



Baltic International Bank

ENVIRONMENTAL PROTECTION POLICY

Table of Contents

1.	Organisational Properties of the Document.....	1
2.	Definitions and Interpretation	1
3.	General Provisions.....	2
4.	The Fundamental Principles of Environmental Protection	2
5.	Responsibilities, Implementation of the Policy, and Supervision	3
	Related Documents and Legal Framework	4

1. Organizational Properties of the Document

Version	With effect from:	Summary of amendments	Pages	Annexes
1.	05.11.2020	1. Format transformation: this Policy is presented in a different format ('Organizational Properties of the Document' has been added); 2. Bank has redrafted the Policy.	4	-

2. Definitions and Interpretation

For the purposes of this Policy:

Bank means Joint Baltic International Bank SE.

ESG Approach means Bank's long-term strategy that implies conformity to international standards. The ESG concept focuses on environmental protection, social responsibility, and adherence to and implementation of the principles of good governance.

ESG refers to considering the environmental, social and governance issues. The ESG concept determines the respective model of organisation's behaviour. Organisations committed to integrating ESG factors into their processes focus 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).

SBDD is Bank's Strategic and Business Development Department.

ESG Commission means the commission implementing the ESG approach.

Management Board means Bank's Management Board.

Supervisory Board means Bank's Supervisory Board.

PO/430/077/V01	Environmental Protection Policy	Effective Date: 05.11.2020, Riga	K4, P2, I2, V1	1/4
----------------	---------------------------------	----------------------------------	----------------	-----

3. General Provisions

3.1. The primary objective of the Environmental Protection Policy is to pursue efficient and sustainable use of natural resources and to foster, in accordance with the European Union's and the Republic of Latvia's environmental legislation, the minimisation of negative environmental impacts and the provision of the opportunity to live in clean and well-maintained environment.

3.2. This 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 the Environmental Protection Act [*Vides aizsardzības likums*] of the Republic of Latvia, and the Resolution 70/1, Transforming our World: the 2030 Agenda for Sustainable Development adopted by the United Nations General Assembly, and the *Social Charter of Banks* formulated by the Association of Latvian Commercial Banks (renamed Finance Latvia Association).

3.3. 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. This Policy resonates with the ESG approach.

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

- a) conservation of natural resources (including saving of natural resources);
- b) 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);
- c) energy efficiency (including the use of renewable energy).

4. The Fundamental Principles of Environmental Protection

4.1. Bank is committed and firmly intends to:

- incorporate sustainability into Bank's business practices and ensure environmental compliance (compliance with the national and international environmental law, regulations and standards);
- integrate environmental factors into business decision-making;
- give preference to ecological and green-tech projects over others when financing investment projects;
- facilitate a more efficient use of natural resources and promote the use of eco-friendly technologies;
- ensure efficient electricity use (cut electricity consumption) and enhance the energy performance of Bank's buildings;
- reduce consumption of water used by Bank for economic purposes;
- 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;
- monitor 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;
- seek new innovative solutions that favour efficient use of natural resources while being guided by sustainable development principles;
- 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 a lifestyle based on sustainability principles;

PO/430/077/V01	Environmental Protection Policy	Effective Date: 05.11.2020, Riga	K4, P2, I2, V1	2/4
----------------	---------------------------------	----------------------------------	----------------	-----

- ensure the involvement of the local community in environmental initiatives by encouraging and supporting environmentally friendly cultural and social projects.

5. Responsibilities, Implementation of the Policy, and Supervision

5.1. The Heads of Bank's departments and divisions must ensure that their subordinates strictly adhere to this Policy and are compliant with the Policy implementation requirements while performing their functions, tasks and essential job duties.

5.2. Bank is committed to comply with the guidelines set out in this Policy and implements the guidelines while adhering to Bank's internal regulatory and guidance documents governing specifically ESG issues.

5.3. **To determine and implement the necessary measures geared towards implementing the Policy:**

5.3.1. while providing services, Bank assesses the impact of its services on environment during the entire lifecycle of the services while identifying the regularly monitored parameters and variables (environmental performance), in quantitative and/or qualitative terms. Based on the changes in the regularly monitored parameters and variables, Bank revises and reset, once every year, its deliverables (target ratios) and is planning activities aimed at reducing environmental impacts, i.e. environmental performance of the services;

5.3.2. while carrying its economic activity, Bank:

- 1) focuses on solutions aimed at maximising energy efficiency savings and ensures saving of valuable resources by reducing consumption of water, energy and heat;
- 2) manages waste in accordance with the requirements of Bank's internal regulatory and guidance documents and the external legal instruments;
- 3) monitors relevant parameters and variables (in terms of consumption and quantity) and sets deliverables (target ratios);

5.3.3. while maintaining its internal and external communication, Bank places a particular focus on environmental awareness of its employees, customers and other stakeholders (environmental awareness is to understand the fragility of our environment and the importance of its protection). Bank promotes and encourages environmental awareness and informs the audience about its environmental protection measures.

5.4. Bank is planning and includes the activities and measures, which are geared towards implementing the Policy, into its yearly plan for implementing ESG approach (the Plan).

5.5. The SBDD supervises the implementation of the Plan and submits the progress report to the Management Board twice every year.

5.6. 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 to the Supervisory Board.

5.7. The Management Board is responsible for overseeing the adherence to and implementation of the Policy.

5.8. The Supervisory Board supervises the implementation of the Policy.

Related Documents and Legal Framework

Related documents:

- Bank's business strategy
- ESG Implementation Guidelines
- ESG Implementation Regulation

Legal Framework (external sources used):

- the Environmental Protection Act [*Vides aizsardzības likums*] of the Republic of Latvia
- the Resolution 70/1, Transforming our World: the 2030 Agenda for Sustainable Development adopted by the United Nations General Assembly
- the *Social Charter of Banks* formulated by the Association of Latvian Commercial Banks (renamed Finance Latvia Association).