMEs & entrepreneurs

Our Kaspi Pay products and services are designed to support the growth of entrepreneurs and SMEs. We launched our merchant focussed Kaspi Pay Super App in 2020 and have been rapidly onboarding merchants ever since. With 581K merchants at the end of 2023, take-up has been phenomenal and going forward we expect Kaspi Pay to remain a game changer in terms of the role we can play in helping entrepreneurs and SMEs to grow their businesses.

Kaspi Pay active merchants 2023



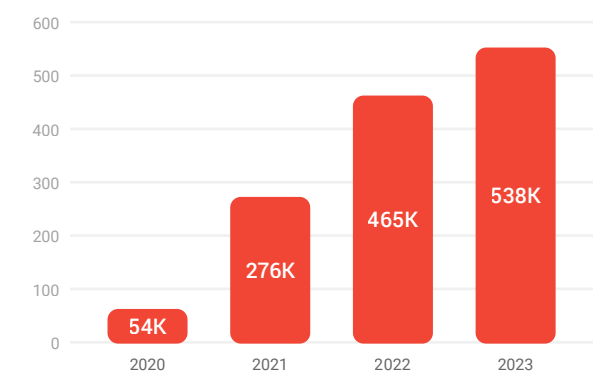
Our Super Apps enable all consumers to use our services fully digitally. For people with disabilities, we have multiple initiatives to improve the accessibility of our services. Our retail outlets and ATM network, for example, are wheelchair accessible.

Kaspi Pay has played a leading role in Kazakhstan's transition to digital payments

Kaspi Pay offers an integrated suite of services and products that enable merchants to seamlessly accept payments through Kaspi QR, issue invoices instantly, pay B2B suppliers and wholesalers, receive merchant financing, manage their inventories, open and manage dedicated business accounts, amongst other services.

We chose to power Kaspi Pay, with QR technology because it is highly scalable and can be adopted quickly and affordably by all types of merchants. For larger, high-traffic merchants we covered the cost of physical PoS terminals. Smaller merchants and entrepreneurs can simply display their QR code on their existing mobile devices or stationery. According to the National Bank of Kazakhstan (NBK), our point-of-sale ("POS") network has rapidly grown to become the largest in Kazakhstan.

Our PoS network has scaled rapidly since launch



Low and transparent pricing are core principles for us. All Kaspi Pay merchants, irrespective of size, pay 95 basis points per Kaspi QR transaction. This is materially lower than Visa and Mastercard card-based alternatives.

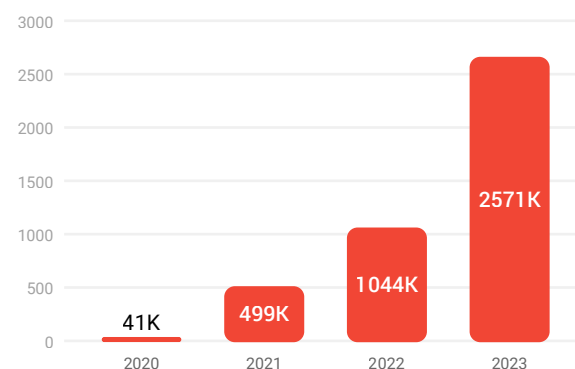
Digital payments, currently account for 86% of payments in Kazakhstan's economy, with only 14% of payments made in cash. This is a significant change in a short period, with cash around 70% as recently as 2018. With Kaspi Pay, becoming the country's the leading payments platform and supportive government initiatives, especially around taxation for SMEs, we have been a major driving force behind Kazakhstan's transition to non-cash payments. With digital payments comes improved transparency, greater convenience for consumers and merchants and higher economic growth.

We're now prioritising merchant services, including financing for merchants and SMEs, e-Commerce, Kaspi Delivery and Kaspi Marketing. These products all help our merchants invest in their businesses, increase their sales, reach new customers and the growth opportunity ahead is substantial.

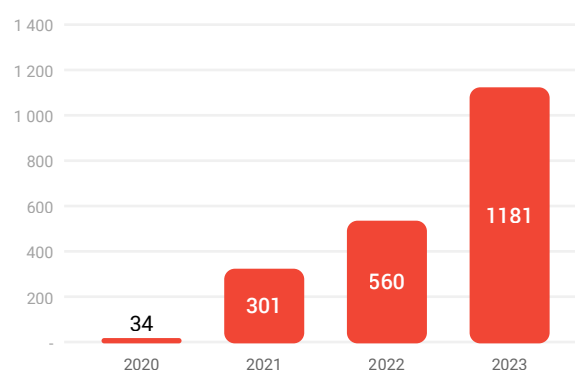
Our merchant financing is transformative for previously underserved SMEs & entrepreneurs

Merchant and Micro Business Finance is a working capital product for small businesses and individual entrepreneurs. Our Merchant Finance products are becoming a more important part of our Fintech Platform and in 2023 we provided 2.6 million loans to SMEs and entrepreneurs, financing equivalent to KZT 1.2 trillion.

Merchant & Micro Business Finance is our fastest growing Fintech product (no of loans)



Our merchant finance solution is transforming the ability of entrepreneurs to invest in their businesses (KZT bln)



Merchant financing is low risk, with repayments taken directly from the merchant's sales transacted through Kaspi.kz. For the vast majority of small merchants, this is the first time they have had access to a turnover based working capital solution.

With many merchants, especially SMEs and individual entrepreneurs, still to experience the benefits that can come from having convenient access to affordable funding, there is a lot we can still do to make this product more widely available in future years.

Kaspi Marketplace supports small businesses across Kazakhstan

Our Marketplace Platform connects both online and offline merchants with consumers, enabling merchants to increase their sales using an omnichannel strategy and consumers to buy a broad selection of products and services from a wide range of merchants.

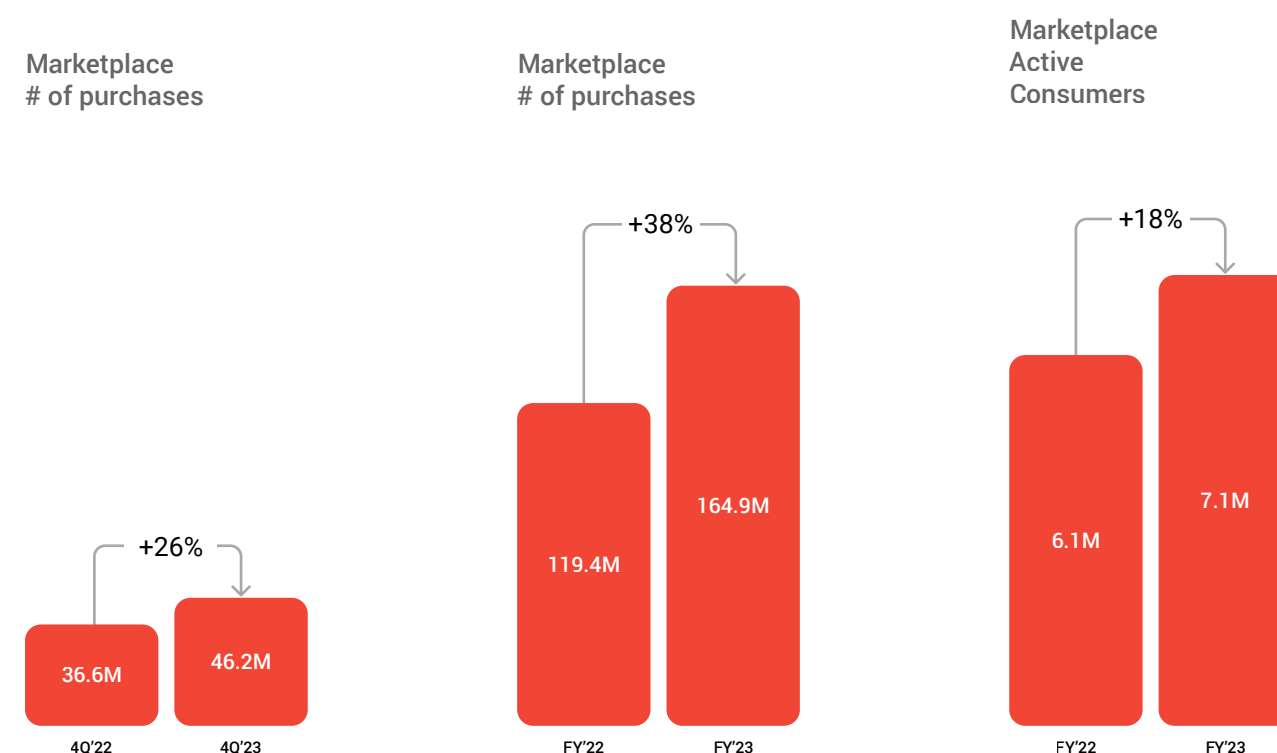
Marketplace is fully integrated into the Kaspi.kz Super App and Kaspi Pay Super Apps, which means our 362K Marketplace merchants in 2023,

could reach our 14.0 million consumers and benefit from functionality including our payments, financing, Kaspi Advertising and Kaspi Delivery solutions. In 2023 Kaspi Marketplace generated GMV equivalent to KZT 4.2 trillion.

We have strategically positioned Kaspi Marketplace as the champion for domestic Kazakh brands and merchants. As a result, Marketplace merchants come from a wide range of socio groups, from every region of the country with multiple different types of businesses.

Kaspi B2B Payments is one of our latest innovations for merchants

Having expanded our merchant & consumer base purchases are growing fast



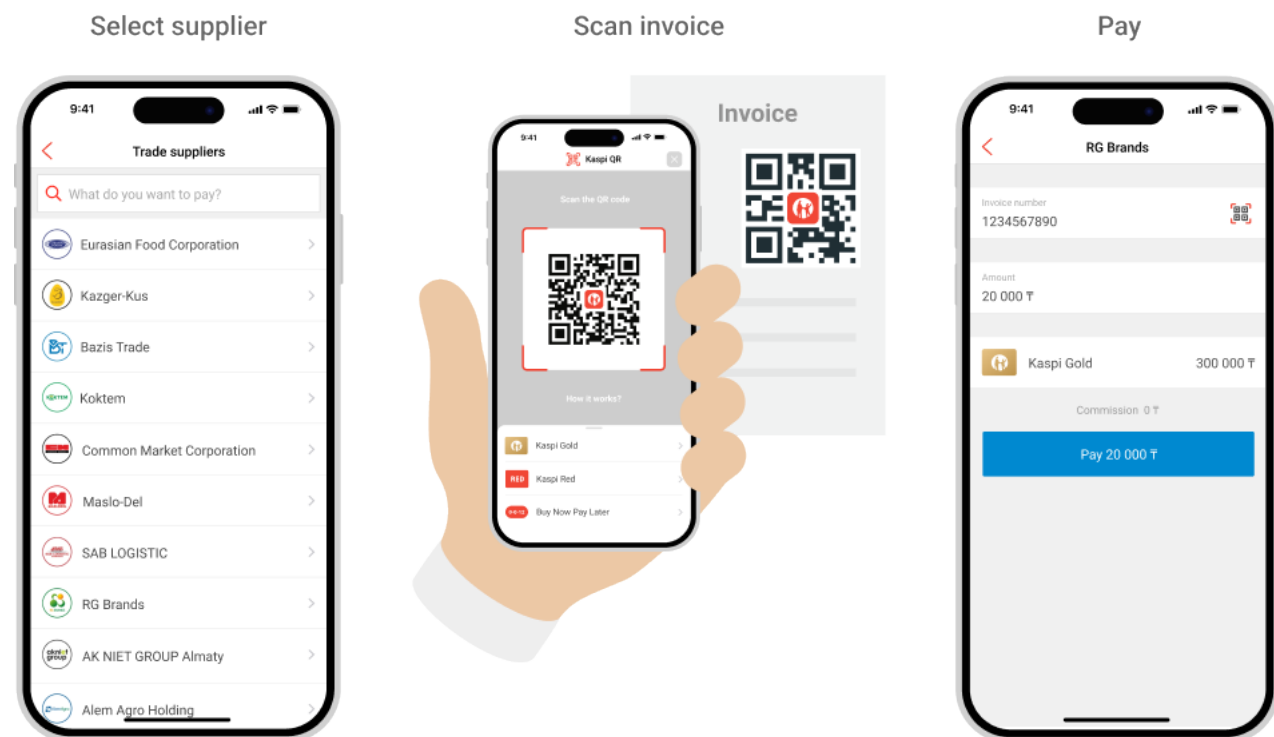
Kaspi B2B Payments is one of our latest innovation for merchants

Kaspi B2B, born out of the data and learnings from Kaspi Pay, is an example of how we can transform the payments experience in a completely new segment.

Kaspi B2B Payments accelerates the flow of money in the retail value chain by enabling invoices between retailers, distributors and suppliers to be settled seamlessly.

For many businesses working capital constraints are a major challenge, which Kaspi B2B helps to solve. With many aspects of wholesalers, distributors and manufacturers businesses in Kazakhstan still to experience the benefits of digitalisation,

Kaspi B2B payments is just the start of a long list of innovative merchants focussed services from us, with inventory management currently emerging as a natural product extension.



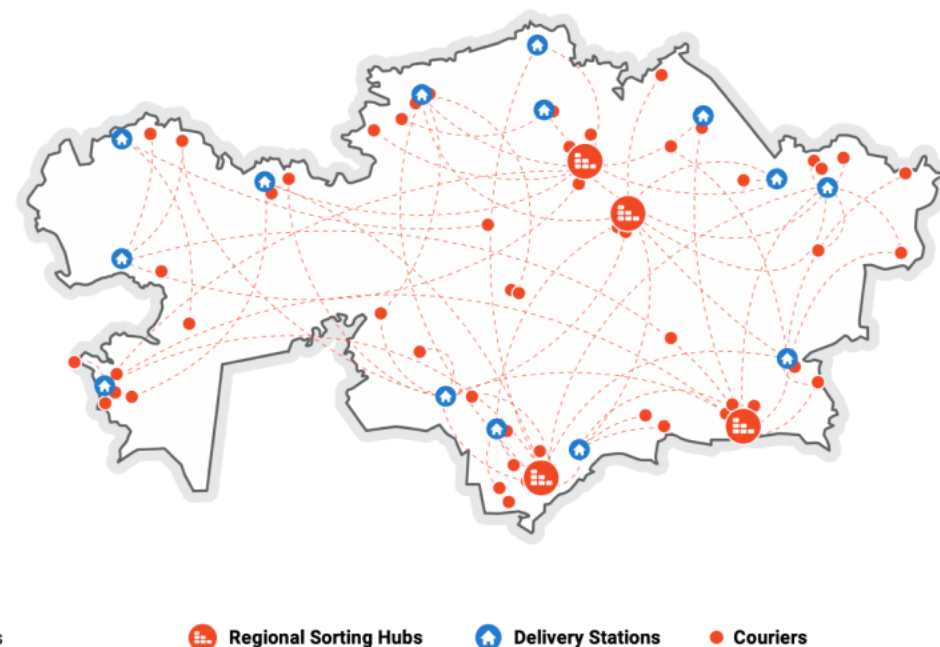
Our investment in Kaspi Postomats make commerce more environmentally efficient

We started to roll out Kaspi Postomats in late-2021. Our investment in Postomats is significantly enhancing e-Commerce's value proposition for consumers, merchants and delivery partners and gives Marketplace another long-term competitive advantage.

Postomats increase the share of successful 1st time deliveries and are a key part of our strategy to make commerce more environmentally efficient. With increased density, we're lowering the cost of last-mile-delivery.

Kaspi Smart Logistics platform enables delivery to 156 cities Kaspi Smart Logistics platform connects every participant in the delivery process

	59 070 Merchants
	5 943 Kaspi Postomats
	2 500 Couriers
	72 Delivery Stations
	44 Pickup points
	36 Line Haul Companies
	8 Regional Sorting Hubs



Kaspi Delivery enables local merchants to sell nationwide

To help retailers grow their businesses, Kaspi Delivery provides free for the consumer nationwide delivery. Kaspi Delivery is a service, that allows the reliable delivery of any product on our Marketplace to more than 150 towns and cities in Kazakhstan. We use our scale to negotiate better delivery terms on behalf of merchants and currently subsidize delivery costs. Our investment in free delivery is giving our consumers a superior shopping experience, helps local merchants to sell nationwide and is helping us build a differentiated e-Commerce offering vs other digital shopping platforms.

With Kaspi Delivery we're supporting not only merchants, but also logistics companies and couriers throughout the country. As the end of 2023, we cooperated with more than 60 local logistics companies, with around 2,500 couriers, mainly small and medium-sized businesses that employ around 5 thousand delivery personnel.

In 2023 we delivered 96% of e-Commerce orders, 51% of orders were delivered within 48 hours and 88% of orders were delivered free of charge for the consumer.

GovTech is another channel for us to digitalise everyday life

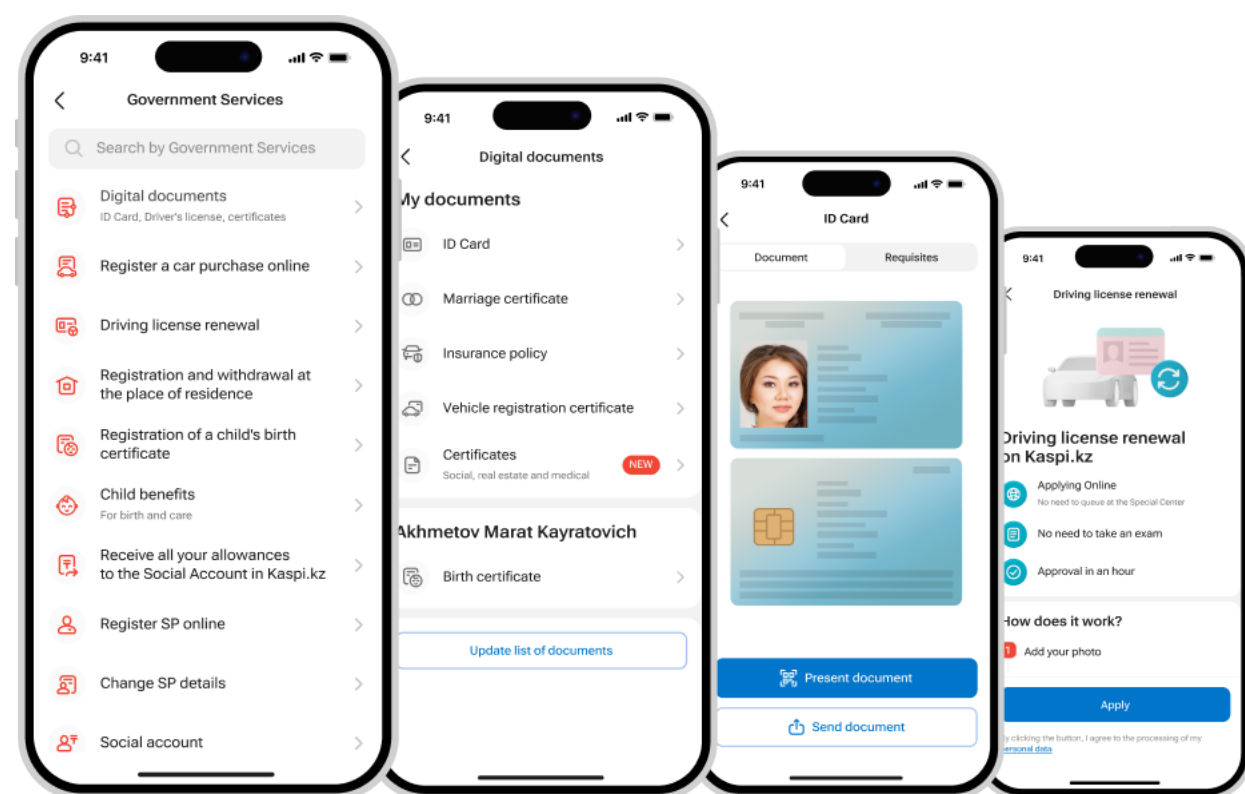
- 11.0 million Kazakhstanis visit Kaspi.kz Super App GovTech
- To date KZT 1.7 trillion in taxes have been paid through the Super App Kaspi.kz
- In 2023, KZT 660 billion in taxes were paid by small merchants using Tax Reports, in just its 1st year

We work hand in hand with various government agencies including the Ministry of Digitalisation to prioritize the addition of high frequency GovTech services to the Kaspi.kz and Kaspi Pay Super Apps. Digital documents, car ownership registration, driver's license issuance and new business registration were some of our most widely used government services in 2023.

One of our most important recent innovations in this area is Tax Reports. Small businesses and entrepreneurs need simple tools to calculate how much tax they owe and then make the required payment in a convenient and timely way. We designed Tax Reports, integrated in the Kaspi Pay Super App, specifically with this in mind. The results in just the first year were impressive, with business taxes and contributions to the budget equivalent to KZT 660 billion collected through Tax Reports and Kaspi Pay.

All our services are fully digital, eliminating the need to visit physical government offices. We immediately make our new GovTech products available via open platform, so that other online platforms can quickly adopt them and make them available to as many users as possible.

Although we do not generate revenue directly from GovTech services, they're synergetic with everything else that we do and are another important way we can contribute to the modernisation and digitalisation of more aspects of everyday life in Kazakhstan.



Popular Kaspi.kz GovTech services in 2023 (thousands)



✓ Kaspi.kz and charitable giving

We leverage our technology and scale to enable users to make donations to the charitable projects they care about throughout Kazakhstan and elsewhere. With the Kaspi.kz Super App we have made the process of donating as easy and as safe as possible:

- Using the Kaspi.kz Super App more than 300 thousand Kazakhstanis donated almost KZT1 billion, following earthquakes in Turkey and Syria
- More recently KZT145 million was donated through our Super App to help those impacted by severe flooding in Kazakhstan
- We continue our long-standing tradition sponsoring the Almaty Marathon

We have a long-term track record supporting major charitable and social projects, with the main area of focus being health, social inclusion, ecology and sports. Some of our key charitable initiatives in 2023 included:

- Almaty Marathon. We have been involved in this major sporting event for many years and since 2022 have been the main title sponsor.
- From our own employees, we invite the 50 best runners throughout Kazakhstan to participate in the Almaty Marathon. We reward employees with sports equipment and have sent runners to major marathons in Istanbul, Venice and Amsterdam.
- Heart Center. The "Heart Center" public foundation is committed to developing cardiac surgery in Kazakhstan. We allocated KZT 730 million to sponsor the fund in 2022, of which KZT293 million was contributed in 2023.

- We invested over KZT 200 million in charitable initiatives designed to improve financial literacy across Kazakhstan. This is separate to our own initiatives, designed to make our fintech products accessible and easy to use.
- Digital Bridge IT Forum. We contributed KZT 150 million to this initiative, designed to promote digitalisation in Kazakhstan.

For 2024, we have once again allocated substantial funds for multiple charitable initiatives across Kazakhstan.

As a company, we recognise the role we must play supporting our communities when they're negatively affected by unexpected events. Following severe flooding in parts of Kazakhstan in 2024, Kaspi.kz donated KZT 620 million to help Kazakhstanis impacted, including the restoration, purchase and construction of housing. Separately, our co-founders Mikhail Lomtadze and Vyacheslav Kim made personal donations of KZT 20 billion.

For effected loan customers, both consumers and merchants, we offered interest free repayment holidays, designed to give them the time they need to get their finances back on track.

Responsible Business Practices

Maintaining customers trust and operating in an ethical manner is vital to achieving our business strategy. This includes our approach to risk management, corporate policies and processes to protect our customers and their data, as well as the interests of all our stakeholders.

In this section

- We use proprietary data and AI to manage risk
- Effective cybersecurity management
- Enriching data management & privacy oversight
- We updated our code of business conduct and ethics ahead of becoming a US public company

SDGs reflected in this section



✓ We use proprietary data and AI to manage risk

The main objective of our risk management is to ensure the safe and sustainable growth of our business. We have put in place a systematic approach to identifying, measuring, and managing all risks that we are exposed to.

The risk level is subject to regular stress tests that are performed internally and as part of the supervisory review carried out by the Agency of the Republic of Kazakhstan for Regulation and Development of Financial Markets.

Our proprietary data gives us a major advantage managing risk

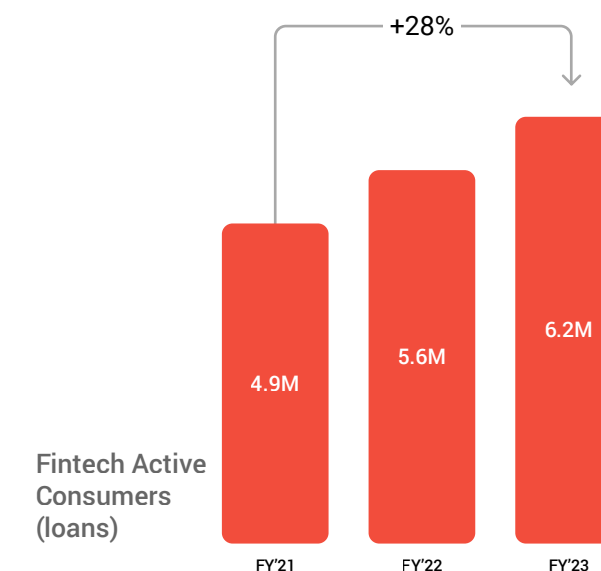
We're exposed to various types of financial and operational risks, of which credit risk is the most material. For more detailed description of risks, please see FY 2023 Financial Statements <https://ir.kaspi.kz/financial-information/>.

Unlike traditional lenders, we do not rely solely on a static consumer credit score. Our models have been built on billions of data points, including data from over 97 million loan applications, 24 billion transactions and 31 billion user sessions in our Super Apps since 2021.

As well as financial data, we use shopping, payments and behavioural data to predict repayment ability. Integration with merchants enables us to consider the item being purchased and when combined with Super App usage data gives us unique and superior insights.

Our proprietary data is supplemented by external data, including credit bureau data, which allows us to monitor a consumers total borrowing and the Pension Center, which tracks the pension savings and payroll of consumers in Kazakhstan.

In total our risk models analyse over 4,380 data points to assess the credit risk of a consumer. We make 99.9% of loan approvals within six seconds, enabling seamless shopping on our Marketplace Platform.



Our risk management models continuously improve with each additional transaction. As we launch new services and capture more data, we continually retrain our models.

We have developed a highly automated machine learning and AI powered process for capturing data and training, calibrating and validating our models. We can add a new data point within one second and fully update our models in less than one hour.

We use various forms of communication to remind consumers about how and when to pay, including calls by our AI powered virtual assistant, push notification through our Super Apps and reminders through the Kaspi Message service.

The proof that we continue to make high quality lending decisions with low levels of fraud is our cost of risk, which at just 2% in 2023, has remained consistently stable and low.

We typically collect 97% of loans that are less than 90 days past due.

✓ Effective cybersecurity management

In 2023 no single cybersecurity incidents were registered

Our Chief Information Security Officer (CISO) manages cybersecurity risks and has served in this role for seven years. Our CISO is certified under ISO 27001 (information security, cybersecurity and privacy protection), as well as the “Ethical Hacker” and Security by Cisco’s Cybersecurity Academy.

Our reporting framework for cybersecurity risks is centralized at Kaspi Bank and risks are reported via Kaspi Bank regardless of whether they impact Kaspi Bank or other Kaspi.kz divisions.

Information on cybersecurity risks is reported from the CISO to the management of Kaspi Bank, and then to the board of directors of Kaspi Bank. The audit committee of Kaspi.kz, comprising independent directors, is ultimately responsible for reviewing material cyber risks. The audit committee oversees the responsibilities of the board of directors of Kaspi.kz relating to operational risk, including risks from cybersecurity threats.

Our employees undergo mandatory information security training and testing annually. In addition, we hold programs dedicated to information security, during which we discuss recent issues, the main types of information security threats and best practices to combat them.

We monitor privacy and cybersecurity laws, regulations and guidance applicable to us

We are assessed at least once a year by third-party independent consultants who conduct, among other things, penetration testing and mobile application security checks.

We design and regularly assess our information security program, guided by Payment Card Industry Data Security Standard and SWIFT CSP (Customer Security Program), as well as industry best practices.

Cyber security system’s at Kaspi.kz comply with international SWIFT standards, GDPR, PCI DSS, ISO 27001–5 in Information Security.

Ethical hackers that operate both inside and outside our infrastructure, simulate possible cyber-attacks and regularly perform penetration testing to identify system weaknesses and make improvements.

We have processes to oversee cybersecurity threats associated with our use of third-party service providers. Before automated exchanges of data with any third party, such exchanges are subject to cybersecurity risk assessments. In addition, such exchanges are quarantined to protect other systems from exposure. We also obligate certain vendors to adhere to privacy and cybersecurity measures via contractual provisions.

In addition, our business continuity and disaster recovery policies are subject to regular testing and updating, and help to ensure the availability of our services, protection of customer data and fast restoration of our operations in the event of a cyberattack.

✓ Enriching data management & privacy oversight

In 2023 no data leakage incidents were reported

The Personal Data Law is the key legal framework in Kazakhstan relating to data protection. Among other things, the Personal Data Law requires that an individual must consent to the processing of their personal data. We are required to keep personal data in Kazakhstan.

The Law on Information requires us to ensure the security of personal data through legal, technical and organizational measures.

For customers, information about data management and personal data protection measures is available in the Kaspi.kz Customer Guide and on our website <https://guide.kaspi.kz/client/ru>. All employees undergo mandatory information security training and testing annually.

Data confidentiality and information security are controlled directly by the Deputy Chairman of the Board, COO of Kaspi.kz, Pavel Mironov.

Transactions cancelled due to the suspicion of fraud <0.1%

All our consumers and merchants are fully identified individuals or legal entities. We leverage our biometrics technology to enable transactions, which prevents fraud and provides extra security to our consumers.

Face recognition technology enables transactions in our Super Apps and at our ATMs. If a transaction is identified as high risk, verification is enhanced by an additional authentication process where a transaction must be confirmed by a unique code, which is delivered to a consumer’s smartphone or by an automated or actual voice call.

When we first contact a consumer to provide Fintech products, we take the consumer’s photograph and scan their ID documents, linking this to one mobile phone number and one Super App. This information is cross verified when approving Fintech products subsequently.

To ensure security of clients’ transactions in our Kaspi.kz Super App, certain documents, in particular, relating to Fintech products should be signed through Kaspi e-Sign, an electronic signature. The consumer receives e-Sign following face recognition and confirmation via a unique code.

To prevent fraud, we leverage our comprehensive real-time monitoring and analysis technology to identify suspicious transactions. We detect and decline suspicious transactions at the authorization stage, within 0.5 seconds and have reduced transactions that get cancelled due to the suspicion of fraud to less than 0.1%.

We regularly educate our customers about fraud related risk through our Super App Kaspi.kz, the Kaspi Guide Q&A section and social networks such as Instagram <https://www.instagram.com/kaspi.kz/> and Facebook <https://www.facebook.com/Kaspi.kz/>.

✓

We updated our code of business conduct and ethics ahead of becoming a US public company

We updated our code of business ethics in 2023

The code covers matters including handling conflicts of interest, whistle blower steps, compliance issues and other corporate policies, such as equal opportunity and non-discrimination standards. This code of business conduct and ethics applies to our board of directors, our executive officers and employees.

Our code of business conduct and ethics is available on our website at <https://ir.kaspi.kz/>.

We comply with all relevant money laundering and sanctions compliance regulations

We have implemented measures to prevent our platforms from being used for money laundering, including “know-your-client” policies and the adoption of anti-money laundering and compliance procedures. We seek to prevent money laundering by performing, among other things, the following:

- Identifying suspicious transactions, those subject to financial monitoring and reporting such transactions.
- Developing and improving policies to prevent the laundering of proceeds of crime.
- Developing criteria to assess our customers from a money laundering perspective.
- Anti-money laundering training sessions for our employees.

- Participating in the preparation of a database aimed at preventing us from engaging in transactions related to the financing of terrorism.
- Maintaining a database containing a list of our suspicious customers.

We comply with applicable U.S., EU and UK economic and trade sanctions, including those administered and enforced by the U.S. Department of the Treasury’s Office of Foreign Assets Control (“OFAC”), the U.S. Department of State, the U.S. Department of Commerce, the Office of Financial Sanctions Implementation of His Majesty’s Treasury and the Foreign, Commonwealth & Development Office of the United Kingdom, the United Nations Security Council and other relevant authorities.

We do not currently have contracts or transactions with persons or entities that are targets of U.S. blocking or other applicable sanctions, such as parties included in the Specially Designated Nationals and Blocked Persons List maintained by OFAC, or similar sanctions-related lists of designated persons maintained by EU, UK and other relevant sanctions authorities.

In 2023 there were no confirmed cases of corruption

The Company has an Anti-Corruption Policy approved by the Board of Directors. The Anti-Corruption Officer is responsible for organizing all activities aimed at meeting the requirements of the Anti-Corruption Policy.

We actively conduct anti-corruption training across directors and management.

Category	Number of people trained	Coverage of the total number of employees by category (%)
Board of Directors	6	100%
Governing body	4	100%
Management team	all employees	99.9%
Employees	all employees	99.9%

On our internal website, the Anti-Corruption Policy is available for review to all employees.

We regularly assess bribery risks and corruption risks. In 2023 based on our assessment, no corruption risks were identified.

We have an established whistleblower procedure

Kaspi.kz directors, employees and counterparties can communicate to the Chief Compliance Controller information and questions about violations of the Code of Ethics.

Communication is based on the principles of

- 1) confidentiality;
- 2) anonymity;
- 3) accessibility (awareness of availability and the ability to freely send an appeal);
- 4) continuity of work (24/7);
- 5) impartiality;
- 6) efficiency;
- 7) good faith;
- 8) renunciation of persecution.

Communication channels with the Chief Compliance Controller include: Compliance.Control_kz@kaspi.kz; <https://kaspi.kz/complaints> and our internal website in the section “Report to Compliance Department” with the option to remain anonymous.

We updated our Corporate Governance Code in 2023

Our Corporate Governance Code, which was also updated in 2023, is largely consistent with the principles of governance applicable to Kazakhstan companies whose shares are listed on the KASE, Nasdaq listing requirements, SEC rules and Kazakhstan laws.

Corporate governance related as well as investor relations related materials can also be found on the website <https://ir.kaspi.kz/>.

Tax Policy

We diligently follow the requirements of the tax authorities of the countries in which we operate.

In accordance with the current tax legislation of the Republic of Kazakhstan, Kaspi.kz has developed and approved by the Board of Directors its own Tax Accounting Policy, according to which the entire process of tax compliance takes place.

We have a separate authorized body, the Tax Accounting Division within the Accounting Department, responsible for the timely calculation of taxes and compliance with tax policy.

In addition to the requirements of the tax legislation of the Republic of Kazakhstan, financial reporting, including tax accounting, is carried out in accordance with International Financial Reporting Standards (IFRS). Tax reporting includes tax declarations, tax registers, annexes to them, subject to preparation and submission by types of taxes, other mandatory payments to the budget, mandatory pension contributions and

social contributions, social health insurance contributions, as well as monitoring reports submitted.

In 2023, the total amount of corporate income tax paid by Kaspi.kz, amounted to KZT 181,784 million.

✓ Committees of the Board of Directors

We have appointed three non-executive directors that are independent under Law of the Republic of Kazakhstan No. 415-II "On Joint Stock Companies" dated May 13, 2003, as amended (the "JSC Law"), two other non-executive directors and one executive director.

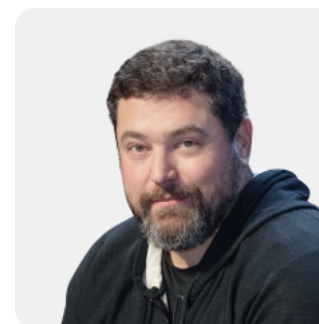
Our board of directors maintains an audit committee, a nominating committee and a compensation, strategy and social committee.

Board of Directors



Vyacheslav Kim Chairman of the Board of Directors

Vyacheslav Kim is our co-founder and has been with us since our inception. He currently serves as the Chairman of the Board of Directors. Mr. Kim is a prominent businessman with extensive experience in the sphere of retail. He currently serves as a member of the Board of Directors of Magnum, the largest food retailer in Kazakhstan. He is also on the Board of Governors of the Physics and Mathematics School. He graduated from the Almaty State University, majoring in finance, and the Russian-Kazakh Modern Humanitarian University majoring in management.



Mikheil Lomtadze Member of the Board of Directors and CEO

Mikheil Lomtadze is our co-founder and has been with us since our inception. He currently serves as Chairman of the Management Board, our Chief Executive Officer and an executive director. Prior to joining us in 2007, Mr. Lomtadze was a partner at Baring Vostok Capital Partners. From 1995 to 2000, Mr. Lomtadze founded and developed GCG Audit, a strategy consulting and auditing firm in Georgia, which later became part of the Ernst & Young global network. From 2018 to 2022, Mr. Lomtadze was named the best CEO in Kazakhstan by members of the Kazakhstan Growth Forum. He was also named the best CEO in Kazakhstan according to the survey carried out by Forbes and PricewaterhouseCoopers from 2017 to 2022. Mr. Lomtadze received a bachelor's degree from the European School of Management (Georgia) and holds an MBA degree from Harvard Business School (class of 2002). Mr. Lomtadze is currently a member of Harvard Business School's Middle East & North Africa Advisory Board.



Nikolai Zinoviev Non-Executive Director

Nikolay Zinovyev has served as a director since 2019. Since November 2017, Mr. Zinovyev has been a founder and CEO of Superbrands.ru, a Russian B2B online marketplace. In 1999, Mr. Zinovyev founded Europlan, a car leasing company in Russia, and from 2002 to 2015, he served as its CEO. Prior to that, from 2000 to 2002, he was a vice-president at the U.S.-Russia Investment Fund, established by the U.S. government to provide equity and debt financing to small and medium size enterprises in Russia. Mr. Zinovyev received an English Language Teacher diploma from the State Pedagogical University, Rostov-on-Don, and a bachelor's degree in economics from the Moscow State University of Commerce.



Douglas Gardner Independent Non-Executive Director

Douglas Gardner has served as a director since 2019. Since 2007, he has been a founder and CEO of CAIGAN Capital, an advisory, consulting and director services firm. From 2002 to 2006, Mr. Gardner was a managing partner for Russia, Kazakhstan and the CIS at Ernst & Young. From 2001 to 2002, he was a managing partner for the Central Asia region at Arthur Andersen. Mr. Gardner is a Certified Public Accountant. Mr. Gardner has previously held board and audit committee chairman positions for banks, brokerage, investment and retail enterprises, real estate development firms and family offices. Mr. Gardner graduated from the University of Oklahoma with a bachelor's degree in business administration in accounting.



Szymon Gutkowski **Independent Non-Executive Director**

Szymon Gutkowski has served as a director since 2019. Mr. Gutkowski has been a managing partner of DDB Poland, a marketing strategy company in Poland since 2000, and has served as a board member of some of its group companies since 2003. His expertise lies in the field of brand building, marketing and communications strategy. From 2014 to 2018, Mr. Gutkowski was president of the Polish Marketing Communication Association, and since 2017, Mr. Gutkowski has been a member of the Client Advisory Board of Meta in Poland. Since 2020, he has been a board member of the Stefan Batory Foundation. Mr. Gutkowski graduated from the Warsaw University with a degree in theoretical mathematics and economy and obtained an executive MBA and master's degree from the joint program of the University of Illinois Urbana-Champaign and the International Management Center of the Warsaw University.



Alina Prawdzik **Independent Non-Executive Director**

Alina Prawdzik has served as a director since 2019. From February to December 2022, she was a business director at Meta in Poland. From 2017 to 2020, Ms. Prawdzik was a managing partner at Innogy Innovation Hub, where she was responsible for operations in Central Eastern Europe and was a head of its "Smart & Connected Buildings" investment focus. From 2016 to 2017, she was an adviser to the management board on digital strategy and e-commerce at Eurocash (Poland). From 2014 to 2015, Ms. Prawdzik was a chief operating officer at Audioteka (Poland). From 2006 to 2013, she worked at eBay as a country manager (Poland), regional manager responsible for European Emerging Markets and general manager responsible for International Expansion Europe. From 1993 to 2005, she was a brand manager and assistant brand manager at Procter & Gamble (Poland and Baltics). Ms. Prawdzik graduated from the University of Gdansk (Poland) with a master's degree in economics and organization of international trade.

Audit committee

The audit committee comprises three directors, all of whom are independent, and meets at least four times a year. The audit committee is chaired by an independent director.

The audit committee is chaired by Mr. Douglas Gardner, with Mrs. Alina Prawdzik and Mr. Szymon Gutkowski are the other committee members.

Remuneration & strategic review committee

The remuneration and strategic review committee comprises three directors, two of whom are independent, and meets at least four times a year. The remuneration and strategic review committee is chaired by an independent director.

The remuneration and strategic review committee is chaired by Mr. Szymon Gutkowski, with Mrs. Alina Prawdzik and Mr. Mikheil Lomtadze the other committee members.

Employees & Culture

Frequent engagement, a proactive approach to talent management, a focus on employee welfare and commitment to diversity are all fundamental to the way we manage our talent.

We are proud that the innovative products our people develop, contribute day-in, day-out to the development of Kazakhstan’s society and economy. Kaspi.kz is widely respected for training and developing some of Kazakhstan’s most highly skilled IT professionals.

Direct responsibility is fundamental to the way we work

The concept of directly responsible individuals is the most important way by which we organize ourselves and refers to the person, with whom accountability for any given product sits.

Each team has a leader, or product head, who is usually appointed from within the business and is responsible for a specific product. This approach helps us make decisions quickly and achieve a customer centric culture. For employees the benefits are increased responsibility, clear expectations and accelerated career growth.

In this section

- Our approach to talent acquisition
- Encouraging learning and development
- Employee performance, motivation & remuneration
- Leading with diversity and inclusion
- Engaging wellness and engagement

SDGs reflected in this section



Our approach to talent acquisition

In 2023 we hired 395 employees in IT positions, 220 of them at entry level

We have designed and built a consistent, efficient, end-to-end hiring process. By standardizing our processes, we ensure that recruitment is fair and the best talent from diverse backgrounds, joins and stays with us.

One of our main recruitment priorities is entry level IT positions. We take responsibility for all necessary training, including professional qualifications. For experienced professionals, we have developed a special platform for assessing programming skills.

To promote internal mobility all vacancies are published on our internal career hub.

Encouraging learning & development

In 2023 the average amount of training was 30 hours per employee, 22 hours for men and 35 hours for women

The Academy develops and implements programs, with classes held in our corporate university.

In 2023 the most popular training topics were Information Security, Customer Service and IT & Data

For continuous training and development, we have the Kaspi.kz Corporate Academy.

TOP Training Subjects

	Training subject	Number of hours
Internal remote	Information security	115 949
	Customer service	47 251
	Financial monitoring & AML/CFT	43 602
Internal full-time	Customer service	34 088
	Management training	18 432
	Professional education	7 800
External remote	IT & Data	1 240
	Financial monitoring & AML/CFT	184
	Professional education	80
External full time	IT & Data	11 240
	Finance	2 648
	Professional education	1 688

We use both corporate and technical trainers. In the case of technical trainers, we are increasingly using our own employees, who share their specialist expertise. In 2023, 51 employees completed a Trainers Orientation Course, enabling us to pass over the course to them.

A significant part of training uses e-courses developed by the Corporate Academy, available on our internal training portal.

An extensive internal training program is complemented by external training. In 2023 we allocated KZT484 million, up significantly from KZT224 million in 2022, for certification and external training. This included IT training for product specialists and The Association of Chartered Certified Accountants (ACCA) for finance employees.

Kaspi Lab and Kaspi Manager are two of our most important training initiatives

Kaspi Lab is a non-profit education project, launched in 2014. Students and graduates from technical universities are invited to pass a technical selection test. Successful applicants have the opportunity to master applied skills in 7 areas over 3 months: Big data, UX design, UX analysis, Oracle, MS SQL, Testing and accounting.

In 2023, 3,079 people applied and completed the technical assessment, of which 298 were selected. The best participants receive an invitation to join us, with 17 people becoming part of our team.

For us Kaspi Labs is another opportunity to shape the highly skilled labor market in Kazakhstan as well as develop new talent to meet our business needs.

In 2023, we organized a special Kaspi Lab focused on software tester, for people with disabilities. 123 people registered to participate, 15 people were selected and took part in the training, with 9 people successfully completing the course. Based on the results of the internship, 2 people were hired as Junior QA Engineers in our IT teams. During the year, one of them passed additional professional certifications and was promoted to Middle QA engineer.



Kaspi Manager aims to create opportunities for professional leadership development, through a mix of theory and practical based training. In 2023, 1,034 of our employees participated in management education, equivalent to 22,338 hours.

We regularly send members of our senior management team to Harvard Business School (HBS) to participate in their executive education program.

✓ Employee performance, motivation and remuneration

In 2023 40% of employees received a performance appraisal as part of our promotion process

Following the results of the performance assessment process in 2023, in which 3,458 employees participated, 260 people were promoted to management positions, of which 58% were women.

We have expanded our LTIP program to 180 key employees

Following our IPO in 2020 we introduced an LTIP designed to retain and motivate key employees and drive sustainable performance, consistent with the shareholder value creation.

Participants receive awards in the form of equity options. This program is long-term in nature, vesting over a period of up to five years. In 2023 we extended the LTIP program to include 180 key employees. Over the medium-term we expect to increase participation further.

Total currently outstanding share options under the LTIP program are 2,202,438 ADSs.

The ratio of the annual remuneration of our highest paid employee to the median annual total remuneration for all employees except the highest paid employee in 2023 was 27x, up 11% from 2022. The compensation of the highest paid employee remained constant for three years.

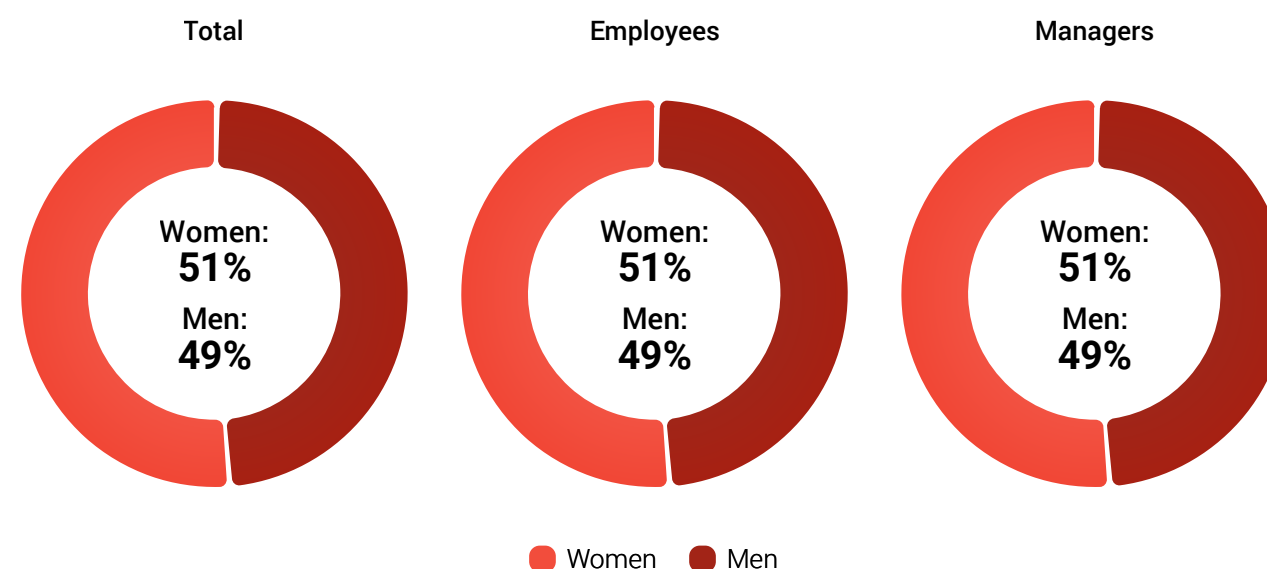
✓ Leading with Diversity and Inclusion

Inclusivity, diversity and zero tolerance of discrimination are core values.

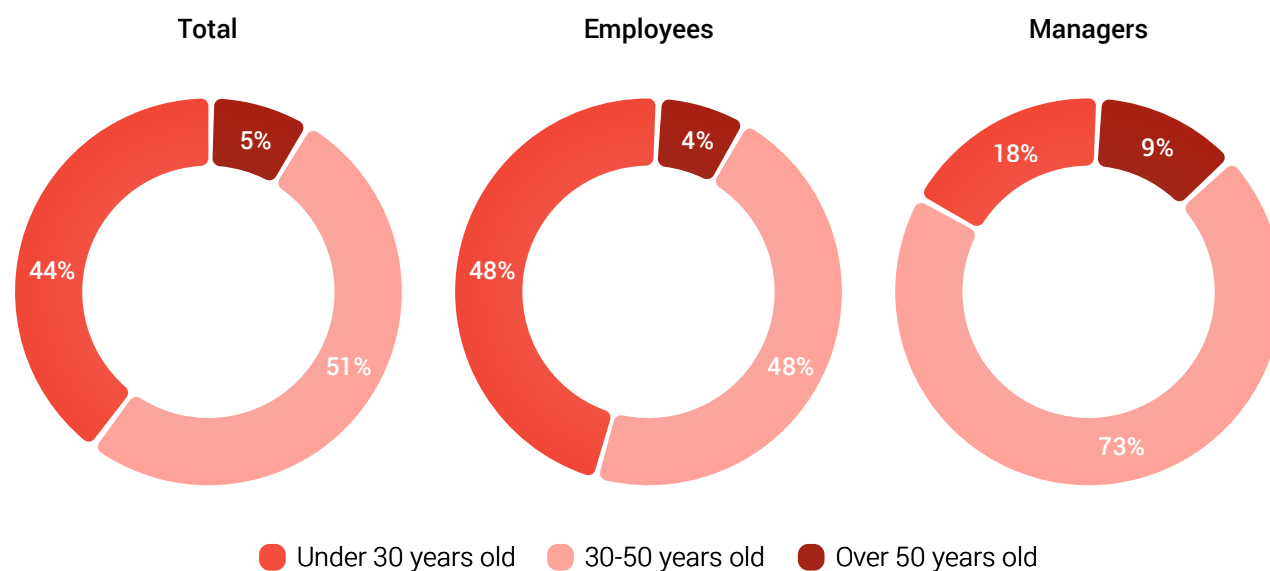
We track career progression, to address the risk of discrimination, ensure diversity and create equal career opportunities for all.

As of 31 December 2023, the number of employees was 8,772.

Kaspi.kz employees by gender (2023)



Kaspi.kz employees by age (2023)



Our offices are equipped with ramps, specially designed elevators and doorways for wheelchairs. Our technical capabilities allow employees with special needs to work remotely. In 2023, 58 employees had special needs.

In 2023 we reduced employee turnover to 21% from 21.9% in 2022.

Kaspi.kz does not use child or forced labor and recognizes the rights of workers to freedom of association.

✓ Employee wellness & engagement

Employee feedback plays an important role in the ongoing development of our HR initiatives. Our main tool for collecting feedback is eNPS. Employees are asked if they would recommend Kaspi.kz as an employer and the reasons for their answer. Feedback on topics such as working conditions, compensation and quality of leadership is collected.

Employee feedback on our leadership team is important. In 2023, the average eNPS score for our senior team was 83%. Employees highlighted support from their managers, feel comfortable in interactions and are ready to turn to managers for help.

They also noted the effectiveness of feedback from their managers.

We survey employees leaving the company, using the NPS framework. Questions such as willingness to recommend Kaspi.kz as an employer, reasons for departure, work life balance, compensation and the conditions under which an employee would return are explored. We seek to create a flexible, balanced work culture and take a holistic approach to employee benefits.

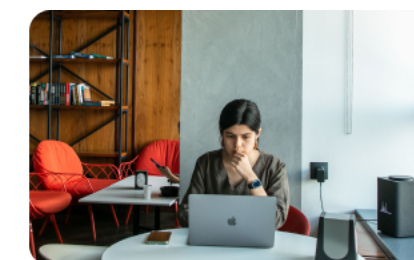
In 2023 786 employees went on parental leave, 783 of whom were women. The return-to-work rate is 71% and the job retention rate¹ is 47%

¹ Metric that measures the percentage of employees who remain employed over a specific period

We opened a new head office building in 2022. Facilities include spacious meeting rooms, open workspaces, cafeterias and lounges. We have opened a fitness center in the office campus and arrange employee discounts at leading local fitness centers. In 2023 we introduced classes in yoga and visual arts around the office.

Health and safety policies and procedures

We strive to maintain a safe and supportive work environment by ensuring the safety of our work processes. In 2023 no accidents and no near miss incidents were registered. Over this period, 147 employees were trained in health and safety issues, 78 of which are in senior positions.



Environmental Sustainability

We're committed to responsibly managing and reducing our environmental impact.

Despite rapid growth, our carbon footprint has been broadly stable in recent years.

By continuing to track scope 1 and scope 2 emissions, we expect to be increasingly well positioned to take further steps to minimise our carbon intensity, even as our business continues to expand.

Climate-related risk exposure for Kaspi.kz is low in the short term (1-3 years) and the medium-term (3-5 years), with the potential for certain risk factors to increase moderately in likelihood and impact over the long-term (5+ years).

In this section

- 2023 energy, fuel & water consumption trends
- Measuring our carbon footprint is now a central part of our environmental strategy
- With QR we are reducing the use of plastic cards
- Kaspi e-Commerce and Kaspi Postomats are making shopping more sustainable
- Digitalisation is significantly reducing paper consumption
- We always take steps to improve our ecology

SDGs reflected in this section



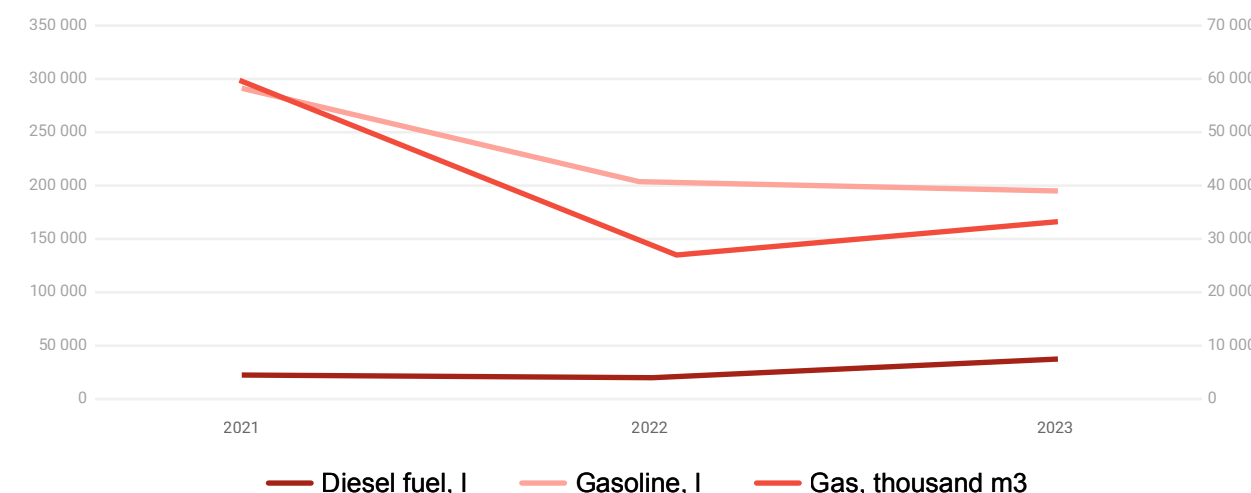
✓ 2023 energy, fuel & water consumption trends

In 2023 our consumption of fuel and energy resources increased only slightly but has declined over a longer period. This reflects our ongoing investments in renewable energy, data center efficiencies and initiatives aimed at heating automation. In addition, to optimize emergency power sources, we introduced 2 additional Euro-3, environmental class stationary diesel generator sets.

This is an environmental standard that regulates the content of harmful substances in the exhaust gases emitted from diesel and gasoline engines.

In 2023, our water use increased by 41% year-over-year due to the opening of new office facilities. However, due to digital nature of our business, we consume relatively low volumes of water. We continuously look for water efficiency opportunities. We have installed water meters to determine and monitor optimal water use, low flow faucets and fixtures and automated irrigation systems.

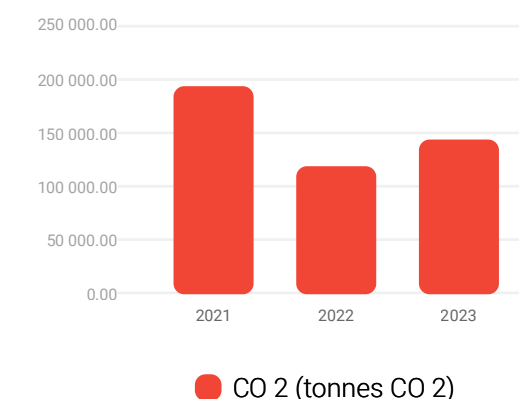
In 2023 our energy and fuel consumption increased slightly



✓ Measuring our carbon footprint is now a central part of our environmental strategy

The main sources of GHG emissions from Kaspi.kz are motor vehicles and power equipment such as boilers and generators in our offices. We follow the measurement guidelines of the Greenhouse Gas Protocol (GHG) standard. In 2023, our operational GHG emissions (Scope 1 and 2) increased by 17% from 2022 due to introduction of 2 new stationary diesel generator sets, to optimize emergency power sources but has still declined over the previous 3 years. Excluding these back up facilities Scope 1 and 2 emissions declined 26% YoY.

Greenhouse gas emissions (Scope 1 & 2) increased due to back-up-facilities; underlying emission trends down



✓ **With QR we are reducing the use of plastic payments cards**

We consume plastic mainly by issuing payment cards. During 2023, we used 9,553 kg of recyclable PVC to produce 1.9 million cards, which is 57% less than in 2022. Mobile payments and the use of Kaspi Pay QR technology has significantly reduced our use of plastic, with plastic cards lasting longer.

A significant amount of our IT waste relates to POS devices. In 2023, we upgraded our POS network to maximize battery life.

Each year, we retire hardware across our data centers and operations. In 2023, these efforts included the retirement of 67 tons of equipment, all of which was transferred to our secure disposal vendors for disassembly and recycling in accordance with responsible e-waste practices.

We classify and dispose of waste in accordance with Kazakhstan legislation. Our waste is mainly classified as 'low-hazardous' and is transferred for processing to a specialized organization. Hazardous waste such as office batteries, are separated and rechargeable batteries are transferred to a third-party supplier.

✓ **Digitalisation is significantly reducing paper consumption**

Our Super Apps reduce the consumption of paper by our customers. In 2023 the need to sign more than 54 million documents was eliminated, saving more than 1.5 thousand tonnes of paper.

In 2023, we have introduced POS devices, ATMs and self-service-kiosks (SSKs) without the ability to print checks. To date, this has resulted in a 145 tons reduction in paper consumption.

Electronic receipts are available when the customer provides the business with their phone number or email. This allowed us to reduce paper consumption by 271 tons in 2023.

To reduce the use of paper in our offices, we have introduced electronic document management. The total weight of wastepaper sent for recycling in 2023 was 16.6 thousand reams of paper, equivalent to 40 tons or 32% of the total amount of office paper we consumed.

✓ **Kaspi e-Commerce and Kaspi Postomats are making delivery more sustainable**

With Kaspi e-Commerce consumers no longer need to travel to physical stores and merchants no longer need to maintain the same physical footprint. We estimate the effect of this is a reduction in CO2 emissions, equivalent to 77K tonnes in 2023.

We started to roll out Kaspi Postomat in late-2021 and had almost 6,000 lockers by the end of 2023, accounting for around 39% of orders delivered. As well as being a key part of our plan to improve the delivery experience in Kazakhstan, Postomats make commerce more environmentally sustainable. The carbon footprint of using Postomats, is on average around 1/3 less, compared to courier to-door delivery, with the last mile distance travelled significantly lower and the courier leaving multiple packages in the same location.

In 2023 we estimate customers avoided 15.2 million trips by using Postomats and delivery, equivalent to reducing CO2 emissions by 6.4 million tons.

We encourage our merchants to use ecofriendly packaging for delivery and we are including more recyclable or materials as part of our packaging. At Kaspi Postomats, customers can find recycle stations where they can leave their opened packaging.



Other Information

Kaspi.kz Joint Stock Company was incorporated in the Republic of Kazakhstan in 2008. The Company is regulated by the National Bank of the Republic of Kazakhstan (“NBRK”) and the Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market (“the FMRDA”). The registered address of the Company is 154A, Nauryzbai Batyr street, Almaty, 050013, the Republic of Kazakhstan.

As at 31 December 2023, Kaspi.kz Joint Stock Company is the parent of the following directly and indirectly held subsidiaries:

Subsidiary	Type of operation	Country of operation	Ownership as at 31 December 2023
Kaspi Pay LLC	Payment processing services	Kazakhstan	Directly (100%)
Kaspi Shop LLC	Marketplace	Kazakhstan	Directly (100%)
Kaspi Travel LLC	Online travel	Kazakhstan	Directly (100%)
Kolesa Group	Classifieds	Kazakhstan	Indirectly (39.76%)
Magnum E-commerce Kazakhstan LLC	E-Grocery	Kazakhstan	Indirectly (90.01%)
Kaspi Bank JSC	Banking	Kazakhstan	Indirectly (98.95%)
ARK Balance LLC	Distressed asset management	Kazakhstan	Indirectly (98.95%)
Kaspi Office LLC	Real estate	Kazakhstan	Directly (100%)
Kaspi Group JSC	Holding Company	Azerbaijan	Directly (100%)
Digital Classifieds LLC	Classifieds	Ukraine	Indirectly (100%)
Portmone Group	Payment processing services	Kazakhstan	Indirectly (100%)
Kaspi Cloud LLC	Storage and processing of information	Kazakhstan	Indirectly (100%)

For investor information, including our audited financial statements, company presentation, news and upcoming events please visit our investor relations website <https://ir.kaspi.kz/> or contact David Ferguson, Head of Investor Relations, ir@kaspi.kz.

GRI content index

Appendix 1

Statement of use	JSC Kaspi.kz has reported in accordance with the GRI Standards for the period ended 31 December 2023
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

ESG Index

GRI Standard	Requirement	Link to the Report
2-1 (Organizational details)	a) report its legal name; b) report its nature of ownership and legal form; c) report the location of its headquarters; d) report its countries of operation	p.40
2-2 (Entities included in the organization’s sustainability reporting)	a) list all its entities included in its sustainability reporting c) if the organization consists of multiple entities, explain the approach used for consolidating the information, including: i. whether the approach involves adjustments to information for minority interests; ii. how the approach takes into account mergers, acquisitions, and disposal of entities or parts of entities; iii. whether and how the approach differs across the disclosures in this Standard and across material topics.	p.40

GRI Standard	Requirement	Link to the Report
2-3 (Entities included in the organization's sustainability reporting)	a) specify the reporting period for, and the frequency of, its sustainability reporting;	p.4
	c) report the publication date of the report or reported information;	p.6
	d) specify the contact point for questions about the report or reported information	p.40
2-5 (External assurance)	a) describe its policy and practice for seeking external assurance, including whether and how the highest governance body and senior executives are involved;	<u>No external verification has been performed</u>
	b) if the organization's sustainability reporting has been externally assured:	
	i) provide a link or reference to the external assurance report(s) or assurance statement(s); ii) describe what has been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process; iii) describe the relationship between the organization and the assurance provider.	

GRI Standard	Requirement	Link to the Report
Disclosure 2-7 Employees	report the total number of employees and a breakdown of this total by gender and by region;	p.33
	permanent	p.51
	temporary	p.53
	non-guaranteed	
GRI 103: MANAGEMENT APPROACH	part time	
	full time	
	103-1 Explanation of the material topic and its Boundary	p.4
GRI 201: ECONOMIC PERFORMANCE	103-2 The management approach and its components	
	103-3 Evaluation of the management approach	
	201-1 Direct economic value generated and distributed	p.8
GRI 203: INDIRECT ECONOMIC IMPACTS	201-2 Financial implications and other risks and opportunities due to climate change	
	201-3 Defined benefit plan obligations and other retirement plans	
	203-1 Infrastructure investments and services supported	p.8
	203-2 Significant indirect economic impacts	

GRI Standard	Requirement	Link to the Report
GRI 205: ANTI-CORRUPTION	205-1 Operations assessed for risks related to corruption	p.24
	205-2 Communication and training about anti-corruption policies and procedures	
	205-3 Confirmed incidents of corruption and actions taken	
207: TAX	207-1 Approach to tax	p.26
	207-2 Tax governance, control, and risk management	
	207-3 Stakeholder engagement and management of concerns related to tax	
	207-4 Country-by-country reporting	
GRI 301: MATERIAL	301-2 Recycled input materials used	p.54
GRI 302: ENERGY	302-1 Energy consumption within the organization	p.37
	302-4 Reduction of energy consumption	
	302-5 Reductions in energy requirements of products and services	
GRI 303: WATER AND EFFLUENTS	303-5 Water consumption	p.37

GRI Standard	Requirement	Link to the Report
GRI 305: EMISSIONS	305-1 Direct (Scope 1) GHG emissions	p.55
	305-2 Energy indirect (Scope 2) GHG emissions	
GRI 306: EFFLUENTS AND WASTE	306-5 Waste directed to disposal	p.54
GRI 401: EMPLOYMENT	401-1 New employee hires and employee turnover	p.51-53
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
	401-3 Parental leave	
GRI 403: OCCUPATIONAL HEALTH AND SAFETY	403-1 Occupational health and safety management system	p.35
	403-2 Hazard identification, risk assessment, and incident investigation	
	403-3 Occupational health services	
	403-4 Worker participation, consultation, and communication on occupational health and safety	
	403-5 Worker training on occupational health and safety	
	403-6 Promotion of worker health	
	403-9 Work-related injuries	

GRI Standard	Requirement	Link to the Report
GRI 404: TRAINING AND EDUCATION	404-1 Average hours of training per year per employee	p.53
	404-2 Programs for upgrading employee skills and transition assistance programs	p.31, p.32
	404-3 Percentage of employees receiving regular performance and career development reviews	p.33
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY	405-1 Diversity of governance bodies and employees	p.33
GRI 406: NON-DISCRIMINATION	406-1 Incidents of discrimination and corrective actions taken	No incidents of discrimination in 202
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	p.34
GRI 408: CHILD LABOR	408-1 Operations and suppliers at significant risk for incidents of child labor	p.34
GRI 409: FORCED OR COMPULSORY LABOR	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	p.35
GRI 418: CUSTOMER PRIVACY	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	p.23

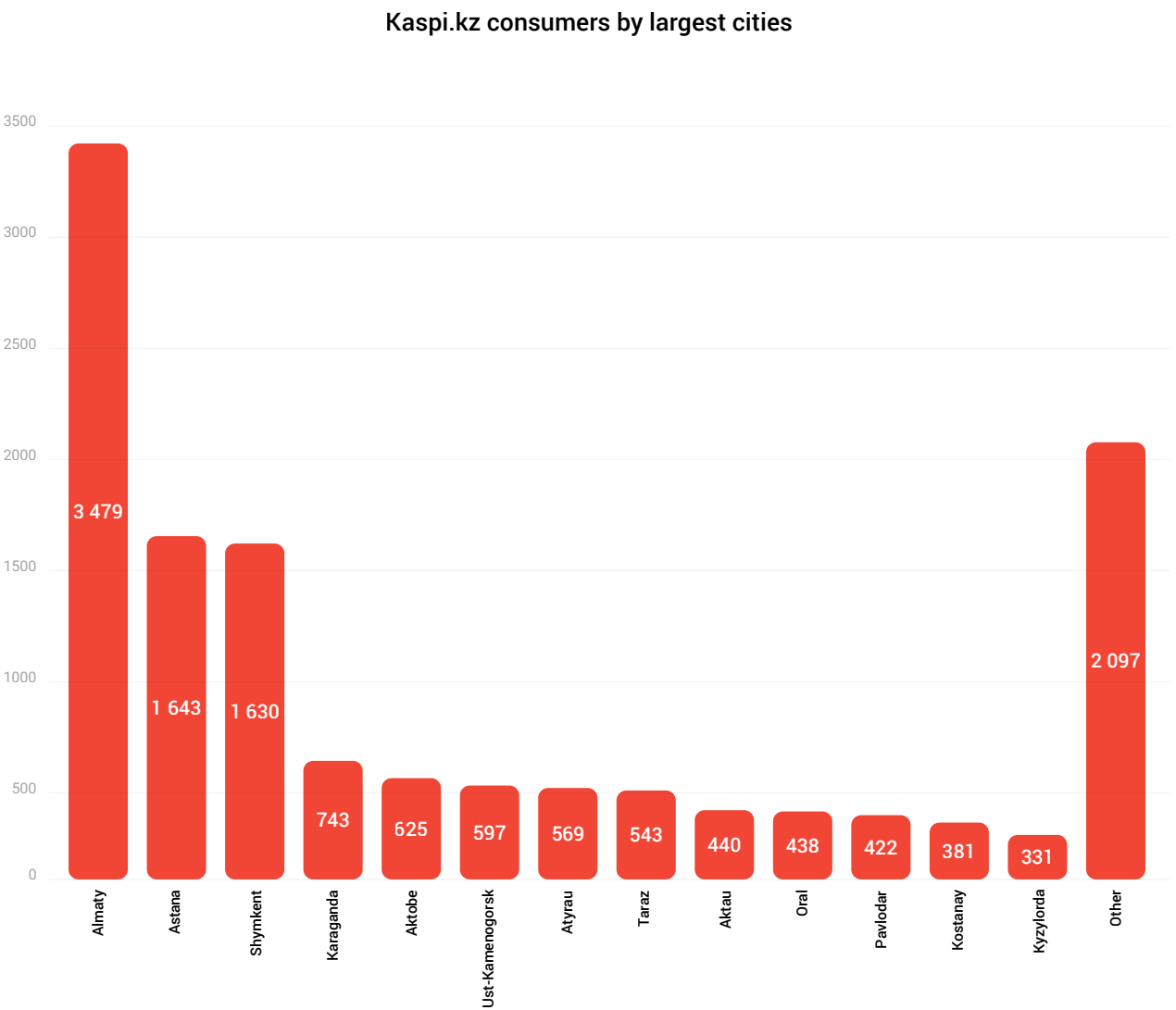
A. Social innovation

Appendix 2

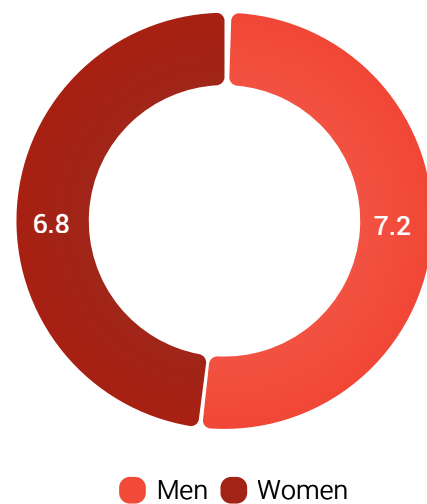
Initiatives to increase accessibility to people with reduced mobility

Initiatives to increase accessibility to people with reduced mobility (PROM)	2023
Self-service-kiosks by wheelchair users	153 branches
Ramp access	43 branches
ATMs for access by wheelchair users	240 ATM

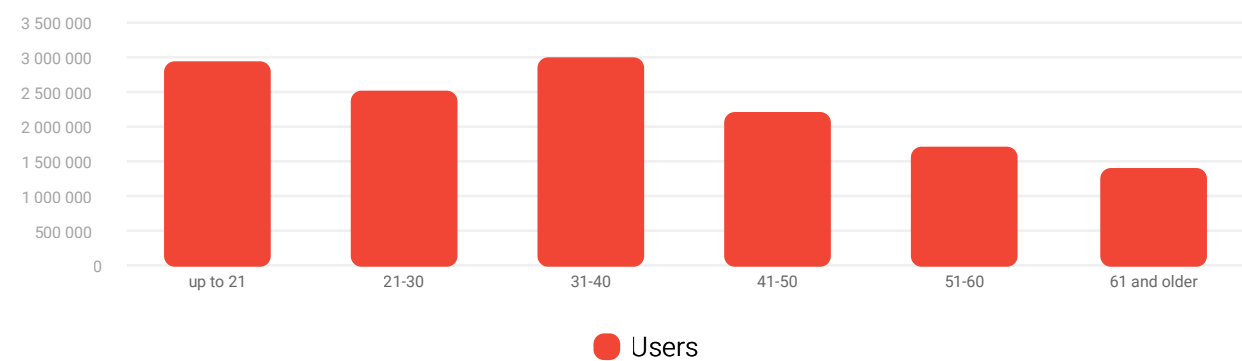
Promoting economic opportunity for SMEs & entrepreneurs



Kaspi consumers by gender and age groups (million)



By age groups



Kaspi.kz as a tool for charitable giving

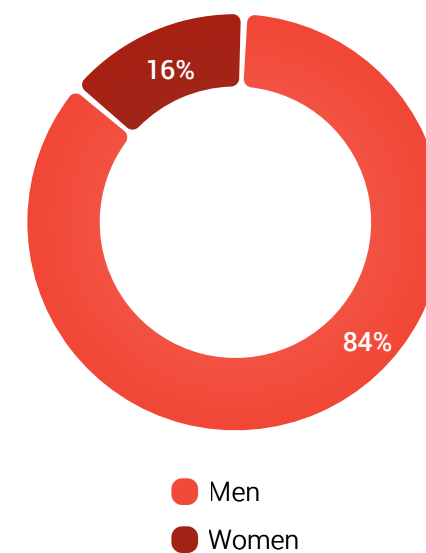
Charity volume of Kaspi.kz consumers

Index	2021	2022	2023
Number of organizations that received support through Kaspi.kz	53	68	173
Number of transactions	2,965,35	8,844,185	15,411,059
Volume of donations, KZT	3,459,518,828	8,784,349,044	15,007,133,974

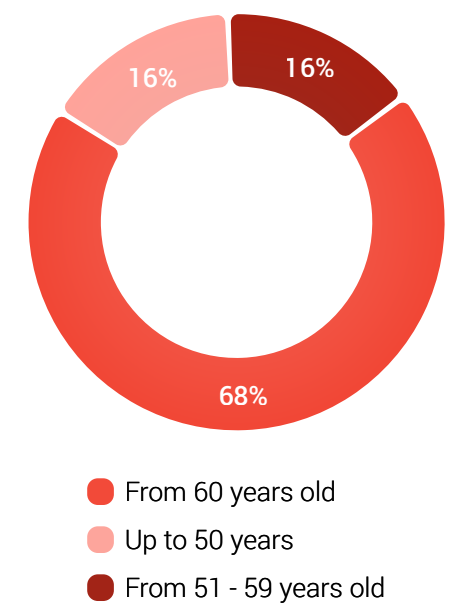
B. Responsible business practices

Board of Directors

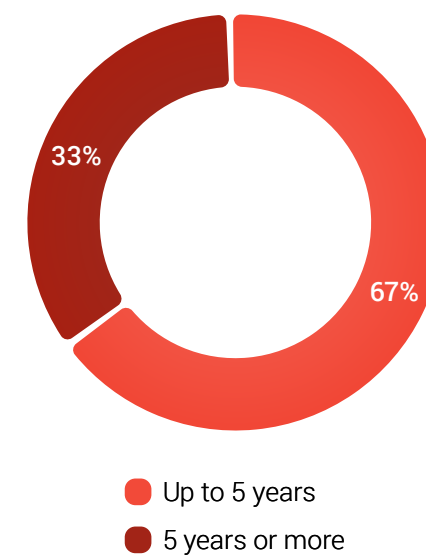
Gender Structure of the Board of Directors



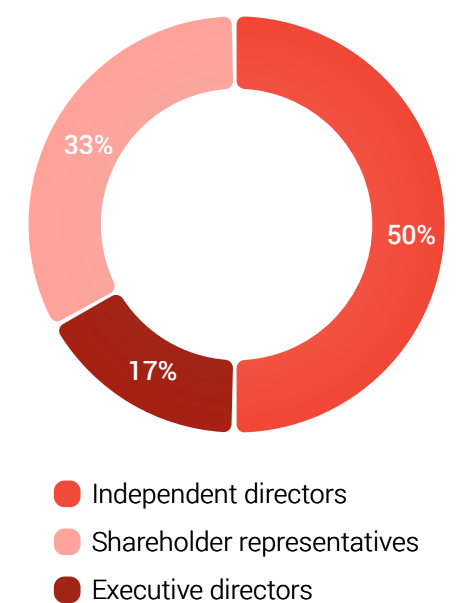
Structure of the Board of Directors by age



Term of service on the Board of Directors of the Company



Structure of the Board of Directors



Skills and experience	V. Kim	M. Lomtadze	N. Zinovyev	D. Gardner	A. Prawdzik	S. Gutkowski
Business strategy	✓	✓	✓	✓	✓	✓
Corporate governance	✓	✓	✓	✓	✓	✓
Financial services	✓	✓	✓	✓		
Risk Management	✓	✓	✓	✓	✓	✓
Marketplace		✓	✓		✓	
Payments		✓	✓		✓	
Innovations and Technology		✓	✓		✓	✓
Audit		✓		✓	✓	✓
Marketing	✓	✓			✓	✓
ESG	✓	✓				✓

C. Employees and culture

Employees

Index	Including by gender groups			including by age group		
	Total	men	women	Up to 30 years old	30–50 years old	Over 50 years old
Total headcount	8,772	4,259	4,513	3,839	4,477	456
Leadership positions	1,197	584	613	212	877	108
Non-managerial positions	7,575	3,675	3,900	3,627	3,600	348

Employee composition by regions	2021	2022	2023
Headquarter + Almaty	4,695	5,071	6,215
Aktau	182	142	117
Aktobe	195	149	120
Astana	388	394	387
Atyrau	188	152	136
Jezkazgan	1	41	48
Karaganda	320	222	194
Kokshetau	82	62	57
Kostanay	159	132	122
Kyzylorda	159	132	100
Pavlodar	153	114	126
Petropavl	176	149	59
Semey	86	60	61
Taldykorgan	102	48	53
Taraz	169	62	139
Turkistan	176	158	34
Oral	46	39	108
Oskemen	207	149	117
Shymkent	203	249	236
Other	475	175	343

Parental leave

Index	Total	Including	
		men	women
Number of employees eligible for parental leave	2,857	703	2,154
Number of employees who took parental leave	786	3	783
Number of employees who returned to work in the reporting period after the end of parental leave	414	5	409
Number of employees expected to return to work in 2023 after the end of parental leave	580	4	576
Number of employees who returned to work in the previous period after the end of parental leave	338	2	336
Number of employees who returned to work after the end of parental leave in the previous reporting period who were still working through 12 months after they returned to work	159	1	158
Return to work rate	71%	125%	71%
Job retention rate	47%	50%	47%

Training and development

Learning outcomes by group at the end of 2023	For all employees		By gender		By category		
	Number of people	Number of hours	Men	Women	Top management	Management positions	Non-management positions
Internal remote	10,668	233,286	73,685	159,601	74	16,969	216,243
Internal full-time	2,615	68,488	23,912	44,576	32	14,760	53,696
External remote	30	944	544	960	240	760	504
External full-time	266	18,016	7,688	9,768	168	4,920	12,368
Total	10,801	320,734	105,829	241,905	514	37,409	282,811
Average number of hours of training	-	29.7	22.6 (4,672 employees)	35 (6,129 employees)	36.7 (14 employees)	34.6 (1,081 employees)	29,1 (1,081 employees)

Reward approach

Index	2021	2022	2023
The ratio of the annual remuneration of the organization's highest paid employee to the median annual total remuneration for all employees except the highest paid employee	48	33	27
Percentage growth in annual remuneration of the highest paid employee	0%	0%	0%
Percentage growth in median annual total remuneration for all employees	17%	44%	22%
Growth percentage ratio	0	0	0

D. Environmental Sustainability

Office Paper Consumption Dynamics

Paper consumption	2021	2022	2023
Reams of A4 paper, pieces	113,531	54,001	50,714
A4 paper weight, tons	284	135	127
Reduction YoY	52%	45%	6%

Materials submitted for recycling in 2023

Materials	2022	2023
Wastepaper	43K.kg	40K.kg
Metal	21K.kg	25K.kg
Furniture	26K.kg	40K.kg
Fluorescent lamps	960 pcs.	2,898 pcs.
Tires	2K.kg	2K.kg

Volume of greenhouse gas emissions (Scope 1 and Scope 2)

	2021	2022	2023
Scope 1			
Stationary sources			
CO ₂ (gigagram CO ₂)	59.47282	60.84987	102.93807
CH ₄ (tons CH ₄)	0.0024	0.0025	0.0042
N ₂ O (gigagram N ₂ O)	0.0005	0.0005	0.0008
CO₂e(tonnes CO₂e)	59.5	60.9	103.1
Mobile sources			
CO ₂ (gigagram CO ₂)	121,727.3	56,687.9	65,811
CH ₄ (tons CH ₄)	8.454	3.935	4.569
N ₂ O (gigagram N ₂ O)	8.454	3.935	4.569
CO₂e(tonnes CO₂e)	121,964.0	56,798.1	65,938.9
Scope 2			
Electric Energy			
CO ₂ (tonnes CO ₂)	66,909.7	62,467.3	74,336
Thermal energy			
CO ₂ (tonnes CO ₂)	1,586.9	1,310.2	1,230
Total (Scope 1.2)			
CO₂ (tonnes CO₂)	190,520.22	120,636.46	141,504.9

Fuel Consumption Dynamics

Type of fuel	2021	2022	2023
Diesel fuel, l	24,272	24,834	42,011
Gasoline, l	289,271	202,655	196,576
Gas, thousand m3	59,952	27,844	32,368