

**Georgia/The National Bank of Georgia
Georgia Bank Resolution Readiness Project
(P171039)**

**ENVIRONMENTAL AND SOCIAL
COMMITMENT PLAN (ESCP)**

Draft for Appraisal

March 2026

ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. Georgia (the “Borrower”) will implement the Georgia Bank Resolution Readiness Project (the “Project”), with the involvement of the National Bank of Georgia (NBG), as set out in the Loan Agreement (the “Agreement”). The International Bank for Reconstruction and Development (the “Bank”) has agreed to provide financing for the Project, as set out in the Agreement.
2. The Borrower shall ensure that the Project is carried out in accordance with the Environmental and Social Standards (ESSs) and this Environmental and Social Commitment Plan (ESCP), in a manner acceptable to the Bank. The ESCP is a part of the Agreement. Unless otherwise defined in this ESCP, capitalized terms used in this ESCP have the meanings ascribed to them in the Agreement.
3. Without limitation to the foregoing, this ESCP sets out material measures and actions that the Borrower shall carry out or cause to be carried out, including, as applicable, their respective timeframes; institutional, staffing, training, monitoring and reporting arrangements; and grievance management. The ESCP also sets out the environmental and social (E&S) documents that shall be prepared or updated, consulted, disclosed and implemented under the Project, consistent with the ESSs, in form and substance acceptable to the Bank. Said E&S documents may be revised from time to time with prior written agreement by the Bank. As provided for under the referred Agreement, the Borrower shall ensure that there are sufficient funds available to cover the costs of implementing the ESCP.
4. As agreed by the Bank and the Borrower, this ESCP will be revised from time to time, if necessary, to reflect adaptive management of Project changes or unforeseen circumstances or in response to Project performance. In such circumstances, the Bank and the Borrower agree to update the ESCP to reflect these changes through an exchange of letters signed between the Bank and the Borrower’s Representative specified in the Agreement. The Borrower shall promptly disclose the updated ESCP.
5. The subsection on “Indicators for Implementation Readiness” below identifies the actions and measures to be monitored to assess Project readiness to begin implementation in accordance with this ESCP. Nevertheless, all actions and measures in this ESCP shall be implemented as set out in the “Timeframe” column below irrespective of whether they are listed in the referred subsection.

| MATERIAL MEASURES AND ACTIONS | | TIMEFRAME | RESPONSIBLE ENTITY |
|---|---|---|--------------------|
| IMPLEMENTATION ARRANGEMENTS AND CAPACITY SUPPORT | | | |
| A | <p>ORGANIZATIONAL STRUCTURE</p> <p>Assign a qualified staff member and resources within NBG to manage Environmental, Social, Health and Safety (E&S) risks and impacts of the Project, undertake ESCP implementation monitoring and reporting, and act as a liaison for ESHS aspects of the Project.</p> | Within 60 days from the Effective Date and thereafter maintain it throughout Project implementation. | NBG |
| B | <p>CAPACITY BUILDING PLAN/MEASURES</p> <p>Prepare and implement the following capacity building measures:</p> <ul style="list-style-type: none"> • Training of relevant NBG staff on E&S requirements of the Bank pertaining to the Project implementation, including the ESCP. • Awareness raising of relevant NBG staff and banks on handling inquiries, complaints and grievances related to the Project and the Grievance Redress Mechanism. | Starting within 60 days of the Effective Date and then annually throughout Project implementation. | NBG |
| MONITORING AND REPORTING | | | |
| C | <p>REGULAR REPORTING</p> <p>Prepare and submit to the Bank regular monitoring reports on the implementation of the ESCP. The reports shall include:</p> <ul style="list-style-type: none"> • Status of preparation and implementation of E&S documents required under the ESCP. • Summary of stakeholder engagement activities carried out as per action 10.5. • Complaints submitted to the grievance mechanism(s), the grievance log, and progress made in resolving them. • Number and status of resolution of incidents and accidents reported under action D below. | Semi-annually throughout Project implementation starting from the Effective Date and as part of the Project Reports. | NBG |
| D | <p>INCIDENTS AND ACCIDENTS</p> <p>Notify the Bank of any incident or accident relating to the project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including those resulting in death or significant injury to workers or the public; acts of violence, discrimination or protest; unforeseen impacts to cultural heritage or biodiversity resources; pollution of the environment; dam failure; forced or child labor; displacement without due process (forced eviction); allegations of sexual exploitation or abuse (SEA), or sexual harassment (SH); or disease outbreaks.</p> <p>Arrange for an appropriate review of the incident or accident to establish its immediate, underlying and root causes. Prepare, agree with the Bank, and implement a Corrective Action Plan that sets out the measures and actions to be taken to address the incident or accident and prevent its recurrence.</p> | <p>Notify the Bank no later than 24 hours after learning of the incident or accident.</p> <p>Provide review report and Corrective Action Plan to the Bank no later than 10 days following the submission of the initial notice, unless a different timeframe is agreed to in writing by the Bank.</p> | NBG |

| MATERIAL MEASURES AND ACTIONS | | TIMEFRAME | RESPONSIBLE ENTITY |
|---|---|--|--------------------|
| ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS | | | |
| 1.1 | <p>ENVIRONMENTAL AND SOCIAL ASSESSMENTS AND/OR PLANS</p> <p>Review the status of E&S compliance of the businesses at a failing bank, including the extent to which a failing bank has followed the Exclusion List during the resolution process and, in case of shortfalls, require the bridge bank or recommend the restructured bank to address any non-compliance with the applicable environmental and social laws and/or with the Exclusion List, in the process of bank resolution as part of bank restructuring plan or exit strategy of a bridge bank.</p> | Review status of compliance as part of the preparation of bank restructuring plan; and implement corrective actions during the implementation of bank restructuring plan. | NBG |
| 1.2 | <p>USE OF BORROWER'S ENVIRONMENTAL AND SOCIAL FRAMEWORK</p> <p>Ensure that the assessment and management of E&S risks and impacts of the Project are consistent with this ESCP and with the Borrower E&S framework, which includes, inter alia, the country's relevant policy, legal and institutional framework, including its national, departmental, or local implementing institutions, and the applicable laws, regulations, procedures, and implementation capacity.</p> <p>Promptly inform the Bank on any changes in the Borrower E&S framework that may materially adversely affect the Borrower's ability to manage the E&S risks and impacts of the Project in line with the ESSs and the immediate measures taken, or that are planned to be taken to address said changes and ensuing potential risks and impacts of the Project. If, in the opinion of the Bank, such changes adversely affect relevant E&S risk management aspects of the Project, the Borrower shall agree to implement measures and actions to address them in a manner acceptable to the Bank. The ESCP shall be updated to reflect such agreed actions.</p> | <p>Throughout Project implementation</p> <p>Notify the Bank immediately after taking notice of a change to the Borrower's E&S Framework. Subsequent actions, if requested by the Bank, shall be reflected in an updated ESCP, as indicated in paragraph 4 of the initial Section of this ESCP.</p> | NBG |
| ESS 2: LABOR AND WORKING CONDITIONS | | | |

| MATERIAL MEASURES AND ACTIONS | | TIMEFRAME | RESPONSIBLE ENTITY |
|---|---|--|--------------------|
| 2.1 | <p>LABOR MANAGEMENT PROCEDURES</p> <p>Ensure that the labor management and working conditions of Project workers are consistent with this ESCP and the Borrower's labor framework that includes, inter alia, country's relevant policy, legal and institutional framework comprising national, departmental, and local implementing institutions and the applicable laws, regulations, and procedures such as the Labor Code of Georgia (2025), Internal Regulations of the NBG (2024), its Code of Ethics (2018), and the Grievance Mechanism for Employees and the implementation capacity.</p> <p>Ensure that the Borrower's labor framework remains aligned with ESS2, and promptly inform the Bank of any changes that may affect the Borrower's ability to manage the labor risks and impacts of the Project in line with ESS2, and the immediate measures taken, or that are planned to be taken to address such changes and ensuing potential risks and impacts of the Project. If, in the opinion of the Bank, such changes adversely affect relevant E&S risk management aspects of the Project, the Borrower shall agree to implement measures and actions to address them in a manner acceptable to the Bank. The ESCP shall be updated to reflect such agreed actions.</p> <p>Where layoffs are expected, failing banks or bridge banks will follow the Labor Code of Georgia, including the provisions on non-discrimination, fairness, special protections, legal grounds for termination of labor relations, and an obligation of a notice in writing.</p> | <p>Throughout Project implementation.</p> <p>Notify the Bank immediately after taking notice of a change to the Borrower's E&S Framework. If requested by the Bank, reflect subsequent actions in the updated ESCP, as indicated in paragraph 4 of the initial Section of this ESCP.</p> | NBG |
| ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT | | | |
| 3.1 | Not currently relevant | | |
| ESS 4: COMMUNITY HEALTH AND SAFETY | | | |
| 4.1 | Not currently relevant | | |
| ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT | | | |
| 5.1 | Not currently relevant | | |
| ESS 6: ENVIRONMENTAL AND CLIMATE CHANGE | | | |
| 6.1 | Not currently relevant | | |
| ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES | | | |
| 7.1 | Not currently relevant | | |
| ESS 8: CULTURAL HERITAGE | | | |
| 8.1 | Not currently relevant | | |

| MATERIAL MEASURES AND ACTIONS | | TIMEFRAME | RESPONSIBLE ENTITY |
|--|--|---|--------------------|
| ESS 9: FINANCIAL INTERMEDIARIES [This standard is only relevant for Projects involving Financial Intermediaries (FIs).] | | | |
| 9.1 | Not currently relevant | | |
| ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE | | | |
| 10.1 | <p>REPORTING STAKEHOLDER ENGAGEMENT ACTIVITIES</p> <p>In a manner consistent with ESS 10, document and report the stakeholder engagement activities under the regular reports, as relevant, including: (i) stakeholder identification and/or mapping; (ii) information disclosed; (iii) description of consultations and participation mechanisms utilized, and records of meetings held; (iv) feedback received and responses to said feedback; and (iv) measures to engage stakeholders who, because of their particular circumstances, may be disadvantaged or vulnerable;</p> | Semi-annually throughout Project implementation. | NBG |
| 10.2 | <p>STAKEHOLDER CONSULTATIONS</p> <p>Consult stakeholders in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation</p> | Throughout Project implementation. | NBG |
| 10.3 | <p>COMMUNICATION STRATEGY</p> <p>Finalize and adopt the NBG resolution-communication strategy to include topics such governance, roles and decision trees, pre-cleared templates, and ready-to-use generic messages for different resolution scenarios that can be used for traditional media as well as social media to counter misinformation, ensure accessibility of vulnerable groups, and ensure consistent messaging across platforms.</p> | Within 360 days of the Effective Date of the Project, and throughout Project implementation. | NBG |
| 10.4 | <p>BANK COMMUNICATION PLAYBOOKS</p> <p>Require banks subject to resolution planning to submit and maintain actionable communication related inputs as part of the resolution planning framework, explaining key elements of how they would communicate in resolution to relevant stakeholder groups, including depositors, vulnerable groups, investors, staff, critical service providers, and media.</p> | Within 2 years from the Effective Date of the Project, and throughout Project implementation. | NBG |
| 10.5 | <p>STRENGTHEN THE NBG WEBSITE ON BANK RESOLUTION</p> <p>Provide stakeholders with information about the environmental and social risks and impacts of the Project in a timely, understandable, accessible and appropriate manner and format. To this end, update and expand the NBG’s public webpages on bank resolution to improve accessibility and transparency, including a clearly structured Frequently Asked Questions (FAQ) section.</p> | Within 180 days of the Effective Date of the Project, and throughout Project implementation. | NBG |

| MATERIAL MEASURES AND ACTIONS | | TIMEFRAME | RESPONSIBLE ENTITY |
|--|---|--|--------------------|
| 10.6 | <p>TARGETED SOCIAL-MEDIA OUTREACH</p> <p>Develop a light, proactive social-media approach to disseminate short explainer content and direct the public to official FAQ on bank resolution aimed at strengthening trust in depositor protection and crisis-management arrangements.</p> | Within 180 days of the Effective Date of the Project, and throughout Project implementation. | NBG |
| 10.7 | <p>PROJECT GRIEVANCE MECHANISM</p> <p>Maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances in relation to the Project, promptly and effectively, in a transparent manner that is culturally appropriate and readily accessible to all Project-affected parties, at no cost and without retribution, including concerns and grievances filed anonymously, in a manner consistent with ESS10.</p> | Throughout Project implementation. | NBG |
| INDICATORS FOR IMPLEMENTATION READINESS | | | |
| <p>The following actions are indicators for implementation readiness:</p> <ul style="list-style-type: none"> - Assign a qualified staff member within NBG to manage E&S risks and impacts of the Project. | | | |