



SOLVa

**SUSTAINABILITY
REPORT**



2023

Message from an Independent Member of the Board of Directors



"We are committed to creating a fair and sustainable future for our clients and all our stakeholders by providing a wide choice of financial instruments, our expertise, experience and support."

Dear Colleagues, Partners and Clients!

We are pleased to present our third Sustainability Report, prepared in accordance with the Global Reporting Initiative GRI Standards and the Sustainability Accounting Standards Board (SASB) standard for commercial banks.

The report details our approach to managing sustainability issues and demonstrates the impact of our business on the economy, employees, society, and the environment.

The principles of sustainable development and responsible business conduct are integrated into Solva's business model and global strategy, so that the Company effectively creates long-term value for employees, clients, shareholders and partners, and makes a significant contribution to achieving the UN Sustainable Development Goals (SDGs) and the National Development Plan of Kazakhstan.

In 2023, our Company continued its transformation into a second-tier bank, bringing its corporate governance structure and the operation of all systems and departments in line with the requirements for banks. We hope to complete this process in the coming year.

Also in 2023, there was an important change in Solva's ownership structure: a UAE-based private company, Neo Crystal Holdings, became our shareholder, allowing us to raise a \$20 million investment, which Solva plans to use as part of its ongoing transformation from a microfinance institution to a second-tier bank.

In the reporting year, changes were also made in the corporate governance structure: the number of members of the Board of Directors increased to five due to an increase in the number of independent directors to three. Three committees were established under the Board of Directors, whose work is aimed at more in-depth and efficient consideration of strategically important issues.

We continued to realize our mission to promote entrepreneurship in Kazakhstan and improve the well-being of the population. In 2023, the share of SMEs in Solva's loan portfolio increased to 60%, we launched a new pilot green finance product and continued to improve our services to meet the needs of our entrepreneurial clients.

In 2023, we paid special attention to the development of women's entrepreneurship in Kazakhstan. We continue to maintain the share of women in the SME portfolio at 70%, however, in the reporting year we carried out the first ever corporate issue of ESG gender bonds in the history of the Republic of Kazakhstan in the amount of KZT 20 bln. All funds raised were used to finance women entrepreneurs, allowing us to expand the level of support and make a tangible contribution to promoting gender equality and inclusion in Kazakhstan's financial services industry. More than 14 thousand of our female clients received the necessary financing to develop their businesses.

As part of our large-scale project "Women in Business", which aims to create a favorable environment for the development of women's entrepreneurship and improve financial literacy in Kazakhstan, we held 7 free training events in different regions of the country, attended by more than 500 people in 2023.

Taking care of our clients has always been at the top of our agenda, so we continued to improve our responsible lending practices by increasing the number of financial ombudsmen and clients who were provided with customized terms for settling overdue debts, as well as significantly reducing fraud through the introduction of new preventive measures and more.

In 2023, we joined the UN Global Compact and expressed our commitment to the 10 principles of the UNGC and successfully completed the UNGC SDG Ambition Accelerator program.

We are particularly proud that in 2023 Solva received an ESG rating from international rating agency Sustainable Fitch at level 3 with an overall score of 59, which was an indicator of the high assessment of the Company's sustainability performance among financial institutions in Kazakhstan.

The heart of our business is our employees, so in the reporting period we did a lot of work to improve the training and career development system and to improve motivation and adaptation programs for new employees.

We are proud that Solva is actively involved in addressing global challenges, with a focus on the effects of climate change and the contribution it can make as a business to reduce its environmental impact. In 2023, we achieved Carbon Neutral Company status, launched a pilot green finance product and introduced separate waste collection in the office.

In this Report, you can read more about our approach and performance in each sustainability area.

We would like to express our deep gratitude to our employees, clients, shareholders and partners for their support and willingness to cooperate, without which it would be impossible to achieve such significant success in implementing projects and initiatives aimed at sustainable development.

We plan to continue to adhere to the principles of responsible business conduct and set ourselves the most ambitious goals.

Asem Bolatzhan
Independent Director

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About Company



Konstantin Barabanov

CEO of Solva Group Ltd

“ At Solva, we strive to continuously improve processes within the Company, implement new projects to achieve and stay ahead of the goals of our sustainability strategy, and set ourselves ambitious new targets. In 2023, we received an ESG rating level “3” from the international rating agency Sustainable Fitch, which was an indicator of the high assessment of the Company's sustainability performance and an important confirmation that we are on the right track.

We are very proud that in the reporting year we continued to expand our support for the SME sector, increasing the share of SMEs in the portfolio to 60%, and strengthened our support for women's entrepreneurship by issuing the first ever in the history of the Republic of Kazakhstan corporate ESG gender bonds worth KZT 20 bln.

We are continuing the process of transformation into a bank and according to Solva's strategy, the future bank will focus on the SME segment and in addition to financing will be able to offer transactional products specifically for the needs of entrepreneurs.

We are very pleased to present our results for 2023 in this Report.



Brief information about the Company

Solva¹ is the market leader in unsecured non-bank financing in Kazakhstan. We offer digital financial products for micro, small and medium-sized businesses, as well as individuals.

In 2023, we continued to improve and expand our product line for micro, small and medium-sized entrepreneurs, as well as improve the quality of our services. The share of SME sector lending in the total portfolio increased by about 14% compared to last year and amounted to about 60%.

Our mission is to develop a healthy entrepreneurial environment for micro, small and medium-sized businesses, as well as to improve living standards in the Republic of Kazakhstan.

We are convinced that entrepreneurship is a diversified and inclusive sphere, where business owners, regardless of gender, age, religion, education level and social status are able to realize themselves.

Our goal is to create a user-friendly financial service which can be accessible for any Kazakhstan citizen engaged in entrepreneurial activities.

We aim to give our clients confidence and peace of mind when they choose our financial products to start and grow their businesses.

At the moment we are in the process of transformation into a second-tier bank.

KZT 95.4 bln

loan portfolio at the end of 2023

119 ths +

Solva clients in 2023

KZT 85 bln

loans issued to clients from the SME sector in Kazakhstan since mid-2020

83 ths +

of entrepreneurs became Solva clients

3 mln +

unique users visited our website in 2023

60%

share of SME sector lending in the total portfolio at the end of 2023

70%

clients from the SME sector – women entrepreneurs

129

Solva branches throughout Kazakhstan

¹ Microfinance Organization OnlineKazFinance JSC (hereinafter referred to as the Company or Solva).

Our principles

In our activities we are guided by the following principles:

Legality

We carry out our activities in strict accordance with the current legislation of the Republic of Kazakhstan.

Professionalism

We carry out our activities exclusively on a professional basis and attract highly qualified specialists to work. We regularly train our employees to maintain and improve their skills and professionalism.

Confidentiality

We take the confidentiality and security of personal data seriously, therefore we take extensive measures to ensure information security and protect the personal data of our clients, partners and employees.

Compliance with business ethics standards

All our employees, regardless of their job title, nature of work and position, are required to comply with business ethics standards when performing their tasks and duties.

Responsibility

We are sure that the lender should not mislead the client about the terms of microcredit, including the use of fine print and other tricks. Applying a client-oriented approach, we not only provide fast processing of user requests through technical support, but also openly and transparently inform clients about all loan terms.

Information transparency

We adhere to the policy of maximum openness and transparency of information about our activities and strive to be open in communications and provide employees, clients, partners and investors with complete and balanced information.

Our achievements

S&P Global
Ratings

«B-»¹
Outlook «Stable»



ESG rating at level «3»
with an **overall score of 59**



Solva joined the UN Global Compact on Corporate Social Responsibility and Sustainability and expressed its commitment to the ten principles of the UN GC



Solva successfully completed the SDG Ambition Accelerator program of the UN Global Compact²



Solva is the only company in Kazakhstan to join the global gender capital sharing initiative 2XGlobal



Solva was recognized as the "Fintech Company of the Year" at the international forum Digital Almaty 2023



Solva received a Visa award for the first card product issued by an MFI



Solva received the 2023 PLUS Award in the "Best ESG Initiative in the financial sector" category

In the summer of 2023, Solva carried out the **first corporate issue of ESG gender bonds in the history of the Republic of Kazakhstan** in the amount of KZT 20 bln and received a number of prestigious awards:



KASE award in the category "ESG Bond Market Leader" in 2023



Solva was awarded the Cbonds Awards 2023 in the category "Best Primary Deal of ESG Bond in Kazakhstan."



Cbonds Awards 2023 in the category "Leading retail bond issuer in the Republic of Kazakhstan"



Bonds, Loans & ESG Capital Markets CEE, CIS & Türkiye Awards in the category "High Yield Debt Deal of the Year"

¹ Analysts at S&P Global Ratings have upgraded Solva's ratings to "B-/B", with a stable outlook. The Company's rating on the national scale has also been upgraded from "kzB+" to "kzBB-".

² Training under this program began in 2023, but the final events were at the beginning of 2024. The SDG Ambition accelerator is a six-month educational course specifically developed by UN experts and partners in order to accelerate the integration of the 17 Sustainable Development Goals into the strategic and operational activities of business companies.

Inclusive finance



"We are committed to providing all of our clients with high quality products and services that meet their needs and are user-friendly.

We also recognize the growing importance of SMEs in Kazakhstan's economy, which is why our role in supporting micro, small and medium-sized entrepreneurs is steadily growing. For several years now, our main focus has been on developing financing for the SME segment. During this time, the share of SMEs in our loan portfolio has grown from 14% to 60% and continues to grow.

We always strive to provide entrepreneurs with financial products that can solve their main "pains". We carefully study feedback and conduct an honest dialog with them, which helps us to create such products that are truly needed and demanded by entrepreneurs in Kazakhstan.

We will continue to further support and promote entrepreneurship in our country."

*Artem Chepurnoy,
SME Product Director*

We believe that everyone should have equal rights and equal access to receive financing for personal or business purposes.

Applying the approach of responsible lending, we strive to provide our clients with financial products and level of service that best meet their needs.

We adhere to the principle of zero tolerance to any form of discrimination. We do not discriminate on the basis of sex, age, nationality, race, gender, sexual orientation, etc. when deciding whether to issue financing. We always strictly respect all rights and freedoms of our clients in accordance with the laws of Kazakhstan and our internal documents.

16

new Solva branches

55

partner offices

In 2023, we continued to work on launching new products based on feedback from our clients. We also launched a number of in-depth studies that helped us identify our clients' needs for additional services and services that we plan to already launch in 2024.

We are improving our website and mobile app so that every citizen of Kazakhstan has the opportunity to get the financing they need in a convenient way.

For clients who find it more convenient to apply offline, we expanded the number of our branches by opening 16 new Solva offices and started cooperation with several partners, which allowed us to increase the number of partner offices by 55 additional ones. Our clients also have the opportunity to obtain a microloan from Solva when purchasing goods from our partners..

We provide a variety of support to women entrepreneurs, including providing at least half of the monthly SME lending in the SME segment to women entrepreneurs. In 2023, these disbursements accounted for 70% of the total SME portfolio. Thus, we have kept the share of women entrepreneurs in the SME portfolio at this level for several years.

In 2023, we issued 20 billion tenge gender bonds, which allowed us to attract additional investment to finance business projects of women entrepreneurs in Kazakhstan.

Also in 2023, we launched a pilot green finance product, in which we offered clients the opportunity to receive a nice bonus if they preferred to purchase energy-efficient or more environmentally friendly equipment.

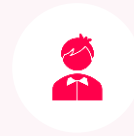
Our products

Solva works with two main client segments, providing wide access of the citizens to financial products:



Small & Medium Enterprise (SME):

- Microfinancing of SMEs, loan amount up to KZT 14 million for a period from 1 to 5 years
- Microfinancing of agriculture up to KZT 6 million for a period of up to 36 months
- Accounts receivable financing with Solva Factoring - amount up to KZT 20 million for a period up to 120 days
- Revolving credit line
- Green Finance



Individuals:

- Consumer microfinancing of individuals up to 5 years, loan amount from KZT 200 thousand to KZT 5 million
- Refinancing of credits up to KZT 4 million for a period from 6 months to 5 years
- Solva Lite digital card

New Solva products



Green finance

In 2023, Solva launched a pilot product for entrepreneurs in the SME segment - Green Finance for Business.

Financing is available to businesses whose activities are aimed at reducing the negative impact on the environment, including funds for the purchase of energy-efficient technologies and equipment. Clients, in turn, receive a cashback, which can be used to repay monthly payments.

In 2024, we plan to improve this product by raising awareness of it among our current and potential clients and improving incentive conditions (*Read more in the Green Finance section*).

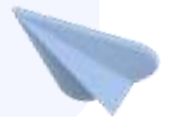


Cooperation with Kazpost

In 2023, Solva began accepting entrepreneurs' applications for financing at Kazpost branches.

In Kazpost branches, SME clients can get a digital microloan for business: the amount of financing for entrepreneurs is up to 4 million tenge. Entrepreneurs can apply to Kazpost offices in city Almaty, as well as in Almaty, Zhambyl, Turkestan, Kostanai and North Kazakhstan regions.

Cooperation with Kazpost significantly expanded the availability of payment points and reduced the average repayment fee per client.



Our advantages

FAST

simple processing with a minimum of source documents

CONVENIENT

no need to visit office – everything can be done in the app online

UNSECURED

no need to pledge property or engage guarantors

FOR ANY PURPOSE

business development, working capital replenishment or cash gap

We have developed our own scoring system for SME clients and learned how to score SMEs by analysing their business turnovers.

We do not ask entrepreneurs to collect a large number of documents and provide securitisation in the form of real estate or vehicles. We make a credit decision based on more than 160 parameters which we collect and process automatically.

Investments in IT processes and automation helped us to build uniquely-fast application, scoring and disbursement process: on average, it only takes **7 minutes** to fill in an application for a new SME client, with approval time **from 30 seconds to 8 minutes**.

Our online services

We continue developing digital engagement with clients:

Our website <https://solva.kz/>

Solva mobile app

In our online services every client can **conveniently, easily and securely** apply for a microcredit, read all the terms and conditions and have regular access to information about their microcredit and **24/7 online support**.

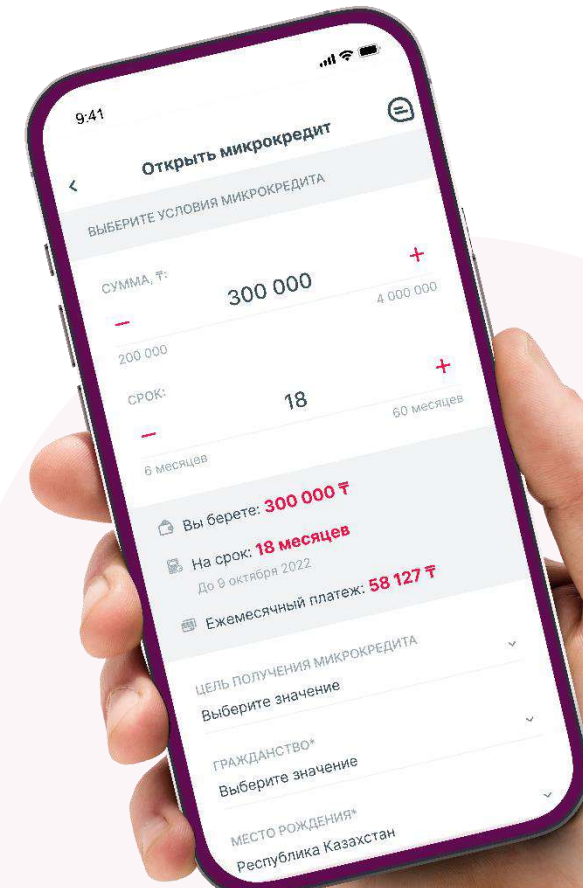
All changes and refinements are aimed at increasing the comfort of our clients and saving their time.

In 2023, we improved client experience and security on our website and mobile app, as follows:

- Provided clients with an opportunity to change their phone number in their personal account, which reduced the number of requests to change the phone number and made the process more convenient.
- To improve the client experience and reduce errors at the password entry stage, we reduced the number of special characters used in password generation and also provided the ability to generate your own password.
- Added informing clients about logging into their personal account.
- Improved payment details in the personal account on the website and mobile app and increased the speed of payment processing from ~6 minutes to ~15 seconds.

In 2023, we offered our regular clients to take advantage of a new opportunity, namely to reduce the amount of the initial payment (from 1 to 3 first payments).

We provided clients with the opportunity to pay only interest, without paying the principal amount. **22% of clients** in the online channel have already signed up for a reduced initial payment.



Risk management

We are developing risk management processes in the Company to ensure the stability of its operations and the sustainability of its business. We take a risk-based approach to our work.

We also use an integrated risk management (IRM) approach to identify, assess, prioritize and manage all potential risks.

The General Director and the Risk Management division are responsible for the overall risk management in the Company:

- Approving the main principles of risk management and evaluating the Company's organisational structure for adequacy and compliance with these principles
- Identification of risks and methods of their minimization
- Supervising of the Company's risk management units activities, identifying gaps in risk management and taking appropriate measures

The Company currently has four main risks: credit risk, liquidity risk, market risk and operational risk.

Financial risk management is carried out by setting limits on transactions compliance with which is mandatory for the relevant departments and officials of the Company authorised to conduct these transactions.

The Company's structural subdivisions prepare regularly management reporting forms to provide the management bodies with the necessary information to make decisions.

Risk management



Credit risk	The risk that a borrower will be unable to repay a debt in full on due date	<p>When concluding transactions with high credit risk, restrictions are set in the form of limits on borrowers/credit products/other sections of the loan portfolio.</p> <p>The Company has also automated the process of managing limits and restrictions in order to monitor and eliminate credit risks in a timely manner.</p> <p>Credit risk is controlled at the stage of concluding transactions, the probability of default is estimated for each transaction in an automated format using scoring models or in manual mode. Weekly and monthly portfolio analysis is carried out for compliance with established risk standards. Risk standards are set during the budgeting process.</p>
Liquidity risk	Liquidity risk is the risk of a mismatch between the maturity of applications on active transactions and liabilities	Liquidity risk is managed by monitoring cash shortages/ surpluses and allocating and reallocating funds depending on maturity, liquidity reserves and cost conditions.
Market risk	The risk that the market value of future cash flows from crediting and raising investments will fluctuate due to changes in market conditions	We assess the impact of interest rate and exchange rate movements as a key parameter within this risk. The Company manages its currency risk by balancing financial assets and financial liabilities denominated in USD and EUR. The Company also hedges currency risk by entering into forward contracts for the most volatile currency.
Operational risk	Risk of system failure, human error, fraud, etc.	The Company cannot eliminate all operational risks but through its control framework and monitoring and response system it manages these risks. The control system provides for effective segregation of duties, access rights, approval and reconciliation procedures, staff training, and evaluation procedures, including internal audits.

Corporate governance structure

In 2023, there was a change in Solva's shareholding structure.

A private company from UAE, Neo Crystal Holdings Ltd., acquired 12% of preferred shares directly, as well as 7.4% of common shares (indirectly) in the authorized capital of MFO OnlineKazFinance JSC. Neo Crystal Holdings Ltd. is a subsidiary of the international fund Zoser Capital, which represents the Sawiris family, one of the richest families in Egypt according to Forbes.

During the transaction, an external detailed investment audit of Solva and due diligence were carried out. One of the main aspects that influenced the successful completion of the transaction was Solva's strong ESG agenda.

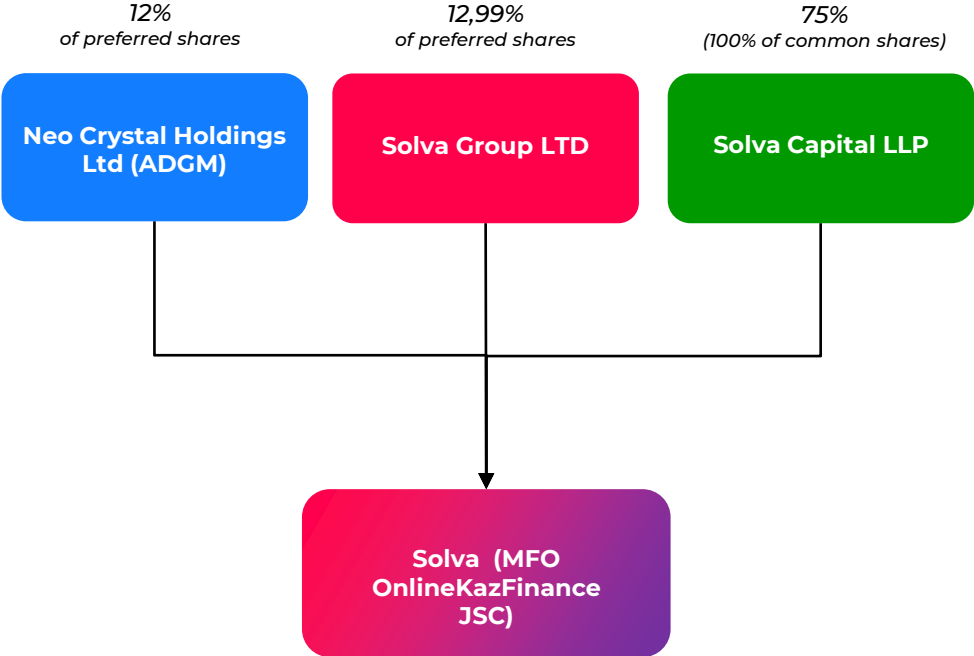
We believe that a partnership with a renowned international investor and additional financing will accelerate the realization of Solva's regional strategy and expansion plans. Our Company is in an active phase of transformation from a non-banking financial institution to a second-tier bank, and we believe it is important to have a competent and reliable international partner who shares our views on the prospects for further growth and, like us, adheres to the sustainability principles.

There are also two other participants in our Company's shareholder structure: Solva Group LTD with a 12.99% stake (preferred shares only) and Solva Capital LLP with a 75% stake (100% of common shares).

In addition to changes in the shareholding structure, we also made changes in the corporate governance structure: the Board of Directors was expanded by increasing the number of independent directors and three committees were established. The Corporate Secretary also appeared.

The main corporate governance bodies in 2023 were the Shareholders' General Meeting, the Board of Directors and the General Director.

Shareholding structure:



Corporate governance structure

The Company views corporate governance as a means of improving the efficiency of its operations, enhancing its reputation and building trust on the part of all stakeholders.

The highest management body of the Company is the Shareholders' General Meeting, which makes decisions on the most significant issues of the Company's activities, including amendments to the Company's Charter, approval of annual financial statements, decision-making on reorganization, etc.

General management of the Company's activities is carried out by the Board of Directors, which consists of five members: two representatives of the Company and three independent members.

At the end of 2023, the Board of Directors consisted of¹:

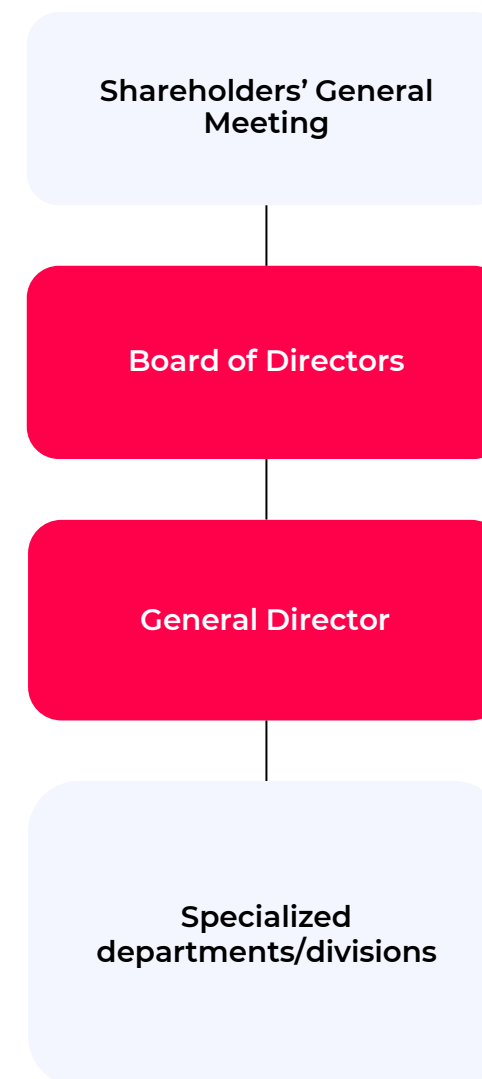
- Dosumov Serimzhan– Chairman of the Board of Directors
- Sadyrov Shukhrat – Member of the Board of Directors
- Weinstein Michael - Independent Director
- Akhanov Serik – Independent Director
- Bolatzhan Asem – Independent Director

The competencies of the Board of Directors includes determining the Company's priorities and strategy, planning long-term development, approving strategic policies and regulations and other issues.

The Board of Directors meets at least 4 times a year.

The Board of Directors has three Committees formed to facilitate the efficient performance of the functions of the Company's Board of Directors and in-depth consideration of issues within their scope of competence:

- Audit Committee;
- Strategic Planning and Corporate Development Committee;
- Personnel, Remuneration and Social Affairs Committee.



¹ On May 31, 2024, Shukhrat Sadyrov resigned from the Board of Directors.

Corporate governance structure

Audit Committee

The Committee's work is aimed at establishing an effective system of control over financial and economic activities (including the completeness and reliability of financial reporting), improving the reliability and efficiency of the internal control system, functioning of an adequate risk management system of Solva, control over the independence of external and internal audit, as well as compliance with the legislation of the Republic of Kazakhstan.

Strategic Planning and Corporate Development Committee

The Committee was established to identify priority areas of activity (development), strategic goals (development strategy), to address corporate development issues, including the development of measures to improve Solva's performance in the medium and long term, its profitability and sustainability.

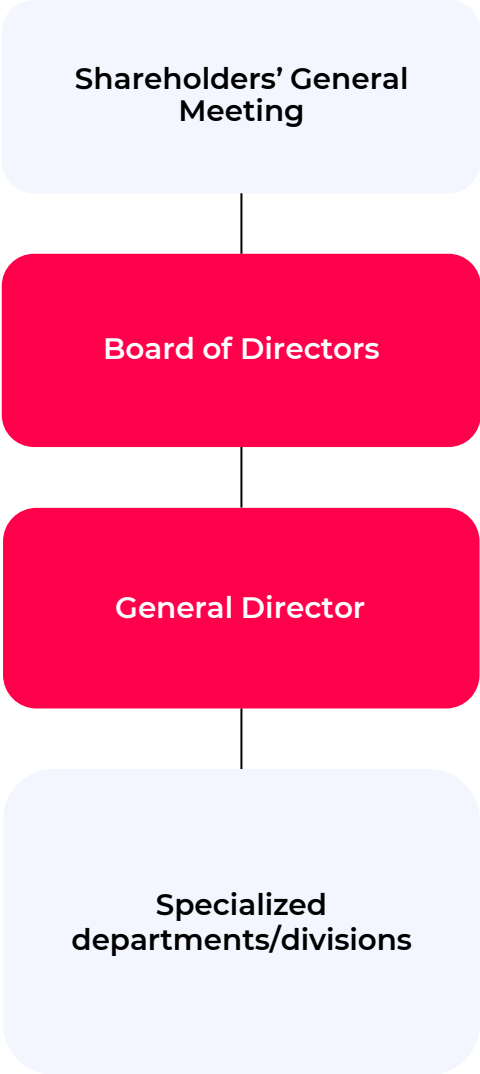
Personnel, Remuneration and Social Affairs Committee

The Committee was established to improve the efficiency and effectiveness of human resources and incentive policies, appointments and remuneration system.

General Director

The Company's executive management body is the General Director, who manages the Company's day-to-day operations.

She approves the organizational structure and staffing levels, internal regulatory documents, organizes the Company's day-to-day operations and resolves other issues related to daily operations.



Sustainability management structure



The Company has identified responsible persons for managing sustainability issues.

The general management of the Company's activities in the field of sustainability is carried out by the Board of Directors.

The Board of Directors approves the ESG strategy and considers the most important issues in this area, such as updating goals, mission, monitoring their implementation, approving a sustainability policy, approving the sustainability report, etc.

The Board of Directors also makes decisions on critical issues and monitors the implementation of the sustainability set goals.

The Head of ESG is the main coordinating body that implements a systematic approach to sustainability management in the Company, manages the implementation of the action plan based on corporate standards, provides expert support to other departments in the field of ESG, and is responsible for monitoring and reporting in this area.

Some functional units (HR, Department of internal and economic security, etc.) are also involved in the implementation of sustainability projects.

ESG rating

In 2023, the rating agency Sustainable Fitch assigned Solva an ESG rating of level "3" with an overall score of 59.

This rating is an indicator of high assessment of the Company's sustainability activities among financial institutions of Kazakhstan.

In obtaining the ESG rating, the agency conducted a comprehensive assessment of Solva's sustainability strategy and initiatives, the Company's corporate governance practices, and its social and environmental impact.

Sustainable Fitch positively assessed Solva's focus on SME sector development in Kazakhstan: Solva's activities to support and develop the SME sector create favorable conditions for job creation, empowerment of women entrepreneurs, contributing to the country's socio-economic development and achieving the UN SDGs.

Solva's corporate governance is also one of the key factors that positively influenced the rating. The Company places great emphasis on risk management processes and internal audit, as well as gender balance and equal pay conditions for employees. In addition, Sustainable Fitch praised the Company's responsible finance and client protection practices.

In scoring the Company's environmental profile, the agency positively assessed the Company's attainment of carbon neutral status and the launch of a pilot green finance product.

You can read more by following the [link](#) on the official Sustainable Fitch website.

Sustainability strategy

In 2023, Solva's Board of Directors approved the Company's ESG strategy and Sustainability Policy. This Strategy reflects the most important sustainability strategic goals, directions and tasks for us. In order to achieve them we plan to direct our maximum efforts.



You can read more about our ESG approach and the tasks set within each goal and direction in our [Sustainability Policy](#) and [ESG Strategy](#) published on the Company's official website.

Sustainability strategy

In 2023, a lot of work was done to achieve the assigned goals and tasks. Below you can see the results:

Strategic goals	Directions	2023 Achievements
<p>Inclusive finance</p>	<p>Increasing the availability of financial products for different categories of clients and different business areas</p>	<p>In 2023, we launched a new green finance product, continued to improve the terms and quality of our existing product line, and introduced a number of additional features and services aimed at increasing access and convenience to our financial products. We opened 16 new Solva branches and launched several partnerships, including with Kazpost, which allowed us to expand the number of partner offices across Kazakhstan. We are regularly improving our website and mobile app to ensure that every Kazakhstani has access to getting the finance they need for them or their business in a way that is convenient for them.</p>
	<p>Promoting women's entrepreneurship</p>	<p>We maintained the share of women entrepreneurs in our SME portfolio at 70% in 2023. We were also the first Company in Kazakhstan to issue corporate gender bonds. We raised KZT 20 billion to finance women entrepreneurs, providing over 14,000 women with the necessary microfinancing. We continued to implement our Women in Business program, under which we held 7 training events on financial literacy.</p>
<p>Client care and financial literacy</p>	<p>Contributing to improving the level of financial literacy of the population of Kazakhstan</p>	<p>In 2023, we organized 7 free offline financial literacy trainings within the framework of the "Woman and Money" project together with our partners, which were attended by more than 500 women entrepreneurs. We also published several educational articles and video tutorials on financial literacy, fraud recognition, etc.</p>
	<p>Adherence to the principles of responsible lending and assistance to clients</p>	<p>In 2023, we expanded our ombudsman function and increased the number of clients who received customized payment deferral and restructuring schedules; we also assisted more than 650 victims of emergencies. We regularly inform our clients about possible fraudulent schemes, conduct covert checks of our branches for fraud risk and pay 100 thousand tenge to the person who reports a fraud case. Also in 2023, we launched environmental and social risk assessment in the credit process, expanding the list of exclusions and introducing a new block on E&S liability in loan agreements.</p>

Sustainability strategy

In 2023, a lot of work was done to achieve the assigned goals and tasks. Below you can see the results:

Strategic goals	Directions	2023 Achievements
<p>Creating a favorable working environment and support in realizing employees' potential</p>	<p>Ensuring comfortable working conditions and equal opportunities for employees</p>	<p>In 2023, we established a conciliation committee to protect the rights and interests of employees in the event of any labour disputes, and developed a collective bargaining agreement to be concluded as early as summer 2024. We changed our insurance company to expand and improve our employees' VHI system, and provided an opportunity to get an annual fitness subscription. We launched a mentoring program to help new employees adjust more smoothly and comfortably to the team. In 2023, we had no complaints or labour disputes related to violation of business ethics and conflict of interest.</p>
	<p>Employee training and development</p>	<p>In 2023, we established the Learning and Career Development Center, which has already started the process of transforming all training and development in the Company, as well as started the process of developing new programs and courses. We provide our employees with access to a training platform with more than 500 courses and trainings, and we always organize necessary training on request. The Company has a transparent system of assessment and career progression, but we have already started the process of improving it in order to create career maps and a talent pool.</p>
<p>Protecting the environment and combating climate change</p>	<p>Financing "green" projects and "green" technologies aimed at combating climate change and minimizing the negative impact on the environment</p>	<p>In 2023, we launched a pilot green finance product to support entrepreneurs in Kazakhstan in making green technology choices by providing them with more favorable financing terms. In 2024, we plan to expand and improve this product. We are members of the National ESG Club of Kazakhstan and have also joined the Circular Economy Committee.</p>
	<p>Implementation of own environmental projects</p>	<p>In 2023, we launched a separate waste collection project in the office by installing waste bins for separate collection of plastic, paper and glass. We also held a training session to explain in detail how to sort waste correctly. Also, in 2023, we obtained the status of a carbon neutral company by offsetting our emissions.</p>

Our contribution to UN SDGs

We are committed to the sustainability principles. Going beyond the conventional financing, we place a lot of emphasis on the economic, social and environmental responsibility of business.

At the beginning of 2023, Solva joined the UN Global Compact on Corporate Social Responsibility and Sustainable Development and expressed its commitment to the ten principles of the UN Global Compact in the field of human rights, labour, environment and anti-corruption.

Solva also supports the UN Sustainable Development Goals (SDGs), adopted in 2015 by the UN General Assembly and seeks to contribute to their achievement. Having analyzed the Company's activities for the purpose of the SDGs and internal targets, we have identified **five priority SDGs** where Solva's core activities have the greatest impact in 2023.

We are participants:

WE SUPPORT



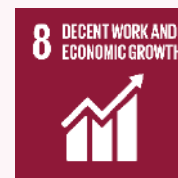
We have implemented a number of training programs to improve the level of financial literacy of the population of Kazakhstan.

We also provide all our employees with the opportunity for professional training and access to an educational platform for them and their family members.



We create equal opportunities for professional growth, development and leadership of women and adhere to gender equality among employees.

We also provide women with access to financial products and equal opportunities in financing their businesses.



We strive to develop a cohesive and qualified team, provide decent working conditions and create conditions for career and professional growth.

We are also working to expand our product line for SMEs in order to improve access to finance and contribute to improving the well-being of the population of Kazakhstan.



We expand SMEs' access to quality and convenient financial products and services by applying advanced technologies.

Already 60% of Solva's loan portfolio consists of SMEs.



We've achieved the status a carbon-neutral company by financing projects on offsetting of own emissions CO2.

We have also launched a pilot green finance product.

In addition, we have identified 4 additional SDGs where the Company can also contribute to positive change. You can read more about our contribution to each of the SDGs in the Appendix to this Report.

Responsible business



Ernar Orazbayev

Director of Borrowers' Rights Protection Department

“ Our corporate culture is built on the principles of openness, responsibility, fairness and respect. One of our strategic priorities is to take care of our clients and improve the level of financial literacy of the population of Kazakhstan.

We always take care of our clients, not only by providing them with high quality financial products and services, but also by implementing numerous of initiatives to protect and restore violated rights and legitimate interests of our clients, help them reduce their debt burden, develop measures to counter fraud in the financial market and help victims of fraud and emergencies. We follow high standards of anti-corruption, information security and data privacy, as well as business ethics.

In 2023, we continued the process of transforming Solva into a second-tier bank, realigning all our processes and systems of operation to meet the more stringent requirements for the banking industry.

”



Responsible lending

The priority of our work is to take care of our clients and provide them with high-quality, convenient, affordable and technological products and services.

In its work, Solva adheres to the principles of openness, reliability and completeness of the information provided about its activities and all microcredit conditions, and also follows all the requirements of the legislation of the Republic of Kazakhstan.

In 2022, we developed and approved a **Client Rights Protection Policy**, which defines general principles of interaction with clients and protection of their rights and interests, guiding the Company in its activities. This Policy is publicly available on the Company's official [website](#).

We regularly improve our client experience, and in 2023 we transformed our client support management structure: we formed an independent Borrowers' Rights Protection Department, which includes the Company's financial ombudsmen who assist clients in settling overdue debts, we also expanded our appeals department, introduced in-house training for management staff, strengthened analytics and more.

Also in 2023, measures were taken to train and improve the qualifications of employees and ombudsmen.



Solva joined the CERISE+SPTF Client Protection Pathway and expressed its commitment to the Client Protection Standards developed by CERISE+SPTF.*

Solva undertakes to use these standards to improve its own methods of interaction with clients.

** Client Protection Pathway is an initiative to accelerate the implementation of standards for the protection of clients' rights in the financial sector.*

Our core principles:

Transparency at all levels of communication

Respect for client rights and business ethics

Regular interaction and feedback collection

Fair, impartial, thorough approach to work with each appeal

Assistance to clients in the settlement of overdue debts

Ensuring the protection and confidentiality of personal data

Anti-fraud measures

Responsible lending

We strictly follow the principle that all microcredit terms and conditions should **be transparent, complete, understandable** and accessible to each of our clients. In the process of applying for a microloan, each of our clients can read all the terms and conditions of the microloan as well as the terms and conditions of the agreement.

The Company also publishes full information about all the terms and conditions of the microloan on our own website.

We are always happy to answer any question that comes up and to provide a personalized approach to any problem that may arise.

The Company does not allow the provision of information that misleads the client about the subject of the contract concluded with him/her, as well as information that may lead to an ambiguous interpretation of the microcredit terms.

It is also unacceptable to use small print or other tricks that may mislead the client.

We are aware of our responsibility in terms of checking the financial capabilities of the client to obtain a microloan in order to avoid over indebtedness and creating serious financial difficulties for the client.

Therefore, Solva pays special attention to a thorough check of the client's financial capabilities before approving the loan application and concluding the contract.

In accordance with the internal rules for the provision of microloans, the borrower is obliged to confirm his/her income in one of the proposed ways, so we can make sure that the requested amount corresponds to his/her financial capabilities.

We also always check the client's credit history by sending a request to the credit bureau.

If during the verification process we see that the requested amount exceeds the client's capabilities, or the client has a number of outstanding credit debts, then we either propose alternative microcredit conditions that will correspond to the borrower's income level, or refuse to provide services.

We adhere to strict standards in the way our employees engage and communicate with our clients. Our business ethics do not tolerate any form of aggression, abusive or disparaging words, suppression or threats. Our communications are always based on the principles of respect, openness, honesty and loyalty. We always strive to minimize the risk of unethical behavior by our employees through regular monitoring and training.

Borrower's Rights Ombudsman Office

Solva cares about the financial well-being of its clients, therefore, the Company has a virtual office of the Borrower's Rights Ombudsman, which regularly conducts procedures to **resolve overdue debts** in the event of situations that make it difficult for our clients to meet their obligations, and to **resolve conflict situations** on an individual basis.

At the beginning of 2023, the Ombudsman Service was separated into an independent Borrowers' Rights Protection Department. The Department reports directly to the Board of Directors and is independent from other internal structures of the Company. This allows us to ensure greater efficiency, objectivity, autonomy and independence when making decisions on appeals and complaints from our clients.

Any client can apply to the office of the Ombudsman with a request for assistance in settling overdue debts or other appeal/complaint.

The Ombudsman personally considers each incoming appeal/complaint and monitors compliance with the rights of clients provided for in the legislation of Kazakhstan, standards and regulations of the ARDFM and NB ¹, as well as internal regulations of our company.

The Ombudsman is always on the Client's side and is guided by his rights and interests.

The appeal/complaint is considered within no more than 15 days from the date of receipt of all necessary documents, after which we send a response to the e-mail of the applicant.

We always meet our clients' needs and, depending on the circumstances, we take support measures and consider providing individual schedules and conditions for debt repayment.

In 2023, we developed and approved the Regulation on Amendments to Microcredit Terms and Conditions, within the framework of which we unified the approach to settling overdue debts. This will allow us to optimize and speed up the processes of providing clients with individual terms for settling their debts.

Any of our borrowers can seek help or advice from the Ombudsman:

Leave a request on the website:

[Reception of the Ombudsman](#)

Send an appeal to the email address:

ombudsman@solva.kz

Call the hotline:

+7 701 006 35 36

Contact the head office:

Almaty, Almalinskiy district, 502 Seyfullina Avenue, BC Turar, 1st floor.

Borrower's Rights Ombudsman Office

For the convenience of our clients, we provide several channels for receiving appeals and complaints: online and offline. In 2023, we opened an ombudsman office to receive citizens in person at our central office in Almaty. **498 of our clients** contacted us through this office in 2023.

In total, for 2023 **more than 2.6 thousand of our clients** were provided with individual schedules with deferral and restructuring of payments, including on the principal debt in the **amount of more than 4 billion tenge**.

Also, our clients have the opportunity to use the deferred payment function in their personal cabinet

In 2023, we improved our work to protect client rights by strengthening our competencies through additional staff training, which together allowed us to increase the Company's effectiveness in protecting client rights and the professional skills of the team.

At the beginning of 2024, we joined the national project "Debt-Free Society". The main goal of the project is to reduce the debt burden of citizens and improve financial literacy of people with bad debts. As part of this project in a number of cities in Kazakhstan there are public reception centers, where Solva, the first MFI in Kazakhstan, provides a specialist to provide consultations and assistance to citizens in debt settlement and debt load reduction. The Company also sponsors activities to improve the financial literacy of the population (see section "Financial Literacy").

4 000

appeals were received by the Ombudsman's office in 2023

498

clients received individual schedules with deferred and restructured payments in 2023

2 600

clients applied a personal appointment with the Ombudsman in 2023



Assistance to clients in emergency situations

The Company is always ready to help clients in an emergency situation. We always follow the ongoing events in Kazakhstan, and act proactively to provide the maximum possible and prompt assistance.

In 2023, we provided assistance to our clients affected by the explosion and fire at the Kostenko mine in Karaganda city. The Company provided support measures to 3 affected clients (to the families of the victims and the injured miner): two relatives of the deceased miners had their total debt fixed and further accrual of interest and collection suspended, one injured miner was granted a grace period of 3 months without accrual of interest.

In spring 2024¹ Solva provided support measures to borrowers affected by floods in several regions of the country. As part of the support, the Company provided deferred payments to **564 affected citizens** with loans amounting to **608 million tenge**. In respect of **96 business entities, the Company** provided deferral of aggregate debt on loans in the amount of **247 million tenge**.

Deferred payments for conscripts for military service

In December 2022, the Ministry of Defense and ARDFM signed a Memorandum of Cooperation to provide deferred payments on bank loans and microloans to borrowers called up for compulsory military service.

In 2023, the Company granted deferral of payments on principal, remuneration and suspension of all forms of debt collection for 8 of its clients to military servicemen for a total debt of KZT 3.6 million for the period of their military service (1 year).



¹ The Report was prepared in the spring of 2024, so some important information is also presented for the beginning of 2024.

Working with appeals



"Solva believes that only feedback and honest dialog with our clients will allow the Company to become better every day and improve our product line, providing more and more convenient and high quality financial services. We always strive to treat all incoming appeals and complaints with care and attention, building effective and prompt communication. In 2023, we focused on optimizing and improving client support by launching a single database that aggregates all communications across all communication channels. We follow strict standards to ensure the quality of our communications with clients, investing in employee training and additional controls."

*Assel Makhanova,
Head of Client Support Department*

The satisfaction of our clients is our priority, so we take all appeals and complaints received very seriously.

We believe it is important to provide clients with as many channels as possible to communicate with us, and we always try to listen their feedback.

Clients can call the hotline or send their appeal or complaint via email, Whatsapp, chat or contact form on our website and mobile app. We also carefully review all incoming messages through our social networks and other sources, and forward them, if necessary, to our customer service departments.

We strive to ensure an objective, comprehensive and timely consideration of the received appeals/complaints and provide a detailed response.

In 2023, we updated the Procedure for handling appeals, introduced detailed analytics, and systematized and classified appeals by dividing them into groups for more efficient and faster processing of all incoming appeals/complaints through all channels.

All appeals/complaints sent by clients through all communication channels are entered into a single database.

This approach allows us to aggregate all appeals from clients and form a history of appeals and correspondence with a specific client.

In 2023, we also unified our voice and text-based client identification process to strengthen the protection of our clients' personal data.

We carefully study each appeal and provide a response no later than 15 calendar days.

On a regular basis, all employees of the Client Support Department undergo training and professional development, including in product knowledge, professional ethics and effective communications. Also on a monthly basis, our employees undergo product knowledge testing, and the results of the testing directly affect the size of the employee's bonus.

The quality of our employees' interaction and communication with clients is monitored by the Quality Monitoring Department. In 2023, a large-scale process was implemented to evaluate employees for compliance with the rules and principles adopted by the Company in the area of client relations.

Employee conversations and correspondence with clients are also reviewed on a regular basis.

Working with appeals

In 2023, 52,332 appeals were received through all channels of communication, of which the majority related to overdue debt settlement issues and were sent to the Ombudsman's reception desk (*see section "Borrower's Rights Ombudsman Office"*).

100% of the received appeals were reviewed by our client support specialists and responses were provided.

Also, during 2023, we received 328 complaints from our clients, each complaint was investigated internally, and a response was sent to the client.

As a result of investigations, 154 appeals were recognized as justified, and we took measures to eliminate the identified problems. Thus, the ratio of the number of complaints received from clients to the number of loans issued in 2023 was 0.6%.

Our clients also have the right to send a complaint to the Ombudsman at the AMFOK or to the financial regulatory authority (ARDFM). In 2023, we focused our attention on reducing the number of complaints sent to the ARDFM through expanding the available communication channels, their convenience, as well as informing our clients about the possibility to contact us directly to resolve any problem or complaint.

Thanks to this approach, the number of direct appeals to Solva increased, and the number of requests through the regulator decreased by 20% and amounted to 188 requests in 2023.

In 2024, we plan to improve our omnichannel system for receiving and processing appeals, which will allow us to quickly see the entire history of communication with a specific client and improve their experience of interacting with Solva. We also plan to hold quarterly meetings with product teams, at which we plan to analyze incoming appeals and complaints to improve our products and services.

You can send an appeal or complaint through the following channels:

for any appeals

support@solva.kz

Whatsapp chat

+7 701 493 84 85

Hotline

+7 701 006 35 35

Write a letter to the mailing address:

050000, Republic of Kazakhstan, Almaty,
Almalinsky district, Seifullin Avenue 502,
Turar Business Center, 9th floor

Client satisfaction



The level of satisfaction and loyalty of our clients is one of the most important indicators for Solva of the effectiveness of our business and the achievement of our goals. We want to provide our clients with only quality products and services that will satisfy their needs and desires. In 2023, we launched a number of new client studies, and also continued to work to implement recommendations received from clients into our processes and services."

*Anna Gayantseva,
Head of Research Department*

We strive to improve the level of satisfaction of our clients, so we regularly measure the NPS (Net Promoter Score). This helps us analyze the experience of our clients' interaction with the Company at every stage.

In the process of measuring NPS, we conduct telephone surveys of clients, which is the most effective method of communication.

Surveys are conducted daily, and on a monthly basis we prepare a detailed report with the results of the surveys conducted for the month separately for each category of clients: individuals, SME clients and Solva Lite clients. Also, in the process of measuring NPS we analyze and process feedback in our mobile app.

Based on the results of the survey, we prepare a list of tasks for each department on a monthly basis. The results are also presented to the Company's top management and department heads on a monthly basis.

We always carefully analyze the dynamics of the NPS and feedback received during conversations with clients.

55

NPS indicator among individuals clients in 2023

51

NPS indicator among SME clients in 2023

40

NPS indicator among Solva Lite clients in 2023¹

¹ The low NPS for the Solva Lite product is mainly due to the fact that this product is new and was launched in 2022-2023. We are in the process of continuously improving it depending on the feedback we receive from our clients.

Client satisfaction

Based on the results of the analysis, we try to implement the recommendations received or eliminate the identified shortcomings. Also, if the NPS indicator deteriorates, we identify possible causes, which we subsequently strive to eliminate.

For example, in 2023, thanks to the feedback we received when measuring NPS, we launched SMS reminders about upcoming payments and existing debts, as clients shared with us comments about the inconvenience of phone calls for them. In the near future, we plan to conduct a survey among clients to analyze the effectiveness and convenience of the alternative method of reminders.

We constantly conduct various in-depth client research and surveys to identify the need for new products and services, collect feedback and reviews, measure our economic and social impact, etc. For example, in 2023, we conducted a large survey to determine our clients' need for launching new non-financial services.

In early 2024, we launched a new survey to determine the level of awareness of Solva and our products across Kazakhstan. We plan to do this survey on a regular basis.

Responsible marketing

Solva is one of the leaders in the microfinance market in Kazakhstan.

We are constantly developing our brand and increasing its recognition, including through innovation and strengthened marketing competencies.

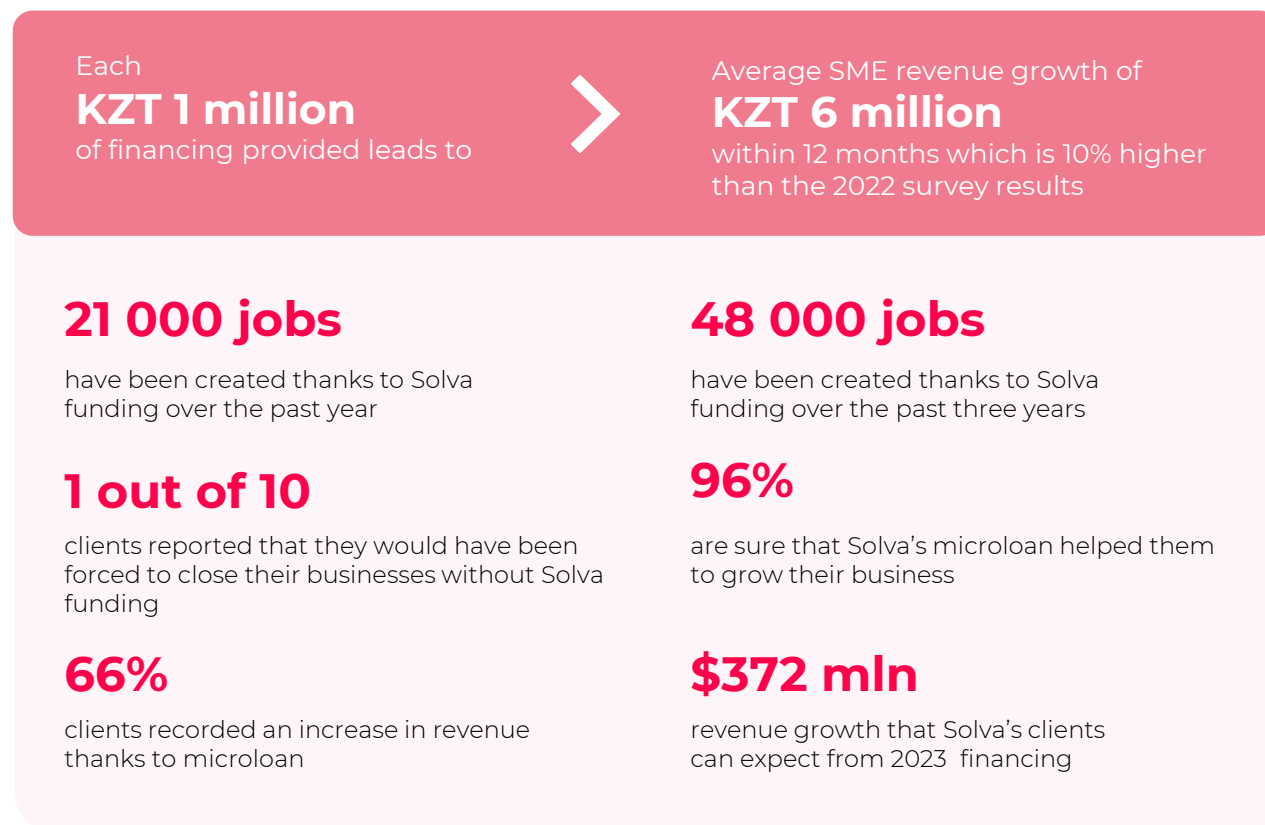
As a responsible business, we strictly comply with the legislation of Kazakhstan in the field of marketing communications and advertising. We are careful in our marketing communications, and do not offer to take a microcredit if it does not correspond to the real financial capabilities of the client.

We coordinate absolutely all our marketing materials with the legal department in order to avoid any violations of the law or incorrect interpretation of the posted information. In the event of a dispute over marketing communications and product promotion, we always adhere to more conservative and strict rules.

Economic impact on development of SMEs

In 2023, we conducted a survey among our clients in order to determine the economic impact of Solva lending to micro, small and medium-sized businesses in Kazakhstan. More than **1,200 clients** took part in our survey.

We are pleased to share with you the main results of the survey:



Solva is an important economic agent, stimulating micro, small and medium-sized enterprises to contribute to the economy of Kazakhstan and the growth of the population's well-being.

Based on the results of two years surveys, we were also convinced that the real economic effect of financing the SME sector is calculated by many more parameters than just the volume of the loan portfolio.

The results of this survey confirm our earlier conclusion: new jobs were created in the country's economy, our entrepreneurial clients were able to increase the income of their businesses, which means their share in the country's economy and personal well-being increased.

We understand that positive change in a single small business creates **"a ripple effect"**: a positive economic impact on the company's employees, their families and households, as well as on contractors and suppliers and their businesses, respectively.

You can get acquainted in detail with the results obtained in the Report "[Solva's economic impact to small and medium-sized business in Kazakhstan](#)", released based on the results of the survey and published on the Company's website.

Business Ethics

For Solva, responsible business is, first of all, the commitment of our entire team to the principles of ethical, honest, transparent, efficient and safe business conduct.

This is the basis of actions and an absolute requirement for all managers, employees and partners of the Company.

Adhering to the practices of responsible business conduct, we were able to instill zero tolerance for any violations of the rules of business conduct and ethics in our Company.

Solva has a Code of Professional Ethics that defines corporate standards of business conduct and allows us to work in accordance with our values.

The Code defines the basic principles of interaction within the Company and with our clients and partners, measures to avoid conflicts of interest, anti-corruption measures and other ethical issues.

Solva employees should be aware of the requirements of this Code and follow them in their work.

All new employees get acquainted with the Code before starting work. The Code is also automatically sent to all new employees by email.

We also plan to add the main provisions of the Code to the Welcome training that all new employees undergo when they are hired.

The Company strictly adheres to the principles of antitrust legislation and does not interfere with competition in the market.

In 2023, Solva did not pay fines in connection with anti-competitive activities, and no lawsuits were filed or considered against the Company in connection with obstruction of competition and violation of antitrust laws.

100%

employees are familiar with the Code

Conflict of interest

Every day our employees make decisions that affect colleagues, clients, partners and other third parties.

That is why the Company pays special attention to the regulation of these issues.

In accordance with the Code of Professional Ethics and the Client Rights Protection Policy, our employees should avoid situations in which their personal, family or financial interests may conflict with the interests of the Company.

If a situation arises where there is a conflict of interest, employees should report it and seek resolution from their line manager, Human Resources or Internal and Economic Security Departments.



Countering corruption and fraud



Solva adheres to the principle of zero tolerance to fraud and corruption in any form and implements a wide range of measures to monitor and minimize risks in this area.

In 2023, we launched an anti-corruption and anti-fraud training course, which is mandatory for all employees. We also strengthened identification and verification measures when applying for microloan and added fraud topics to our financial literacy trainings.

Our approach and the set of measures we implement on a daily basis have enabled us to prevent more than 1,700 fraud cases in 2023."

*Sergei Boyko,
Head of the Internal and Economic Security Department*

We strictly comply with the statutory regulations applicable to the industry in Kazakhstan, including the Law on Countering Corruption, and the Company also has a number of internal documents that define processes and measures to protect against internal and external corruption and fraud.

The Company has an **Anti-Fraud and Corruption Policy**, which is aimed at preventing fraudulent and corrupt actions by creating a system of value and moral anti-corruption guidelines for employees as well as combating corruption in relations with contractors.

The Policy includes not only the main goals, objectives and principles of combating corruption and fraud, prevention measures, responsibility for fraud or corruption, but also consent to the adoption of anti-corruption obligations and anti-corruption standards that all employees sign when hiring or when the policy is updated.

All employees and divisions of the Company are responsible for compliance with this Policy, and managers at all levels ensure compliance with Anti-Corruption standards and organize anti-corruption work among employees.

100% of our employees have been familiarized with the provisions of this Policy. Also, for each new employee, the Department of Internal and Economic Security conducts induction on combating corruption and fraud.

Our employees are aware that they are obliged to report any violations related to the provisions of the Policy.

If an employee becomes aware of any violation that has occurred or has suspicions about the occurrence of such a violation, he/she must contact his immediate supervisor, the HR department or the Department of Internal and Economic Security. We guarantee that there will be no mobbing or threat of mobbing in any form directed against the employee who reported the alleged violation

Countering corruption and fraud

All violations of the Policy provisions are immediately investigated by the Department of Internal and Economic Security. If a violation is confirmed, those responsible for the violation are held accountable. To prevent similar incidents in the future, the Company promptly develops and implements corrective and preventive measures and recommendations.

The Company also has a Confidential Information Protection and Trade Secrets Policy, to which is annexed the Statement of Understanding of the Risks Associated with Illegal Remuneration, Disclosure of Confidential Information and Acceptance of the Importance of Keeping Trade Secrets.

The Statement includes not only rules to ensure data confidentiality and prevent corruption, fraud and conflicts of interest, but also rules for dealing with the media, principles of fair treatment and equal opportunities, a description of impermissible actions and information on channels for reporting breaches. This Statement is to be signed by all employees at the time of hire and at the time of termination of employment contract.

In 2023 was launched and conducted the course "On combating fraud, corruption and other illegal actions" was developed, which is mandatory for all employees of the Company and new employees to complete annually when applying for a job. This course includes the following aspects:

- Corruption and fraud
- Conflict of interest
- Confidential information
- Personal data
- Use of e-mail and the Internet
- Storing and using passwords
- Workplace
- Protection and use of MFO property
- Fair treatment and equal opportunities

At the end of the Course, all employees are required to be tested to verify their knowledge.

Ghost Shopper

We carry out covert on-site audits on an ongoing basis to review our client service branches.

Internal and economic security department employee, disguised as a buyer, checks the employees of the branch for their willingness to commit a fraudulent offense, for the compliance of their communication with the requirements of professional ethics, for their knowledge of microloan products and conditions, and for the provision of all information in a transparent, complete and understandable manner.

Thanks to the measures taken, no internal fraud risks were identified during this period, and we also managed to significantly reduce external fraud, identify the main risks and shortcomings in the work of branches, for which measures were taken to minimize them.

Countering corruption and fraud

We are very serious about fraud cases, both on the part of the Company's employees and on the part of third parties and intermediaries. Our employees are aware that any fraudulent schemes are unacceptable.

Our employees are aware that any fraudulent schemes are unacceptable. If fraud is suspected to be perpetrated by an employee, an investigation is carried out and, based on its findings, proposals are made to minimize the risks identified and, depending on the extent of the breach, disciplinary action is taken against the employee, up to and including dismissal.

We inform our clients that the Company does not charge any fees for applying for and receiving a microcredit from the Company and does not require the payment of any money to any intermediary person or organization.

We also provide contact information to contact us in the event of an illegal claim for remuneration. We guarantee complete confidentiality when contacting.

Solva implements a set of measures to prevent fraudulent loans. When applying for a microloan, the verification system applies approved scenarios to detect fraudulent activities, specific questions are asked and cross-checks are conducted. Due to integration with various information services, the Company has technical capabilities to verify the validity of client data. We also have biometric identification of clients, thanks to which we manage to minimize the cases of fraudulent microloans to another person.

We are the **first Company in Kazakhstan** that pays remuneration up to **KZT 100 thousand** to a person who informs us about fraud by employees or agents of the Company.

We maintain a high level of information system security and client identification methods. In 2023, internal anti-fraud measures prevented **more than 1.7 thousand** fraud cases.

We take care of our clients and make efforts to protect them from the risk of fraud. The Company investigates all cases of fraud that our clients have encountered and that the Company has become aware of.

If, following the results of the investigation, it becomes known that a microloan was issued to the client without his/her knowledge/consent and a fraudulent scheme was applied, then the Company completely writes off the entire debt of the client, makes appropriate adjustments to credit bureaus, and independently applies to law enforcement agencies.

Countering corruption and fraud

To protect clients and their funds from fraud, we also regularly inform them about the most common fraud schemes.


Our website publishes articles on the topics of fraud recognition and types of fraud, as well as information signs on this topic are posted at each of our client service offices.

In 2023, we added a **section on fraud to our financial literacy trainings**, covering basic fraudulent schemes, how to recognize fraudsters, how to protect yourself from them, and what to do if you become a victim. In 2024, we will continue to educate and inform our clients on the topic of fraud.



Как соблюдать кибергигиену?

Эта памятка поможет защитить ваши персональные данные от киберпреступников и научит безопасному пользованию интернетом. Что такое кибергигиена? Кибергигиена – это...

 Справочник #Советы

Messages about actual or supposed violations can be sent:

Call the hotline:

+7 (701) 345 74 64

Write to the e-mail of the Department of Internal and Economic Security

sb@solva.kz

Human rights

Solva respects human rights and strives to create a working environment that provides equal opportunities for all employees based on common values, cultural diversity, gender, racial and other equality.

Respect for honour and dignity, fundamental freedoms and human rights are the Company's key priorities.

Respect for human rights, inclusiveness, diversity, fair and equal treatment of all is one of the main principles of Solva's activities in the field of ESG and sustainable development.

In its daily activities, the Company is guided by the fundamental principles proclaimed by the United Nations Universal Declaration of Human Rights, as well as the relevant legislation of the Republic of Kazakhstan, United Nations Guiding Principles on Business and Human Rights, Declaration of the International Labour Organization on Fundamental Principles and Rights at Work and other international legal acts in the aspect of human rights protection.

The Company's position on human rights is enshrined in the **Human Rights Protection Policy**, which contains approaches and principles that guide the Company in order to respect human rights at all stages of its activities.

Taking into account the industry specifics, the risk of using child labour in the Company is considered as insignificant.

Nevertheless, Solva stands for its complete eradication, as well as for the rejection of forced and compulsory labour in relation to both its own employees and employees of clients and partners.

In 2023, a clause regarding respect for human rights was included in the contract with clients, namely a ban on the use of borrowed funds for production and/or activities related to the use of slave, forced or child labour.



Human rights

We treat our employees, clients and all partners with respect and responsibility, we do not tolerate aggressive or degrading behaviour. For us, any verbal insults, threats, unwanted sexual offers and intimidation are categorically unacceptable in work and communication.

Any employee can report cases of inappropriate behaviour to his/her immediate supervisor, any representative of higher management or the HR department.

In this case, we categorically do not allow persecution or threats of persecution in any form directed against an employee who reported an alleged violation of the Company's regulations and rules. In 2023, no confirmed cases of human rights violations were recorded through the available channels.

The Company recognizes the employee's right to hold meetings, freedom of association, the right to create or join organizations representing their interests without fear of any consequences. This right of each employee is enshrined in the Employment Contract, as well as in the Human Rights Protection Policy.

Also, any client or partner can report cases of violation of his rights or improper behaviour through our communication channels indicated on the Company's website, without fear of persecution or threat of persecution. All complaints are subject to mandatory investigation.

Respect for human rights for different stakeholders

<i>Employees</i>	<i>Clients</i>	<i>Partners</i>
Right to free labour (prohibition of forced and child labour)	Right to equal access to financial services	Right to free labour (prohibition of forced and child labour)
Right to decent pay	Right to a respectful and ethical attitude	Right to participate in associations
Right to professional growth, development and education	Right to protection of privacy	Right to send appeals and complaints
Right to a respectful and ethical attitude	Right to confidentiality of personal data	Right to confidentiality of personal data
Right to equality and non-discrimination	Right to free labour (prohibition of forced and child labour)	Right to a respectful and ethical attitude
Right to participate in associations, trade unions, etc.	Right to send appeals and complaints	
Right to rest		
Right to strike		
Right to conclude collective agreements		
Right to protection of privacy		
Right to confidentiality of personal data		

Personal data protection

Information security and protection of clients' personal data are among Solva's key priorities. We are aware of the importance and necessity of developing and improving information security measures and tools.



"The security of our clients' personal data has always been our priority. We are constantly improving our information security system by implementing increasingly strict data protection standards, applying new technologies and installing the best programs and equipment. In 2023, we obtained an international PCI DSS license, successfully passed two external audits, upgraded a range of equipment and installed two new systems to protect our clients' personal data and much more.

We are also proud to say that as part of the project to transform from an MFO to a bank, by the end of 2023 our information security systems are fully compliant with legal and regulatory requirements for second-tier banks (STBs). Thus, we can guarantee our clients a high level of information security and data confidentiality."

*Stanislav Solokha,
Director of the Information Security Department*

Information security is provided in accordance with the legislation of Kazakhstan, as well as internal documents and regulations of the Company.

The Company has an information security department, which ensures data protection and security and manages all matters in this area. In 2023, we expanded this department, which helped us to improve our information security management system.

The main document in this area is the Information Security Policy, which regulates all information security issues in the Company. It defines our approach to information security, basic principles of work, information protection directions and requirements, data security measures, etc. The provisions of this Policy apply to all Company employees who have access to information assets or are involved in information exchange processes.

The Company conducts a quarterly internal security audit of the data warehouse to minimize the risk of leakage. We also regularly test mobile, web applications and information systems infrastructure for vulnerabilities. This allows us to continuously improve the security of our systems in which personal data is processed.

Personal data protection



In 2023, the Company continued to upgrade technical and IT equipment in the field of data protection and security to better and more modern equipment, which improved the efficiency of information security and data privacy.

Also in 2023, we acquired and installed a personal data leakage protection system and a cryptographic information protection facility (CIPF)¹, thanks to which we were able to reduce risks in terms of ensuring the security of work with personal and confidential data.

To ensure an increased level of security when storing data, we use three independent databases. Also, all personal data of our clients are stored and transferred exclusively within the framework of the legislation of Kazakhstan and internal regulatory documents, in particular the Policy on Processing and Protection of Personal Data and the Provisions on Personal Data Protection. Also, in the case of the transfer of personal data of clients to another legal entity, we always transfer strictly within the framework of contractual relations and the concluded data confidentiality agreement.

In matters related to the processing of personal data, Solva fully ensures the observance of the rights and freedoms of clients, protecting the right to privacy.

We strictly comply with all the requirements of the legislation of the Republic of Kazakhstan, which regulate the protection and processing of personal data.

All our clients are required to familiarize themselves with the Privacy Statement, which is publicly available on our website, and also give informed Consent to the collection and processing of personal data, in which we provide detailed information about the amount of data collected, their use, the exchange policy and the mechanism for revoking the data provided.

The Company also identified a person responsible for the protection of personal data, which has the following main tasks: monitoring compliance with legislation in the field of personal data and internal requirements and regulations of the Company, organization of informing employees about the requirements for the protection of personal data and organization of reception and processing of appeals.

The main documents regulating the processes of working with personal data in the Company are the Personal Data Processing and Protection Policy and Personal Data Protection Regulation, which define the principles and conditions of information collection, responsibilities and duties of the Company and persons allowed to work with personal data, as well as the rights of the personal data owner. We regularly review and update these policies.

Solva ensures full compliance of all information security measures, including mobile app and personal account of clients, with the legislation and the established Rules for granting electronic microcredits developed by the The Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market.

In 2023, our Company underwent a comprehensive external audit of the entire information security system, including the personal data protection system. As part of this audit, our internal documents and mechanisms for ensuring information security and confidentiality and protection of personal data of our clients were checked. Based on the audit results, an action plan was developed to minimize the identified risks and improve the security system.

¹ A Cryptographic Information Protection Facility (CIPF) is a program or device that encrypts and decrypts information and checks whether changes have been made to it. CIPF is used to securely store and transmit data.

Personal data protection

In 2023, Solva successfully passed the PCI DSS (Payment Card Industry Data Security Standard) audit performed by an external certified organization and received a **PCI DSS license**. PCI DSS is an international security standard created specifically for payment card data protection. It will protect the Company and our clients from security incidents and ensure the required level of security throughout the payment system. On an annual basis, the Company will be re-certified to confirm and extend the license obtained.

All employees of the Company sign an Non-Disclosure Agreement and undertake not to disclose confidential information that has become known to them in connection with the performance of official duties, including after leaving the Company and termination of work in it. The procedure for providing access and revoking rights is regulated by the Company's internal documents.

Every new employee is required to be instructed on the protection of personal data as part of a general instruction on combating corruption and fraud, ensuring data confidentiality, etc.

Also on a regular basis, the information security department conducts activities to raise employee awareness of information security requirements and personal data protection.

Access to personal data is granted to the Company's employees after identification and authentication and only to the extent required to perform their job duties. All infrastructure facilities where personal data is stored and processed are provided with a licensed anti-malware protection tool (antivirus).

If an employee becomes aware of a violation of the rules on non-disclosure of confidential data, he/she is obliged to inform his/her immediate supervisor, HR department, information security department or internal and economic security department.

All received appeals are mandatory investigated. Based on the results of the investigation, in case of a violation, disciplinary measures may be applied to the employee, up to dismissal.

In 2023, there were no cases of leakage of personal data or violations of the rules on non-disclosure of confidential information.

In 2024, we plan to implement a project to strengthen security measures for our employees' corporate mobile devices.



Anti-money laundering and combating the financing of terrorism

The Company takes all possible preventive measures to establish and maintain business relations only with reliable clients and contractors who are engaged in legitimate activities and receive income only from legitimate sources.

To comply with the requirements of the Law of the Republic of Kazakhstan "On anti-money laundering and combating the financing of terrorism", **Solva has a number of measures:**

Internal Control Rules have been developed for AML/CFT purposes, within which the following are defined:

- internal control organization program for AML/CFT purposes;
- Income Laundering/Terrorist Financing Risk Management Program (IL/TF);
- client identification program;
- program for monitoring and studying client operations;
- program of training and education of employees on AML/CFT issues, etc.



Anti-money laundering and combating the financing of terrorism

In accordance with the Internal Control Rules for AML/CFT purposes, the Company conducts:

- measures to identify clients (beneficial owners) before accepting them for service, checking for a list of persons associated with the financing of terrorism and extremism, lists of public officials and international lists.

When conducting identification and preliminary verification of clients and partners, it is necessary to make sure that there is an understanding of the specifics of their activities, as well as the source of origin and destination of funds;

- constant monitoring of client transactions in order to identify suspicious transactions and unusual transactions;
- instructing employees in accordance with the program "Training and education of employees on AML/CFT issues".

In 2023, planned training and testing of the Company's employees' knowledge on AML/CFT issues was conducted offline and online. **144 employees** took part in the training. Based on the results of the training, a test was conducted to verify the knowledge gained.



Employees



Natalia Lucas

Managing HR Director of the holding company

“Employees are the heart of our Company. We direct our best efforts to contribute to Solva's growth by building a strong, engaged team, enabling them to succeed and be effective in their roles and responsibilities.

The Company continues to focus on the well-being of employees and their families, improving their quality of life and respecting human rights.

In 2023, we established a conciliation committee and began the process of negotiating and concluding a collective bargaining agreement, which will allow our employees to be confident that their rights and interests will be always protected. We also strengthened our training and development programs, improved our motivation package and conducted an in-depth engagement survey.

”



HR Policy

The main value of our Company is our employees.

We strive to become one of the best employers who cares about the well-being of employees, provides equal opportunities and creates conditions for realizing the potential of each team member. Our Company has always maintained an atmosphere of mutual respect, trust, cooperation and open dialogue.

We continuously improve our HR management system and increase its efficiency. The Human Resources Department is responsible for managing all personnel matters. Within this Office, departments have been identified that are responsible for different areas of work, such as:

- attracting, effectively adapting and retaining talent
- building a system of motivation and compensation
- formation of the Company's HR brand
- internal communications
- development of corporate culture
- building an effective internal training system aimed at developing the potential of employees
- maintaining the organizational structure and staffing of the Company
- other areas of work.

At the end of 2023, we began the process of forming a Training and Career Development Center, which is responsible for all training and development programs for our employees¹. We also expanded management by hiring new highly qualified specialists in a number of areas.

We regularly improve our human resources management system and our HR policies, and we will continue to expand the function in 2024, and we plan to place special emphasis on improving our learning and talent development practices.

HR management structure:



¹ This Center has already started its work at the time of preparation of this Report, namely in May 2024

HR Policy



The main internal documents regulating the issues of personnel management are HR strategy and HR Policy of the Company, which determine our long-term strategy and principles of working with staff to ensure stable leadership of the Company and the growth of reputation in the Kazakh and international labour markets.

The policy is based on transparent principles of forming the Company's personnel and motivating employment conditions, on the involvement of all employees in achieving strategic goals, professional development, fair assessment of each employee's contribution to overall achievements and decent remuneration for work results. We have also updated all our internal HR policies and developed a number of new internal documents.

At the time of preparation of this Report for effective regulation of personnel management issues, the following database of regulatory documents has been formed:

- HR policy
- Recruitment regulations
- Code of Professional Ethics
- Regulations on employee bonuses
- Regulations on labour remuneration
- Internal labour regulations
- Instructions for personnel records management
- Regulations on the annual bonus of employees
- Regulations on subsidies and mentoring and other documents

A very important step for us was the creation in 2023 the **conciliation committee** for individual labour disputes, which considers disputes between an employee and the Company concerning all issues of labour relations, such as remuneration, vacation, disciplinary action, dismissal, etc. This mechanism allows us to guarantee unbiased, comprehensive and independent consideration of employee complaints and disputes, as well as to protect the rights of our employees. The members of the conciliation committee are selected through cumulative voting among all employees, and 7 members were selected in 2023. All members of the conciliation committee undergo mandatory training each year, where they learn more about conciliation committee processes and labour rights. Each new employee is also informed of the existence of the conciliation committee and signs a consent to be represented by this committee in the event of labour disputes with the Company.

Also in 2023, we have prepared a draft **collective bargaining agreement** between the Company and employees, which will set out Solva's obligations to its employees in the areas of job retention, assistance in professional training and education, remuneration and payment of bonuses, working hours and rest time, creation of healthy and safe working conditions, creation of conditions for trade union activity and other issues that protect and consolidate employees' rights to decent working conditions. 100% of employees will be covered by this collective agreement. As of the end of 2023, this collective agreement was in the process of negotiation, but we plan to finalize it and conclude it as early as June 2024.

Our Values

Loyalty

The Company hears its employees and always fulfills the promises made to them. We invest in personnel development, provide a social package and competitive salary, and ensure comfortable working conditions.

Partnership

Openness in collaboration with colleagues from other departments for the most effective cooperation for the benefit of the Company and the employees themselves.

Always one step ahead

We search for and implement the best innovative solutions that are aimed at improving not only our products, but also work processes for the convenience of employees.

Principles of leadership

STRATEGY

- Understand strategy
- Prioritize according to strategy
- Think critically

EXECUTION

- Achieve results
- Make decisions based on data
- Spend wisely

TEAM

- Hiring, retaining and developing the best
- Believe and defend what you do
- Encourage change

Staff composition

53%

women

47%

men

662

full-time employees worked in
2023

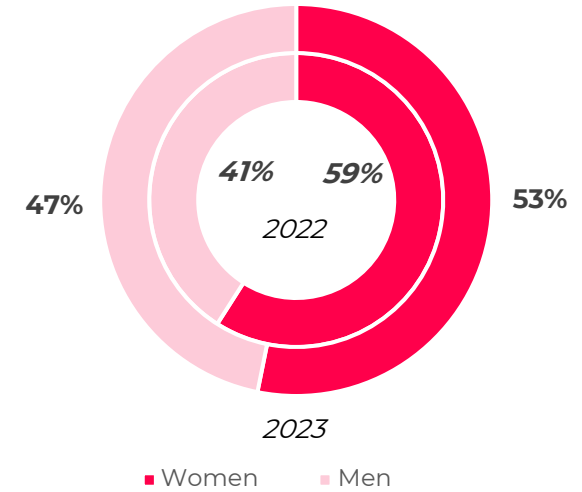
425

people were hired in 2023

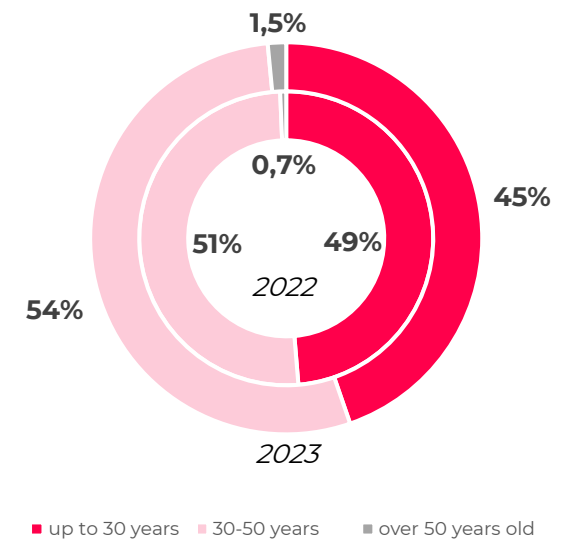
Our team is growing rapidly: in 2023, Solva employed 662 people, which is **45%** more than last year. **53%** of employees are women, and **39%** of managers are women.

Among the age composition in 2023, the main share of our employees were people aged 30 to 50 years (54%), however, we actively expanded our team in the reporting year, hiring both young people under 30 years old (49%) and experienced specialists from 30 to 50 years old (also 49%).

Number of employees by gender



Number of employees by age



Recruitment and adaptation of new employees

One of our key objectives is to support the growth and development of the Company by quickly and efficiently covering its needs in hiring new employees and their adaptation in our team.

According to Solva's corporate culture, we are guided by the principle of granting equal rights and opportunities and consider it unacceptable to humiliate human dignity and discrimination in any form and on any grounds.

The Company does not discriminate on the basis of gender, race, age or any other grounds. We apply an equal opportunities approach to recruitment for men and women, disabled applicants¹, indigenous people and other social groups. In the process of selecting candidates, we are guided exclusively by the professional level, skills and competencies of the applicant. We provide equal opportunities to both external candidates and our internal employees who wish to take a new position within the framework of the personnel reserve program.

We try to create the most comfortable environment for new employees. A properly structured adaptation process allows them to quickly establish communication with colleagues and feel comfortable in their new role. In 2023, we launched a mentoring program to help new employees adapt comfortably and quickly, providing for gradual integration into the team and new working environment. As part of the program, experienced mentors share their knowledge and insights with new employees who are just starting their journey with the Company. New employees receive individualized guidance and are immersed in the Company's culture. Additional training is mandatory for all mentors. In 2023, 22 mentors joined the program, for whom we conducted 3 training sessions and two game practices on leadership competencies. In the future, we plan to develop a mentor evaluation process to monitor the effectiveness of this program and understand what is most or least valuable to new employees during their adaptation process.

Each new employee must sign an acknowledgement list with the main internal documents of the Company, including the Code of Professional Ethics and the Anti-Fraud and Corruption Policy. Also, all employees sign a Non-Disclosure Agreement on confidential information and other mandatory documents.

As part of the adaptation process, employees receive mandatory training on fire and seismic safety, anti-corruption measures, protection of personal data confidentiality and other important issues.

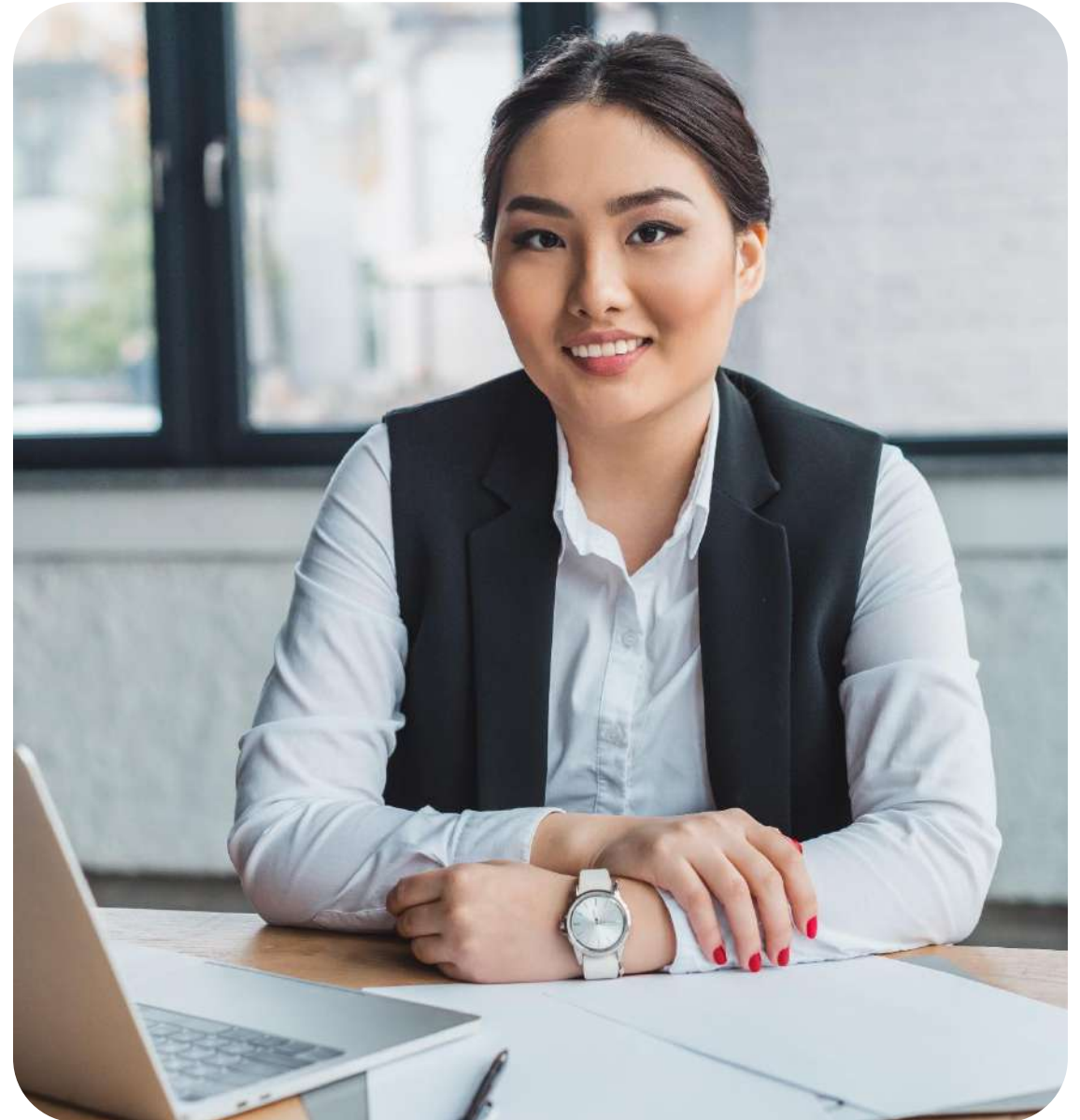
¹ For applicants of special groups, jobs are provided in accordance with the legislation of Kazakhstan and the availability of jobs corresponding to working conditions. For example, the quota for employment in a company of persons with disabilities is 2-4% of the average number of full-time employees.

Recruitment and adaptation of new employees

During the first week, a new employee is required to undergo a Welcome training, which contains full information about the Company, its mission and values, information about the evaluation and remuneration system, and available incentive programs. This training also includes information on our sustainability core principles. In 2024, we plan to expand this block by adding our strategic ESG goals, basic principles of business ethics, and information on separate waste collection in the office. We also send each employee a Guide Book, which contains all useful information about the Company's corporate rules, available incentive programs, administrative rules such as how to book a meeting room, useful contacts and much more.

An introductory course is held for credit specialists, during which the employee is familiarized with the Company's products and services, microloan terms and conditions, standards of work with Clients and other important aspects. Employees of other departments also undergo induction training as part of their job responsibilities, if necessary.

After a month and three months, we always hold a meeting and interview with new employees to find out how the adaptation process is going.



Motivation and reward

We strive to provide our employees with a decent level of remuneration, as well as create all the necessary conditions for the growth and development of their potential. The Company has developed a Regulation on labour remuneration and a Regulation on the annual bonus of employees, which determine the procedure and conditions of remuneration of employees.

We provide a competitive salary level and ensure a fair remuneration system for employees regardless of gender or age. The salary of each employee depends solely on his/her qualifications, the complexity of the work performed, the quantity and quality of the labour expended.

The Company has a system of setting goals (KPIs) and evaluating personnel. Every year, each employee, together with his/her manager, sets goals for the year, which are subsequently reflected on the internal Bamboo platform, where the employee has permanent access. At the end of the year, the results achieved are discussed and the employee is given feedback: both from the manager and from other employees. Based on the results of the evaluation process, a decision is made to change the employee's remuneration next year and to pay an annual bonus.

In 2023, we conducted several trainings on the process of goal setting and performance evaluation, in which we went over key employee questions in detail and went step-by-step through the complete process of the evaluation system.

The Company also has a grading system: from the L9 to L1 level. Depending on the level occupied by the employee and the results of his/her work for the year, the amount of the annual bonus is determined. This policy is transparent and known by all our employees.

In 2024, we plan to completely review the employee assessment process and grading system.

We also have a number of projects planned for 2024, namely:

- Development of a Telegram channel for employees to improve internal communication.
- Creation of the project "Healthy Environment in the Office", within the framework of which we plan to organize various informational and educational mailings and trainings, as well as meetings on the topic of maintaining health and healthy lifestyle on a regular basis.
- Launch of the "Coffee with the Manager" project, where employees will have an opportunity to informally communicate with senior managers, gain useful knowledge about the Company, professional experience or get answers to their own questions.
- Launching an initiative contest that will allow every employee to share any initiative or idea, and the selected best ideas will be supported by the management and implemented.

Motivation and reward

Our motivation system includes not only material incentives, but also a number of non-material motivation tools:



- Voluntary medical insurance (VMI): after a probationary period, each employee joins the corporate VMI system, which includes outpatient and polyclinic care, dental services, scheduled and emergency inpatient treatment, and reimbursement for the purchase of medicines. In 2023, we changed our insurance company, increasing treatment limits and expanding the list of available medical facilities. We also provided an alternative option to choose from: an annual subscription to 1Fit fitness club instead of joining the VHI system
- Possibility to include family members in the VHI program with a corporate discount
- Employer's life and liability insurance
- Additional vacation days: we provide employees with 28 days of paid vacation per year, which is 4 days more than stipulated by the Labour Code of the Republic of Kazakhstan
- 8 additional days off
- Corporate discount on LernaCorp's training platform. Access over 100 directions, 500 online courses and more
- Gifts for employees' children for the New Year
- Ability to work remotely
- Financial assistance in case of death of an employee or his/her relative
- Financial assistance upon marriage and birth of a child
- Massage therapist services in the office
- Corporate events and parties
- Corporate taxi

Motivation and reward

Engagement survey

We conduct a quarterly employee engagement survey (VOE, Voice of the Employee). As part of the survey, all employees can anonymously share their concerns, complaints, requests or any ideas.

After the survey, we always carefully analyze the feedback we receive and strive to listen to the wishes of employees, implementing positive changes and solving problems that arise.

For example, thanks to the 2023 surveys, we expanded available benefits, improved our communication process with management, and implemented a number of changes to the work environment, specifically rent an additional office to increase workspace and beginning the process of creation a psychological relief room for employees in departments with high-stress work content.

81.5%

amounted to the level of
satisfaction in 2023

Motivation and reward

Best employee

In 2023, we launched the Employee of the Year competition. As part of this competition, we invited employees to nominate the employee whose contribution was the most significant and whose achievements they would like to recognize.

The purposes of this contest were:

- encouragement and motivation: as awards and nominations stimulate employees to strive for the best results. This creates healthy competition within the Company and motivates to achieve goals, improve performance and innovations in work.
- talent retention: recognizing employees' achievements strengthens employee loyalty. When efforts and successes are recognized, it increases job satisfaction and commitment to the company, which in turn helps retain key employees.
- enhancing professional development: nominations for achievements help to identify and emphasize employees' strengths. This can contribute to the development of their professional skills and further career growth.

¹ The relocation process began already at the beginning of 2024.

We prepared several nominations in accordance with our leadership principles and awarded the winners at the New Year's corporate party.

"Execution"



Ivan Goikalov



Zhantas Kaliev



Client Operations
Department

"Strategy"



Alla Klepova



Anton
Protopopov

"Team"



Rustem
Ospankulov



Alinur
Kusmangalieva

Motivation and reward

Sports achievements of employees

We always try to support our employees' desire to participate in sport events. In 2023, our employees took part in the Charity Music Run and the Almaty Marathon.

"Charity Music Run" is an annual charity music run that unites adherents of a healthy lifestyle, running enthusiasts and socially active people. In 2023, the goal of the run was to raise funds for the Scientific Center for Pediatrics and Children's Surgery, as well as to support the construction of sports infrastructure for children with special needs.

"Almaty Marathon" 2023 is the largest running event in Central Asia and an urban celebration of sport.

The Solva team also took part in the KASE-2023 Mini Football Cup.

In total, about **40 of our employees** took part in sports events in 2023.

We are very proud of our employees!





Motivation and reward

Solva flag at an altitude of 6,000 meters!

At the beginning of 2024¹, Ksenia Yeremina, the bank's transformation project manager, climbed Uhuru Peak on Mount Kilimanjaro, where she planted the Solva flag at an impressive height of 5,895 meters above sea level.

The path to the top took 6 days and was 60 kilometers. The final push to the top took place at night and lasted 5-6 hours.

We are very proud of Ksenia's incredible perseverance and determination!

¹ The Report was prepared in the spring of 2024, so some important information is also presented for the beginning of 2024.

Training and development



Solva realizes the important role of personnel training and development of employee competencies. The Company cares about the personal and professional growth of its employees and implements various projects in this area.

Achievement of strategic goals and business objectives is impossible without a balanced and competent team, continuous training, improvement of knowledge and skills of the Company's employees.

To ensure sustainable growth and improve competitiveness, the Company implements an effective training system aimed at developing employees' professional skills, improving their qualifications and meeting modern market requirements.

We strive to continually improve and enhance our training and development programs by expanding training topics, incorporating modern technology, and making training more convenient.

In 2024¹, we established a consolidated Training and Career Development Center, which aims to create a training system for all categories of employees and establish a new assessment and development system.

Training at Solva is aimed at building a professional and loyal team and improving performance. Development helps employees identify their professional capabilities and potential, plan and build their careers, and quickly adapt to new technologies and tools in the face of business changes. In 2023, the number of training hours for our employees totaled **more than 6,000 hours**.

Solva has implemented and continuously conducts basic training for new employees of business areas, who subsequently start working with the Company's clients. The training includes basic aspects of the work of employees in their respective positions, including in-depth knowledge of all microloan terms and product line, standards of business ethics and business communication, etc.

In terms of professional and personal skills development, employees are offered training programs for professional development, communication skills development and foreign language learning.

All employees and their family members were also given access to the Lerna training platform, which contains more than 500 different training courses and trainings on various topics and areas. Each employee can choose the courses that best meet their needs and desires.

In 2023, we gave all employees access to five online courses to develop soft skills related to leadership, emotional intelligence and communication:

- Emotional Intelligence and Leadership which focuses on working and managing emotions and team building.
- Conflict management to develop the skill of managing and escaping conflict situations.
- Stress management for the ability to manage stressful events.
- Time management for planning work and personal time.
- The art of communication to enhance the skill of building communication skills.

¹ The Report was prepared in the spring of 2024, so some important information is also presented for the beginning of 2024.

Training and development

If an employee needs training to improve his/her skills in an external organization, then we are ready to compensate it upon agreement with the direct manager and on an individual basis.

We are always continuing to work on improving our employee training system, and we have ambitious goals for 2024, in particular:

- Develop and implement training programs for all categories of employees, including the introduction of distance learning.
- Generate a pool of key positions and needs in talent reserve and also create career maps to identify a list of required competencies to move into new position.
- Develop a new employee evaluation system and methodology and revise the grading system by developing a clear methodology for moving from one grade to another.
- Develop a training system for the talent reserve.

Kazakh language lessons and immersion in Kazakh culture

We believe that it is very important not only to train our employees in professional skills, but also to provide them with other learning opportunities. We have many employees in our team who have moved to Kazakhstan from other countries, so it is especially important for them to learn and immerse themselves in the culture and begin their journey in language learning.

That is why in 2023 we launched a 3-month program "Immersion in the Culture of Kazakhstan" together with the study of the Kazakh language. The program includes learning the culture and traditions of Kazakhstan, geography, learning the grammar and vocabulary of the Kazakh language, various national games, as well as practical exercises and useful information about outstanding personalities of the Kazakh people.

More than 15 employees have completed this program in 2023.



Occupational safety

The health and safety of employees are absolute priorities for Solva. The Company adheres to the following approaches in the field of occupational health and safety:

- The Company's goals and objectives can only be achieved by complying with all established health and safety regulations
- Recognizing and ensuring the priority of life and health of employees and other persons in the process of obtaining business results

The main provisions on labour health and safety are reflected in the Occupational Health and Safety Regulations approved by the General Director. The person responsible for health and safety in the Company is the Health and Safety Inspector.

Each newly hired employee must be instructed on occupational health and safety and fire safety before starting work. Also, at the beginning of 2024, we introduced new training on seismic safety¹: we conducted a series of briefings on how to behave during an earthquake, and also regularly send mailings with this information to all employees.

Fire safety briefings are held weekly in the Company. We also conduct fire safety trainings, where we explain the basic rules and actions in case of a fire, and evacuation drills.

In accordance with the current legislation and the labour Code of Kazakhstan, the Company investigates all accidents that occurred to employees during the performance of official duties, regardless of their severity.

Based on the results of the investigation, measures are developed to eliminate the causes of the accident and maximum efforts are made to minimise the risk of a recurrence. No accidents were recorded in 2023.

¹ The Report was prepared in the spring of 2024, therefore important information related to seismic activity in Almaty in January and March 2024 is also indicated in this Report..

Social initiatives



Anna Maximova
General Director of Solva

“ We consider social responsibility to be an integral part of our business and everyday activities. We strive to improve the well-being of our clients and help them grow their businesses.

We have built the whole process of achieving our mission from helping clients to reduce their debt burden by settling overdue debts and improving their level of financial literacy through regular online and offline trainings across the country, to a major project to support and unite women entrepreneurs in Kazakhstan.

We believe that it is the integrated approach and the implementation of a number of projects aimed at solving a specific problem in society that is most effective.

”



Women's entrepreneurship

We take gender equality issues seriously and actively develop initiatives to provide women with equal opportunities in financing their business projects, and also strive to help them throughout the way of building their dream business.

We see a high demand for our digital financial products among women entrepreneurs and consider it important to give them wide opportunities to finance their business projects. We provide robust support both to first-time female entrepreneurs and to those women who have been in business for a long time.

More than 70% of our clients from the SME sector are women entrepreneurs.

In the summer of 2023, Solva carried out **the first corporate issue of ESG gender bonds** in the history of the Republic of Kazakhstan in the amount of KZT 20 bln. 100% of the raised funds were used to finance women entrepreneurs.

The issue of gender bonds will allow us to expand the level of support for women entrepreneurs, and will also make a tangible contribution to the promotion of gender equality and inclusion in the financial services sector of Kazakhstan. **More than 14 000** of our clients received the necessary financing to develop their business.

67% of women entrepreneurs who received financing through the issuance of gender bonds confirmed the increase in revenue due to the received microloan. Thus, **each KZT 1 million of** financing provided will lead to an average revenue growth of **5.3 million for SMEs within 1 year**. Each of our clients can expect an **average of 7 million KZT** increase in revenue as a result of financing for the reporting period, and the total increase in revenue in the economy may amount to **more than 100 bln KZT**. Also, thanks to the borrowed funds received from Solva, **more than 7,400 additional jobs** were created.

90% of buyers of gender bonds issued by Solva are **retail investors**. Thus, we also provide the opportunity for the population of Kazakhstan to make their own contribution to the development of women's entrepreneurship.

For the transaction to issue corporate indexed ESG bonds, our company was awarded a prestigious award on the debt securities market Cbonds Awards and received an award in the **category "Best Primary Deal of ESG Bond in Kazakhstan."**

We were also awarded **"High Yield Debt Deal of the Year"** at the prestigious Bonds, Loans & ESG Capital Markets CEE, CIS & Türkiye Awards, which recognizes the most innovative and disruptive deals from issuers and borrowers of government, corporate and financial institutions.



Solva was awarded the Cibonds Awards 2023 in the category "Best Primary Deal of ESG Bond in Kazakhstan."



Bonds, Loans & ESG Capital Markets CEE, CIS & Türkiye Awards in the category "High Yield Debt Deal of the Year"



Solva is a part of the global initiative for the distribution of gender capital 2XGlobal.

**2XGlobal is a global organization whose mission is to unite financial market participants to promote a gender—responsible approach to investing and create sustainable, inclusive financial systems.*

Women's entrepreneurship

«Women in Business»

Success stories of women entrepreneurs inspire us every day! That is why in 2022 we launched the project "Women in Business".

We launched the “Women in Business” initiative, the goal of which is to create a favorable environment for the development of women’s entrepreneurship and increasing the level of financial literacy in Kazakhstan.

Within Women in Business initiative, women entrepreneurs can gain additional knowledge in the field of business development and financial literacy, undergo various mentoring and educational programs, exchange experiences and success stories, and also become part of a community of like-minded women.

In the fall of 2023, our Women in Business platform **received the 2023 PLUS Award for Best ESG Initiative** in the financial sector. This award serves as a testament to our commitment to empowering women and promoting sustainable economic growth.

As part of the "Women in Business" initiative, we regularly conduct free training **sessions on financial literacy "Woman and Money"** in partnership with the "School of Financial Literacy No. 1" and the Agency of the Republic of Kazakhstan for Regulation and Development of Financial Market (ARDFM).

In 2022, we held 5 seminars in different cities of Kazakhstan: Turkestan, Karaganda, Astana, Shymket and Shelek village. And already in 2023, **7 training sessions** were held in Kyzylorda, Ust-Kamenogorsk, Petropavlovsk, Atyrau, Aktau, Pavlodar and Taldykorgan.

We help women create a dream business!

As part of these trainings, we sought to give participants a lot of practical knowledge about the features of doing business, planning and budgeting, useful financial tools for business development, as well as the opportunity to make useful contacts and exchange experiences.

Each training on average included **more than 80 participants** from cities and nearby villages. In total, **more than 950 women entrepreneurs** took part in our training.



Solva received the 2023 PLUS Award in the “Best ESG Initiative in the financial sector” category

**more than
950**

women entrepreneurs took part in offline seminars “Woman and Money”

[The Women in Business website](#)

Women's entrepreneurship



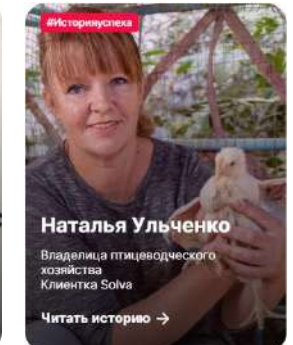
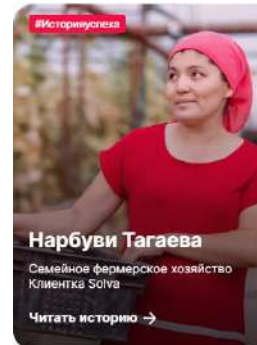
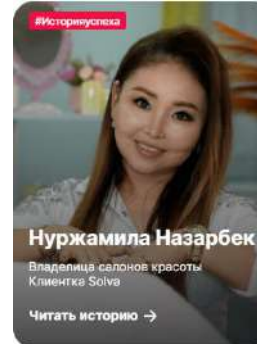
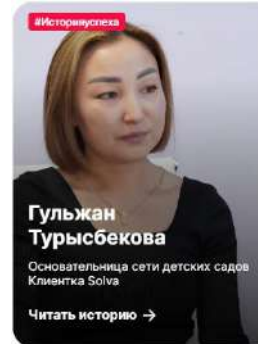
"Women in Business"

We are actively developing our platform by introducing new training events and interaction formats.

Also in 2023, we held a number of live broadcasts together with the ARDFM and "School of Financial Literacy №1" on the topic of financial literacy, which helped to provide as many businesswomen in Kazakhstan as possible with convenient access to educational programs and obtaining the necessary knowledge.

In our Telegram "Solva.Women in Business" we publish useful materials, educational articles, announcements of our events, important changes in legislation and news that can affect the business of our subscribers. More than 700 people are subscribed to our Telegram.

We also regularly share the success stories of women entrepreneurs by publishing them on our social media channels and on our website.





Блог. Для дела



История Нуржамилы, владелицы салонов красоты

Владелица салонов красоты
Клиентка Solva

Женское дело #Женскоедело



«Качественному товару не нужна реклама»: алматинский предприниматель, занимающийся изготовлением окон, рассказал о тонкостях ведения бизнеса

Алматинский предприниматель Торехан Бодыков – владелец небольшого цеха по производству пластиковых окон и дверей. Бизнес, который он открыл пять лет...

Интервью #Свойбизнес



Всеобщее декларирование: главное, что нужно знать

С 1 января 2024 года в Казахстане начался третий этап* всеобщего декларирования, который затронет руководителей и учредителей юридических лиц, индивидуальных предпринимателей,...

Справочник #Советы



Дайджест декабря: семинар «Женщина и деньги» в Кызылорде и итоги года

1 декабря в Кызылорде прошел заключительный в 2023 году семинар по финансовой грамотности «Женщина и деньги». В ходе образовательного интенсива...

Мероприятия #Женщинаиденьги

Blog. For business

In 2023, we launched [Blog. For Business](#) - a useful resource for entrepreneurs, where we tell entrepreneurs:

- Women in Business: news and special projects from our community of women entrepreneurs
- How it works: choose a type of business and understand its subtleties for you
- Tips: recommendations and expert opinions for business start-up and development
- Interviews: real stories of entrepreneurs
- School: our seminars and useful materials about finance

We also started a series of interviews with our SME clients, telling their stories on the popular Kazakh-language portal Stan. A total of 5 stories were published.¹

¹ The stories were published in early 2024.

Financial literacy

We believe that the active development of financial education is the only way to improve the welfare of the population of Kazakhstan.

Our Company actively supports initiatives to develop financial literacy.

On a regular basis, together with our partners, we organize trainings on finance throughout the country, with the involvement of financial experts and lecturers.

Our financial literacy projects help citizens to fill the knowledge gaps, get professional advice from financial experts and use them to improve the quality of life.

In 2023, we conducted 7 training seminars on financial literacy under the "Woman and Money" program in partnership with the "School of Financial Literacy №1" and the Agency of the Republic of Kazakhstan for Regulation and Development of the Financial Market (ARDFM) (*read more in the "Women in Business" section*).

We have also launched several online financial literacy tutorials on our social media channels in 2023, in conjunction with our Ombudsman service, to provide access to useful and important knowledge to everyone regardless of where they live.

We actively cooperate with mass media and regularly publish TV interviews and articles, in which we talk about financial planning, competent use of credit products, mechanisms of assistance to clients in settling overdue debts, etc.

At the beginning of 2024, we joined the national project "Debt-Free Society". The main goal of the project is to reduce the debt burden of citizens and improve financial literacy of persons with bad debts. As part of this project, our Company is one of the sponsors of trainings on financial literacy throughout Kazakhstan.

7 500 +

kazakhstanis took part in our financial literacy events



Charity and volunteering

We are always ready to provide charitable or volunteer assistance to those in need. Our employees are actively involved in various social initiatives, uniting and involving more and more people who care.

Our employees help foster and treat homeless pets, collect humanitarian aid for victims of natural disasters, participate in charity sporting events and more.

Also in 2023, Solva employees went on a nature hike in the mountains to clean up our neighborhood. We walked along one of the most tourist trails in the Almaty mountains and collected all the garbage that we encountered along the way.

In 2024, we have also planned a number of charitable initiatives to help victims of domestic violence and children with rare diseases.



Initiatives for clients

We regularly run different awards among our clients to support them with both material prizes and professional knowledge in various fields. All our awards are open for participation for any of our clients, we always publish all the conditions on our social networks and official website.

We also openly show the winner selection process in order to be honest with our clients. In total, in 2023, we competed more than **KZT 3.5 million of cash prizes**.

In 2023, we launched a promotion to accrue bonuses for purchases using the Solva Lite digital card.

We return a cashback of 1% from each purchase on the Solva Lite card. Cashback can be used only for repayment of the next unpaid monthly payment in accordance with the payment schedule, or in case of partial early repayment of the microloan.

The contest "How I became an entrepreneur"

In 2023, we continued our "How I Became an Entrepreneur" contest for our entrepreneurial clients. To participate in the contest, you had to tell your story of starting or developing a business.

We published all the stories sent to us on our Instagram, where our followers then chose the winners by voting. At the end of the contest, five winners were selected and awarded a prize of 100,000 tenge.



Environmental care



Oksana Sinelnikova

Head of ESG

“ Although our Company does not have a direct negative impact on the environment, we recognize the environmental responsibility that lies with our Company and each of us.

In 2023, Solva directed its focus on strengthening environmental initiatives: we launched a pilot green finance product, obtained carbon-neutral status, launched an office separate waste collection, and added environmental requirements to microloan contracts and expanded the list of exclusion to include business areas that have a high environmental risk.

We plan to continue to demonstrate high environmental responsibility, including expanding projects in the field of “green” financing and launching a project to calculate emissions from our SME clients.

”



Environmental care

The Company's activities have no direct negative impact on the environment. Nevertheless, we declare our commitment to the following principles in the field of environmental protection:

- We strive to minimize the negative impact through the introduction of energy-saving technologies and electronic document management
- We strive to educate employees about the importance of caring for natural resources and increasing environmental responsibility
- We dispose of waste in accordance with applicable laws and regulations.

We try to use natural resources responsibly and carefully. Our office is located in a modernly equipped business center, and we have installed energy-saving light bulbs.

Also, our employees adhere to the principles of careful and environmentally friendly attitude to resources in the office, in particular to electricity and water.

We switched to electronic document management in order to minimize the use of paper in the process of work and gradually completely abandon paper media.

At the end of 2023, we launched **separate waste collection in our office**. We installed waste bins for separate collection of plastic, glass and paper. We made a number of informational mailings with detailed information on how to sort waste correctly, what types of waste can and cannot be thrown into the installed bins, etc. We also conducted a training session on the correct sorting of waste.¹

¹The training was carried out at the beginning of 2024..

596

electricity
consumption, GJ

5 413

the total volume of water
consumption in the office, m³

964

thermal energy
consumption, GJ

Climate change



Solva takes climate change and global warming seriously, so as part of its own responsibility in this matter, the Company underwent a carbon audit by an independent company in 2023.

As part of the audit, greenhouse gas emissions for 2022 of the holding company Solva Group¹ were analyzed and calculated, which included calculations for 3 legal entities: JSC MFO OnlineKazFinance, LLP Collection Agency "ID Collect", LLP MFO FintechFinance. Calculations were made for all three scopes (scope 1, scope 2 and scope 3). The independent assessment showed that the most significant source of emissions is employee commuting, which accounts for about 55% of Solva Group's carbon footprint. Based on the audit results, an independent consulting company prepared a number of recommendations for further reduction of CO2 emissions in the course of the Company's operations.

Based on the data obtained, Solva Group decided to offset its negative impact on the environment and contribute to addressing climate change. The Company joined a number of green projects in countries whose efforts are aimed at reducing global CO2 emissions. Funding was allocated to two projects in India and Brazil, which allowed Solva Group to fully offset its own CO2 emissions for 2022 and obtain the status **of a carbon neutral company**.

At the beginning of 2024, we launched the process of re-auditing and calculating our own emissions for 2023 and confirmed our carbon neutral status². To offset the Company's emissions for 2023, Solva directed financing to three projects in Turkey, India and China.

We plan to maintain this status annually.

0

tons of CO2 equivalent were direct CO2 emissions (scope 1) of Solva Group for 2023¹

101,4

tons of CO2 equivalent were indirect CO2 emissions (scope 2) of Solva Group for 2023¹

2,04

tons of CO2 equivalent amounted to Solva Group emissions per employee in 2023¹

¹ Calculations of greenhouse gas emissions cover three legal entities: MFO OnlineKazFinance JSC, ID Collect LLP, MFO FintechFinance LLP. Since the calculations were conducted in a consolidated manner, it is not possible to single out Solva emissions separately, so we provide these consolidated data.

² The Report was prepared in the spring of 2024, so some important information is also presented for the beginning of 2024.



E&S Risk Assessment in the credit process

Protecting the environment and combating climate change have become one of our key priorities that we have set for ourselves as part of our ESG Strategy.

In 2023, we introduced an environmental and social (E&S) risk assessment process into our credit process.

First of all, we have expanded the exclusion list of sectors and activities for which we do not allocate funding by adding more environmental and social indicators and areas to the list. This exclusion list was developed in line with the EBRD and IFC exclusion lists. In 2024, we plan to bring our exclusion list fully in line with the IFC exclusion list.

In the process of approving an SME client's application for financing, the system automatically checks against the Common Classifier of Economic Activities (CCEA) to ensure that the client's activities are not in our exclusion list. However, since Solva's exclusion list covers a number of areas that do not have their own CCEA, at this stage we have added environmental and social responsibility blocks to loan agreements with clients, in which we warn the client that Solva financing cannot be directed to certain activities that carry a high social and environmental risk and are included in our exclusion list.

For our individual clients, we have also added recommendations on not using the funds received for certain activities, such as gambling, buying and trading weapons and military equipment, engaging in speculative currency transactions, hunting and catching animal species listed in the Red Book of the Republic of Kazakhstan, causing damage to the environment and many others.

In the future, we plan to improve our E&S risk assessment system with the introduction of an additional assessment and verification phase for our clients.

Green finance

Solva is constantly expanding its product line for SME clients in order to best meet the financing needs of businesses. We are also committed to making efforts to minimize both our own negative impact on the environment and the impact of our clients.

We support entrepreneurs who care about the environment by choosing green technologies, environmentally friendly and energy-efficient equipment.

We see a growing interest in environmental responsibility among the SME sector, so in August 2023 Solva launched a pilot product for entrepreneurs in the SME segment - "[Green Finance for Business](#)".

Financing can be received by businesses whose activities are aimed at reducing the negative impact on the environment, including funds used for the purchase of energy-efficient technologies and equipment. Clients, in turn, receive cashback, which can be used to pay off the monthly payment.

We believe that care for the environment and responsible consumption of natural resources are an integral part of sustainable business and its development, so we are ready to support entrepreneurs in Kazakhstan to make a choice in favor of green technologies by providing them with more favorable financing terms.

In 2024, we plan to expand our “green” finance projects by improving conditions to increase client motivation to choose more environmentally friendly and energy efficient equipment.

To assess our SME clients' need for green finance products, we added a number of questions to our annual survey and obtained the following results:

1 in 10

clients previously took out a microloan from Solva to carry out work to reduce water consumption

1 in 10

clients previously took out a microloan to purchase energy-efficient equipment

1 in 5

clients would make a choice in favor of energy-efficient equipment with more favorable lending conditions for it

Thus, at least 4,000 Solva clients in 2023 would be ready to give preference to environmentally friendly technologies when providing them with more favorable financial conditions for microcredit.

The data obtained show the relevance of launching a green finance pilot product and the need for further improvement and expansion of the product line in the field of green finance.

Appendices

Stakeholder engagement

Effective stakeholder engagement is a sustainability priority for Solva. The Company's key stakeholders include employees, clients, shareholders and investors, government authorities and relevant communities, partners and suppliers, media and local communities.

We use various communication channels to effectively engage with each stakeholder group.

Questions and interests of the stakeholders	Forms and tools of engagement
<p>Employees</p> <ul style="list-style-type: none">• Employment• Remuneration for work• Social support• Safe and comfortable working conditions• Opportunities for professional and career development• Training and development	<ul style="list-style-type: none">• Employment in full compliance with the Labour Code of the Republic of Kazakhstan• Conclusion of a collective agreement and the creation of a conciliation commission to resolve labour disputes• Transparent wage and bonus pay system• Implementation of compensation and benefits programs• Voluntary medical insurance system• Provision of safe and comfortable working conditions in the office• Training of employees in the field of occupational safety, fire safety and seismic safety• Training of employees on combating fraud and corruption• Transparent system of personnel evaluation and goal setting for the year• Training opportunities, training events and seminars• Access to a learning platform with a wide selection of educational courses• Corporate events
<p>Shareholders and investors</p> <ul style="list-style-type: none">• Business performance• Strategy implementation• Corporate governance	<ul style="list-style-type: none">• Preparation of corporate reports, including annual and half-yearly financial results• Meetings with investors and regular communications• Presentations to professional communities and investors• Publications and mandatory internet and media disclosure• Preparation of reports and materials on individual requests• Passing the due diligence process if necessary

Stakeholder engagement

Questions and interests of the stakeholders

Forms and tools of engagement

Clients

- Providing clients with a wide range of high quality products
- Ensuring prompt and easily accessible interaction with clients, responding to appeals and complaints
- Settlement of overdue debts and assistance to clients
- Ensuring information security and protection of personal data of clients
- Responsible marketing activities
- Ethical business practices
- Fraud and corruption prevention

- Expanding the range of products and adapting them to clients' needs
- Improving methods of engaging clients including the website and mobile app
- Improving the regular measurement of client satisfaction (NPS) and conducting a series of in-depth studies
- Easy and fast interaction in case of any questions
- Responding and investigating each incoming complaint through Company channels and regulatory channels
- Ombudsman's work through a virtual borrower rights office and the existence of an independent ombudsman office
- Provision of individual conditions for debt repayment (debt restructuring)
- Ensuring information security and the protection of personal data
- Strict compliance with the applicable legislation of the Republic of Kazakhstan, including on advertising
- Implementation of strict ethical standards for communication with clients, including when dealing with debt
- Informing clients about fraudulent schemes through an acknowledgement list, articles, video courses, informational posters and trainings
- Payment of remuneration to the person who reported the fact of fraud

Government authorities and relevant communities

- Operational and regulatory issues in the sector
- Carrying out licensed activities in accordance with the requirements of the law
- Compliance with tax legislation
- Cooperation with government representatives and relevant institutions to support the implementation of national projects and improve national sectoral legislation

- Compliance with all requirements of the legislation of the Republic of Kazakhstan
- Regular tax deductions to the budget of the Republic in accordance with tax legislation
- Carry out licensed activities strictly and only in accordance with legal requirements
- Elimination of any identified violations and implementation of recommendations
- Holding meetings of working and expert groups, commissions, committees, personal meetings and negotiations
- Membership in the Association of Microfinance Organizations of Kazakhstan
- Membership in the National ESG Club and Circular Economy Committee
- Participation in conferences, round tables and other events

Stakeholder engagement

Questions and interests of the stakeholders

Forms and tools of engagement

Partners and suppliers

- Transparent engagement and procurement conditions
- Compliance with ethics and anti-corruption standards

- Transparent procurement procedures
- Meetings and workshops with business partners
- Prompt response in case of problems
- Protection of confidential information
- Compliance with Company anti-corruption policies
- Providing the necessary information, reporting, etc., including public reporting

Media

- Increasing information transparency
- Increasing brand awareness of Solva and increasing loyalty of stakeholders
- Building a balanced dialogue with the media




- Active coverage of the Company's activities, major events and news, including in ESG
- Promotion of key projects
- Active participation of the Company's speakers in profile events, conferences, etc.
- Strengthening the Company's HR brand
- Strengthening PR strategy and rebranding
- Providing transparent and honest information about the Company and its activities

Local communities


- Implementation of financial literacy programs
- Implementation of "Women in business" project
- Implementation of various charitable programs
- Informing about the current activities of the Company and its development plans

- Conducting seminars, lectures and training sessions on financial literacy for different groups of the population on a regular basis
- Development of a program to support women's entrepreneurship in Kazakhstan within the framework of the "Women in Business" project
- Implementation of various social projects, interaction with charitable foundations
- Publications in the media and on the Company's website
- Maintaining the Company's social networks
- Regular release of Sustainability Reports

Contribution to the UN SDGs

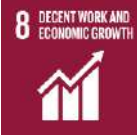
UN SDG	Targets	Our impact
	<p>1.4 By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance</p>	<ul style="list-style-type: none"> • Providing equal access to financial products for different categories of citizens • Implementation of a range of measures to improve financial literacy among the population • Promoting entrepreneurship development by expanding the product line for SMEs and launching new products and services • Implementation of a project to promote women's entrepreneurship
	<p>3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all</p>	<ul style="list-style-type: none"> • Implementation of a voluntarily medical insurance (VMI) program for all Company employees • Massage therapist services in the office • Launch of the "Healthy Office Environment" project and creation of a psychological relief room • Provision of preventive medical care to employees
	<p>4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship</p>	<ul style="list-style-type: none"> • Creation of a Center for Employee Training and Career Development • Training programs and advanced training courses for employees • Access to a learning platform for employees and their families • Conducting a program to study the culture of Kazakhstan and the Kazakh language
	<p>4.5 By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations</p>	<ul style="list-style-type: none"> • Launch of the program "Women in Business", within the framework of which activities are conducted to enhance the financial literacy of women in Kazakhstan • Publication of educational articles and video courses on financial literacy and fraud detection in the public domain

Contribution to the UN SDGs

UN SDG	Targets	Our impact
	<p>5.5 Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life</p>	<ul style="list-style-type: none"> • No discrimination in recruitment, remuneration and career development • 53% of female employees work at Solva • 39% of women are in leadership positions at Solva
	<p>5.A Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws</p>	<ul style="list-style-type: none"> • Maintaining a high proportion of women in the segment of providing loans to small and medium-sized businesses (SMEs): about 70% of clients represent enterprises headed by women • Issue of gender bonds to increase financing for women entrepreneurs • Conducting seminars and trainings on financial literacy for women within our community of women entrepreneurs of Kazakhstan "Women in Business" • Publication of various useful articles and video materials in the telegram channel of the "Women's Business" community
	<p>5.B Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women</p>	<ul style="list-style-type: none"> • Participation in the global initiative for the distribution of gender capital 2X Global • Creating a community of women entrepreneurs to exchange experience, find useful contacts and form effective partnerships







Contribution to the UN SDGs

UN SDG	Targets	Our impact
	<p>8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services</p>	<ul style="list-style-type: none"> • Conducting training events for employees, including foreign language classes (Kazakh language) • Conducting competitions among clients and providing cashback within Solva Lite • Development and improvement of the product line for providing loans to SMEs for more convenient access to financial resources • Launching a green finance product and providing new services and opportunities to clients
	<p>8.4 Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead</p>	<ul style="list-style-type: none"> • Reducing paper consumption in offices and electronic document management • Separate waste collection by categories paper, plastic and glass in the office • Carbon Neutral Company Status
	<p>8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p>	<ul style="list-style-type: none"> • Compliance with labour legislation on the employment of people with disabilities and the elderly • Ensuring equal pay conditions for men and women • Transparent evaluation and bonus system • Transparency and equality of opportunities in career advancement
	<p>8.7 Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms</p>	<ul style="list-style-type: none"> • Full compliance with the laws of Kazakhstan • Human rights protection policy, stipulating the unacceptability of forced, slave or child labour within the Company and its partners • Launch of environmental and social assessment into the credit process, which also includes clauses on the unacceptable use of forced, slave and child labor
	<p>8.10 Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all</p>	<ul style="list-style-type: none"> • Membership in the Association of Microfinance Organizations of Kazakhstan in order to ensure sustainable access of the population to financial services in order to reduce poverty and maintain economic growth

Contribution to the UN SDGs



UN SDG	Targets	Our impact
	<p>9.3 Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets</p>	<ul style="list-style-type: none"> • Increasing the share of business in providing loans in the SME segment to 60% • Expanding the product line for SME clients, including the launch of new products and services • Launch of the Blog project. For business with useful information for entrepreneurs
	<p>10.1 By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average</p>	<ul style="list-style-type: none"> • Expansion of access to financing and non-discrimination when deciding on a loan • Creation of secure financial products and implementation of anti-fraud measures in the financial sector • Participation in social and charitable projects aimed at reducing socio-economic inequality
	<p>13.2 Integrate climate change measures into national policies, strategies and planning</p>	<ul style="list-style-type: none"> • Obtaining the status of a carbon-neutral company by compensating for its own CO2 emissions (scope 1,2,3) • Launch of a pilot product on green financing to support entrepreneurs in Kazakhstan to make a choice in favor of green technologies, providing them with more favorable financing conditions
	<p>16.5 Substantially reduce corruption and bribery in all their forms</p>	<ul style="list-style-type: none"> • Monitoring compliance with corporate ethical principles and policies, including anti-corruption • The existence of a number of mechanisms for reporting violations related to the provisions of the anti-corruption policy • Investigation of cases of violation of anti-corruption policy

Performance in the reporting period

Table 1. Number of employees by employment contract, type of employment and gender

	2023	2022
Number of employees with an indefinite employment contract	237	189
including women	144	126
including men	93	63
Number of employees with fixed-term employment contract	425	265
including women	208	142
including men	217	123
Number of full-time employees	614	447
including women	338	265
including men	276	182
Number of part-time employees	48	7
including women	14	3
including men	34	4

Table 2. New employees by gender and age

	2023			2022		
	up to 30 years old	30-50 years old	older than 50 years old	up to 30 years old	30-50 years old	older than 50 years old
Number of new employees	209	210	6	142	109	0
including women	96	107	5	78	58	0
including men	113	103	1	64	51	0

Table 3. Parental leave

	2023	2022
Number of employees on parental leave	31	13
including women	31	13
including men	-	-
Total number of employees who returned to work after parental leave	8	6
Total number of employees who returned to work after the end of parental leave, and who are still working 12 months after returning to work	1	2

¹ In accordance with the legislation of Kazakhstan, an employment contract for up to one year is considered fixed-term, after one year of work it becomes indefinite.

Performance in the reporting period

Table 4. Socio-cultural diversity of managers and employees by gender and age

	2023			2022		
	up to 30 years old	30-50 years old	older than 50 years old	up to 30 years old	30-50 years old	older than 50 years old
Managers	5	91	2	1	24	2
including women	1	36	1	1	12	1
including men	4	55	1	-	12	1
Employees	291	265	8	220	206	1
including women	162	146	6	140	114	-
including men	129	119	2	80	92	1

Table 6. Average annual number of hours of training per employee by gender and position

	2023	2022
Managers	~11 hours	~12 hours
Employees	~ 10 hours	~ 8 hours
Women	~ 9 hours	~ 9 hours
Men	~ 8 hours	~ 8 hours

Table 5. Staff turnover rate

	2023	2022
Turnover among senior managers	11%	0%
Turnover among middle managers	4%	4%
Turnover among line staff	30,1%	29,7%
Turnover of front office employees (departments responsible for direct work with clients)	20,4%	19,3%
Turnover among back office employees (divisions, divisions that do not interact with clients)	11,5%	10,4%

Performance in the reporting period

Table 7. Resource consumption ¹

	2023	2022
Total volume of water consumption in the office, m ³	5 413	7 195
Electricity consumption, GJ	596	587
Heat energy consumption, GJ	964	975

Table 8. Greenhouse gas emissions ², tons of CO2 equivalent

	2023	2022 ³
Direct (Scope 1) GHG emissions	0	0
Energy indirect (Scope 2) GHG emissions	101,4	122,7
Other indirect (Scope 3) GHG emissions	1 868	703

Table 9. Key financial highlights

	2023, ths KZT	2022, ths KZT	2023 vs 2022
Credit portfolio	86 497 905	69 296 721	24,8%
Capital	17 672 448	18 937 510	-6,7%
Revenue	37 394 965	29 633 364	26,2%
Finance operating expenses	36 107 371	24 748 535	45,9%
Operating income	1 287 594	4 884 829	-73,6%
Income before income tax expense	-183 407	4 264 997	-104,3%
Net income	225 415	3 700 599	-93,9%

¹ We recalculated the resource consumption figures for 2022 because consumption information was previously provided by the business center and we found large inaccuracies in 2023. We independently calculated consumption for 2022 and 2023 to provide more accurate and reliable data.

² CO2 emissions were calculated for the holding company Solva Group Ltd. And includes consolidated emissions of 3 legal entities: MFI OnlineKazFinance JSC, ID Collect Agency LLP, MFI FintechFinance LLP.

³ The significant increase in the other indirect emissions (scope 3) is associated with several factors: a significant increase in the number of employees (73% of emissions in scope 3 come from employees' commuting) and a change in the sample of employees surveyed (in 2023 more employees who completed the emissions calculation questionnaire used the personal car to move).

About Report



Microfinance Organization OnlineKazFinance JSC (hereinafter – Solva, the Company) publishes a report on sustainability activities for the third time.

The Report was prepared in accordance with the Global Reporting Initiative Standards (GRI Standards) 2021, as well as in accordance with the Sustainability Accounting Standards Board (SASB) for Commercial banks¹.

In the Report, we disclose information about the progress of our Company in the field of sustainability and demonstrate the results that we have been able to achieve in the field of responsible business conduct, the development of our employees, local communities and environmental protection.

The information contained in this Report covers the legal entity of Microfinance Organization OnlineKazFinance JSC and is presented for the period from 1 January to 31 December 2023.

The Report was prepared in Russian, English and Kazakh languages and published on the official website of the Company <https://solva.kz/>

The Report was reviewed and approved by the Company's General Director and Members of the Board of Directors.

¹ In connection with the transformation of Solva into a second-tier commercial bank (planned by the end of 2023), we have decided to disclose data in accordance with the SASB industry disclosure for commercial banks.

Material topics

One of the key stages of preparing a Sustainability Report in accordance with GRI Standards is the identification of material topics.

According to the GRI Standards, a material topic is considered to be one in which a company has a certain economic, social and/or environmental impact, including human rights impact, and which is very important for both internal and external stakeholders. It is the material topics that should be disclosed in the Report in the fullest and most detailed way.

The process of determining the material topics for this Report consisted of several stages. First of all, we conducted an analysis of industry trends, legislative requirements and changes in the regulatory framework, as well as an in-depth analysis of the requirements of rating agencies and a number of international standards (GRI, SASB, UN SDGs, etc.).

Next, we conducted a comparative analysis of the reports of the largest international and Kazakh financial companies. The final stage was based on our constant dialogue and interaction with stakeholders. This stage helped us identify critical topics for each group of our stakeholders.

After analysing all the data obtained, we managed to form a list of material topics that we have disclosed in this Report in the most complete and detailed way.

Material topics:

1. Responsible lending
2. Inclusive finance
3. Women's Entrepreneurship Development
4. Privacy and data security
5. Business Ethics and Countering corruption and fraud
6. Fair and favourable working conditions
7. Gender balance among employees and managers
8. Training and professional development
9. Improving the level of financial literacy of the population
10. Combating climate change



GRI Index



Disclosure	Disclosure description	Place of disclosure in the Report	Comment on disclosure
2-1	Organizational details	About Company	The Company operates in Kazakhstan. The head office is located in Almaty.
2-2	Entities included in the organization's sustainability reporting	About Report	Microfinance Organization OnlineKazFinance JSC
2-3	Reporting period, frequency and contact point	About Report Contacts	The Sustainability Report is published annually. This report was published in July 2024.
2-4	Restatements of information		There were no significant changes in the provision of non-financial information in the reporting period.
2-5	External assurance		External assurance of non-financial information was not carried out.
2-6	Activities, value chain and other business relationships	About Company	
2-7	Employees	Staff composition Performance in the reporting period	The data is provided at the end of the reporting period.
2-8	Workers who are not employees		The Company did not have such employees in 2023.

GRI Index



Disclosure	Disclosure description	Place of disclosure in the Report	Comment on disclosure
2-9	Governance structure and composition	Corporate governance structure	In 2023, there were five members of the Board of Directors. The proportion of women on the Board of Directors was 20%. Three members of the Board of Directors are independent directors.
2-10	Nomination and selection of the highest governance body		Members of the Board of Directors are elected by cumulative voting. The Shareholder appoints the members of the Board of Directors. The Chairman of the Board of Directors is elected by secret ballot.
2-11	Chair of the highest governing body	Corporate governance structure	The Chairman of the Board of Directors in 2023 was Serimjan Tuleuovich Dosumov
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability management structure	
2-13	Delegation of responsibility for managing impacts	Sustainability management structure	
2-14	Role of the highest governance body in sustainability reporting		The Board of Directors approves the Sustainability Report.
2-15	Conflicts of interest	Business Ethics	Solva takes all necessary measures to prevent and eliminate conflicts of interest in accordance with the Code of Ethics. The Code also defines the procedure to be followed in the event of a conflict of interest. In relation to the risk of conflicts of interest arising from cross-membership of the Board and other superior management bodies, we are strictly guided by, and comply with, the laws of Kazakhstan.

GRI Index



Disclosure	Disclosure description	Place of disclosure in the Report	Comment on disclosure
2-16	Communication of critical concerns		All critical issues are mandatorily consolidated by the Head of Legal and escalated to the General Director or the Board of Directors depending on the issue. There were no critical issues that required resolution at the Board level in 2023.
2-17	Collective knowledge of the highest governing body		At the moment, there is no separate sustainability training for the Board of Directors.
2-18	Evaluation of the performance of the highest governance body		There is currently no separate assessment of the Board's performance in overseeing the management of the Company's economic, environmental and social impacts.
2-19	Remuneration policies	Motivation and reward	Information on remuneration of the members of Board of Directors is confidential.
2-20	Process to determine remuneration		Information on the process of determining the remuneration of the members of Board of Directors is confidential.
2-21	Annual total compensation ratio		Information on remuneration of the members of Board of Directors is confidential.
2-22	Statement on sustainable development strategy	Sustainability strategy	
2-23	Policy commitments	Business Ethics Human rights	

GRI Index



Disclosure	Disclosure description	Place of disclosure in the Report	Comment on disclosure
2-24	Embedding policy commitments	Sustainability strategy Business Ethics Human rights	
2-25	Processes to remediate negative impacts	Human rights	
2-26	Mechanisms for seeking advice and raising concerns	Human rights Working with appeals	
2-27	Compliance with laws and regulations		In 2023, 2 violations were recorded, for each of the violations, work was carried out to eliminate them and bring the Company's operations into full compliance with the laws of the Republic of Kazakhstan.
2-28	Membership associations		The Company is a member of the Association of Microfinance Organizations of Kazakhstan (AMFOK), National ESG Club, Circular Economy Committee, 2X Global Initiative, Astana International Financial Center, UN Global Compact and is part of the CERISE+SPTF Client Protection Standards
2-29	Approach to stakeholder engagement	Stakeholder engagement Human rights	The Company strives to respect the human rights of all involved stakeholders. We actively interact with our stakeholders using various communication channels, and we also place expectations on business partners regarding respect for human rights and business ethics during interaction.
2-30	Collective bargaining agreement	HR policy	

GRI Index



Disclosure	Disclosure description	Place of disclosure in the Report	Comment on disclosure
3-1	Process to determine material topics	Material topics	
3-2	List of material topics	Material topics	
3-3	Management of material topics		The data on the management of each material topic are located in the relevant segment by topic.
201-1	Direct economic value generated and distributed	Performance results for the reporting period	You can find out more about the financial results in our audited financial report.
205-2	Communication and training about anti-corruption policies and procedures	Countering corruption and fraud	
205-3	Confirmed incidents of corruption and actions taken	Countering corruption and fraud	In 2023, there were no confirmed incidents of corruption.
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		In 2023, there were no cases of legal actions against the Company due to obstruction of competition and violation of antitrust legislation.

GRI Index



Disclosure	Disclosure description	Place of disclosure in the Report	Comment on disclosure
207-1	Approach to tax		Solva's tax strategy is to fully comply with the tax legislation of Kazakhstan. All top management bodies regularly monitor the implementation of this strategy.
302-1	Energy consumption within the organization	Environmental care Performance results for the reporting period	The Company does not consume fuel from renewable energy sources. The Company has no practices of steam and energy consumption for cooling. The Company has no practice of consuming the produced energy. Energy consumption data is provided by the lessor.
303-1	Interactions with water as a shared resource		The Company uses water exclusively for domestic and technical purposes, the only consumers of water are the Company's offices. Water withdrawal and discharge is carried out from/to municipal water supply sources (water circulation) in accordance with the contract with the lessor. Water consumption in areas with water scarcity is not carried out by the Company.
303-3	Water withdrawal	Environmental care Performance results for the reporting period	

GRI Index



Disclosure	Disclosure description	Place of disclosure in the Report	Comment on disclosure
305-1	Direct (Scope 1) GHG emissions	Climate change Results of operations for the reporting period	CO2 emissions were calculated for the holding company Solva Group Ltd., which includes 3 legal entities: JSC MFO OnlineKazFinance, LLP "Collection Agency ID Collect", LLP MFO "FintechFinance". Thus, the amount of emissions provided for Solva Group Ltd. Gases included in the calculation: CO2 There were no biogenic CO2 emissions in 2023 The base year against which the change in emissions is compared is 2022, as it was in 2022 that Solva Group Ltd first carried out the calculation. Conversion of greenhouse gases other than CO2 to CO2e was based on 100-year global warming potential data published by the IPCC or a national (government) publication. The calculations were prepared by an independent organization in accordance with the corporate standard of the Greenhouse Gas Protocol.
305-2	Energy indirect (Scope 2) GHG emissions	Climate change Results of operations for the reporting period	CO2 emissions were calculated for the holding company Solva Group Ltd., which includes 3 legal entities: JSC MFO OnlineKazFinance, LLP "Collection Agency ID Collect", LLP MFO "FintechFinance". Thus, the amount of emissions provided for Solva Group Ltd. Gases included in the calculation: CO2 The base year against which the change in emissions is compared is 2022, as it was in 2022 that Solva Group Ltd first carried out the calculation. Conversion of greenhouse gases other than CO2 to CO2e was based on 100-year global warming potential data published by the IPCC or a national (government) publication. The calculations were prepared by an independent organization in accordance with the corporate standard of the Greenhouse Gas Protocol.
305-3	Other indirect (Scope 3) GHG emissions	Climate change Results of operations for the reporting period	CO2 emissions were calculated for the holding company Solva Group Ltd., which includes 3 legal entities: JSC MFO OnlineKazFinance, LLP "Collection Agency ID Collect", LLP MFO "FintechFinance". Thus, the amount of emissions provided for Solva Group Ltd. The information for the remaining items is similar to that provided above for indicators 305-1 and 305-2.

GRI Index



Disclosure	Disclosure description	Place of disclosure in the Report	Comment on disclosure
305-5	Reduction of GHG emissions	Performance results for the reporting period	<p>In 2023, greenhouse gas emissions increased significantly compared to emissions in 2022. However, Scope 2 emissions fell by 17% in 2023. The significant increase in total emissions was due to an increase in other indirect emissions (scope 3). In 2023, 73% of Solva Group's total emissions came from employees' commuting. The calculation was made on the basis of a completed questionnaire by employees with information about the method of transportation. The sample in 2022 and 2023 was very different, and more employees who commute by car completed the survey in 2023 than in 2022. However, real growth is also taking place as the number of employees has increased significantly.</p> <p>Gases included in the calculation: CO2</p> <p>The base year with which changes in emissions are compared is 2022, since it was in 2022 that Solva Group Ltd first carried out the calculation.</p>
401-1	New employee hires and employee turnover	Staff composition Performance results for the reporting period	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Motivation and reward Performance results for the reporting period	
401-3	Parental leave	Performance results for the reporting period	
402-1	Minimum notice periods regarding operational changes		We strictly comply with the legislation of Kazakhstan. When reducing a position/liquidation of an organization, the Company follows the requirements of the legislation of the Republic of Kazakhstan and notifies the employee at least one month before the date of dismissal.
403-1	Occupational health and safety management system	Occupational safety	

GRI Index



Disclosure	Disclosure description	Place of disclosure in the Report	Comment on disclosure
403-3	Occupational health services	Occupational safety	<p>In the Company, the person responsible for labour protection is an Health and Safety Inspector. His/Her duties include:</p> <ul style="list-style-type: none"> • implementation of control over compliance in the organization and in its divisions of legislative and other regulatory legal acts on labour protection; • study of working conditions in the workplace, preparation and submission of proposals for the development and implementation of better working conditions; • participation in inspections, surveys of the technical condition of buildings, structures, equipment, machinery and mechanisms, the efficiency of ventilation systems, the condition of sanitary devices, sanitary facilities, collective and individual protection of workers, etc.; • together with other divisions of the company, work on certification of workplaces and production equipment for compliance with labour protection requirements; • participation in the development of measures to prevent occupational diseases and accidents, to improve working conditions and bring them up to the requirements of regulatory legal acts on labour protection, and also provides organizational assistance for the implementation of the developed measures.
403-5	Worker training on occupational health and safety	Occupational safety	
403-8	Workers covered by an occupational health and safety management system		The occupational health and safety management system applies to 100% of employees.
403-9	Work-related injuries		No accidents were recorded in 2023.
403-10	Work-related ill health		In 2023, the Company had no recorded occupational diseases and deaths related to occupational diseases.

GRI Index



Disclosure	Disclosure description	Place of disclosure in the Report	Comment on disclosure
404-1	Average hours of training per year per employee	Training and development Performance results for the reporting period	Training is offered to all employees depending on the development needs and requirements of the Company and regardless of nationality, gender and age.
404-2	Programs for upgrading employee skills and transition assistance programs	Training and development	
404-3	Percentage of employees receiving regular performance and career development reviews		100% of employees receive regular feedback as part of the annual performance evaluation procedure.
405-1	Diversity of governance bodies and employees	Performance results for the reporting period	
405-2	Ratio of basic salary and remuneration of women to men	Performance results for the reporting period	The amount of the basic salary does not depend on the gender and age of the employee. It depends solely on the qualifications of the employee, the complexity of the work performed, the quantity and quality of the labour expended. Thus, in the Company, the base salary of men and women of the same position is equal.
406-1	Incidents of discrimination and corrective actions taken	Business Ethics Human rights	In 2023, there were no cases of discrimination.

GRI Index



Disclosure	Disclosure description	Place of disclosure in the Report	Comment on disclosure
408-1	Operations and suppliers at significant risk for incidents of child labour		The Company's activities, including the activities of sales offices, as well as contracting organizations, are covered by the legislation of the Republic of Kazakhstan, which provides for a ban on the use of child labour.
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour		The Company's activities, including the activities of sales offices, as well as contracting organizations, are covered by the legislation of the Republic of Kazakhstan, which provides for a ban on the use of forced labour.
411-1	Incidents of violations involving rights of indigenous peoples		There were no cases of violations of the rights of indigenous people in 2023.
413-1	Operations with local community engagement, impact assessments, and development programs	Social initiatives	
418-1	Substantiated complaints concerning breaches of client privacy and losses of client data	Personal data protection	In 2023 one order was received from the state authorities regarding the violation of personal data protection measures. The violation was subsequently eliminated.



In 2022, we began the process of transforming Solva into a second-tier commercial bank, which should be completed in 2023. In this regard, as an industry disclosure SASB (Sustainability Accounting Standard), we have chosen disclosure for Commercial Banks in order to evaluate our ESG practices in terms of their compliance with the requirements for commercial banks right now.

Topic	Accounting metric	Place of disclosure in the Report	Code	Comment on disclosure
Data Security	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	Personal data protection	FN-CB-230a.1	In 2023, there were no cases of personal data breaches or violations of the rules on non-disclosure of confidential data.
	Description of approach to identifying and addressing data security risks	Personal data protection	FN-CB-230a.2	
Financial Inclusion & Capacity Building	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	About the Company	FN-CB-240a.1	The number of outstanding loans at the end of 2022 for SMEs is 39,309 The amount of outstanding loans at the end of 2022 for SMEs – KZT 50,791,894 thousand
	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development		FN-CB-240a.2	Number of past due and nonaccrual loans – 2,923 The amount of past due and nonaccrual loans - KZT 2,723,936 thousand
	Number of no-cost retail checking accounts provided to previously unbanked or underbanked clients		FN-CB-240a.3	The Company does not provide no-cost retail checking accounts or deposit services
	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved clients	Financial literacy	FN-CB-240a.4	More than 7,500 thousand people

¹ At the moment, we cannot disclose all the SASB metrics included in the standard in full. However, we will continue to work in this direction. We also strive to always provide relevant, useful and meaningful disclosures to our investors.



Topic	Accounting metric	Place of disclosure in the Report	Code	Comment on disclosure
Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	Commercial and industrial credit exposure, by industry		FN-CB-410a.1	Information about credit risks is presented in the Company's financial report.
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	Sustainable Development Strategy	FN-CB-410a.2	In 2023, an environmental and social (E&S) assessment process was introduced into the lending process, namely, the list of exceptions was expanded and an environmental and social block was added to loan agreements with clients
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Countering corruption and fraud	FN-CB-510a.1	In 2023, there were no lawsuits and losses on these issues.
	Description of whistleblower policies and procedures	Countering corruption and fraud	FN-CB-510a.2	



Topic	Accounting metric	Place of disclosure in the Report	Code	Comment on disclosure
Systemic Risk Management	Global Systemically Important Bank (G-SIB) score, by category		FN-CB-550a.1	This indicator is currently not applicable, since the transformation of the Company into a bank isn't completed.
	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Risk management	FN-CB-550a.2	

Activity metric	Code	Place in the Report	Comment on disclosure
(1) Number and (2) value of checking and savings accounts by segment: (a) personal and (b) small business	FN-CB-000.A		The company currently does not provide services for opening savings accounts
(1) Number and (2) value of loans by segment: (a) personal, (b) small business, and (c) corporate	FN-CB-000.B		Loan portfolio at the end of 2022: <ul style="list-style-type: none"> • individuals: KZT 44.7 billion • SMEs: KZT 50.7 billion Number of unique clients in 2022: <ul style="list-style-type: none"> • individuals: 80.1 thousand • SMEs: 39.3 thousand

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