



BASIC PRINCIPLES OF CORPORATE GOVERNANCE OF BALTIC INTERNATIONAL BANK

In its day-to-day activities, Baltic International Bank pays special attention to compliance with the principles of corporate governance building open and reliable communication with the Bank's customers, partners, employees, shareholders and other involved parties as well as ensuring compliance with the Latvian and international laws and ethical standards.

Baltic International Bank has defined action models in a number of corporate governance-related areas.

Taxes

In its daily operations, the Bank strictly adheres to the laws and tax policy of the Republic of Latvia. The Bank is open for cooperation and maintains a constructive dialogue with state institutions thus strengthening mutual trust and facilitating long-term relationships.

Abiding by the rules of openness and transparency, the Bank regularly publishes its financial statements and cooperates with external auditors to ensure independent control. The Bank's tax policy is implemented by the experienced specialists who keep track of changes in the national tax policy.

Anti-discrimination

The Bank does not discriminate and will not discriminate against people because of their age, disability, ethnicity, gender, race, political opinion, religion or sexual orientation. The Bank adheres to these anti-discrimination principles in all its activities, including when hiring and firing employees, in career planning, wage determination, and selection of volunteers and suppliers. The Bank as an employer supports equal opportunities and creates a working environment in which each employee feels well, and also takes immediate steps to prevent any open discriminatory cases.

Safety

The Bank takes care of the safety and health of its employees in the Bank's buildings and at their workplaces. Its objectives are:

- Continuous improvement of safety and health protection conditions;
- Prevention of injuries and other damages to the employees' health at work;
- Creation of a work culture where each employee works proactively to observe and improve safety and not to harm the health of colleagues, customers and partners;
- Implementation and compliance with the laws of the Republic of Latvia and the standards and regulations established by the Bank;
- Support of the culture facilitating reporting, analysis and effective management of safety and health issues.



To ensure a safe working environment, the Bank adheres to the principles as follows:

- The Bank conducts regular work environment audits and manages environmental risks at the workplace;
- Dangerous situations are identified, assessed and managed;
- Employees are trained and warned about the potential hazards and risks;
- The working environment is assessed, and the required control measures are implemented;
- Documentation on labor safety is provided and available;
- Communication on labor safety is ensured;
- Occupational safety risks are taken into account in any process and project;
- Incidents related to occupational safety are documented and investigated;
- Emergency action plans are written;
- Employees act in accordance with the occupational safety instructions and rules.

Child labour and forced labour

The Bank supports the legal and ethical practice of employment and adheres to the principles as follows:

- The Bank employs people whose age corresponds to the restriction established by the Labour Law of the Republic of Latvia and does not support child labour;
- The Bank does not support forced labour, i.e. work that is not carried out voluntarily or that is carried out as a result of threat or punishment;
- The Bank does not cooperate with the partners whose employment habits imply the use of child labour or forced labour.

Human rights

In its activities, the Bank respects human rights in accordance with the Universal Declaration of Human Rights of the United Nations. The Bank focuses on a number of human rights issues:

- Equal and humane treatment to all employees;
- Anti-discrimination;
- Respect for privacy;
- Freedom of thought;
- Freedom of speech;
- Freedom of association, incl. unions;
- Equal pay;
- Balancing of working time and rest, paid holidays/vacations;
- Support for parents with children;
- Educational support.

Anti-Corruption Position

The Bank pays special attention to creating and maintaining a good reputation as well as limiting and controlling the reputational risk. The Bank resolutely opposes corruption, and everything is done in the Bank's activity to prevent the possibility of promising, giving, requesting, receiving or accepting bribes.



The Bank does not allow situations where an employee who performs financial transactions or any other actions on behalf of the Bank, makes decisions within the framework of his or her duties or considers applications submitted to the Bank has any personal (direct or indirect) material or immaterial interest.

The Bank has developed the Conflicts of Interest Management Policy as well as the Code of Ethics defining the cases and actions when an employee may accept or give gifts to customers and business partners, be hospitable or make donations to them. By defining clear principles and establishing action plans for employees, the Bank prevents situations in which employees, customers and business partners can be compromised.

Suppliers

The Bank is an environmentally and socially responsible enterprise adhering to the sustainable use of natural resources thus reducing the negative impact on nature and enabling future generations to live in a clean and well-cared-for environment. Therefore, when making business decisions in the management of its financial resources and infrastructure, the Bank undertook to implement the ESG approach (Environment, Social, Governance). The implementation of the ESG approach means that the Bank takes care of preserving the environment, is a socially responsible enterprise with good management. The Bank gladly cooperates with partners who follow a similar approach.

The Bank adopted the Procurement Procedure which provides for the assessment of the position and actions of suppliers of large purchases in the field of environmental protection, social responsibility and good governance.