



## ENVIRONMENTAL AND SOCIAL POLICY

Georgia Healthcare Group Plc (“**GHG**”) recognises that the activities of GHG and its subsidiary undertakings (together, the “**Group**”) may impact the environment and the community in which it operates directly and indirectly, through the business of its clients.

The Group is committed to conducting its business in an environmentally, socially responsible and sustainable manner in order to reduce the environmental impact of its operations while at the same time improving social performance in order to enhance long term returns to its shareholders. In maintaining international best practice in environmental and social risk management, the Group is committed to ensuring that its clients and customers are also fulfilling their environmental and social responsibilities. With regard to our customers and the clients, the Group regards compliance with applicable environmental, health and safety and labour regulations and the use of sound environmental, health and safety, and labour practices as important factors in demonstrating effective corporate governance.

The Board of Directors of GHG has adopted this Environmental and Social Policy, which describes the Group’s commitment to sustainable finance as an integral component of responsible corporate governance and implementation of environmental and social risk management procedures (the “**Procedures**”) in connection with its commercial activities.

The Group undertakes to:

- ✓ recognise sustainable development as a corporate commitment, sound business management and an integral part of its pursuit of good corporate citizenship;
- ✓ be an environmentally responsible business by minimising the environmental impact of its operations and acting promptly to reduce or respond to incidents that endanger health, safety or the environment;
- ✓ conduct all activities in compliance with relevant environmental legislation and regulations in the countries in which the Group operates;
- ✓ provide a clean, safe and healthy workplace for employees, with appropriate training where necessary to ensure compliance and to communicate regularly with employees about the aims of, and their responsibilities under, the Environmental and Social Policy;
- ✓ conserve natural resources by improving the energy efficiency of buildings, reducing energy consumption and the level of harmful emissions, and reduce the consumption of materials by reusing and recycling where possible;
- ✓ require clients to adhere to environmental and social risk management procedures in order to fulfil their own environmental and social responsibilities, as described in detail below; and
- ✓ refrain from financing environmentally, socially sensitive or business activities, including but not limited to: activities involving forced or child labour; business relating to pornography or prostitution; production or trade in weapons and munitions; as well as the activities involving the production, use of or trade of hazardous substances.

## **Environmental and Social Risk Management Procedures**

In order to ensure that appropriate, risk-based, sector specific, environmental and social risk assessment is applied to its commercial activities, the Group has fully integrated international best practice Procedures into the risk management process in its major subsidiaries.

The objective of applying these Procedures is to focus upon the environmental and social issues associated with commercial activities (including without limitation commercial lending) and investments in order to maximise the opportunities for environmentally and socially responsible and sustainable economic development, and to minimise the Group's exposure to environmentally or socially derived financial, reputational and legal risks and liabilities associated with its financial transactions.

Implementation of the Procedures includes comprehensive consideration of the following:

***Transaction Categorisation and Qualification:*** When and if in the reasonable opinion of the relevant member of the Group environmental and/or social risk may exist, before or at the first discussion with the potential client and/or other counterparty, the relevant Group member will assess the relative level of environmental and social risk associated with the potential client's and/or other counterparty's business activities and consider whether the potential client's and/or other counterparty's business activity or proposed transaction is subject to any exclusions or restrictions, imposed by any applicable laws, regulations, contracts or otherwise.

***Evaluation and Control:*** Based on the level of environmental and social risk associated with the potential client's and/or other counterparty's business activities or proposed transaction, and the analysis of the potential client's and/or other counterparty's procedures and measures in place to mitigate such risk and when and if in the reasonable opinion of the relevant Group member environmental and/or social risk may exist, the relevant member of the Group will draft documentation with appropriate covenants to warrant compliance with relevant environmental, health and safety, labour regulations and standards as well as public disclosure standards. In addition, the Group (or the relevant member thereof) may consult industry specific guidance as well as seek the counsel and/or assistance of external advisors in connection with the drafting of relevant documentation and/or appropriate action plans.

***Monitoring and Reporting:*** The Group will regularly monitor the environmental and social risk associated with its activities, compliance by clients within the terms of their respective agreements, and will report such compliance as required or appropriate.

## **Public Awareness and Communication**

The Group is committed to communicating its Environmental and Social Policy publicly and will provide regular updates to shareholders via the Annual Report and Accounts on the progress of the Group's environmental performance. The Group will also conduct from time to time formal reviews of this Environmental and Social Policy in order to ensure that its policies and business actions promote the consideration of the environment and sustainable development.

## **Review of the Policy**

This policy will be reviewed annually by the Board which will assess the effectiveness of the policy.

Dated 22 September 2019