Diversity, Equality, and Inclusion Policy

Target audience:	Group Companies
Policy Owner (Responsible for the document)	JSC TBC Bank ESG Coordination Department
Units engaged in the implementation	JSC TBC Bank ESG Coordination Department CEOs/Management boards of Group Companies
Reviewed by	JSC TBC Bank Legal Department TBC Bank Group PLC Executive Committee
Approved by	TBC Bank Group PLC Board of Directors Arne Berggren Chairman of the TBC Bank Group PLC Board of Directors
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Replaces	N/A

In the event of any discrepancies between the English version of this Policy and a translated version, the English version shall prevail.

Version		Date
Current version	**3ʳᵈ**	20 September 2023
Previous versions		
Revision frequency	Annual/Ad Hoc	
Accessibility	Public	
Application and alteration	All Group Companies must adhere to this Policy in its entirety. If a Group Company wishes to adopt and modify its content, it may do so as long as the modifications do not contravene the intent of this Policy. Otherwise, any changes made require approval from TBC Bank Group PLC Board of Directors.	
Implementation	In order to implement this policy, Management adopts the relevant procedures / guidelines that should be established following the rules outlined by Subsidiary Governance Procedure.	
Definitions	Terms written in bold capital letters that have not been defined in this Policy will carry the same meanings as stated in the Glossary approved by TBC Bank Group PLC Board of Directors	

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1. SCOPE AND OBJECTIVES

1.1 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.

1.2 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.

1.3 The Diversity, Equality and Inclusion policy ("the **Policy**"), institutional structures and respective initiatives support **TBC'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 **TBC**, focusing on diverse areas including gender, multicultural, multigenerational and disability backgrounds.

1.4 Gender equality and the empowerment of women and girls are important dimensions of sustainability of **TBC** and its stakeholders – customers, **Employees**, suppliers, partners and society. The **Policy** supports **TBC**'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 **TBC**.

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

1.6 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.

1.7 This **Policy** is a guidance document, outlining strategic priorities and processes for integrating diversity, equality and inclusion perspectives throughout **TBC**. This **Policy** applies to the **Employees** of **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 detailed action plans. The action plan(s) are developed on an annual basis. The **Policy** shall be implemented in all **Group Companies**; the respective action plan(s) has to be agreed

1.8 Specific issues related to this policy are regulated by the DE&I Implementation guideline.

2. GUIDING PRINCIPLES

2.1 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 **Group** and fosters innovation and creativity, which improves performance. A diverse work environment enhances inclusivity and the feeling of belonging of our **Employees**.

2.2 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 **TBC** and ensuring that all **Employees** are educated about the resources available to them in support of their goals and success.

2.3 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.

2.4 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.

2.5 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 **Group** of the similarities and the differences of men and women, and the roles they play.

2.6 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.

2.7 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. 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.

2.8 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.

2.9 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.

2.10 Gender balance is a human resource issue calling for equal participation of women and men in all areas of work and in programs that **TBC** 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 programs and will enhance our capacity to better serve the entire population.

2.11 Diversity, gender-responsive and inclusion programming and policies are designed to intentionally employing respective considerations to affect the design, implementation and results of programs and policies. Programs and policies reflect realities and needs, in components such as site selection, project staff, content, monitoring, etc.

2.12 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 contribute 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.

3. TBC'S LEADERSHIP FOR DIVERSITY, GENDER EQUALITY AND INCLUSION

3.1 **TBC** establishes goals and targets to increase diversity, gender equality and inclusion in leadership roles on an 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.

3.2 **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.

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

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

4.   EQUAL TREATMENT

4.1   **TBC** strictly adheres to international and applicable domestic laws on human rights and freedoms and ensures equality before the applicable domestic 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.

4.2   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.

4.3   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.

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

➢   Direct discrimination
➢   Indirect discrimination
➢   Multiple discrimination
➢   Gender discrimination
➢   Sexual harassment

4.5   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:

➢   General stereotypes
➢   Social bias
➢   Gender-stereotyping
➢   Gender-based constraints
➢   Social roles
➢   Gender-roles
➢   Gender relations
➢   Gender blindness
➢   Social norms
➢   Gender norms

4.6   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
- ➢ Diverse and gender-sensitive retention
- ➢ Family-friendly policies and parental leave
- ➢ Closing gender pay gaps

5. EMPLOYEE HEALTH, SAFETY AND WELL-BEING

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

5.2 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 **Group's** benefit packages.

5.3 **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
- ➢ Violence against women
- ➢ Gender-based violence (GBV)

5.4 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

6. EDUCATION, TRAINING, AND PROFESSIONAL DEVELOPMENT

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

6.2 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.

6.3 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**.

6.4 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.

6.5 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.

6.6 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 **Group**.

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

7. ENTERPRISE DEVELOPMENT, SUPPLY CHAIN AND MARKETING PRACTICES

7.1 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.

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

7.3 **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 and Climate Change policy and procedure.

7.4 **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 suppliers or partner companies.

7.5 The **Policy** stipulates to develop more tailored approaches towards green procurement initiatives, women-owned companies, social enterprises, startups or local business in order to set targets, where feasible. This can be achieved though 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.

7.6 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.

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

8. COMMUNITY INITIATIVES AND ADVOCACY

8.1 Engaging with stakeholders and the communities in which the **Group** operates to promote diversity, equality and inclusion - is another important way of economic empowerment.

8.2 **TBC** should develop an annual plan for community development programs that make valuable, effective and responsible contributions to diversity, gender equality, and inclusion. **TBC** 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.

8.3 **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.

8.4 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.

9. MEASUREMENT, REPORTING, INFORMATION DISCLOSURE AND COMMUNICATION

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

9.2 At **TBC** level, regular reporting to the Risk Committee, the Corporate Governance and Nomination Committee and the **ESG and Ethics Committee** is ensured .

9.3 At the **Group Company** level, the internal reporting system is ensured 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 **TBC** level.

9.4 At the **Banks** 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 is ensured for the **ESG Committee**.

9.5 Reporting system should be based on the following components:

➢ Diversity and gender analysis
➢ Disaggregated data by sex, age, region
➢ Gender parity
➢ Gender gap
➢ Diversity and gender indicators

9.6 In line with international best practices and regulatory requirements, **Banks** 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 a stand-alone document or can be integrated into existing reporting systems.

9.7 External Reporting and Communication

9.7.1 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, noticeboards and marketing materials.

9.7.2 **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.

9.7.3 **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 **Employees** who are responsible for public relations work and distribute guidelines on sensitive language to all personnel at the organisation.

9.8 Internal Reporting and Communication

9.8.1 Responsible departments collect and monitor relevant indicators of the **Group 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.

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

9.8.3 **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 Tool[1] 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.

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

➢ communicate the relevant tasks and demands to the **Employees** 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).

9.8.5 **TBC** will conduct communication activities and disseminate information among **TBC Employees** using all effective channels for internal communication.

10. ROLES AND RESPONSIBILITIES

10.1 Roles and Responsibilities at **TBC** Level

Boards of Directors
The **Board of Directors** ensures the implementation of the **Policy**.

Board-level Committees

ESG and Ethics Committee supports the **Board of Directors** in the implementation of the **Policy** at **TBC** level. Other committees, as well, may have their responsibilities regarding this policy, according to their terms of reference.

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.

10.2 **Roles and Responsibilities at Banks Level**

Supervisory Board and Supervisory Board-level Committees of the Banks

The **Supervisory Board** and respective Supervisory Board-level committees supervise compliance of the **Management Board** of the **Banks** with this **Policy**.

The **ESG and Ethics Committee** assists the **Supervisory Board** in monitoring and evaluating compliance with this **Policy** by the **Management Board** of the **Banks**. Other committees, as well, may have their responsibilities regarding this policy, according to their terms of reference.

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

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[1] 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.

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 **Banks**. It is the responsibility of the **Management Board** to establish necessary committee(s) or organizational unit(s) and provide required resources.

The **Management Board** ensures that involved **Employees** are required to spend part of their working time on diversity, gender and inclusion mainstreaming in **Group 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.

Management Board-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 and comprises of members - mid-level management who are responsible for implementing the **Policy** in the areas of their responsibilities. Where such committee is not established, the **Management Board** should assign the responsibilities to other committee.

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 Employees** (**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 **Banks** 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. Where such function is not established, the **Management Board** should assign the responsibilities to other organizational unit(s).

Diversity and Gender Specialist – Dedicated specialist of the **Banks**, who coordinates diversity, gender- and inclusion-related action plans, the monitoring and evaluation of diversity, gender and inclusion-specific projects, initiatives and research. Where such position is not established, the **Management Board** should assign the responsibilities to other position(s).

10.3 **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.

11.   RELATED POLICIES

This **Policy** is supported by the following other policies and procedures:

- Human Rights Policy
- Code of Conduct and Ethics
- Anti-Financial Crime Policy
- Marketing Code
- Environmental and Climate Change Policy
- HR policies and procedures