BAYPORT

ENVIRONMENT, SOCIAL & GOVERNANCE (ESG) POLICY

BAYPORT SAVINGS AND LOANS PLC

Document Reference

Revision Record

Version	Date	Summary of Changes	Revision Author
1.0	October 2022	Establishment of *Internet Acceptable Use Policy*	Bayport Management Limited
1.1	October 2022	Customisation to Ghana Context	Head, Marketing and Communication AND ESG; Ag. Head, Risk & Assurance
1.2	March 2025	Update and Review	Head, Marketing and Communication and ESG

Distribution

Name	Title
All staff	Bayport Savings and Loans

Board Approval

Name	Position	Signature	Date
Francis Wood	Board Chairman		

1. Introduction

Bayport Savings and Loans PLC (Bayport) has adopted the Environment, Social & Governance (ESG) Policy ("This Policy") in line with the guidelines on sustainability banking principles issued by Bank of Ghana and further demonstrate our resolve to drive the economic growth in Ghana by providing responsible, inclusive and sustainable financial products.

a. This policy is hinged on three pillars which are seen as the most critical and actionable areas of influence within the Bayport business, including 1) our business 2) our customer and 3) our people. This Policy describes Bayport's commitment to sustainability, including mitigating environmental impacts, addressing relevant social issues and maintaining sound governance procedures.
b. This policy will inform Bayport's ESG efforts moving forward, which includes but not limited to reporting, disclosures (both material and non-material), business practices, strategies, procedures, board activities, stakeholder engagement, and investor relations.

2. Scope

This Policy will be applied to all activities within Bayport, subject to certain internal criteria as set out in the respective operations' Environmental and Social Management (ESM) programmes.

3. Purpose

To ensure that Bayport consistently operates in a responsible manner. This Policy promotes environmental, social and governance responsible conduct by integrating ESG management best practices and processes and outlining ESG related risks within our daily operations. This policy is aligned with our strategic goal of being recognized by our stakeholders as an engaged and responsible corporate citizen within our communities.

Bayport has adopted this ESG Policy with the aim to:

a) provide a framework for the setting of our ESG objectives and targets.
b) integrate environmental and social risks into its internal risk management frameworks.
c) provide tools to enhance our assessment of ESG risks and identify opportunities for transformation and value creation.
d) provide guidance on application of international environmental, social and governance standards within Bayport businesses environment.
e) implement sustainable practices, where feasible, through innovation and the sharing of best practices across the business.
f) trigger implications of incidents that can lead to negative environmental and social outcomes which can result into business continuity risk, reputational risk and a direct financial impact.
g) identify opportunities to enable us to promote environmental sustainability and equitable growth through our products and services.
h) recognise social impact and affirm our commitment to achieving long term sustainable outcomes, across our operations and in the communities in which we operate; and

i) provide an exclusion list to ensure that funds will not be used to finance any activity, production, use, distribution, business or trade listed on the schedule.

4. Principles

Our ESG policy supports our company values and contributes to achieving our strategic goal: building sustainable, equitable, healthy, and diverse communities through a combination of innovative business practises and exemplary ESG performance. Our commitments align with the United Nations (UN) Global Compact's 10 principles and support the achievement of the UN's 17 Sustainability Development Goals.

This commitment informs every aspect of our business, including how we design and build new projects, manage our operations, collaborate with stakeholders and report progress.

Underpinning our ESG efforts are the following principles:

a) **Balanced -** We balance economic success with environmental responsibility and the social upliftment of our people and our communities.
b) **Socially Aware -** We identify and address the environmental and social impacts of our business activities.
c) **Sustainable** - We prioritise business that enables financial inclusion and sustainable growth.
d) **Globally Relevant** - We endeavour to adhere to the letter and spirit of internationally recognised ESG principles and standards.
e) **Governed** - We ground our sustainability strategy in robust governance policies and leadership KPIs.

5. Objectives and Priorities

Our strategic ESG goal is embodied in our business approach and in the relationships, we have with our stakeholders. In addition to our responsible and sustainable approach, we have established three strategic priorities ("pillars"), that are our most important and actionable areas of influence, i.e. **our business, our customers and our people**, and associated targets, action plans and progress indicators. These priorities represent the direct impact of our commitment to contribute to a more sustainable and inclusive world.

6. Institutional Structure of the Bayport Environment, Social and Governance Management

	Responsibility
CEO	• Accountable for development and maintenance of Bayport's ESG strategy • Responsible for all ESG matters including the overall adoption and implementation of the ESG strategy in country.
Subsidiary Boards	• Oversee, review and assess, the ESG strategy implementation in their respective markets, ensuring the integration of ESG into the core business strategy

Executive Lead	• Demonstrate visible commitment to environmental and social sustainability, providing overall direction and support for the ESG strategy. • Contributes to the creation and achievement of goals, metrics, and targets to be included in the long-term ESG plan, in addition to monitoring the progress towards achieving such goals. • Support the development, implementation, and delivery of the ESG strategy. • Guide and monitor the effectiveness of the Opco's ESG management system (Policies, Process, Procedures and Guides).
ESG champion	• Operationalize the ESG strategy within their respective subsidiaries. • Coordinate and monitor the achievement of ESG targets in the context of objectives pursued.
Internal Auditors	• Conducting periodic audits to ensure adherence to the ESG and its related policies and procedures.
All Staff	• Adhere to ESG related policies and procedures in their day-to-day work. • Identify and report environmental and social improvement opportunities. • Participate in ESG training and promote a culture of sustainability.

7. Monitoring

Active participation and engagement at all levels of the business is of immense importance to ensure ownership of ESG by all employees. All employees will be provided with the necessary resources, equipment, information, instruction and training to fulfil the requirements of this policy.

The operation of this policy and any associated procedures will be monitored and reviewed on a regular basis by the board to ensure that they remain current and applicable to Bayport's activities, thereby demonstrating continuous improvement.

This policy has been endorsed by the board of directors, which gives its full support to its implementation.

8. Disclosure

Our ESG targets and data are fully integrated into our strategic planning process, and we review their progress to take corrective action if necessary.

Accountability and transparency are integral to the foundation on which we build trust with our stakeholders. We continually take significant steps to strengthen our reporting approach through ongoing stakeholder engagement and voluntary adherence to global non-financial reporting standards.

Therefore, our commitments, our quantified targets, and our progress are shared transparently with all our stakeholders through our ESG report that we disclose publicly every year.

Our report is prepared in accordance with the Global Reporting Initiative (GRI) Standards. We are aligned with other reporting requirements such as Sustainability Accounting Standards Board (SASB) and the United Nations Global Compact.

9. Amendment to Policy

This policy can be changed, modified, revised or can be rescinded completely by Bayport at any time with appropriate approvals.

10. Forms and Records

Related policies, procedures, guidelines, and resources that govern the content of the ESG core areas include:

BSL Environment and Social Management System
BSL Impact Measurement and Management System
BSL Anti-money laundering policy
BSL Anti-Bribery and corruption policy and framework
BSL Code of ethics and business conduct
BSL Environmental policy
BSL Fraud policy
BSL GHC policy standards
BSL Human rights policy
BSL Whistleblower policy
Bayport Compliance policy statement
Bayport Risk management policy

ANNEXURES - EXCLUSION LIST

Bayport commits to ensure that funds will not be used to finance any activity, production, use, distribution, business or trade involving:

1. Forced labour[1] or child labour[2]
2. Activities or materials deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international phase-outs or bans, such as:
   a) Ozone depleting substances, PCB's (Polychlorinated Biphenyls) and other specific,
   b) hazardous pharmaceuticals, pesticides/herbicides or chemicals.
   c) wildlife or products regulated under the Convention on International Trade in
   d) Endangered Species or Wild Fauna and Flora (CITES); or
   e) Unsustainable fishing methods (e.g., blast fishing and drift net fishing in the marine environment using nets in excess of 2.5 km in length).
3. Cross-border trade in waste and waste products, unless compliant with the Basel Convention and the underlying regulations.
4. Destruction[3] of High Conservation Value areas[4]
5. Radioactive materials[5] and unbounded asbestos fibres
6. Pornography and/or prostitution
7. Racist and/or anti-democratic media
8. In the event that any of the following products form a substantial part of a project's primary financed business activities[6]
   a) Alcoholic Beverages (except beer and wine).
   b) Tobacco.
   c) Weapons and munitions; or
   d) Gambling, casinos and equivalent enterprises
9. Coal prospection, exploration, mining or processing
10. Oil exploration or production
11. Standalone fossil gas exploration and/or production[7]
12. Transport and related infrastructure primarily[8] used for coal for power generation
13. Crude Oil Pipelines
14. Oil Refineries

[1] Forced labour means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty as defined by ILO conventions.

[2] Persons may only be employed if they are at least 14 years old, as defined in the ILO Fundamental Human Rights Conventions (Minimum Age Convention C138, Art. 2), unless local legislation specifies compulsory school attendance or the minimum age for working. In such cases the higher age shall apply.

[3] Destruction means the (1) elimination or severe diminution of the integrity of an area caused by a major, long-term change in land or water use or (2) modification of a habitat in such a way that the area's ability to maintain its role is lost.

[4] High Conservation Value (HCV) areas are defined as natural habitats where these values are considered to be of outstanding significance or critical importance (See http://www.hcvnetwork.org).

[5] This does not apply to the purchase of medical equipment, quality control (measurement) equipment or any other equipment where the radioactive source is understood to be trivial and/or adequately shielded.

[6] For companies, "substantial" means more than 10 % of their consolidated balance sheets or earnings. For financial institutions and investment funds, "substantial" means more than 10% of their underlying portfolio volumes.

[7] Gas extraction from limnically active lakes is excepted from this exclusion.

[8] " Primarily" means more than 50% of the infrastructure's handled tonnage

15. Construction of new or refurbishment of any existing coal-fired power plant (including dual)
16. Construction of new or refurbishment of any existing HFO-only or diesel-only power plant[9] producing energy for the public grid and leading to an increase of absolute CO2 emissions[10]
17. Any business with planned expansion of captive coal used for power and/or heat generation[11]
18. Businesses involved in the production, processing or distribution of illegal drugs.
19. Production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals. Hazardous chemicals include gasoline, kerosene, and other petroleum products.
20. Production or activities that impinge on the lands owned, or claimed under adjudication, by Indigenous Peoples, without full documented consent of such people.
21. Commercial logging operations for use in primary tropical moist forest.
22. Production or trade in wood or other forestry products other than from sustainably managed forests.

[9] For indirect equity through investment funds, investments (up to a maximum of 20% of the fund) in new or existing HFO-only or diesel-only power plants are allowed in countries that face challenges in terms of access to energy and under the condition that there is no economically and technically viable gas or renewable energy alternative.

[10] I.e., where energy efficiency measures do not compensate any capacity or load factor increase.

[11] This does not apply to coal used to initiate chemical reactions (e.g. metallurgical coal mixed with iron ore to produce iron and steel) or as an ingredient mixed with other materials, given the lack of feasible and commercially viable alternatives

BAYPORT SAVINGS AND LOANS PLC
(Company Registration No: PL000022016)

Extract from the Minutes of the Board Meeting held on Wednesday, 26th March, 2025 at the Company's Head Office premises, No. 22 Nii Nortei Street, West Airport - Accra

It is hereby resolved:

APPROVAL OF POLICIES

The Board upon recommendation by the Risk and Compliance Committee approved the following policies for implementation by Management:

i. Agent Management Policy -review
ii. Salary Advance Policy - review
iii. Leave Policy - review
iv. Disciplinary Policy - review
v. Recruitment Policy
vi. Performance Management Policy - review
vii. Separation Policy - review
viii. Credit Policy -review
ix. Outsourcing Materiality Assessment Framework - review,
x. Environment, Social and Governance Policy - review

FRANCIS ESEM WOOD
(CHAIRMAN)

DEHANDS SERVICES LTD

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(COMPANY SECRETARY)