



BALTIC INTERNATIONAL BANK ENVIRONMENTAL PROTECTION POLICY

1. Definitions and Interpretation

Bank means JSC "Baltic International Bank".

ESG refers to considering the environmental, social and governance issues. The ESG concept determines the respective model of organisation's behaviour and in particular focuses on:

- 1) environmental protection (contributing to reducing greenhouse gas emissions, preserving biodiversity, reducing environmental pollution, reducing carbon dioxide emissions, switching over to renewable energy),
- 2) social responsibility (in respect of employment, forced displacement of people from their locality or environment or occupational activities (for instance, in connection with inclusion of civilian areas into industrial zone), human rights, health and safety, financial services to low-income people and people with disabilities),
- 3) principles of good governance (implementing anti-corruption and anti-bribery policies, maintaining a good reputation, ensuring the effectiveness of corporate governance).

SPD means Bank's Strategic Planning Department.

ESG Commission means the commission implementing the ESG approach.

Management Board means Bank's Management Board.

Supervisory Board means Bank's Supervisory Board.

2. General Provisions

2.1. The primary objective of the Environmental Protection Policy is to ensure conformity with the principles laid down by the Environmental Protection Act [*Vides aizsardzības likums*] of the Republic of Latvia and the European Community Environmental Law. The principles require an efficient and sustainable use of natural resources, minimisation of negative environmental impacts, and the provision of the opportunity to live in clean and well-maintained environment.

2.2. Bank's „Environmental Protection Policy” (Policy) sets forth the fundamental principles of environmental protection which characterise Bank's commitment to environmental protection and taking action to protect the environment. The Policy has been drawn up with reference to Bank's operational strategy 2030 which envisages, among other things, the implementation of ESG approach in Bank's business. To foster the implementation of ESG approach, Bank has approved the ESG Implementation Guidelines and the Regulations for implementing ESG Approach.

2.3. Bank firmly believes that a responsible approach used in its business, along with a look to and care for the future, actually shapes the basis for sustainable development. Bank knows that environmental, social and governance (ESG) factors are important for business environment and for the community wherein Bank operates.



2.4. In accordance with Bank's strategy and ESG Implementation Guidelines, Bank focuses on the following priorities:

- conservation of natural resources (including saving of natural resources);
- keeping the environment clean (including prevention of air and water pollution; reduction of greenhouse gas emissions and carbon dioxide (CO₂) emissions; waste management or waste disposal; ensuring of human health and safety);
- energy efficiency (including the use of renewable energy).

2.5. This Policy becomes effective upon final approval by the Supervisory Board. This Policy supersedes the „Baltic International Bank Environmental Protection Policy“ approved by the Supervisory Board on 13 March 2015 (Minutes No 25-1/05/15).

3. The Fundamental Principles of Environmental Protection

3.1. Bank is committed and firmly intends to:

- incorporate sustainability into Bank's business practices and ensure environmental compliance (compliance with environmental law, regulations and standards);
- facilitate a more efficient use of natural resources and promote the use of eco-friendly technologies;
- integrate environmental factors into business decision-making;
- give preference to ecological and green-tech projects over others when financing investment projects;
- ensure efficient electricity use (cut electricity consumption) and enhance the energy performance of Bank's buildings;
- reduce paper consumption (going paperless) and promote the use of electronic documents;
- reduce the overall levels of waste generation; evaluate the reasons that create the waste; identify possible waste prevention solutions;
- foster waste sorting and recycling;
- reduce consumption of water;
- carry out a regular self-assessment of the principles of the Policy and report the results achieved to the senior management;
- keep track of changes in environmental laws, regulations and standards both at the national and EU-wide level; amend the Policy as appropriate to bring it in line with the regulatory updates;
- monitor and improve factors stemming from Bank's activities and affecting the environment;
- raise awareness of environmental protection among Bank's employees and increase their involvement in implementing the Policy;
- keep the community and stakeholders informed of environmental protection activities carried out by Bank;
- seek new innovative solutions that favour sustainable use of natural resources while being guided by green living philosophy;
- maintain an open dialogue with Bank's internal and external stakeholders, such as customers, supervisory authorities, investors, employees, suppliers, and the general public in order to promote green living as a lifestyle;
- ensure the involvement of the local community in environmental initiatives by encouraging and supporting environmentally friendly cultural and social projects.



4. Supervision Over Implementation of the Policy and Reporting of the Results

- 4.1. Bank includes activities and measures, which are geared towards implementing the Policy, into its overall plan for implementing ESG approach.
- 4.2. The SPD supervises the implementation of the plan and provides relevant information to the Management Board twice every year.
- 4.3. Once every year, the ESG Commission evaluates the actual results of implementing ESG approach and prepares the progress report to be submitted to the Management Board and the Supervisory Board.

5. Final Provisions

- 5.1. The SPD is responsible for revising and updating the Policy on a regular basis, but not less frequently than once every two years or when necessary, in the light of the changes in the applicable laws and regulations of the Republic of Latvia, Bank's business and strategy, and environment.
- 5.2. The Management Board is responsible for overseeing the adherence to the Policy.
- 5.3. The Supervisory Board supervises the implementation of the Policy.