

HATTON NATIONAL BANK PLC

POLICY ON ENVIRONMENTAL, SOCIAL AND GOVERNANCE FACTORS

1. OVERVIEW

The Board of Directors of the Bank has adopted the Policy on Environmental, Social and Governance Factors (the "**Policy**") in conformity with the Listing Rules to serve as a framework to be followed by the Bank in ensuring that the corporate culture within the Bank is built around ESG in its business operations, decision-making processes and all its activities. This document sets forth a summary of the Policy.

Any capitalized term not specifically defined in this Summary will have the meaning therefor set forth in the Policy.

2. PURPOSE

The purpose of the Policy is to provide information of the Bank's ESG processes and procedures which focus on the non-financial performance indicators that address its approach towards responsible investment, sustainability, its impact on the larger society and the environment and other ethical governance considerations.

3. SCOPE

The Environmental and Social Policy, Sustainability Policy/Green Pledge and the E&S Manual, will supplement the provisions of the Policy and will take precedence over the Policy in the event of any inconsistency.

4. ENVIRONMENTAL FACTORS

4.1 The Bank is dedicated to reducing its emissions and carbon footprint through various strategies, including energy efficiency, renewable energy, waste reduction, sustainable procurement and carbon offsetting.

4.2 The Bank will actively work to reduce the environmental impact of its stakeholders by financing projects that meet sustainability criteria and offering sustainable investment options.

5. SUSTAINABLE BANKING

5.1 The Bank will ensure that all activities comply with sustainability standards established by project approving authorities and any other voluntary frameworks the Bank subscribes to.

- 5.2 The Bank will actively promote its sustainable finance strategy by regularly reviewing and developing new green finance products.

6. SOCIAL FACTORS

- 6.1 The Bank is committed to creating an inclusive workplace that values employees' unique talents by ensuring fair, industry-standard compensation, providing resources and training for efficiency, promoting a positive work environment and safeguarding employee health and safety, with appropriate healthcare benefits. The Bank will promote gender, age, and ethnic diversity to enhance decision-making and overall effectiveness.
- 6.2 The Bank will integrate social considerations into its procurement processes by collaborating with suppliers to promote better labor practices.
- 6.3 The Bank will make annual charitable donations as approved by the Board and will support marginalized communities through structured programs.
- 6.4 The Bank will treat personal data of external stakeholders confidentially in compliance with the Personal Data Protection Act No. 09 of 2022.

7. GOVERNANCE FACTORS

Robust programs will be established to prevent corruption and ensure legal compliance.

8. DISCLOSURES

- 8.1 The Bank will disclose its policies, procedures, and measures to reduce its carbon footprint and promote diversity in its Board and workforce in its annual report.
- 8.2 The Bank will adhere to relevant regulatory and voluntary reporting requirements, including IFRS S1 and S2 on sustainability and climate-related risks, GRI reporting, and any other applicable guidelines.
- 8.3 Employees, Shareholders, and investors are encouraged to raise concerns or suggestions regarding ESG policies with the Company Secretary. The Company Secretary will forward concerns to the Board, which will address them according to the Bank's internal policies.