



LION FINANCE  
GROUP

# Human Rights Policy

## HUMAN RIGHTS POLICY

### ADOPTED BY

The Board of Directors of Lion Finance Group PLC

### DATE OF ADOPTION

December 16th, 2022

### APPLIES TO

Lion Finance Group PLC and its Group Companies

### GROUP POLICY OWNER

ESG and Sustainability Direction, Legal Department

### REVIEWED BY

HR Department;  
Investor Relations Department;  
Marketing Department;  
Environment and Climate Risk Department.

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English, Georgian

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## DEFINITIONS

The below definitions apply to the terms used throughout the Policy.

### Basic Principles

#### Discrimination

The intended or accomplished distinction, exclusion or restriction of certain individuals based on gender identity, gender expression, race, skin colour, lineage, national or ethnic origin, sexual orientation, social status, religion, age, disability or any other individual trait, with the purpose or effect of preventing or hindering the recognition and/or exercise, on an equal basis, of nullifying or impairing the recognition of human rights and fundamental freedom in all spheres, including public, private, political, economic, cultural or civil.<sup>1</sup>

#### Diversity

This refers to a wide range of identities. Diversity broadly includes race, ethnicity, gender, age, national origin, religion, disability, sexual orientation, socioeconomic status, education, marital status, language, veteran status, physical appearance, etc. It also involves different ideas, perspectives and values.<sup>2</sup>

#### Diversity in the workplace

An effort to employ a diverse team of people that is reflective of the society in which it exists and operates.<sup>3</sup>

#### Equality

The right of diverse groups of people to have a similar social position and receive the same treatment,<sup>4</sup> ensuring that every individual has an equal opportunity to make the most of their lives and talents.

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<sup>1</sup>WEPs, "Understanding Intersectionality: Targeting All Forms of Discrimination in the World of Work"

<sup>2</sup>University of Washington, "Diversity, Equity and Inclusion Glossary"

<sup>3</sup>WEPs, "Understanding Intersectionality: Targeting All Forms of Discrimination in the World of Work"

<sup>4</sup>ibid

#### Equity

While equality focuses on providing all individuals and groups with the same starting point and treating all people the same, equity takes peoples' differing experiences, needs and abilities into account and works to ensure all individuals and groups of people are afforded the same finish line.<sup>5</sup>

#### Harassment

The use of comments or actions that can be perceived as offensive, embarrassing, humiliating, demeaning and unwelcome.<sup>6</sup>

#### Inclusion

An organisational effort in which diverse groups or individuals having diverse backgrounds are culturally and socially accepted, welcomed, and equally treated.<sup>7</sup>

#### Work environment

Anywhere employees of the Group are conducting business on behalf of the Group, including, but not limited to, in person, on the phone, virtually, or through email or other internet communications channels, as well as on premises of the Group and at company-sponsored/organised events.

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<sup>5</sup>ibid

<sup>6</sup>University of Washington, "Diversity, Equity and Inclusion Glossary"

<sup>7</sup>WEPs, "Understanding Intersectionality: Targeting All Forms of Discrimination in the World of Work"

## DEFINITIONS

### Group Entities

#### **Bank of Georgia**

JSC Bank of Georgia

#### **Board**

The Board of Directors of Lion Finance Group PLC.

#### **Employees**

Applies to the personnel of the Group companies hired under employment contracts and executive service agreements.

#### **ESI Committee**

Respective Committee established and governing environmental and social matters within the Bank of Georgia.

#### **The Group**

Lion Finance Group PLC and its Group Companies.

#### **Group Companies**

Means companies (a) whose affairs and policies Lion Finance Group PLC directly or indirectly controls or (b) as companies of which Lion Finance Group PLC owns directly or indirectly more than 50% of their capital, voting stock or other right of ownership. "Control", as used in this definition, means the power to direct the management and the policies of that company, whether through the ownership of share capital, by contract or otherwise.

#### **Human Rights and Ethics Committee**

Respective Committee established and governing human rights and ethics related matters within the Bank of Georgia.

### Legal Requirements and International Standards

The Group's work against discrimination and harassment of any kind is based on, but not limited to, the following relevant local legal requirements and internationally agreed upon standards:

- The UN's Universal Declaration of Human Rights
- The Charter of Fundamental Rights of the European Union
- ILO Fundamental Conventions as implemented into Georgian Legislation
- Convention on the Elimination of all forms of Discrimination against Women
- UN Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises
- UN Global Compact
- IFC Performance Standards

## ESG GOVERNANCE

Oversight of the majority of material ESG topics and related impacts on the economy, people, and the environment is allocated to specific Board Committees: the Risk, Audit, Nomination, and Remuneration Committees. While the Committees retain continued responsibility for discrete ESG-related matters, the full Board retains primary responsibility for the Group's overarching ESG strategy, which has been framed around material ESG topics.

The Board ensures the alignment of ESG strategy with the business strategy, receives updates on progress of the key pillars of the ESG strategy, and oversees the Group's overall communications strategy around ESG topics and impacts. The Full Board also retains primary responsibility for overseeing the management of climate risks and opportunities, and it oversees the management of other Environmental and Social risks and opportunities that may arise in the Bank's loan portfolio. Updates on material ESG topics are regularly reported to the full Board or respective Committees.

Management of ESG topics and implementation of ESG strategy are delegated to the Bank's Executive Management team. Discrete ESG matters are managed by individual members of Executive Management. A Management-level Environmental and Social Impact Committee (ESI Committee) has been established, comprising the Management Team and senior managers, including the Bank's CEO, CRO, COO, CFO, CLO, Head of HR, Chief Marketing Officer, Head of Investor Relations, and Head of Funding.

The Committee is responsible for managing the Bank's climate, environmental and social impacts, focusing on those arising from its lending activities. It holds overall responsibility for designing, implementing, and enhancing environmental, social and climate strategies and policies, and for setting and monitoring targets. The Committee intends to further embed Environmental and Social risk management in the Bank's daily operations.

## SCOPE & OBJECTIVES

Lion Finance Group PLC and its Group Companies (the "Group") are committed to conducting business responsibly and to integrating environmental, social and governance (ESG) criteria into its decision-making processes.

Our Human Rights Policy (the "Policy") describes the basis of our commitment to respect human rights and the approaches, processes and tools we apply to implement it in our relationships with our employees and when providing financial products and services for our broad range of clients. It is an intrinsic part of the Group's commitment to doing business justly.

The Group recognises that human rights concerns can arise not only in its own operations, but also via interactions with external parties. This is why we expect our business partners to recognise and uphold human rights.

We constantly pay attention to how our business activities may affect human rights and never engage in any activities or relationships when there is clear evidence of human rights violations.

Our ongoing aim is to be a bank that strives to develop and maintain diversity and inclusivity – for our employees, our customers, all of our stakeholders and society at large.

The Group respects internationally recognised human rights, does not condone any kind of bullying, harassment and discrimination, and is committed to developing an inclusive culture free from these behaviours. It is expected that both managers and employees will demonstrate an inclusive attitude and behave in such a way that builds and fosters an inclusive culture in the daily course of business.

This Policy sets the principles and guidelines for how the Group enhances human rights throughout the organisation and supports the Group in its efforts to become a better institution for our employees, customers and all other stakeholders.

The Policy applies to all employees of the Group, all functions, all units in the Group, and all subsidiaries once adopted by the management body and the board.

## INTRODUCTION

Human rights are universal. Every person around the world deserves to be treated with dignity and have their interests considered equally. It is an integral part of our values and beliefs that is at the core of all we aspire to do and is designed to ensure we conduct ourselves in a manner that is consistent with the highest ethical standards.

While governments have the primary responsibility of protecting individuals against human rights abuses, business entities have a responsibility to respect human rights, and can play a positive role in the communities where they operate. As one of the largest banks in Georgia, we are well-positioned to contribute to building societies, where human rights are valued and respected.

As a financial institution, the Group – through the financial products and services it provides and salaries and taxes that it pays – contributes to the economic and social development that is important to supporting the protection of human rights.

We have worked hard to em-

bed a respect for human rights across the Group – through the products we offer, in the way we make them, and in how we treat people. We plan to continue this journey.

We have a responsibility that goes beyond purely complying with the local laws. We believe businesses can help advance human rights by offering access to decent work, creating higher living standards, protecting people's rights and acting in a responsible manner.

We aim to continually improve our approach on human rights issues. A number of our core internal documents including the Code of Conduct and Ethics as well as our policies reflect our commitment to respect human rights.

In addition, we are guided by a wide range of international external standards and principles, including but not limited to the Universal Declaration of Human Rights, the ILO Fundamental Conventions, as implemented into Georgian legislation, the UN Guiding Principles on Business and Human Rights, OECD guidelines for Multinational Enterprises and IFC Performance Standards.

## HUMAN RIGHTS, ENVIRONMENT AND DOING BUSINESS

Financial institutions play an important role in the society by managing financial assets, providing credit and other financial services in ways that promote sustainable economic growth and prosperity.

We believe a healthy environment is integral to fully enjoying a wide range of human rights. A safe, clean, healthy and sustainable environment is essential to the full enjoyment of a wide range of human rights, including rights to life, health, food, water and sanitation. Without a healthy environment, we may not have access to even the minimum standards of human dignity.

Environmental and social risks are important aspects when deciding whether to engage with clients or potential clients, as well as deciding what to finance. As a financial institution, we believe our financing choices can help society transition to becoming more sustainable.

We want to ensure that our actions are compliant with regulations and limit any negative impact our business may have on the environment and society.

Bank of Georgia ensures that transactions are reviewed and evaluated against the following applicable environmental and social requirements:

- Bank of Georgia's Environmental and Social Risk Management System (ESMS);
- Bank of Georgia's E&S Exclusion List;
- Georgia's environmental, social, health and safety and labour laws and regulations;
- ILO Fundamental Conventions;
- Applicable international environmental, social and health and safety conventions to which Georgia is a signatory;
- IFC Performance Standards (PSs) and EBRD Performance Requirements (PRs);

## PRINCIPLES

### 1 Prohibition of Discrimination and Harassment

The Group is dedicated to upholding a safe, diverse, inclusive, productive, professional, collegial, secure and trustful work environment, free from any kind of discrimination, harassment or similar violations, in which all individuals are treated with respect and dignity.

Discrimination and harassment is not accepted by or towards the employees, customers, vendors, contractors or any other individuals who conduct business with the Group.

We want to ensure a safe and inclusive environment, regardless of the ethnic heritage, colour, national origin/ancestry, citizenship status, age, race, physical or mental abilities, gender identity or expression, sexual orientation, values, religion/spiritual practice, political and/or other views, military/veteran status, income, family status, pregnancy, maternity, paternity or caring responsibilities, education, geographic location or on any other grounds which intends to achieve or results in denial of or interference with equal opportunity or treatment in employment process and professional work environments.

Please also see our [Anti-Discrimination and Anti-Harassment Policy](#)

### 2 Diversity and Inclusion

The Group is committed to treating everyone with dignity and respect regardless of position or circumstance. We value the benefits of a diverse workforce and believe that a wide range of experiences, perspectives and cultural understandings within the organisation not only benefit us as a workforce, but also increase our market standing with potential and existing customers.

Please also see our [Diversity and Inclusion Policy](#)

### 3 Human Rights and Our Employees

We are focused on ensuring that our employees feel that employment, assignment, compensation, transfer, promotion, working conditions, terms of employment, termination of employment or retirement and training processes are fair, transparent and inclusive for all. We value and respect everyone's personal space and necessities at the workplace and do not condone any form of discrimination, harassment or inappropriate conduct.

Our approach in general is based on the ILO Fundamental Conventions as well as applicable domestic labour laws.

### 4 Freedom of Association and Collective Bargaining

The Group promotes freedom of association, the right to collective bargaining and the elimination of all forms of forced or compulsory labour.

The Group complies with all applicable laws, rules and regulations. Together with our employee representatives, the Group is willing to seek solutions that best align with the interests of employees. This includes adhering to all local statutory and regulatory requirements. We are open to maintaining a constructive dialogue with all our employee representatives and interacting in partnership and in a spirit of trust.

## PRINCIPLES

### 5 Employee Health, Well-Being and Safety

The well-being of our employees is an integral part of our culture. The Group prioritizes employee health, well-being and safety at the highest level. We provide equal access to health insurance and aim to help everyone in need of special care. We also have financial aid for newly married couples, as well as new parents. Within the Bank we also have our internal charity fund for special cases such as illness of family members of our employees and similar circumstances.

We outline the importance of work/life balance throughout the organization and strive to identify and assess the working conditions of our employees.

We have developed confidential and clear mechanisms to identify, examine and resolve workplace conflicts. We believe that emotionally and psychologically safe conditions ensure employees feel able to express their feelings, speak up and communicate openly.

In order to constantly ensure health and safety at work the Group has a modern prevention-oriented workplace protection system in place.

We are committed to being compliant with relevant health and safety legislations and requirements, providing a healthy and safe work environment, a positive health and safety culture and to effectively assess, manage and control the associated risks.

By strengthening the health and safety awareness and by providing direct and indirect access to medical care for our employees, the Group helps to reduce workplace accidents and job-related illnesses.

### 6 Forced Labour and Child Labour

The Group does not use child labour in its own business operations and has zero tolerance against forced or child labour in any aspect.

### 7 Modern Slavery and Human Trafficking

The Group has zero tolerance for modern slavery and human trafficking. We believe in doing business ethically, transparently and in full compliance with all applicable laws and regulations.

Even though we are a financial service provider and the risk of modern slavery and human trafficking at our own business operations is low, we recognise that our supply chain could potentially pose such risks.

We have processes in place in order to identify the parties in our supply chain that may pose a risk of modern slavery and human trafficking. The Group recognises that it needs to have appropriate processes in place to minimise the risk that our operations could be used in this manner. We have structured our contracts with suppliers accordingly, and aim to minimise the risks of such abuses.

### 8 Human Rights and Our Customers

We put our customers' best interests and needs in the centre of everything we do. We proactively check and make sure that full equity is always ensured when offering products.

Financial health and inclusion are important for the Group. We aim to protect our customers from human rights risks such as discrimination, financial distress, the misuse of their data and other internationally recognised human rights breaches.



## PRINCIPLES

### 9 Human Rights in Our Supply Chain

Human rights are vital to us and we expect the same from our suppliers and third parties. In the Group, human rights are taken into account in procurement decisions along with commercial aspects. We are always determined to assess the level of social and environmental risks associated with a supplier prior to our relationship.

Our vendors are expected to respect their employees' human rights, offer equal employment opportunities to all and to not tolerate discrimination or harassment. We expect that our vendor partners and their supply chains abide by all applicable local laws and regulations in the jurisdictions.

Please also see our [Supplier Code of Conduct](#)

### 10 Personal Data Protection

Individual employee data, as well as client data is regarded as highly sensitive data and therefore special care and security precautions are required when handling, processing, transferring, disclosing and/or sharing such data. Handling of such data is strictly in line with respective laws and national data protection provisions. Our Data Protection Officer and our data protection procedures ensure that everyone working with data complies with internal and external data protection regulations.

### 11 Human Rights Process

The Group seeks to prevent, mitigate or remediate adverse human rights impacts that are linked to our operations, activities and business relationships. Due diligence is carried out in order to help identify, assess, prevent and mitigate actual or potential adverse human rights risks and impacts.

### 12 Grievance Mechanisms and Reporting

The Group encourages all its stakeholders to contact the Group in case they have clear evidence of human rights abuses. Clients, employees and all other stakeholders can contact us or make complaints through several channels, including in branches, by phone, website, social media presences and by post.

The Group has a governance process – the Human Rights and Ethics Committee, as well as whistleblowing and grievance mechanisms in place to ensure that any violation of the Policy principles will be managed appropriately.

#### Contact Information

LION FINANCE GROUP PLC	29 Farm Street, London, W1J 5RL
TEL:	+44 (0) 203 178 4052
JSC BANK OF GEORGIA	29a Iuri Gagarini Street Tbilisi, Georgia
TEL:	(+995 32) 2 444 444
CUSTOMER CARE	customerservice@bog.ge
WHISTLEBLOWING	<a href="https://bankofgeorgia.ge/en/anonymous-contact">https://bankofgeorgia.ge/en/anonymous-contact</a>
WHISTLEBLOWING HOTLINE	*4004
SOCIAL MEDIA (FACEBOOK)	საქართველოს ბანკი / Bank of Georgia

Please also see our [Whistleblowing Policy](#)

## INTERNAL RULES

To ensure that the managers and employees of the Group fully understand the scope and responsibilities regarding human rights, we have internal rules in the workplace. These rules ensure compliance

with human rights, anti-discrimination legislation, and encourage and support a culture of equal opportunities, equal rights and fair treatment within the Group.

## RESPONSIBILITIES

It is everybody's responsibility to contribute to creating a culture where human rights are central. It is expected that all employees will behave in a way that is respectful of other colleagues.

It is expected that all managers and employees proactively counteract and stop any direct or indirect bullying, harassment or discrimination. According to the Group's internal regulations, breaches of this Policy may result in disciplinary action, up to and including dismissal. Personnel who fail to comply with this Policy may have their contract terminated or suspended, or be subject to other appropriate action.

Our Human Rights and Ethics Committee supervises and monitors the implementation process and compliance with the relevant human rights laws and regulations and ensures the Bank's consistency with the relevant internationally recognised human rights and anti-discriminatory practices. It also regularly assess the salient human rights risks, associated with the Bank's activities and verifies that these risks are properly identified, assessed, monitored and mitigated. The Committee takes all necessary steps to resolve the employee and customer complaints and grievances related to human rights violations.

## RELATED POLICIES

[Anti-Bribery and Anti-Corruption Policy](#)

[Code of Conduct and Ethics](#)

[Environmental Policy](#)

[Anti-Discrimination and Anti-Harassment Policy](#)

[Diversity and Inclusion Policy](#)

[Whistleblowing Policy](#)

[Supplier Code of Conduct](#)

## CHANGES TO THIS POLICY

We keep this Policy under regular review. Original/previous versions (if any) can be obtained by contacting ESG and Sustainability Direction (where necessary).

