



AS Citadele banka

DIVERSITY AND INCLUSION POLICY

EXTRACT FROM THE POLICY

INTRODUCTION

Purpose of document

Purpose of the Policy is to set key principles and commitments of the Bank on promoting diversity in the Supervisory Board, Management Board, senior management and throughout all staff levels of the Group with an aim to achieve a variety of views and experiences, facilitate independent opinions and sound decision-making as well as create safe and inclusive work environment for Group Employees.

Scope of validity

The Policy applies to all Employees, all functions, all units in (i) the Bank and its branches, and (ii) all Group entities, once it is approved by the competent body of such Group entity. For the avoidance of doubt, composition of the Supervisory Board and Management Board is subject to this Policy.

If required by applicable law, Group entities and Bank units located abroad develop their own diversity policy, which must be aligned with the Policy; deviations from the Policy are permitted only when required by mandatory provisions of the applicable law and be coordinated with the Bank's Human Resources Department.

Key principles

Aim of the Policy is to ensure equal opportunities and inclusion of all Employees of the Group as well as improve diversity at the Bank's management bodies. To achieve it, the Bank commits to the following objectives:

- Improve diversity at the Supervisory Board, Management Board and Senior Management;
- Ensure equal opportunities for staff without any discrimination;
- Facilitate and cultivate inclusive work environment and culture.

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Definitions

Bank – AS Citadele banka.

Diversity - situation whereby the characteristics of the members of the Supervisory Board, Management Board, and senior management, including their age, gender, geographical provenance and educational and professional background, are different to an extent that allows a variety of views within the body and/or group.

Employee – a person employed by the Bank or Group entity under an employment contract, as well as an official of the Bank and Group entity (such as a supervisory board member or management board member), acting on the basis of a contract or applicable law regulating performance respective function.

Gender pay gap - the difference between the average gross hourly earnings of men and women expressed as a percentage of the average gross hourly earnings of men.

Group – the Bank, all foreign branches, representative offices, direct and indirect subsidiaries of the Bank, which are subject to financial and capital market regulation.

Management Board – the Bank's Management Board.

Policy – this policy "Diversity and Inclusion Policy".

Senior Management – positions/staff which according to the applicable law and the Bank's Rules on Risk Taker Analysis are qualified as senior management and staff with managerial responsibilities.

Supervisory Board – the Bank's Supervisory Board.

Underrepresented gender - the less represented male or female gender.

DIVERSITY

The Bank aims to ensure that diversity of Group's Employees mirror the diversity of markets and communities in which the Group operates by ensuring equal opportunities and inclusive culture to all Employees of the Group, as required by the applicable laws and provided in this Policy.

In respect of the Supervisory Board and Management Board the Bank aims to:

- ensure diversity across at least characteristics of gender, age, educational and professional background, as well as geographical provenance;
- improve representation of underrepresented gender in the Boards so that by 2027 gender balance of members of each Board (i.e. Supervisory Board and Management Board) is at least 40/60%.

To achieve diversity objective and target as per above, the Bank shall, amongst other initiatives:

- Monitor and evaluate on regular basis diversity status and challenges of the Group, actively seek solutions to the identified challenges.
- When re-assessing individual or collective performance of the members of the Supervisory Board and Management Board, consider the degree to which their composition has met the objectives of the Policy.
- During Supervisory Board, Management Board and Senior Management succession planning and recruitment process seek to ensure equal opportunities and take into account diversity policies and targets.

- Seek alternative candidates if existing selection for filling Supervisory Board, Management Board or Senior Management position is overly homogeneous.
- Consider improving diversity of Board member and/or Senior Management staff member selection panels.
- Subject to availability of qualified candidates implement diversity policy and seek to improve gender balance in positions directly below the Supervisory Board, Management Board and other Senior Management positions with an aim to increase pool of suitable candidates for positions of the Management Board and Supervisory Board.
- Ensure equal opportunities, career prospects, inclusive work environment as well as encourage and provide mentoring for eligible underrepresented candidates to Senior Management positions, including Management Board level appointments.

Diversity objectives, initiatives and targets provided herein do not mean that the candidates to the Supervisory Board, Management Board and/or Senior Management staff member position should be appointed for the sole purpose of increasing diversity to the detriment of the functioning and suitability of the respective body collectively, or at the expense of the suitability of individual staff members. Final decision on appointment of the candidate shall always be based on his/her competence.

EQUAL OPPORTUNITIES

The Bank is committed to ensuring equal access to opportunities and similar terms and conditions of all members of same categories of staff throughout their career with the Bank/Group, including but not limited to, in respect of the recruitment and selection processes, equal pay for work of equal value, setting performance targets, performance evaluations, career development plans, training, active reintegration of staff after maternity or parental leave and anti-discrimination measures.

Bank/Group policies, in particular those related to remuneration, recruitment policies, career development and succession plans, access to training and ability to apply for internal vacancies, are gender neutral.

Group's Remuneration Policy provides in detail Group's undertakings to ensure gender-neutral remuneration policies, monitor development of gender pay gap for identified staff, documenting reasons for the gap (if occurred) and taking appropriate action to address it.

The Bank/Group aims to facilitate the reintegration of staff after parental leave by flexible working time, refresher courses and other personalised solutions according to the internal procedures.

INCLUSION

Bank is committed to creating and cultivating inclusive culture in which each Employee and staff member is respected and valued.

The Bank/Group does not tolerate any discrimination, harassment, bullying, exclusion, preference or other forms of different treatment based on gender, race, colour, ethnic or social origin, genetic features, religion or belief, membership of a national minority, property, birth, disability, age, or sexual orientation.

Code of Ethics of the Group provides minimum requirements for ethical conduct to be observed by all staff. Staff member who feels they have been subject to discrimination are encouraged to raise their concerns in accordance with internal grievances mechanisms and channels provided in the Code of Ethics so that corrective measures can be applied.

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