



JOINT STOCK COMPANY
“FIRST UKRAINIAN INTERNATIONAL BANK”
(JSC “FUIB”)

Kyiv

APPROVED by
the Supervisory Board of JSC “FUIB”
Minutes No. 433 dated 19.12.2024


AGREED by
the Management Board of JSC “FUIB”
Minutes No. 1034 dated 03.12.2024
Chairman of the Management Board

_____ Serhii CHERNENKO


**Declaration on
Sustainable Development of JSC “FUIB”**

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1. INTRODUCTION

1.1. The global goal of JSC “FUIB” in the field of sustainable development is social development through voluntary contribution of business to the social, economic and environmental spheres related to the Bank’s activities and achievement of its strategic goals.

JSC “FUIB” promotes environmentally healthy and sustainable development of society. The Bank recognizes that environmental and social sustainability is the main aspect for achieving high performance in the future. Thus, projects that contribute to environmental and social sustainability are among the main priorities of the Bank's activities.

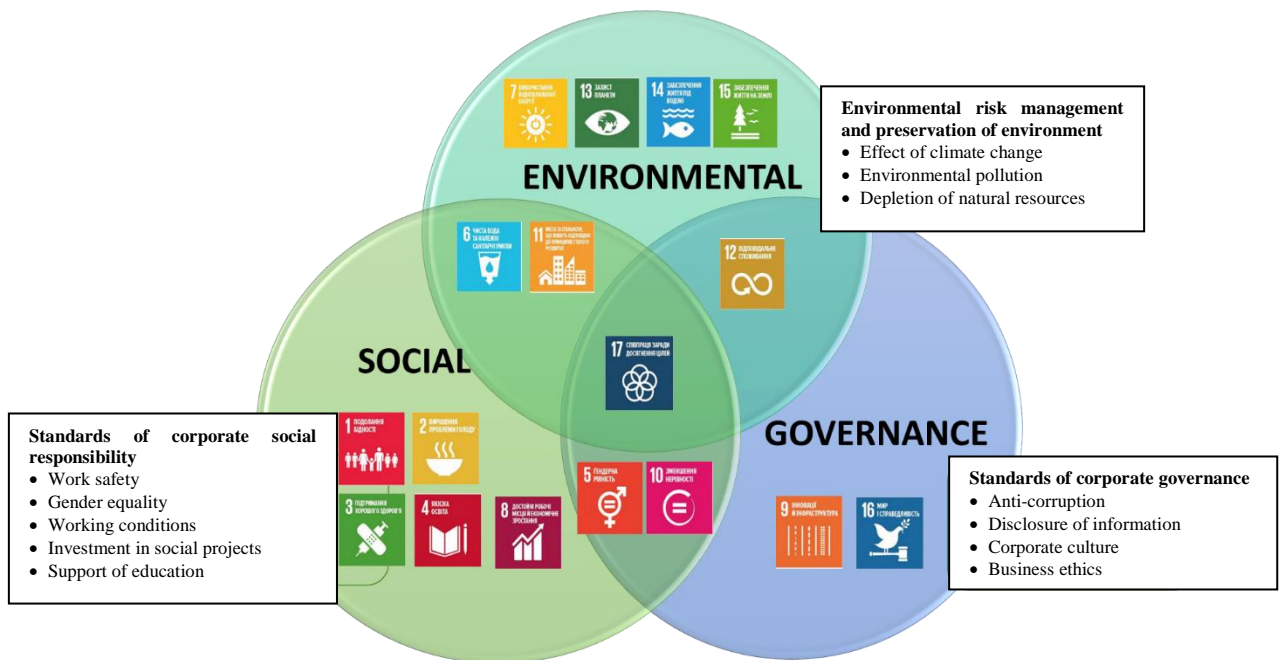
JSC “FUIB” strives to be a business that is fully aware of its responsibility to all interested parties and the Ukrainian society. The Bank takes a systematic approach to sustainable development issues. The Bank establishes common principles and approaches to activities in the field of sustainable development and adheres to these approaches in all aspects of its activities: strategic planning, project implementation, as well as at all levels of governance.

1.2. The Bank has acceded the UN Global Compact in April 2013. By its accession, the Bank declared its commitment to the principles of the UN Global Compact in the field of human rights, labour relations, environmental protection and the fight against corruption.

The Bank supports 17 principles of sustainable development and implements them in its activities by integrating these principles into three main components: environmental, social and governance (ESG), where:


- environmental component: potential or actual changes in the physical or natural environment (including environmental pollution, impact on biodiversity, carbon emissions, use of natural resources, climate change);
- social component: potential or actual effects that affect the population of the territories of their presence and, in particular, the workforce (including occupational health and safety, supply chains, diversity and inclusion, cooperation with stakeholders);
- governance component: structure and processes of corporate governance through which companies are managed and controlled (including structure and diversity of the composition of the Supervisory Board, ethical behaviour, risk management, information disclosure and transparency).

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Where:

1 goal	No poverty
2 goal	Zero hunger
3 goal	Good health and well-being
4 goal	Quality education
5 goal	Gender equality
6 goal	Clean water and sanitation
7 goal	Affordable and clean energy
8 goal	Decent work and economic growth
9 goal	Industry, innovation and infrastructure
10 goal	Reduced inequalities
11 goal	Sustainable cities and communities
12 goal	Responsible consumption and production
13 goal	Climate action
14 goal	Life below water
15 goal	Life on land
16 goal	Peace, justice and strong institutions
17 goal	Partnerships for the goals

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1.3. All the Bank's activities are based on:

- Current legislation of Ukraine;
- 17 goals of the UN Global Compact;
- The UN Universal Declaration of Human Rights;
- The International Labour Organization's Declaration on Basic Principles and Rights at Work;
- The UN Declaration on Environment and Development;
- OECD Anti-Bribery Convention;
- Constitution of Ukraine;
- Law of Ukraine “On prevention of corruption”;
- Key standards of social responsibility of business behaviour according to the international standard ISO 26000 “Guide to social responsibility”;
- Provisions of the international standard for interaction with stakeholders AA1000 SES;
- SCM Group's Sustainable Development Policy.

2. GOAL


The main goal of the Declaration on sustainable development of JSC “FUIB” (hereinafter referred to as the Declaration) is integration and implementation of ESG standards in the activities of the Bank and society as a whole according to the goals of the UN Global Compact.

The Declaration is a basic document that defines the principles and standards of sustainable development, systematic approach to integrating the principles of sustainable development and social responsibility of the Bank into relations with all **stakeholders**:

- Bank clients;
- Bank employees;
- residents of the regions where the Bank's business operates in Ukraine;
- suppliers and partners of the Bank;
- regulatory authorities;
- business community;
- investors and financial institutions;
- international organizations;
- public organizations;
- mass media.

The main tasks of the Bank in the field of sustainable development are:

1. Promoting the comprehensive development of the Bank as a sustainable business that is fully aware of its responsibility to all stakeholders.
2. Determining the main principles and directions of the Bank's activities in the field of sustainable development, approaches to their implementation, planning and reporting.

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3. Ensuring effective interaction between all subdivisions of the Bank during implementation of projects that are significant for business and society in all territories of the Bank's presence, cooperation with SCM group companies.

The Declaration complies with the UN Global Compact Principles and is based on the Bank's mission, vision, values and fundamental principles of the Bank's Code of corporate ethics.

3. SCOPE OF APPLICATION

This policy applies to all employees of the Bank, all processes, the entire organizational structure and management levels. The Declaration is posted on the official website for review by all interested parties.

4. TERMS, DEFINITIONS AND ABBREVIATIONS

Bank, FUIB – JOINT STOCK COMPANY “FIRST UKRAINIAN INTERNATIONAL BANK”, JSC “FUIB”

Stakeholders – legal entities and individuals who have a legitimate interest in the Bank's activities, depend on it and/or can influence it.

Sustainable development – long-term economic prosperity less dependent on the use of limited resources and exploitation of the natural environment, more socially inclusive and includes environmental, social, economic and governance aspects that are closely interrelated.


Responsible financing means establishment of basic principles regarding priority areas of financing projects that are credited by the Bank in view of environmental and social impacts.

Responsible consumption means introduction of environmental and social standards that will contribute to improving environmental and social indicators, minimizing the Bank's impact on the environment, improving the quality of working conditions and health of Bank employees.

5. STRATEGIC GOALS FOR SUSTAINABLE DEVELOPMENT

The Bank develops and implements a 5-year Sustainable Development Strategy aimed at meeting and achieving the Bank's Strategic Sustainable Development Goals:

- promoting the comprehensive development of the Bank as a sustainable business that is fully aware of its responsibility to all stakeholders (assesses the impact of its activities, products and services for the negative impact on the state and business, environment and society);
- complying with the Ukrainian legislation in the field of sustainable development;
- ensuring a unified approach to managing the environmental and social management system;
- preventing and minimizing negative environmental impact in terms of responsible consumption;
- ensuring open and transparent communication on sustainable development issues;
- cooperating with suppliers, customers, contractors and business partners to ensure that our environmental, human rights and anti-corruption standards are also their obligations.

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6. PRINCIPLES OF SUSTAINABLE DEVELOPMENT OF THE BANK

Act systematically. The concept of sustainable development is integrated into the business strategy and is considered when planning and implementing all the Bank's projects.

Work efficiently. We apply modern approaches to conduct of business, constantly improve processes and methods of business operations, effectively use resources and look for new opportunities for business development, minimizing the use of exhaustive resources.

Respect the interests of partners, customers, and society as a whole. We respect the interests of our partners, customers and society as a whole and build relationships with them based on the principles of decency, honesty, openness and mutual trust.

Ensure decent and safe working conditions. We recognize our employees as our most important asset, provide them with safe working conditions, a decent level of wages and social benefits.

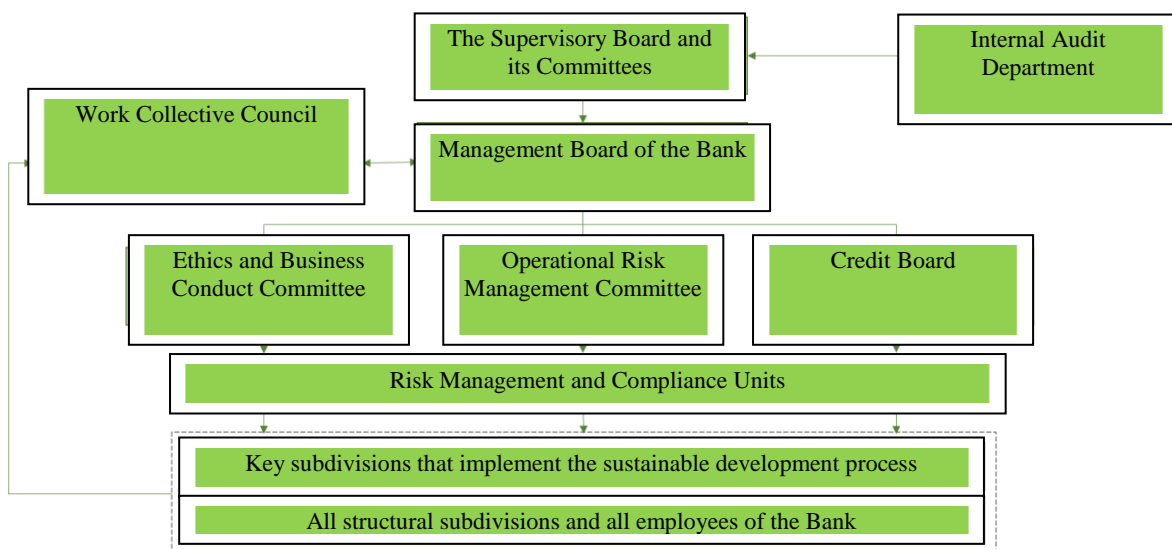
Respect human rights. We respect human rights and freedoms and do not accept discrimination.

Improve the quality of life in the regions where we operate. We are a responsible financial company that invests in improving the quality of life in the regions of our presence and contribute to the sustainable development of Ukraine.

Strive to prevent and reduce negative environmental impacts. We strive to constantly reduce our negative impact on the environment and implement responsible financing.


7. ORGANIZATIONAL STRUCTURE OF THE BANK'S SUSTAINABLE DEVELOPMENT

The Bank has introduced the following organizational structure for sustainable development:



The Bank's risk management and compliance units include:

- Corporate Risk Department
- Small Business Risk Management Department
- General Banking Risks Department
- Compliance Control Unit

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The Bank's key subdivisions include:

- Legal Department
- Marketing Department
- HR Department
- Bank's Activities Support Department
- Security Department
- Network Development and Bank Operation Department


Details of responsible persons in all areas of the Bank's sustainable development activities are provided in Appendix 1 hereto.

8. RESPONSIBLE PERSONS – BANK OFFICERS

The Bank's sustainable development activities are holistic.

The Bank identifies responsible persons for the following areas:

Principle		Definition	Execution by FUIB	Responsible person
Human Rights	Human rights	Human rights are the right to life and freedom, freedom from slavery and torture, freedom of opinion and expression, the right to work and education, etc. These rights should be enjoyed by all people without any discrimination.	Respect for human rights in the Bank's activities	CCO, Chief Compliance Officer
Labour Rights/ Decent Work	Labour Rights/ Decent Work	The system of interconnected legal norms regulating social and labour relations and those of the public organization of labour connected therewith regarding exercise of right to work and use of hired labour at enterprises of various forms of ownership, with a combination of socio-collective and personal interests of their subjects.	Compliance with the norms and principles of labour legislation in the Bank's activities	Deputy Chairman of the Management Board responsible for Personnel Management.
Environment	Environment	All living and inanimate objects that naturally exist on Earth or in some part of it (for example, <i>environment of the country</i>).	Responsible financing	CRO – Chief Risk Officer, Deputy Chairman of the Management Board for risk management
			Responsible consumption	Deputy Chairman of the Management Board who oversees work of operational hierarchy

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Anti-Corruption	Anti-corruption	Corruption means use by an official or persons working under contract agreements, which may be equated with employment contracts, of the official powers or related opportunities granted to them in order to obtain illegal benefits or accept such benefits or accept a promise/ offer of such benefits for themselves or others, or accordingly the promise/ offer or provision of illegal benefits to an official of the Bank, or at their request to other individuals or legal entities in order to persuade such person to illegally use the official powers or related opportunities provided to the person	Countering and preventing criminal use of official position	Deputy Chairman of the Management Board responsible for security issues
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9. IMPLEMENTATION OF SUSTAINABLE DEVELOPMENT PRINCIPLES (ESG STANDARDS) IN THE BANK'S ACTIVITIES

It is important for the Bank not only to achieve its planned business results and strategic goals, but also how these results have been achieved.

The Bank refrains from implementing any decisions, actions and projects that may directly or indirectly lead to violation of the current legislation of Ukraine or violate recognized principles of public morality and ethics.

The Bank does not implement or support political and religious projects of any form.

The Bank adheres to high standards of entrepreneurship. In addition, the Bank takes all possible measures to ensure that all those who act on its behalf and are connected with it by business or any other activity, adhere to the highest standards of business ethics.


The Bank promotes the principles of sustainable development among organizations in the territories of its presence, primarily among its partners and clients.

The Bank seeks to join its efforts with stakeholders, including local authorities, territorial communities, local self-government bodies, residents of the territories where it operates, international and public organizations through implementation of social projects.

9.1. THE BANK'S ACTIVITIES ON THE SOCIAL COMPONENT OF SUSTAINABLE DEVELOPMENT

9.1.1. The Bank adheres to the following **human rights, including, but not exclusively**:

- freedom of speech: any Bank employee may freely express their ideas or opinions without the risk of revenge and harassment;
- right to participate in cultural life: a set of constitutional rights and freedoms that provide opportunities for free intellectual development of a person (citizen) through access to the spiritual achievements of their people and all mankind, their assimilation, use and participation in their further development;
- right to water and sanitation: this is the principle that clean drinking water and sanitation are universal human rights because of their great importance for supporting the life of everyone;

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- digital security/ privacy: the right to personal privacy regarding storage, reprofiling, provision to third parties and display of information through Internet (remote means of communication);
- gender equality/women's rights: in the Bank, women and men have equal opportunities to obtain leadership positions, complete advanced training, complete any training, receive wages in the same positions, equal rights regarding maternity leave and child care;
- indigenous peoples' rights: indigenous peoples of Ukraine have the right to recover, use, develop and pass on to future generations their history, language, traditions, writing system and literature, restore and preserve objects of material and intangible cultural heritage;
- inclusivity in doing business and decent working conditions;
- rights of refugees/migrants and displaced persons: rights and freedoms as for other citizens of Ukraine.

The issue of respect for human rights is regulated by the Bank's internal documents, including the following:

- Code of Corporate Ethics of JSC “FUIB”;
- Operational Risk Management Policy at JSC “FUIB”;
- Information Security Policy;
- Policy on the mechanism for confidential notification of unacceptable behaviour, violations in the activities of JSC “FUIB”.

Activities

- The Bank supports zero tolerance for any manifestations of non-compliance with human rights;
- The Bank excludes situations of discrimination against a person on any basis;
- The Bank respects civil, political, economic, social and cultural human rights;
- The Bank has introduced for all employees **Trust line** – a channel for receiving information about corporate violations, which is administered by a special structural subdivision of SCM Group that provides services for receiving and transmitting messages about violations of the codes of corporate ethics of SCM Group companies;
- The Bank conducts regular anonymous surveys among the Bank's employees regarding staff satisfaction;
- The Bank conducts internal investigations into cases of violations of employees' rights.

9.1.2. The Bank adheres to the following standards of **labour law/ decent work**:

- freedom of association and effective recognition of the right to collective bargaining: respect the right of all employees to freely establish and unite groups to promote and protect their professional interests;
- absence of forced labour: prevention of work that is required of employees under the threat of any punishment and to which the employee did not voluntarily agree; exclusion of compulsion to commit or perform any actions that contradict the requirements of the law;

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- absence of child labour: refusal to involve children in work;
- non-discrimination in employment and profession: equal opportunities for all employees without discrimination on the basis of gender, ethnic and social origin, property status, place of residence, language or other grounds, as well as political, religious and other beliefs (including appointment to positions);
- safe and healthy working environment: decent material and technical support of workplaces, including cleaning, lighting and ventilation; availability of an appropriate level of labour protection;
- decent working conditions (wages, working hours): ensuring compliance with labour laws and providing decent wages.

Compliance with these standards is regulated by the Bank's following internal documents:

- Code of Corporate Ethics of JSC “FUIB”;
- Collective agreement of JSC “FUIB”;
- Policy on the operational risk management system at JSC “FUIB”.

Activities

- The Bank respects human rights in the world of work,
- The Bank ensures a decent attitude towards its employees and their social protection;
- The Bank provides medical insurance;
- The Bank takes care of the welfare of its employees (including provides financial assistance if necessary);
- The Bank creates safe, healthy and comfortable working conditions for its employees;
- The Bank is constantly improving its organizational structure;
- The Bank develops its corporate culture;
- The Bank conducts a social dialogue, supports volunteers (corporate and external) and volunteer activities;
- The Bank promotes involvement and efficiency of employees in their work, creates conditions for their self-fulfilment;
- The Bank organizes training and advanced training of employees;
- The Bank contributes to improving the standard of living of its employees through full-time employment;
- The Bank supports social projects in the field of education, culture, health and sports as well as security;
- The Bank supports social projects, carries out social investments in the sustainable development of Ukrainian society;

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- The Bank carries out charitable activities, provides free assistance to those who need it: vulnerable social groups, children's specialized institutions, medical specialized institutions, public organizations and charitable foundations, military units.

9.2. THE BANK'S ACTIVITIES ON THE ENVIRONMENTAL COMPONENT OF SUSTAINABLE DEVELOPMENT

The Bank adheres to the following principles in its activities:

- addressing the climate change;
- waste management;
- conservation of natural resources, conservation and rational use of oceans, seas and marine resources, lakes and rivers, careful treatment of forests/ biodiversity/ land use, minimization of air pollution and careful treatment of energy use and rational use of natural resources.

These principles are implemented by the Bank through responsible financing and responsible consumption, where:

1. Responsible financing means establishment of basic principles regarding the priority areas of financing projects that are credited by the Bank considering the environmental and social impact.

For the Bank, financing is responsible if it is accompanied by proper management of climate, environmental and social risks. The Bank introduces environmental (climate) and social risk management, which is a mandatory component of the Bank's Sustainable Development Policy. Climate risks include both managing the risks of switching to a low-carbon economy model and physical risks.

2. Responsible consumption means introduction of environmental and social standards that will contribute to improving environmental and social indicators, minimizing the Bank's impact on the environment, improving the quality of working conditions and health of Bank employees.

The Bank is aware of its responsibility for environmental impact through its business activities and assumes responsibility for controlling its own consumption and environmental impact.

Compliance with these principles is regulated by the Bank's following internal documents:

- Credit policy of JSC “FUIB” in corporate banking;
- Credit policy of JSC “FUIB” in small business;
- Operational risk management policy of JSC “FUIB”;
- Regulations on the occupational health and safety management system of JSC “FUIB”.

Activities

- The Bank finances projects related to renewable energy, energy efficiency, sustainable waste management, sustainable land use, conservation of biological diversity, resource efficiency, and environment-friendly transport;
- The Bank before implementing financial projects assesses environmental and social risks in accordance with the requirements of external financing programs;

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- The Bank keeps records of energy consumption, introduces advanced energy consumption and lighting technologies;
- The Bank is committed to paperless customer service and reducing paper purchases;
- The Bank considers development of digitalization in customer service as a priority;
- The Bank constantly improves the level of environmental culture of its employees and stakeholders in the field of rational use of natural resources, environmental protection and environmental safety;
- The Bank participates in “green” initiatives, including projects for cleaning and landscaping the territories of Ukraine;
- The Bank implements “Green Office” initiatives, including saving energy resources.

9.3. THE BANK'S ACTIVITIES ON THE GOVERNANCE COMPONENT OF SUSTAINABLE DEVELOPMENT

The Bank adheres to the following principles:


- honesty and scrupulosity in relations within the company;
- integrity in relations with clients and business partners;
- transparency and openness;
- zero tolerance for corruption;
- legality and the rule of law;
- zero tolerance for internal fraud.

Compliance with these principles is regulated by the Bank's following internal documents:

- Code of Corporate Ethics of JSC “FUIB”;
- Principles (code) of corporate governance of JSC “FUIB”;
- Anti-Corruption Program of JSC “FUIB”.

Activities

- the Bank has a Code of Corporate Ethics of JSC “FUIB”, which defines the core values and principles of business ethics that guide all employees of the Bank;
- the Bank has implemented a transparent system and a clear structure of corporate governance that meets the highest international standards and principles (Code) of corporate governance of JSC “FUIB”;
- The Bank participates in international initiatives in the fields of human rights, labour relations, environmental protection, and anti-corruption;
- The Bank adheres to its obligations in relations with stakeholders;
- The Bank identifies its stakeholders, detects their interests and expectations, as well as their impact on the Bank's current operations;


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- The Bank is open and transparent at all stages of interaction with stakeholders;
- The Bank tries to take into account the interests of stakeholders when formulating and implementing a business development strategy, as well as when planning and implementing activities in the field of sustainable development;
- The Bank adheres to fair marketing, informing and contracting practices;
- The Bank provides high-quality products and services;
- The Bank guarantees data protection and confidentiality of customer information;
- The Bank promotes financial literacy, awareness of products and services;
- The Bank adheres to the principle of fair competition;
- The Bank respects the right to ownership;
- The Bank promotes development of Ukrainian entrepreneurship.

10. KEY PRIORITIES FOR SUSTAINABLE DEVELOPMENT

The key priorities of sustainable development are:

- well-being and development of employees;
- quality of products and services;
- development of local communities (improving the level of financial literacy among the population, helping the younger generation choose a profession and find employment);
- development of the business environment in the territories of presence (advising and lending to legal entities for development of small and medium businesses, advising and lending to individuals to improve the living standards of the population, creating special offers for development of small business, supporting business and clients in difficult times);
- volunteering (promoting participation of the Bank employees in volunteer projects that have an environmental and social component and sponsorship of such projects by the Bank);
- compliance with norms and requirements as well as best international practices in the field of sustainable development;
- minimizing negative impact on the environment from its own business activities;
- effective management of environmental and social risks aimed at minimizing negative impact on the environment;
- evaluation and selection of projects for financing, taking into account their role for sustainable development (environmental impact, sustainability of economic activity and energy efficiency);
- increasing the level of competence and awareness of the role of employees in relation to their own impact on the environment;
- ensuring transparency and accessibility of information related to responsible financing that promotes an open dialogue with all stakeholders;
- increasing the level of interaction with third parties (contractors, agents, etc.) regarding compliance with the requirements of the legislation of Ukraine in terms of environmental and social responsibility.

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11. INTEGRATION OF PRINCIPLES INTO THE BANK'S GOVERNANCE SYSTEM

The concept of sustainable development is integrated into the Bank's business strategy and is considered in the strategic planning and implementation of the Bank's daily activities. Business units take into account the concept of sustainable development when developing their products and services.

The basic principles of sustainable development were created according to the Principles (Code) of corporate governance of JSC “FUIB”:

1. High standards of corporate culture and business ethics. Corporate governance is aimed at creating a healthy and effective corporate culture that helps enhance trust as well as create value for the Bank's shareholders and customers. Members of the Supervisory Board and the Management Board of the Bank demonstrate high standards of business conduct and ethics by their own example, contribute to strengthening the Bank's business reputation, strictly adhere to the legislation of Ukraine and internal regulatory documents of the Bank on conflict of interest, anti-corruption, use of confidential and insider information, etc., and demand the same responsible behaviour from the Bank's employees.

2. Compliance with corporate social responsibility. The Bank respects the rights and legitimate interests of stakeholders stipulated by the legislation of Ukraine, demonstrates responsible attitude towards products and services, customers, employees, partners, and promotes development of local communities.

3. Information transparency. The Bank promptly and regularly discloses complete and reliable information about its activities, including financial condition, economic indicators, significant transactions, ownership and management structure, corporate governance structure, etc.

Within the framework of the Bank's business processes, timeliness, reliability, confidentiality and authenticity of information are ensured through technological settings and organizational measures. The Bank has external and internal stakeholders:


For internal ones: timeliness, reliability, confidentiality and authenticity of information are ensured through established reporting processes to the Bank's Supervisory Board and the Management Board and stakeholders.

For external users: the information is posted according to the requirements of the legislation and internal standards for coordinating information posted on the Bank's website or provided to other external stakeholders.

4. Reputational risk management. Compliance with international standards of socially responsible business, expectations of society, local communities and stakeholders leads to minimizing reputational risks that affect business performance.

5. Partnership approach. The principles of sustainable development are implemented with the active interaction of representatives of various functions and management bodies within the Bank, as well as with the possibility of involving interested parties, including partners (clients and counterparties), competitors and regulatory authorities as partners for planning, implementing and evaluating social projects.

6. Openness and transparency. Openness and transparency are integral elements of dialogue with stakeholders. The Bank informs stakeholders about its financial and non-financial activities in various sources, the main of which are financial and non-financial (social) reports of the Bank, the official website, specialized internet platforms, press conferences and personal meetings.

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12. REPORTING

The Bank annually submits reports based on the main indicators (key risk indicators – KRI) of sustainable development based on ESG factors for all stakeholders. KRIs are developed and reviewed annually.

The Bank discloses information on sustainable development and corporate social responsibility in the annual report on the progress of sustainable development and posts information on the Bank's corporate website.

13. ROLES, POWERS AND RESPONSIBILITIES OF PARTICIPANTS

13.1. The Supervisory Board approves the concept and Declaration on sustainable development of JSC “FUIB”.

13.2. The Management Board is responsible for implementing ESG standards for sustainable development in the Bank's operations.

13.3. Key subdivisions of the Bank are responsible for implementing ESG standards for sustainable development in the Bank's social, environmental and governance-related activities.

13.4. All employees of the Bank adhere to the principles of sustainable development within the limits of their competencies and job descriptions.

14. MONITORING WITHIN FUIB'S INTERNAL CONTROL SYSTEM

According to the “Policy on Organization of the Internal Control System of JSC “FUIB”, the Bank has introduced a three-level monitoring process for implementation of ESG standards for sustainable development of the Bank:

Levels of internal control system	Controller	Highest controlling body
Self-monitoring/ ongoing monitoring	I level of control (line of defence) All structural subdivisions of the Bank Key divisions of sustainable development	Chairman of the Management Board and Deputy Chairmen of the Management Board in their areas of responsibility
Risk management and compliance control	II level of control (line of defence) General Banking Risks Department, Compliance Control Unit	CRO and CCO functionally subordinate and accountable to the Bank's Supervisory Board
Internal audit	III level of control (line of defence) Internal Audit Department	Supervisory Board of the Bank