



TBC BANK GROUP PLC

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DIVERSITY, EQUALITY AND INCLUSION POLICY



	TARGET AUDIENCE		All employees of all majority owned TBC Bank Group PLC businesses (or business units).
	DEPARTMENT RESPONSIBLE FOR THE DOCUMENT		HR Department and ESG Coordination Department
	CORPORATE UNITS ENGAGED IN THE IMPLEMENTATION		HR Department Marketing Legal Department Compliance Department Procurement Logistics E&S Risk Management Group Reporting ESG Coordination Department
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	IN THE EVENT OF ANY DISCREPANCIES BETWEEN THE ENGLISH VERSION OF THIS POLICY AND A TRANSLATED VERSION, THE ENGLISH VERSION SHALL PREVAIL		
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INTRODUCTION

According to our vision, a sustainable corporation is a profitable institution that offers adequate, affordable and need-based services to its clients, treats its employees, suppliers and all other stakeholders with a high sense of responsibility, and strongly supports the development of society. It is also a technologically advanced and environmentally aware corporation that is trusted by society. Our mission – make people’s life easier – is a guiding principle for our activities and sustainable development. We seek to ensure that everyone is treated with respect, has equal opportunities and feels valued. Valuing the perspectives of colleagues from diverse backgrounds enables us to ensure greater collaboration, innovation, better decision-making and strong relationships with everyone we work with.

We are committed to encouraging diversity, equality and inclusion among our workforce, and eliminating unlawful discrimination. We embrace and encourage our employees’ differences in age, sex, color, disability, ethnicity, family or marital status, gender identity or expression, language, national origin, physical and mental ability, political affiliation, race, religion, sexual orientation, socio-economic status and other characteristics that make our employees unique.

The Diversity, Equality and Inclusion policy (“the Policy”), institutional structures and respective initiatives support company’s approach which sets targets and establishes a methodology of advancing diversity, equality and inclusion, and integrating its approach into the operations and management processes of the company, focusing on diverse areas including gender, multicultural, multigenerational and disability backgrounds.

Gender equality and the empowerment of women and girls are important dimensions of sustainability of the company and its stakeholders – customers, employees, suppliers, partners and society. The Policy supports company’s approach, which sets targets and establishes a methodology of advancing gender equality and integrating women’s empowerment approach into the operations and management processes of the company.

The present Policy provides a clear policy guidance for ensuring the proactive and consistent integration of diversity in all aspects of the company’s work, inside the company, in the marketplace and community at large.

Diversity, equality and inclusion has to be implemented with strong political commitment, high-level leadership and an institutional mandate, supported by the enhanced capacity to conduct comprehensive analysis, allocate sufficient resources and achieve greater accountability.

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SCOPE AND OBJECTIVES OF THE POLICY

This Policy is largely an internal guidance document, outlining strategic priorities and processes for integrating diversity, equality and inclusion perspectives throughout the company. This policy applies to the Staff of the TBC. This Policy provides broad strategic orientation for implementation, including institutionalizing diversity, equality and inclusion in the organizational culture, and advancing equality throughout all areas of operations. The Policy is complemented by a detailed action plans. The action plan(s) are developed on annual basis. The Policy shall be implemented in all Group Companies; the respective action plan(s) has to be agreed.

Development of an action plan aims at integrating the Policy principles into Group Companies policies. The Policy implementation action plan should consist of the following elements:

- ▶ Indicators/criteria set for each principle
- ▶ Activities that must be carried out to meet those indicators/criteria
- ▶ Accountability to implement activities to meet criteria
- ▶ A timeline set for each activity
- ▶ Budget and financial resources to implement each activity
- ▶ Responsibility assigned for monitoring, evaluation and reporting work
- ▶ Responsibilities, timelines, budgets, monitoring and reporting identified according to each specific activity.

GUIDING PRINCIPLES

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Diversity is the collective mixture of differences and similarities that includes individual and organizational characteristics, values, beliefs, experiences, backgrounds, preferences, and behaviors. We honor and value diversity because it strengthens the company and fosters innovation and creativity, which improves performance. A diverse work environment enhances inclusivity and the feeling of belonging of our staff.

Equality reflects our commitment to providing consistent and systematic fair and impartial treatment for all employees. We commit to challenging biases that limit equality within our company and ensuring that all employees are educated about the resources available to them in support of their goals and success.

Inclusion is the achievement of a work environment in which all individuals are treated fairly and respectfully, have equal access to opportunities and resources, and can contribute fully to the organization's success. Without inclusive practices, a diverse environment cannot be achieved.

UN principles of women's economic empowerment (WEPs) are international principles created jointly by of the UN Women and UN Global Compact. Gender integration (or mainstreaming) goes hand in hand with the promotion and protection of women's human rights and the elimination of discrimination against women. The ultimate goal is to achieve gender equality, develop TBC's own approach to integrating a gender perspective in company's work and applying gender equality principles when working with stakeholders and partners, in addition to adapting policies, programs and initiatives to create inclusive environment where women and girls can succeed.

Gender equality means that women and men have equal conditions, treatment and opportunities for realizing their full rights and potential, contributing and benefiting from economic, social and cultural results. Gender equality is, therefore, the equal valuing by the company of the similarities and the differences of men and women, and the roles they play. Equality means that women's and men's rights, responsibilities and opportunities will not depend on whether they are born male or female. Gender equality implies that the interests, needs and priorities of both women and men and girls and boys are taken into consideration, recognizing the diversity of different groups and that all human beings are free to develop their personal abilities and make choices without the limitations set by stereotypes and prejudices about gender roles. Achieving gender equality will require specific measures designed to eliminate gender inequities.

Gender equity means fairness and justice in the distribution of benefits, power, resources, and responsibilities between women and men. The concept recognizes that women and men have different needs, access to, and control over resources, and that these differences should be addressed in a manner that rectifies the imbalance between the sexes. It is about the fair and just treatment of both sexes that takes into account the different needs of the men and women, cultural barriers and (past) discrimination of the specific group.

Empowerment is about women and men taking control over their lives: being able to perceive alternatives, make choices, and fulfill those choices. It is both a process and an outcome, and it is collective and individual. Women's empowerment is essential to achieving gender equality. Outsiders cannot empower women, only women can empower themselves. However, institutions can support empowering processes both at the individual and collective levels. In the context of TBC activities, it involves awareness-raising, building self-confidence, expansion of choices, increased access to and control over resources for economic and professional development and actions to establish the structures, which reinforce and perpetuate gender discrimination and inequality. This implies that to be empowered women and girls must not only have equal capabilities (such as education and health) and equal access to resources and opportunities, but they must also have the possibility to use these rights, capabilities, resources and opportunities to make strategic choices and decisions such as is provided through leadership opportunities and participation in decision-making institutions.

Gender diversity in the approach means recognizing that women—and men—do not constitute homogeneous groups. Women's and men's diversity with respect to age, socioeconomic status, education, ethnicity and culture, sexual orientation, ability, and geographical location must be taken into account whenever issues of gender, professional and economic development, health and employment are addressed.

Diversity, gender and inclusion mainstreaming is the process of assessing the implications for women and men with different backgrounds and characteristics of any planned action, including legislation, policies, or programs, in any area and at all levels. It is a strategy for making women's as well as men's concerns and experiences an integral dimension in the design, implementation, monitoring, and evaluation of policies and programs in all political, economic, and social spheres, such that inequality between men and women is not perpetuated. The ultimate goal is to achieve diversity,

equality and inclusion. A mainstreaming strategy may include affirmative initiatives directed towards either women or men with different backgrounds and characteristics.

Gender balance is a human resource issue calling for equal participation of women and men in all areas of work and in programmes that the company initiates or supports. Achieving a balance in staffing patterns and creating a working environment that is conducive to a diverse workforce improves the overall effectiveness of our policies and programmes, and will enhance our capacity to better serve the entire population.

Diversity, gender-responsive and inclusion programming and policies are designed to intentionally employing respective considerations to affect the design, implementation and results of programmes and policies. Programmes and policies reflect realities and needs, in components such as site selection, project staff, content, monitoring, etc. For example, gender-responsiveness means paying attention to the unique needs of females, valuing their perspectives, respecting their experiences, understanding developmental differences between girls and boys, women and men and ultimately empowering girls and women.

Planning and budgeting is a planning approach that recognizes the different roles that e.g. women and men play in society and the fact that they often have different needs. Planning, programming and budgeting contributes to the advancement of diversity, equality and inclusion and the fulfillment of each person's rights. It entails identifying and reflecting needed interventions to address gaps such as gender, age or other gaps in sector and policies, plans and budgets.

ROLES AND RESPONSIBILITIES

4.1. Roles and Responsibilities at TBC Level

Boards of Directors

The Board of Directors of TBC ensures the implementation of the Policy.

Committees

The Risk Committee, Corporate Governance and Nomination Committee and ESG and Ethics Committee support the Board of Directors in the implementation of the Policy at TBC level.

The Committees develop a monitoring system that provides evidence of how much progress has been made in the process of organizational change, identifies spots where reinforced efforts or new priorities are needed, and whether adjustments should be made to the working plan, for example due to changes in external conditions.

4.2. Roles and Responsibilities at TBC Bank Level

Supervisory Board and Committees of the TBC Bank

Supervisory Board and respective committees of the TBC Bank supervise compliance with this Policy by the Management Board of the TBC Bank. The Risk Committee, Corporate Governance and Nomination Committee and ESG and Ethics Committee assist the Supervisory Board in monitoring and evaluating compliance with this Policy by the Management Board of the TBC Bank.

The Committees develop a monitoring system that provides evidence of how much progress has been made in the process of organizational change, identifies spots where reinforced efforts or new priorities are needed, and whether adjustments should be made to the working plan, for example due to changes in external conditions.

Management Board

The Management Board ensures the implementation of the Policy in the bank. It is the responsibility of the Management Board to establish necessary committee(s) or organizational unit(s) and provide required resources.

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Management Board ensures that involved employees are required to spend part of their working time on diversity, gender and inclusion mainstreaming in company's operations. Where necessary, the job descriptions of employees have to be amended in order to reflect responsibilities related to ESG (diversity, equality and inclusion) activities.

The management level ESG Committee

The ESG Committee at the executive management level supports the Management Board in the implementation of the Policy. The committee is led by a chairperson represented by a senior level management staff and comprises of members - mid-level management staff who are responsible for implementing the Policy in the areas of their responsibilities.

The ESG Committee develops a monitoring system that provides evidence of how much progress has been made in the process of organizational change, identifies spots where reinforced efforts or new priorities are needed, and whether adjustments should be made to the working plan, for example due to changes in external conditions.

ESG Ambassadors – TBC Staff (ESG focal points) who are actively involved in the process of diversity, gender and inclusion mainstreaming who accelerate the progress, e.g. on women's and girls' rights and equality in the related directions of TBC activities.

Human Capital Management Department / Head of HCM – The leading organizational unit/function for internal diversity, gender and inclusion mainstreaming.

ESG Coordination Department / ESG coordinator – a dedicated organizational unit/person within the TBC Bank which/who coordinates the process of diversity, gender and inclusion mainstreaming among involved parties, identifies opportunities for improvement, provides knowledge and leads the competence center for ESG (diversity, equality and inclusion) topics.

Diversity and Gender Specialist – Dedicated specialist of the bank, who coordinates diversity, gender-and inclusion-related action plans, the monitoring and evaluation of diversity, gender and inclusion-specific projects, initiatives and research.

4.3. Roles and Responsibilities at Group Company Level

Management of the Group Company

The management of the Group Companies may decide on the respective governance structure for execution of this Policy. Management must designate a responsible unit/function for the Policy implementation, and ensure that respective unit/function develop an annual action plan.



LEADERSHIP FOR DIVERSITY, GENDER EQUALITY AND INCLUSION

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TBC establishes goals and targets to increase diversity, gender equality and inclusion in leadership roles on annual basis and to measure progress through clear performance indicators regularly. The respective system has to be emplaced to manage, track and report on results in achieving diversity, gender equality and inclusion. Managers at all levels are expected to be held accountable, through performance reviews, for the results.

The TBC leaders show their support to diversity, inclusion, gender equality, women's rights and women's empowerment and share their company's diversity, inclusion and equality practices with a local and global community of business leaders.

The results of diversity, inclusion and women empowerment activities should be displayed publicly and communicated to all employees in the company and stakeholders.

The requirements for board membership and other governance bodies should be reviewed regularly to remove any discrimination or bias against women.

EQUAL TREATMENT

TBC strictly adheres to international and applicable local laws on human rights and freedoms and ensures equality before the applicable local laws for all employees. A special focus is placed on the identification and elimination of any kind of employee discrimination on any grounds whatsoever. Any kind of discrimination on any ground such as race, colour, language, age, sex, citizenship, origin, place of birth, place of residence, social or property status, profession, religion or belief, nationality, ethnicity or social belonging, family/marital status, health, disabilities, sexual orientation, gender identity and expression, political opinion or other beliefs is prohibited.

Discrimination refers to direct or indirect violation of someone's dignity aimed at or resulting in an intimidating, hostile, degrading, humiliating or offensive environment against him/her, or creation of conditions that directly or indirectly degrades his/her position relative to others under the same working conditions.

The Policy revolves around the equal treatment and opportunities of women and men with different background and characteristics in the workplace that means assessing the risks of discrimination, taking steps to eliminate discrimination and promote equal opportunities and inclusion.

Besides the general definition of discrimination, the Policy considers different types of discrimination:

► **Direct discrimination:** Treatment or the creation of the conditions in which a person is treated less favorably on grounds of sex, age, ethnicity and other characteristics than another person in a comparable situation with respect to the enjoyment of the rights established by treatment or situation serves the statutory purpose of maintaining public order and morals, is objectively and reasonably justified and is necessary in a democratic society, and the means of achieving that purpose are appropriate.¹

► **Indirect discrimination:** Situation where a provision, criterion or practice, neutral in form but discriminatory in substance, puts a person on the grounds of sex, age, ethnicity and other characteristics at a disadvantage compared with another person in a comparable situation, or equally treats persons who are in inherently unequal conditions, unless such situation serves the statutory purpose of maintaining public order and morals, is objectively and reasonably justified, and is necessary in a democratic society, and the means of achieving that purpose are appropriate.²

► **Multiple discrimination:** Multiple discrimination takes place when someone is discriminated against for more than one reason, for example on the basis of gender and religion, age and ethnicity, etc. It can be: Additive: when the specific effects can be distinguished. Intersectional: when discrimination is based on the combination of two or more characteristics.³

► **Gender discrimination:** Any distinction, exclusion or restriction made on the basis of sex which has the effect or purpose of impairing or nullifying the recognition, enjoyment or exercise by women, irrespective of their marital status, on the basis of equality of men and women, of human rights and fundamental freedoms in the political, economic, social, cultural, civil or any other field.⁴

► **Sexual harassment:** Sexual harassment includes such unwelcome sexually determined behavior as physical contact and advances, sexually colored remarks, showing pornography and sexual demand, whether by words or actions. Such conduct can be humiliating and may constitute a health and safety problem; it is discriminatory when a person has reasonable grounds to believe that her/his objection would disadvantage her/him in connection with her/his employment, including recruitment, pay rise, continued employment or promotion, or when it creates a hostile working environment - conditions that are intimidating or humiliating for the victim.

¹ Based on the Law of Georgia on Gender Equality (2010). Article 3

² Ibid

³ European Union Agency for Fundamental Rights. Available from [LINK](#)

⁴ Based on the United Nations, 1979. 'Convention on the Elimination of all forms of Discrimination against Women,' Article 1

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Even though legislation and TBC policies include the principles of equal treatment and opportunities, established culture and structure, habits, unconscious bias and stereotypes can result in indirect discrimination or unequal treatment of individuals, such as:

▶ **Stereotypes:** Stereotypes are widely held, simplified, and essentialist beliefs about a specific group. Groups are often stereotyped on the basis of sex, gender identity, race and ethnicity, nationality, age, socioeconomic status, language, and so forth. Stereotypes can also be based on popular cultural depictions of groups of people or deeply held beliefs passed down through generations. Often, stereotypes can be negative or even harmful.

▶ **Social bias:** Making judgements or decisions on certain individuals, groups, races, sexes, etc., unknowingly or deliberately, due to preconceived notions that a person/group has of that group. These can be both positive and negative beliefs and are often instilled in people based on their culture and environment.

▶ **Gender-stereotyping:** Ascribing certain attributes, characteristics and roles to people based on their gender. Gender stereotypes can be negative (i.e., women are bad drivers, men cannot change diapers) and benign (i.e., women are better caregivers, men are stronger). Gender stereotyping becomes harmful when it limits a person's life choices, such as training and professional path, and life plans. Compounded gender stereotypes occur when layered with stereotypes about other characteristics of the person, such as disability, ethnicity or social status.

▶ **Gender-based constraints:** Constraints that women or men face that are a result of their gender. An example of constraints, women farmers face, might be not having title to their land, male dominated cooperative membership, being more tied to their homes preventing access to extension services. Constraints that are not based on gender are referred to as general constraints.

▶ **Social roles:** Social role is socially defined pattern of behavior that is expected of a person in a given setting or group. The ideas for expected or "normal" behavior are reinforced both by the individual and by society. Social norms define what to do and what not to do; they carry an element of control or sanction, which can invoke feelings of guilt or fear if the social norm is not met and can actually constrain behavior, influence major life decisions such as which profession to choose, what career path to take etc.

▶ **Gender-roles:** Social and behavioral norms that, within a specific culture, are widely considered to be socially appropriate for individuals of a specific sex. These often determine the traditional responsibilities and tasks assigned to men, women, boys and girls. Gender-specific roles are often conditioned by household structure, access to resources, specific impacts of the global economy, occurrence of conflict or disaster, and other locally relevant factors such as ecological conditions.

▶ **Gender relations:** A specific sub-set of social relations uniting men and women as social groups in a particular community. Gender relations intersect with all other influences on social relations – age, ethnicity, race, and religion – to determine the position and identity of people in a social group. Since gender relations are a social construct, they can be changed.

▶ **Gender blindness:** The failure to recognize that the roles and responsibilities of men/boys and women/girls are given to them in specific social, cultural, economic and political contexts and backgrounds. Projects, programmes, policies and attitudes which are gender blind do not take into account these different roles and diverse needs, maintain status quo, and will not help transform the unequal structure of gender relations.

▶ **Social norms:** Social norms are rules and standards that are understood by members of a group, and that guide or constrain social behaviors without the force of law, and often relate to a perceived social pressure to engage or not engage in specific behaviors.

▶ **Gender norms:** Accepted attributes and characteristics of male and female gendered identity at a particular point in time for a specific society or community. They are the standards and expectations to which gender identity generally conforms, within a range that defines a particular society, culture and community at that point in time. Gender norms are ideas about how men and women should be and act. Internalized early in life, gender norms can establish a life cycle of gender socialization and stereotyping.

The Policy underpins strategies for advancing diversity, inclusion and gender equality and targeting racism and discrimination in the workplace:

- ▶ **Diverse and gender-sensitive recruitment and promotion** – TBC stipulates a non-discriminatory recruitment policy and encourages emergence of a highly qualified and diverse talent pool. Furthermore, the recruitment policy should define affirmative approach towards non-traditional jobs such as ICT as well as towards women and men from diverse backgrounds with different identities and abilities (e.g. ethnic minorities, regions, citizens of other countries). TBC seeks to appoint women to managerial, executive and corporate board-level positions.
- ▶ **Diverse and gender-sensitive retention** – Retention is the action taken by employers to keep hard working employees in their organizations. It is a critical element of organizational approach in talent management, which is designed to enhance work place productivity by recognizing people with desired trait/skills to achieve the goals of the organization. Talent management programmes should be tailored to employees irrespective of age, ethnicity, gender and other differences. For example, gender sensitivity in retention process means to proactively recruit and appoint women to managerial, executive and corporate board-level positions. To accomplish these results successfully, companies are encouraged to establish family-friendly policies that fosters equal opportunities for mothers and non-mothers, which ultimately can help reduce the motherhood pay gap. Supporting parents in the workplace by establishing inclusive and comprehensive leave policies, encouraging the equal uptake of childcare, and providing flexible work arrangements for their re-entry are other measures that have contributed to gender equality results.
- ▶ **Family-friendly policies and parental leave** – TBC will encourage men to take advantage of parental leave to level the playing field between women and men employees, emplace policies on flexible working hours for female workers enforced during pregnancy or nursing of children under 12 months, also emplace policies on flexible working hours for men during their wives' delivery and nursing of children under 12 months and support women and men's access to child and dependent care through services, resources and information.
- ▶ **Closing gender pay gaps** – TBC is realizing that closing gender pay gaps helps to attract and retain staff, improving their performance and growth. Equal remuneration for men and women workers for work of equal

value refers to rates of remuneration established without discrimination based on sex"⁵. It includes ordinary, basic or minimum wage or salary and any additional emoluments whatsoever payable directly or indirectly, whether cash or in kind, by the employer to the worker and arising out of the worker's employment. As such, the term goes well beyond salary and includes, for example, bonuses, overtime payment and allowances. To determine if remuneration is equal, all elements of the payment package has to be taken into consideration. Equal remuneration for work of equal value is a principle aiming to achieve fairness in pay between women and men. It is different from "equal pay for equal work", as it seeks to address the fact that women and men tend to perform different jobs, often with different levels of pay. "When men and women perform work that is different in content, involving different responsibilities, requiring different skills or qualifications, and is performed under different conditions, but is overall of equal value, they should receive equal remuneration. This concept is critical to eliminating discrimination and promoting equality, since women and men often perform different jobs, under different conditions and even in different establishments. Women continue to be concentrated in a limited number of jobs, and jobs held predominantly by women tend to be undervalued"⁶. Also, a job evaluation system should be implemented that systematically and regularly evaluates the content of each job critical to understanding what makes roles comparable and how equal pay can be measured.

⁵ ILO, Equal Remuneration Convention (No. 100), 1951, Article 1.

⁶ ILO, Equal Remuneration Convention (No. 100), 1951, Article 1.

EMPLOYEE HEALTH, SAFETY AND WELL-BEING

Employee health, safety and well-being are outlined in various policies and documents of the company. Importantly, the organization's culture prioritizes flexibility and work-life balance through providing equal access to health insurance and promoting employees' well-being, improving productivity and supporting long-term retention. The stipulations of the Policy have to be considered in relation with those documents.

The Policy underpins the rights to safety and freedom from violence in the workplace. Preventing and responding to safety hazards and sexual harassment in the workplace is key to create a safe working environment, free from discrimination. Furthermore, mental wellbeing is one of the most important determinant of health. Therefore, wellbeing programs are on the rise and are increasingly included as part of company's benefit packages.

TBC is aware that the violence can occur beyond the workplace environment that impacts the well-being of a person negatively. In this regard, the Policy defined considers additional forms of violence, such as:

- ▶ **Domestic violence:** Domestic violence is the violation of constitutional rights and freedoms of one family member by another family member through neglect and/or physical, psychological, economic, sexual violence or coercion.
- ▶ **Violence against women:** Means any act of gender-based violence that results in, or is likely to result in, physical, sexual or psychological harm or suffering to women, including threats of such acts, coercion or arbitrary deprivation of liberty, whether occurring in public or in private life.
- ▶ **Gender-based violence (GBV):** An umbrella term for any harmful act that is perpetrated against a person's will and that is based on socially ascribed (gender) differences between females and males. The nature and extent of specific types of GBV vary across cultures, countries and regions. Examples include sexual violence, including sexual exploitation/abuse and forced prostitution, domestic violence, trafficking, forced/early marriage, harmful traditional practices such as female genital mutilation, honor killings and widow inheritance.

In order to advance the approach towards employee health, safety and well-being, TBC is pursuing to:

- ▶ Establish a policy targeting all forms of violence and harassment at work
- ▶ Develop an employee support services for survivors/victims of violence and harassment
- ▶ Ensure all workers, including part-time, short-term and contract workers, have equal access to health insurance, and opportunities that support mental well-being and quality time with family

7

EDUCATION, TRAINING, AND PROFESSIONAL DEVELOPMENT

8

TBC ensures equal access to and participation in all company-supported education and training programs.

Effective programs to support women's and men's professional advancement include education and training that is complemented by networking and mentoring programs. TBC seeks to establish a mentoring program and engage employees as mentors to create a strong inclusive culture. The established network should have a clear and meaningful agenda to make women's skills, talents and leadership visible. Furthermore, for women and men who temporarily leave the workforce following childbirth, mentoring and retraining has to be ensured for a successful transition back to work.

Training about the company's diversity, equality and inclusion policy and action plan, as well as awareness raising on sexual harassment, unconscious bias and other training should be included in the regular training plan of all employees.

Analyzing and comparing the participation of women and men in trainings and capacity development initiatives should be performed in order to identify whether there may be a need for specific, women-centered approach even though women and men have equal access in principle.

The policy states the need for developing an in-house professional development training system that is free from discrimination items, collects disaggregated data (e.g. sex, age, region etc.), encourages and supports female workers with children under 36 months to attend training programs.

As a priority, TBC will keep investing in training on new technologies for women employees to enter non-traditional jobs, to give them necessary qualifications and skills to take on new roles within the company.

As part of the acknowledgement for the staff, TBC will emplace the award and motivation schemes for female employees who have successfully participated in training and career development programs.

ENTERPRISE DEVELOPMENT, SUPPLY CHAIN AND MARKETING PRACTICES

9

The Policy defines that diversity, gender equality and inclusion should be supported not only internally but also in its external relations through supply chains, business relations and in company marketing materials.

TBC takes efforts to promote economic inclusion and women's empowerment principles to its business partners, contractors and suppliers.

TBC ensures that Environmental and social (E&S) risks are assessed for all commercial lending activities (SMEs and corporates); among topics, which are covered during the assessment, are human trafficking, forced labor and sexual exploitation. Detailed information is given in the Environmental Policy and Procedure.

TBC developed an Environmental and Social Risk Management Questionnaire in order to screen suppliers as by analyzing the risks in the supply chains, companies can detect and prevent risks of human rights abuses by supplier or partner companies.

The Policy stipulates to develop more tailored approaches towards green procurement initiatives, women-owned companies, social enterprises, startups or local (made in Georgia) business in order to set targets, where feasible. This can be achieved through different tools such as enacting procurement policies on sourcing from women-owned/women-led businesses as a percentage of corporate procurement strategies, creating a mechanism for preferentially selecting women-led and/or women-owned companies that employ more female employees, supporting social enterprises etc. While establishing gender-sensitive and other related solutions, quality, efficiency, cost savings or value for money should be considered, as well.

We are aware that gender and other stereotypes construct limitations and expectations that hold people back, divide society and damage brands; they present a serious obstacle to the achievement of real equality and feed into discrimination. Therefore, TBC is committed to remove harmful gender-based and other stereotypes from all media and advertising and

to systematically depict all people as empowered actors with progressive, intelligent, and multidimensional personalities. Doing so, e.g. TBC reviews marketing materials from a gender perspective – avoiding stereotypes and promoting gender equality.

Furthermore, The Policy stipulates to establish a standard for social and gender-sensitive marketing.

COMMUNITY INITIATIVES AND ADVOCACY

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Engaging with stakeholders and the communities in which the company operates to promote diversity, equality and inclusion - is another important way of economic empowerment.. By sharing the knowledge, skills and resources of the company with local organizations, cooperatives, schools or projects TBC contributes to sustainable development of the societies in which it operates.

TBC should develop an annual plan for community development programs that make valuable, effective and responsible contributions to diversity, gender equality, and inclusion.. The bank will provide professional development, networking and sponsorship opportunities for women and men with different backgrounds in the community and ensure that recruitment processes are inclusive of women and men of all backgrounds.

TBC is committed to set up recruitment programs and community-based career training opportunities for women and girls of different backgrounds to increase gender equality in traditionally male-dominated sectors such as ICT area, risk analytics etc.

In order to address the root causes of inequalities in the economy and support economic empowerment, safety and well-being of vulnerable groups, TBC builds partnerships with local and international, state and private, women-led and women-supporting, social and cultural organizations.

MEASUREMENT, REPORTING, INFORMATION DISCLOSURE AND COMMUNICATION

11

Transparency and accountability, as well as measuring and reporting mechanisms are crucial to monitor and track performance and progress.

At the TBC level, regular reporting to the Risk Committee, the Corporate Governance and Nomination Committee and the ESG and Ethics Committee has to be established.

At the Group Company level, the internal reporting system has to be established in line with a respective organizational structure. Every Group Company shall deliver respective gender-related and other data in support of the reporting processes at the TBC and TBC Bank level.

At the TBC Bank level, the ESG Committee adopts a communication strategy to ensure transparent integration, awareness raising and communication within and outside the organization. A system for regular internal reporting has to be established for the ESG Committee. The related indicators are attached hereby as annex 1.

Reporting system should be based on the following components:

► **Diversity and gender analysis** - An examination of how differences in age, origin, gender roles, activities, needs, opportunities and rights/entitlements affect men, women, girls and boys with different backgrounds in certain situations or contexts. E.g., gender analysis examines the relationships between females and males and their access to and control of resources and the constraints they face relative to each other. A diversity and gender analysis should be integrated into the sector assessments or situational analyses to ensure that injustices and inequalities are not exacerbated by humanitarian interventions and that when possible, greater equality and justice are promoted.

► **Disaggregated data by sex, age, region** - Data that is cross-classified by sex, age and region presenting information separately for men and women, boys and girls. When data is not disaggregated by sex, age, region or other relevant criteria, it is more difficult to identify real and potential inequalities. E.g. sex-disaggregated data is necessary for effective gender analysis as it

reflects roles, real situations, general conditions of women and men in every aspects of the society. The data collection process on diversity, gender equality and inclusion is essentially based on indicator / criteria set in the action plan to implement diversity, gender equality and inclusion. It is based on the company's statistics system with standard forms and methodology but also focusing on disaggregated data and gender related issues. All statistics tools should contain disaggregated data to promote gender equality in the company. The data analysis process should focus on the impact of the diversity, gender equality and inclusion activities. It should also focus on measures on corporate performance with regard to the changes in the ratio of female and male employees, employees in different age categories and other relevant criteria in the human resources structure at different levels and should indicate the reasons for these changes.

► **Gender parity** - A numerical concept concerning relative equality in terms of numbers and proportions of men and women, girls and boys. Gender parity addresses the ratio of female-to-male values (or males-to females, in certain cases) of a given indicator.

► **Gender gap** - Disproportionate difference between men and women and boys and girls, particularly as reflected in attainment of development goals, access to resources and levels of participation. A gender gap indicates gender inequality. Generating regular diagnostics of equal pay and measuring the pay gap is crucial to reaching this goal.

► **Diversity and gender indicators** - Criteria used to assess diversity- and gender-related changes in a condition and to measure progress over time toward diversity and gender equality. Indicators used can be quantitative (data, facts, numbers) and qualitative (opinions, feelings, perceptions, experiences).

In line with international best practices and regulatory requirements, TBC Bank shall prepare an annual report, which should be presented to the Supervisory Board for approval. Information about diversity, gender and inclusion mainstreaming activities, as well as other related data (both human resources and business performance indicators) shall be disclosed publicly, e.g. on the Group's web-sites. The information can be disclosed as stand-alone document or can be integrated into existing reporting systems.

11.1. EXTERNAL REPORTING AND COMMUNICATION

Diversity, gender equality and inclusion can be visible parts of TBC's external identity and self-portrayal that clearly emphasizes the importance of this issue for both the organization's personnel and their respective target group audience. Progress on promoting diversity, gender equality and inclusion should be communicated to all stakeholders. The communication could reveal evidence of the effectiveness of the implementation of good practice and could yield more effective activities and measures. Thus, it is necessary to communicate and sustain all results achieved through all possible channels such as meetings, public events, workshops and dialogues, as well as documents, notice boards and marketing materials.

TBC will ensure designing communication programs and displaying user-friendly communication products (e.g. leaflets, bulletins) to disseminate achievements on diversity, gender equality and inclusion.

TBC is committed to:

- ▶ address diversity, gender equality and inclusion as important parts of the organization's objectives
- ▶ highlight this commitment on the organization's website or in its publications
- ▶ review and adjust all of the organization's public relations activities to ensure the use of -sensitive language, including gender-sensitive approach, and to avoid stereotypes and unfounded assumptions of a given group's age, class, gender, or geographic, ethnic, racial, or religious characteristics in images and photos.
- ▶ deliver appropriate training to staff members who are responsible for public relations work and to distribute guidelines on sensitive language to all personnel at the organisation.

11.2. INTERNAL REPORTING AND COMMUNICATION

Responsible departments collect and monitor relevant indicators of the company's progress on diversity, equality, and inclusion, review this and related policies annually and provides information, advice, and assistance to managers and employees on diversity, equality, and inclusion matters.

Based on gender-responsive approaches and gender-sensitive data collection reporting on gender outcomes should be a component of all project-reporting processes.

TBC will regularly report on the impact of diversity, gender equality and inclusion policies, action plans and measures to improve accountability to commitments made and ensure progress and results. It will also collect reliable and measurable data to measure and report on progress achieved in promoting diversity, gender equality and inclusion. On an annual basis, TBC will conduct an analysis via Gender Gap Analysis Tool⁷ to assess their company's strategic approach to gender equality, identify gaps and opportunities for continuous improvement, benchmark against peers and industry standards, and set goals and targets.

To enhance diversity, inclusion and gender mainstreaming through internal communication, TBC is committed to:

- ▶ communicate the relevant tasks and demands to the staff involved
- ▶ communicate on the aims and planned activities
- ▶ create greater awareness and strengthening commitment
- ▶ use the channels and forms of communication customarily used within an organisation (formal channels, such as standing instructions, internal newsletters, team meetings, working sessions, speeches at the events).

TBC will conduct communication activities and disseminate information among company staff using all effective channels for internal communication.

⁷ Building on this Tool, the WE EMPOWER-G7 Program developed the WEPs Reporting and Monitoring Framework to guide signatories on measuring corporate progress on gender equality and women's empowerment in the workplace, marketplace and community

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RELATED POLICIES

This policy is supported by the following other policies and procedures:

- ▶ Human Rights Policy and Statement;
- ▶ Code of Conduct;
- ▶ Code of Ethics;
- ▶ Anti-Bribery Policy, Anti-Corruption and Anti-Facilitation of Tax Evasion Policy;
- ▶ Incident Response Policy (Whistleblowing Policy);
- ▶ Marketing Code
- ▶ Environmental Policy.
- ▶ HR policies and procedures

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CHANGES TO THIS POLICY

We keep this Policy under regular review. Historic versions (if any) can be obtained by contacting ESG Coordinator or Board Secretary (where necessary).

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DEFINITIONS

Staff: all employees, part-time and full-time workers, directors and members.

Group Companies: TBC Bank Group PLC, TBC Bank, and any company or legal entity, including branches and representative offices, of which TBC Bank Group PLC, directly or indirectly, owns more than 50% of the issued share capital, has 50% or more of the voting power at general meetings of shareholders, has the power to appoint or remove the majority of the member of the board of directors or equivalent governing body or cast the majority of votes at meetings of the board of directors or equivalent governing body.

TBC: TBC Bank Group PLC and its Group Companies.

TBC Bank: JSC TBC Bank

ESG: Environmental, Social, and Governance.

ESG Committee: Respective Committee established and governing ESG matters.

Board: Board of Directors of TBC Bank Group PLC.

Supervisory Board: Supervisory Board of Joint Stock Company TBC Bank