

## ESG Reporting and Disclosure Template

Name of the Reporting Entity:

**PASHA Bank Georgia JSC**

Date:

**15.05.2022**

*This Template is complementary to NBG's Environmental, Social and Governance (ESG) Reporting and Disclosure Principles. The NBG ESG Principles and the corresponding template are mainly designed to assist commercial banks to disclose ESG related information in a relevant, useful, consistent and comparable manner. However, it also encourages other types of financial institutions, and non-financial sector entities, to disclose ESG-related information and to use the Principles and the template for their reference.*

*Please provide ESG related information regarding the entity's 1. Business Model, 2. Policies and Due Diligence, 3. Outcome 4. Risk and Management and fill out the form for KPIs on the corresponding sheets. The form should be filled out in accordance to the NBG's ESG Reporting and Disclosure Principles. Please note that the questions are non-exhaustive and are provided for general guidance. Once filled in, the template should be attached as an annex to a Pillar 3 annual report by the reporting entity when applicable. If a reporting entity is not subject to Pillar 3 requirements, an entity can directly submit the filled out template to the NBG. All the filled out templates will be published on the NBG's website. An entity should provide a report on ESG-related information at least once a year.*

*In case of questions, please contact: [Mariam.Kharaishvili@nbg.gov.ge](mailto:Mariam.Kharaishvili@nbg.gov.ge)*

## Disclosure on Business Model

Please provide ESG related information regarding the entity's business model below. The form should be filled out in accordance to the NBG's ESG Reporting and Disclosure Principles. Please note that the questions below are non-exhaustive and are provided for general guidance.

Questions	Answer	Additional Comments
Describe the impact of ESG risks and opportunities of the investment and lending portfolios on the entity's business model, strategy and financial planning.	<b>N/A</b>	
Describe whether and how the entity considers that its counterparties take ESG risks and opportunities into account.		
Describe how the entity incorporates the assessment of ESG risks and opportunities into relevant investment and lending strategies.		
Describe how the transition to a lower-carbon economy might affect relevant investment and lending strategies.		
Describe the ways in which the entity's business model can affect the environment and society both positively and negatively.		
Describe opportunities related to resource efficiency and cost savings, the adoption of low-emission/polluting energy sources, the development of new products and services, access to new markets, and building resilience along the value chain.		
Other relevant information		

### Disclosure on Policies and Due Diligence Processes

Please provide ESG related information regarding the entity's policies and due diligence processes below. The form should be filled out in accordance to the NBG's ESG Reporting and Disclosure Principles. Please note that the questions below are non-exhaustive and are provided for general guidance.

Questions	Answer	Additional Comments
Describe any entity policies related to ESG issues.	N/A	
Describe any ESG-related targets the entity has set as part of its policies.		
Describe the oversight of ESG governance by its executive officer(s), board committee or highest governing body.		
Describe how the entity encourages better disclosure and practices related to ESG-related risks to improve data availability. Also, any effort to increase the awareness of counterparties, and more generally of customers, of the relevance of ESG-related issues as part of their lending and investment processes.		
Describe how ESG-related issues are considered as drivers of value in the entity's investment decision process.		
Describe the entity's approach for incorporating ESG aspects into practices.		
Describe the entity's approach to due diligence (including project level) and any particular standards or guidelines the entity follows.	To organize and impement the events and projects, the Bank follows its internal procedures: "Public Relations Standard"; "PR and Other Events Procedure."	
Other relevant information	N/A	

**Disclosure on Outcomes**

Please provide ESG related information regarding the entity's outcomes below. The form should be filled out in accordance to the NBG's ESG Reporting and Disclosure Principles. Please note that the questions below are non-exhaustive and are provided for general guidance.

Questions	Answer	Additional Comments
Describe the outcomes of the entity's ESG policy, including the performance against the indicators used and targets set to manage ESG risks and opportunities.	N/A	
Describe the development trend of the amount of ESG-related assets against any relevant target set and the related risks over time.		
Other relevant information		

## Disclosure on Principal Risks and Management

Please provide ESG related information regarding the entity's principal ESG risks and how those risks are managed and mitigated. The form should be filled out in accordance to the NBG's ESG Reporting and Disclosure Principles. Please note that the questions below are non-exhaustive and are provided for general guidance.

Questions	Answer	Additional Comments
Describe the entity's processes for identifying and assessing ESG risks over the short, medium, and long term and disclose how the entity defines short, medium, and long term.	N/A	
Describe the principal ESG risks the entity has identified over the short, medium, and long term and any assumptions that have been made when identifying these risks.		
Describe processes for managing ESG risks and how the entity is managing the particular ESG risks that it has identified.		
Describe how processes for identifying, assessing, and managing ESG risks are integrated into the entity's overall risk management.		
Describe how the entity has assessed the exposure of financial assets and nonfinancial assets to ESG risks.		
Describe characterisation of the entity's ESG risks in the context of traditional industry risk categories such as credit risk, market risk and operational risk.		
Describe volume of the collateral highly exposed to ESG risks.		
Other relevant information		

Disclosure on KPIs				
Please provide ESG related information regarding the entity's principal ESG risks and how those risks are managed and mitigated. The form should be filled out in accordance to the <a href="#">SRI's ESG Reporting tool</a> .				
Disclosure Principles				
KPI	Unit of measure	Note	Answer	Comment
<b>Environmental</b>				
1	Volume of green loans issued during the reporting year (flow)	USD EUR	4,288,000 0	Considering PASISA Bank does not have a standard for determining "green" loans in the bank at this stage, "green" loans are those loans that were provided to renewable energy projects and / or projects initiated to reduce energy costs.
2	Share of green loans in the total loans issued during the reporting year	%	0%	
3	Total amount of green loans, outstanding as of end of reporting year	USD EUR	4,288,000 0	If the entity issues green loans in different currencies, please report them separately for different currencies.
4	Share of green loans in the total outstanding portfolio as of end of reporting year	%	4.17%	
5	Volume of green debt securities issued as of end of reporting year	USD	3,600,000	
6	Share of green investment securities in total amount of investment securities as of end of reporting year	%	3.39%	
7	Volume of green debt securities issued during the reporting year	currency of issuance	0	If the entity issues green debt securities in different currencies, please report them separately for different currencies.
8	Share of green debt securities in the total debt securities issued during the reporting year	%	0	
9	Total volume of green debt securities issued, outstanding as of end of reporting year	currency of issuance	0	If the entity issues green debt securities in different currencies, please report them separately for different currencies.
10	Percentage of loans undergoing ESG screening during the reporting year	%	0	
11	Percentage of loans that has been rejected based on ESG criteria during the reporting year	%	0	Percentage of those loans that have undergone ESG screening.
12	Share of non-performing green loans in the total green loans as of end of reporting year	%	0	Non-performing loans - the sum of substandard, doubtful and loss loans.
13	Does the entity use any of the following waste management policies:			
	Reducing:	Yes/No	Yes	Reducing - The company pursues a reduction policy in terms of low use of printing paper.
	Reusing:	Yes/No	Yes	Reusing - The company consumes cardboard materials made from recycled paper.
	Recycling:	Yes/No	Yes	Recycling - The company collects waste paper and donates it to the appropriate recycling company.
	Composting:	Yes/No	No	
	Other, please specify:		NA	
14	Does the entity initiate any environmentally friendly activities (for example, introduction of EVs, energy PVPs at local branches, better insulation for offices, etc.), please specify	Yes/No	Yes	From 2021, the number of vehicles with internal combustion engines on the bank's balance sheet has been reduced. 3 cars in 2020 (total bought in 2021) 3 cars. Priority is given to vehicles with hybrid engines. Half of the fleet currently in the name of the bank is hybrid vehicles.
15	Green GHG emissions (Scope 1, Scope 2 and Scope 3) for the reporting year	Metric: tons of CO2 equivalent		In 2021 we reduced the number of offices, closed 4 branches, accordingly reduced natural consumption. 3 offices in 2021 were 631,167 m3. Until 2018, we carried out the relevant electronic reporting in SAs. In the Ministry of Environment and Natural Resources Protection, such reporting has not been carried out since 2019. As a result of relevant communication, the Ministry informs us that we are exempted from submitting such reporting.
16	GHG emissions target, if any	Metric: tons of CO2 equivalent achieved vs % reduction from base year	NA	The amount of greenhouse gas emissions depends on the number of operations of the gas generators in the branches, which is in turn dependent on the uninterrupted supply of electricity from the state energy system.
<b>Social</b>				
17	Diversity in the workplace - percentage of female employees as of end of the reporting year	%	62%	
18	Diversity in the workplace - percentage of female in senior management as of end of the reporting year	%	0%	senior management - board of directors, executive board
19	Diversity in the workplace - percentage of female in middle management as of end of the reporting year	%	0%	middle management - department heads, heads of divisions
20	Diversity in the workplace - percentage of persons with disabilities employed as of end of the reporting year	%	0%	persons with disabilities
21	Diversity in the workplace - maturity of workforce as of end of reporting year	Age structure distribution - number of employees per age group	<20 - 2% 20-30 - 48% 30-40 - 34% 40-50 - 17% 50-60 - 2%	
22	Training & education - share of employees who have received the training during the reporting year	%	40%	
23	Training & education - average expenses on training per employee during the reporting year	GEL	1168.15	The cost of training for 2021 was GEL 140,090.77 (per 1000 GEL 137 employees of PASISA Bank benefited from the training and the average cost was 1,68.55 GEL).
24	Employee turnover rate	%	29.30%	annual turnover rate = 100*(number of employees who left) / (beginning + ending number of employees) / 2
25	Parental leave - total number of employees who have used parental leave during the reporting year	Days	11	
26	Parental leave - average length of parental leave during the reporting year	Days	123	
27	Customer privacy - total number of complaints received concerning breaches of customer privacy during the reporting year		2	Please, report separately for individuals and legal entities
28	Customer privacy - total number of classified leaks, thefts or losses of confidential data during the reporting year		0	individuals and legal entities
29	Customer satisfaction - share of total customers who reported being satisfied with the services during the reporting year	%	74%	
30	Human rights - Accessibility of facilities, documents and websites to people with disabilities		NA	Describe how the facilities, documents and websites are adapted to ensure their accessibility for employees, as well as for customers with disabilities
31	Human rights - Number of grievances about human rights reported during the reporting year		0	Please, report separately for individuals and legal entities
32	Share of social responsible loans in the total outstanding portfolio as of end of reporting year	%	0	We have not developed this explanation at this stage.
33	Volume of social responsible investment securities as of end of reporting year		0	
34	Share of social responsible investment securities in total amount of investment securities as of end of reporting year	%	0	
35	Workplace health and safety - does the entity have workplace health and safety policies and procedures? Please, provide details.	Yes/No	Yes	This may include emergency response training, first aid and fire safety training, good workplace culture, overtime practices, and healthy office buildings, etc.
<b>Governance</b>				
36	Expenses and fines on things, law suits related to anti-competitive behavior, anti-trust and monopoly practices during the reporting year	GEL	0	
37	Does the entity have the following policies in place:			
	Anti-bribery policy:	Yes/No	Yes	Yes
	Anti-corruption and anti-money laundering policy:	Yes/No	Yes	Yes
	Policy towards business integrity:	Yes/No	Yes	Yes
	Other, please specify:		Yes	Yes
38	Is there a designated officer/body responsible for overseeing environmental and social policies and practices?	Yes/No	Yes	The planning and implementation of CSR activities is coordinated by the Department of Marketing and Communications.
39	Does board oversee both the ESG strategy and policies?	Yes/No	NA	
40	Are there procedures for consultation between stakeholders and the board of directors (supervisory board) on environmental and social topics?	Yes/No	NA	