

APPENDIX
to the Resolution of the Board
of JSCB "Uzpromstroybank"
No. 294
dated "06" November 2023

" APPROVED "
by the Resolution of the Supervisory
Board of
JSCB "Uzpromstroybank"
No. 2023/34
Dated 22 November 2023

"REGISTERED"
by the Methodology Directorate
of Legal Department
"15" December 2023
under No. 579

Environmental and Social Risk Management Policy
JSCB "Uzpromstroybank"
(new edition)

I. General provisions

1. This document (hereinafter referred to as the Policy) determines the environmental and social risks management policy of JSCB "Uzpromstroybank" (hereinafter referred to as the Bank) when carrying out lending and investment activities, as well as mandatory environmental and social requirements for projects financed and aimed at ensuring the sustainable development of the Bank's clients in the long term by managing these risks.

2. The policy aims to achieve the following goals:

reducing potential negative environmental and social impacts and increasing positive environmental and social impacts arising in the course of the Bank's lending and investment activities;

encouraging clients to conduct business in accordance with the requirements of national legislation in the field of environmental protection, labor relations, labor protection , safety and social aspects, as well as to apply international best practices in the field of environmental and social risk management.

3. This Policy is developed on the basis of the Laws of the Republic of Uzbekistan "On Nature Protection", "On Environmental Expertise", the Housing and Land Code of the Republic of Uzbekistan, the Regulations "On State Environmental Expertise" (reg. No: 541, dated September 07, 2020) , and also in accordance with the recommendations of international financial institutions in the field of environmental protection and social policy.

4. The provisions of this Policy apply if provided for in agreements concluded between the Bank and borrowers.

II. Obligations of the Bank

5. In its activities, the Bank voluntarily assumes the environmental and social obligations to promote the global values in the field of protection of human rights, a responsible approach to labor relations, environmental protection, in accordance with best practices, governing documents of International financial institutions (hereinafter

referred to as IFI) and the Global Sustainable Development Goals (hereinafter referred to as SDGs).

6. The administrative, legal and legislative documents of the Republic of Uzbekistan contain the following provisions defining the environmental obligations of banks:

The Bank does not participate in the implementation of investment projects that do not meet the requirements of environmental protection and environmental efficiency standards.

The Bank shall not allow funding and lending for the projects that do not have a positive conclusion from the state environmental assessment;

priority financing of investment projects aimed at increasing the efficiency of natural resource use, environmental protection and improving the environmental situation.

7. The Bank believes that the bank's interaction with other sectors of the economy and with consumers when issuing loans and implementation of investment activities, as well as their financial, investment and trade activities make an important contribution to sustainable development in accordance with the commitments made by the Republic of Uzbekistan within the framework of the UN Global Initiative "Sustainable Development Goals" (SDGs). The Bank, in accordance with its development strategy and this Policy, will contribute to the implementation of the Sustainable Development Goals in the areas of gender equality (SDG 5), clean water and sanitation (SDG 6), affordable and clean energy (SDG 7) and climate change (SDG 13).

8. The Bank undertakes to carry out environmental and social assessments of the activities of borrowers and financed projects in order to identify environmental and social risks and negative impacts, as well as timely planning and implementation of measures to prevent, minimize or timely compensate.

9. The Bank takes reasonable and economically feasible actions to reduce the concentration of its resources in projects and industries that could cause serious environmental damage and lead to serious social consequences, and will not finance certain types of activities included in the list of exceptions (the list of exceptions is specified in the Appendix "Procedure for managing environmental and social risks in JSCB Uzpromstroybank").

10. Understanding the complexity and diversity of environmental and social impacts and risks, the Bank applies social and environmental standards of IFIs (hereinafter referred to as SES) when financing complex projects that may have serious and irreversible negative consequences for the local population and natural biological diversity and ecosystem services, cultural heritage sites, and also during the implementation of which the resettlement of people will be required, or the implementation of which may threaten the life, health and safety of the population.

11. The Bank fulfills, on the basis of environmental and social risk management processes, obligations accepted and agreed upon with IFIs to finance activities and projects for the extraction, processing, transportation and storage of coal, including the production of thermal and electrical energy by burning coal.

12. In the field of labor relations and working conditions, the Bank undertakes to apply responsible labor practices in accordance with the requirements of the SES