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Principles for
Responsible Banking

Responsible Banking Progress Statement for PRB Signatories



Summary

Citadele banka 2025

Principle 1: Alignment	Principle 2: Impact & Target Setting	Principle 3: Clients & Customers
<p>Content</p> <p>Citadele integrates sustainability into its business strategy, aligning with the UN SDGs (priority: 3, 7, 8, 9, 13), the Paris Agreement, EU frameworks (CSRD, ESRS, EU Taxonomy), EBRD Environmental and Social Policy, and national climate targets across the Baltics. The long-term ambition is net-zero financed emissions by 2050.</p> <p>Key changes in 2025: first Transition Plan (Version 1) approved, setting a phased approach to portfolio decarbonisation; green financing reached EUR 176.2m (11% of new lending, +72% YoY); structured client engagement launched on ESG data and transition readiness.</p>	<p>Content</p> <p><u>Impact areas.</u> Two priority areas identified through the UNEP FI Portfolio Impact Analysis Tool (~90% of operating income) and 2025 Double Materiality Assessment: (1) climate stability and (2) availability, accessibility, affordability and quality of resources & services.</p> <p><u>Targets and progress.</u> Climate: net-zero by 2050; sector-specific 2030 monitoring targets for residential/commercial real estate, transport, energy, and agriculture, benchmarked against SBTi 1.5°C, EU, and national pathways. Financed emissions: 1,626,502 tCO₂e across six PCAF asset classes (lending portfolio stable YoY, -0.2%). Green financing: EUR 176.2m (target 100m). Accessibility: system availability 99.97% (target ≥99.9%); NPS retail LV/LT 39%/38% (target >35%). SFDR Article 8: achieved.</p> <p><u>Transition plan.</u> Phase 1 (2026–2027): data improvement, methodology, emission monitoring. Phase 2: expected to introduce quantitative targets where data and market conditions allow. Key milestones: monitoring targets integrated into Risk Appetite Framework (Q1 2026); semi-annual emission monitoring; targeted client engagement.</p>	<p>Content</p> <p>412,400 active clients across the Baltics (87% digital). Impacts managed across climate stability (green/transition financing) and accessibility of financial services (inclusive digital banking, responsible lending).</p> <p><u>Products and policies.</u> Green vehicle leasing, green mortgages, corporate green loans, renovation loans, Home Energy Efficiency Loan (new 2025). EUR 176.2m disbursed (target 100m). Governed by Green Lending Framework, ESG Policy, and EBRD-based exclusion list. NPS-tracked satisfaction; WCAG-compliant channels and plain language communications.</p> <p><u>Engagement.</u> ESG advisory service launched for priority clients; ESG questionnaires distributed to top clients across six high climate-impact sectors; cross-Baltic ESG Client Questionnaire initiative. Stakeholder engagement framework established under Transition Plan (customer, industry, internal, investor pillars). Sector-specific engagement policies planned from 2026.</p>
<p>Links & references: Annual Report 2025 - Sustainability Strategy: pp.22–23; Governance: pp.19–20; Transition Plan: pp.37–38; ESG policies: pp.41–42</p>	<p>Links & references: Annual Report 2025 - DMA; IRO Management: pp.27–32; Targets and GHG emissions: pp. 43–47; Availability and accessibility: pp. 98, 103–104</p>	<p>Links & references: Annual Report 2025 - Green lending: p.39; Client engagement & Transition Plan: pp.42–44; Consumers and end users: pp.98–104; Responsible lending and fair treatment: pp.99–10</p>

Principle 4: Stakeholders	Principle 5: Governance & Culture	Principle 6: Transparency & Accountability
<p>Content</p> <p><u>Key stakeholders:</u> customers, employees, investors, regulators, rating agencies, and broader society (media, NGOs, educational institutions). Stakeholder perspectives are integrated through the Double Materiality Assessment (employee surveys, customer NPS, management input, peer analysis) and ongoing feedback channels (NPS monitoring, post-interaction ratings, mystery shopper evaluations).</p> <p><u>Policy advocacy and partnerships.</u> Active participation in Baltic banking association sustainability working groups and the cross-Baltic ESG Client Questionnaire initiative to standardise ESG data collection across the region.</p> <p><u>Key 2025 change:</u> structured client engagement process launched to raise awareness of transition and physical climate risks, improve client-level ESG data quality, and support customers' decarbonisation efforts. 100+ employees trained on accessibility topics in 2025.</p>	<p>Content</p> <p><u>Governance.</u> Supervisory Board oversees ESG strategy quarterly, Management Board accountable for sustainability performance. ESG Officer reports directly to CEO and oversees PRB implementation. Enterprise Risk Management integrates ESG risk into Risk Appetite Framework. Three lines of defence model; Internal Audit provides independent assurance. Key policies: ESG Policy, ESG Risk Policy, Green Lending Framework, Code of Ethics, Anti-Corruption Policy, AML/CTPF Policy, Supplier Code of Conduct - all Board-approved, reviewed annually.</p> <p><u>Target monitoring.</u> Sustainability KPIs integrated into Business Plan with monthly/quarterly reporting. Transition Plan integrated into Risk Appetite Framework (Q1 2026); semi-annual emission monitoring; annual plan review.</p> <p><u>Culture.</u> Four core values (Aspire, Personalize, Innovate, Act) embedded in Code of Ethics; eNPS target >40%. Sustainability KPIs linked to variable remuneration from Management Board level. In 2025: Board and Internal Audit received CSRD/ESRS training; AML/anti-corruption training ~100% completion; 142 employee volunteering days. Whistleblowing channels available to all employees and third parties.</p>	<p>Content</p> <p>Sustainability Statement published in the Annual Report in accordance with CSRD, ESRS, TCFD, EU Taxonomy (Article 8), and Latvian sustainability disclosure legislation. Financed emissions disclosed using PCAF methodology. This PRB Progress Statement is published as part of Citadele's responsible banking reporting.</p> <p><u>Assurance.</u> KPMG Baltics SIA performed limited assurance of the Sustainability Statement (Annual Report pp. 205–208). This PRB Progress Statement is derived from the Annual Report but has not undergone the same assurance review.</p>
<p>Links & references</p> <p>Annual Report 2025 – Stakeholder Engagement: pp. 25-26.</p>	<p>Links & references</p> <p>Annual Report 2025 – Governance: pages 19–21; ESG policies: pages 41–42; Transition Plan: pages 37–38; Culture and remuneration: pages 21, 107–108</p>	<p>Links & references</p> <p>Annual Report 2025 – Limited assurance report: pp. 205-208; GHG emissions: pp. 45-47</p>

Supplement templates

Principle 1:

Alignment

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Business model

Describe (high-level) your bank's business model, including the main business lines, customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, business areas or by disclosing the number of customers and clients served.

Links & references

[About Citadele, Annual Report 2025](#) – Management report Segment highlights: page 8, Corporate governance: page 12; Income Statement – page 112; Operating segments – page 131; Geographical distribution of revenue – page 173; Assets, liabilities and off-balance sheet items by geographical profile – page 177

Response

AS Citadele banka (Citadele, the Bank) is a Latvia-based universal bank providing a broad range of financial services to retail, SME, and corporate clients across the Baltic region, with core markets in Latvia, Lithuania, and Estonia. As of 2025, Citadele served approximately 412.4 thousand active customers and employed 1,288 employees. The Bank's loan portfolio amounted to €3.8 billion, while customer deposits totalled €4.3 billion. Citadele has 9 branches and client service centres in Latvia, 1 branch in Estonia and 1 branch with 6 customer service units in Lithuania.

Citadele's business model is further structured across key operational segments:

- **Retail** (private and affluent) - providing full-service banking, including lending, payments, leasing, and advisory services to individuals across Latvia, Lithuania, and Estonia through branches, online banking, and mobile applications.
- **SME** segment - offering financing and banking services to small and medium-sized enterprises across the Baltics, supporting business development, working capital needs, and investment activities.
- **Corporate** segment - serving large corporate clients with more complex financing needs, including companies with annual turnover above EUR 15 million or significant exposure levels, providing tailored financing and advisory solutions.
- **Asset management** - delivering investment, pension, and wealth management services through group entities, supporting long-term savings and investment needs of clients.

In addition, the Bank maintains central support and treasury functions that ensure effective liquidity management, funding, and overall operational support across all business lines.

Citadele's activities are geographically concentrated in the Baltics, with Latvia representing 41% of the loan portfolio, Lithuania 40%, and Estonia 19%. Customer deposits are similarly concentrated in the region, with Latvia accounting for approximately 74% of deposits, Lithuania 22%, and Estonia 3%, reflecting the Bank's strong domestic funding base.

Citadele provides a comprehensive range of financial products and services, including lending, deposits, leasing, factoring, payment services, insurance brokerage, investment products, and asset management. Operating income is primarily generated from net interest income on lending activities (80%), complemented by fee and commission income from payment, investment, and asset management services (17%) and Net financial and other income (3%).

The Bank finances a diversified range of sectors, including real estate, agriculture, manufacturing, trade, and transportation. The loan portfolio is balanced between households (47%) and corporate clients (53%), reflecting Citadele's dual role in supporting both individual customers and the real economy. The portfolio is primarily composed of mortgage lending (26%), followed by finance leases (12%), consumer lending (7%), and other lending products. From an industry perspective, the largest exposures include real estate (13%), manufacturing (7%), trade (7%), transport and communications (5%), and agriculture (5%), reflecting the Bank's role in supporting key sectors of the Baltic economies and enabling economic development. Citadele supports digital and financial innovation through mobile banking, instant payments, and e-commerce solutions, with a strong focus on enhancing customer experience and accessibility.

Strategy alignment

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and other international frameworks such as the Kunming-Montreal Global Biodiversity Framework (GBF), the United Nations Guiding Principles on Business and Human Rights (UNGPs), the forthcoming instrument on plastic pollution etc.

Include any other national and/or regional frameworks that your bank has a strategy to align with where relevant.

Links & references

[Annual Report 2025](#), Sustainability strategy: page 22; Our contribution to SDGs: page 23; Transition plan: p.37-38, International frameworks re. human rights: page 89, 99 [ESG policy](#), page 3 [Green Lending Framework](#)

Response

Alignment with Sustainability Strategy and International Frameworks. Citadele's sustainability strategy aligns the Bank's long-term development with environmental, social, and economic considerations, integrated across product development, customer advisory, lending, risk management, and operations – including climate-related credit risk assessment, portfolio monitoring, and strategic planning. The Bank is committed to supporting clients in the transition to a low-carbon economy, reducing the environmental impact of its own activities, and maintaining responsible and ethical business conduct in accordance with applicable laws and regulations. This embeds alignment with key international frameworks, including the SDGs and the Paris Climate Agreement, into the Bank's core business activities and governance processes.

The Bank operates in accordance with applicable national and EU regulatory frameworks, including the Corporate Sustainability Reporting Directive (CSRD), European Sustainability Reporting Standards (ESRS), and the EU Taxonomy Regulation, and continuously enhances internal policies and methodologies to support alignment with these frameworks.

Citadele's sustainability governance framework ensures appropriate oversight, with the Supervisory and Management Boards overseeing sustainability integration, an ESG Officer reporting directly to the CEO, and a cross-functional ESG Working Group coordinating implementation across business areas.

The Bank's commitment to respecting human rights aligns with international frameworks such as the UN Guiding Principles on Business and Human Rights and is reflected in its policies and business practices.

Alignment with the Paris Agreement and Net-zero Ambition. Citadele's environmental strategy focuses on contributing to the transition toward a low-carbon economy through sustainable financing, climate-risk integration and emission reduction. Guided by its 2025 Transition Plan (Version 1), the Bank aims to achieve net-zero financed emissions by 2050. The Transition Plan establishes a

structured and phased approach to aligning the Bank's portfolio with climate objectives, including the development of methodologies, sector-specific monitoring targets, and alignment with national, EU, and science-based decarbonisation pathways. To support this ambition, the Bank finances the transition of clients and supports financing towards more sustainable economic activities.

Citadele continues to expand green lending in line with the Bank's Green Lending Framework. In 2025, the Bank provided EUR 176.2 million in new green loans, representing 11% of total new lending. This includes financing for energy-efficient housing, building renovation, clean transport, and other environmentally beneficial activities. Green lending represents a key mechanism through which the Bank contributes to the decarbonisation of its portfolio and supports clients in their transition.

EU Taxonomy disclosures are included in the Bank's reporting; however, Taxonomy-aligned exposures remain immaterial at this stage, reflecting the early stage of market development and evolving client readiness in the Bank's core markets. The Bank continues to enhance data availability, methodologies, and client engagement to support the gradual increase of Taxonomy-eligible and aligned activities over time.

Alignment with the UN Sustainable Development Goals (SDGs)

In alignment with the UN SDGs, Citadele has identified the SDGs where the Bank has the greatest opportunity to contribute through its services and business strategy. The prioritised SDGs are:

- SDG 3 – Good health and well-being
- SDG 7 – Affordable and clean energy
- SDG 8 – Decent work and economic growth
- SDG 9 – Industry, innovation and infrastructure
- SDG 13 – Climate action

The Bank contributes to these goals primarily through its financing activities, support to households and businesses, and development of sustainable financial products. This includes providing financing for energy-efficient housing and clean transport solutions (SDG 7 and SDG 13), supporting business growth and employment through SME and corporate lending (SDG 8), and enabling access to financial services and digital banking solutions for customers across the Baltic region (SDG 9). Additional contributions are made through responsible lending practices, financial inclusion, and customer services.

Principle 2:

Impact & Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

Impact Analysis

Show how your bank has identified, prioritized and measured the most significant impacts associated with its portfolio (both positive and negative). Determine the priority areas for target-setting. Include details regarding: Scope, Portfolio Composition, Context, and Performance Measurement.

The impact analysis should include assessment of the relevance of the four priorities laid out in [Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector](#), as part of its initial or ongoing impact analysis.

Links & references

[Annual Report 2025 DMA](#): pp. 27-32; Portfolio composition as of 31.12.25: pp. 133, 151, 177; GHG emissions: pp.45-47; Material IROs pp. 29-32; Availability, accessibility, affordability, and quality of resources and services: pp. 98, 103-104

Response

Scope of the Impact Analysis. Citadele performed its initial impact analysis in 2022 using the UNEP FI Portfolio Impact Analysis Tool, covering the Bank's core business areas - Retail and Corporate (including SMEs), which together represented around 90% of Group operating income. Asset Management was excluded to focus on areas with the largest potential impact. The assessment covered legal entities and households across all three Baltic markets, with results weighted by each country's share in the lending portfolio. Key impact-driving products included lending to legal entities, as well as mortgage loans and finance leases for households. In 2025, the Bank refined its assessment in line with the European Sustainability Reporting Standards (ESRS). The UNEP FI Portfolio Impact Analysis Tool results continue to serve as a key input and remain relevant, supported by the stable portfolio composition and further refined through the 2025 Double Materiality Assessment. Building on this, Citadele conducted a double materiality assessment (DMA), incorporating stakeholder engagement, peer insights, and industry developments. The assessment covered both impact materiality and financial materiality and confirmed the continued relevance of priority areas such as climate-related impacts, customer inclusion, and credit-related sustainability risks and opportunities.

Portfolio Composition. Citadele operates primarily in the Baltic region, with approximately 96.3% of total Group assets and 99.8% of loans located in Latvia, Lithuania, and Estonia as at 31 December 2025. The loan portfolio distribution remains stable (Latvia 40.6%, Lithuania 40.2%, Estonia 18.9%) and representative for the impact analysis. Households account for 47% of total lending, with mortgage loans representing 55% of household exposure and finance leases representing 26%. Lending to legal entities includes both financial and non-financial corporations, while exposure to central government remains immaterial (<1%). The portfolio is diversified across sectors, with the highest concentrations in real estate (13%), manufacturing (7%), trade (7%), and transport and communications (5%). The portfolio structure remains consistent with the 2022 baseline, confirming the continued relevance of the initial impact analysis.

Context and Country Priorities. Regional sustainability challenges and priorities were identified using the UNEP FI Portfolio Impact Analysis Tool and assessed across all three Baltic countries. Country-level priorities were weighted based on Citadele's exposure in each market. These priorities were further analysed in the context of national development plans, EU Recovery and Resilience Facility priorities, and national climate and sustainability targets for 2030. The results were integrated into the Bank's broader sustainability assessment processes and validated through stakeholder engagement and internal analysis.

In the context of Availability, accessibility, affordability and quality of resources and services, potential challenges in the Baltic region include gaps in access to financial services for certain customer groups, such as elderly customers, rural populations, and customers facing digital literacy or language barriers.

In Latvia and across the Baltic region, ongoing regulatory developments and national initiatives increasingly emphasise accessibility of essential financial services, including continued access to in-

person banking services and accessible digital solutions. Relevant frameworks include the European Accessibility Act, national accessibility requirements, and broader digital connectivity objectives.

Key challenges identified through the impact analysis include accessibility gaps affecting elderly customers, rural populations, and customers facing digital literacy, accessibility, or language barriers. Survey data and recent market developments indicate continued demand for in-person banking services, particularly outside major urban centres, highlighting the importance of balancing digitalisation with continued physical access to financial services.

These findings support the prioritisation of availability, accessibility, affordability and quality of resources and services as a core positive impact area. Recent developments in 2026 further confirm this trend, with banks expanding their physical presence in regional areas in response to regulatory requirements and continued customer demand for in-person services, particularly outside major urban centres. Through its digital, physical and product-based initiatives, Citadele contributes to improving access to financial services and supports national objectives aimed at reducing accessibility gaps.

Identification and Prioritisation of Impacts. The impact analysis identified two key positive impact areas - Availability, accessibility, affordability and quality of resources & services, and Healthy economies - and two key negative impact areas - Circularity and Climate stability. Citadele decided to focus on two key impact areas: (1) a positive impact to increase: Availability, accessibility, affordability, quality of resources & services; and (2) a negative impact to reduce: Climate stability. These priority areas were subsequently confirmed through the double materiality assessment and validated against stakeholder input and financial materiality considerations.

Relevance of the four priorities laid out in Leading the Way to a Sustainable Future. The Bank's impact analysis considers key global sustainability priorities, including climate, inclusive and healthy economies, nature and biodiversity, and human rights, through the UNEP FI Portfolio Impact Analysis Tool and the double materiality assessment.

- **Climate:** Directly addressed as Citadele's primary negative impact area through the 2025 Transition Plan, financed emissions measurement (PCAF), and EUR 176.2 million in green financing (11% of total new lending), supporting net-zero by 2050 in line with the Paris Agreement and SDG 13.
- **Healthy and inclusive economies:** Directly addressed as Citadele's primary positive impact area. With 412,400 active customers and 87% digital channel adoption, Citadele promotes financial inclusion through expanded digital onboarding and accessibility improvements for elderly and rural customers, contributing to SDGs 8 and 10 across the Baltic region.
- **Nature and biodiversity:** Nature and biodiversity remain at an early stage of integration, reflecting evolving methodologies and market practices.
- **Human rights:** Addressed through the existing policies, governance, and regulatory compliance, e.g. the Code of Ethics, EBRD Environmental and Social Policy compliance (PR2, PR4, PR9), Supplier Code of Conduct. ESG risk assessments conducted for all relevant lending transactions. Human rights considerations are monitored through internal policies, governance processes, and internal KPIs; however, they were not identified as a primary impact area for target-setting purposes in the DMA.

Performance Measurement. Financed Greenhouse Gas (GHG) emissions represent a key impact area, directly relevant to the Bank's Paris Agreement alignment and climate risk management. The following performance measurement indicators were identified for **Climate stability** impact area:

- Own GHG emissions
- Financed GHG emissions
- Green financing volume

These indicators reflect the Bank's direct and indirect contributions to climate change and align with the methodologies applied in the 2025 Sustainability Statement.

Availability, accessibility, affordability, and quality of resources and services, together with safeguarding customer data and promoting financial literacy, represent key positive impact areas for the Bank and reflect its role in promoting inclusive and sustainable development. To measure performance in this area, the following indicators were selected due to their relevance to customer experience and access to services:

- Customer service quality
- Internet Banking and Mobile App prime-time availability
- Digital service users as % of total customers

These indicators enable the Bank to monitor access to and quality of financial services across its

customer base. With 87% of customers actively using digital channels, Citadele continues to focus on maintaining accessible and reliable digital banking services while monitoring usage trends among specific customer groups, including elderly customers and customers in rural areas.

Targets, Target Implementation, and Action Plans/Transition plans

Show that your bank has set and published a minimum of two SMART targets which address at least two different areas of most significant impact that your bank identified in its impact analysis. Once targets are set, explain the actions taken and progress made. Include details regarding: Alignment, Baselines, Targets, Target Implementation & Monitoring (and KPIs), Action Plans/ Transition plans and Milestones.

Banks are encouraged to disclose information regarding actions they are taking in four priorities laid out in [Leading the Way to a Sustainable Future: Priorities for a Global Responsible Banking Sector \(2024\)](#).

Links & references

[Banking service accessibility](#), [Home energy efficiency loans](#), [Green Lending Framework](#), [Annual Report 2025 Transition plan: pp. 37-38, 42; Targets and GHG emission calculations: pp. 43-47; Availability, accessibility, affordability, quality of resources & services target: pp. 98, 103-104; Greenhouse gas \(GHG\) emissions calculator](#)

Response

Climate stability

For Climate stability Citadele has set the following targets:

- Achieving net-zero carbon emissions by 2050
- Annual new green financing target - EUR 100m in 2025 (reviewed and updated annually as part of the business planning cycle), provided in line with the Bank's Green Lending Framework
- 2 funds and 1 pension plan under SFDR Article 8 in 2025 (CBL Asset Management), reviewed and updated annually as part of the business planning cycle
- Transition Plan development (completed in 2025) and phased implementation from 2026 onwards

The net-zero 2050 ambition defines Citadele's long-term decarbonisation pathway, aligned with the Paris Agreement goal of limiting global warming to 1.5°C. The sector-specific 2030 monitoring targets (see table below) serve as interim benchmarks on this pathway, benchmarked against SBTi 1.5°C-aligned trajectories, EU targets, and national climate plans. As data quality improves through Phase 1 of the Transition Plan (2026–2027), the Bank will assess the feasibility of converting these monitoring targets into committed, quantitative emission reduction targets aligned with science-based decarbonisation pathways. This progression is subject to sufficient improvements in data availability, client engagement, market conditions and national plans. The green lending target and the transition plan contribute to supporting the Bank's progress along this pathway.

Transition Plan. In 2025, Citadele introduced its first Transition Plan (Version 1), approved by the Management Board and acknowledged by the Supervisory Board. The Plan sets out a phased approach to aligning the Bank's lending portfolio with climate-neutrality objectives, focusing on financed emissions from transition risk-sensitive industries. It was assessed against EBA ESG Risk Guidelines (EBA/GL/2025/01), demonstrating good overall alignment and providing a clear roadmap for further development.

Phase 1 - Framework establishment and data improvement (covering approximately the first two years of implementation, 2026-2027) focuses on developing solid foundations for methodology, data governance, and portfolio emission monitoring aligned with national policies. Phase 2 - Target setting transitions from assumption-based approaches to data-driven KPIs and is expected to introduce more quantitative emission-reduction targets, progressively increasing ambition towards SBTi-aligned pathways where / if data availability and market conditions allow.

Phase 1 (2026–2027) emission reduction monitoring targets covers five key sectors - residential real estate, commercial real estate, energy, transport, and agriculture - benchmarked against national targets (minimum requirement), EU targets (preferred benchmark), and SBTi pathways (long-term ambition).

Estimated financed GHG emission reduction monitoring targets - Target year 2030 (vs base year of 2024)

	SBTi Target		EU Target Absolute	Absolute National Targets			Portfolio Monitoring Target
	Absolute	Intensity		Latvia	Lithuania	Estonia	
Residential Real estate	-42%	-45%	-23%	-24%	-17%	-5%	-21%
Commercial real estate	-46%	-47%	-23%	-13%	-38%	-11%	-18%
Transport	-12%	-11%	-21%	-9%	-32%	-14%	-11%
Energy	-34%		-34%	-19%	-32%	-3%	-21%
Agriculture	-34%		-3.5%	-1.6%	-10.7%	1.9%	-4.3%

Key 2026 priorities focus on four areas: improving energy performance data coverage for residential and commercial real estate portfolios; engaging ESRS-subject corporate clients on their transition plans and GHG reduction pathways; enhancing data granularity for financed energy projects (solar and wind); and improving CO₂ reporting coverage for financed commercial fleets. Key milestones include integration of monitoring targets into the Risk Appetite Framework (Q1 2026), semi-annual portfolio emission monitoring, and annual review and update of the Transition Plan.

GHG Emissions. Citadele's most significant climate impact arises from its financed portfolio, not its own operations. Scope 1 and 2 operational emissions totalled 1,367 tCO₂e in 2025, with Scope 3 Categories 1–14 considered non-significant, representing less than 0.2% of total financed emissions. For financed Scope 3 emissions (Category 15), Citadele calculates GHG emissions across six asset classes - mortgages, commercial real estate, motor vehicle loans, business loans, securities, and assets under management - in line with the PCAF Global GHG Accounting and Reporting Standard (Second Edition, 2022).

Total financed emissions in 2025 reached 1,626,502 tCO₂e, with 2024 set as the baseline year. The lending portfolio, representing 63% of total financed emissions, remained broadly stable year-on-year (-0.2%), while growth in AuM (+48%) and securities (+24%) drove the overall 12% increase. Data quality scores across the lending portfolio range from 3.9 to 4.2, reflecting current reliance on sector-level proxies. Improving data quality through direct client engagement and ESG data collection is a key priority, forming the foundation for potential future science-based reduction targets under the Transition Plan.

Green Lending. In 2025, Citadele disbursed EUR 176.2 million in green financing (EUR 102.4 million in 2024), significantly exceeding the EUR 100 million annual target and representing 11% of total new lending (8% in 2024). Growth was driven primarily by green vehicle leasing, which more than tripled year-on-year to EUR 84.9 million in electric vehicle and plug-in hybrid financing. Green mortgage loans reached EUR 43.1 million (+16%), corporate green lending EUR 47.9 million (+28%), and the newly launched Home Energy Efficiency Loan contributed EUR 0.2 million.

Availability, Accessibility, Affordability and Quality of Resources & Services

For Availability, accessibility, affordability and quality of resources & services, Citadele has set the following core targets:

- I-bank and MobileApp Prime time system availability $\geq 99.9\%$ annually
- Net Promoter Score (NPS) levels for retail and MobileApp, with targets reviewed and approved annually

	Actual 2024	Targets 2025	Actual 2025	Target 2026
NPS Retail (LV/LT)	43%/39%	>35%	39%/38%	>45%
NPS MobileApp (LV/LT)	59%/48%	>50%	57%/48%	>50%
I-bank and MobileApp Prime time system availability	99.9%	99.9%	99.9%	99.9%

These targets support the Bank's priority positive impact area by addressing key dimensions of access to financial services. High system availability ($\geq 99.9\%$) ensures continuous and reliable access to digital banking services (used by 86.9% of customer base), reducing service disruptions and supporting availability. NPS targets for retail and MobileApp reflect customer experience and service quality, capturing feedback on ease of use, accessibility and overall satisfaction across different customer groups.

NPS results are analysed across key customer segments - including region, age, gender and income levels - to identify specific barriers to digital usability, service reliability and customer experience, with insights translated into targeted improvement actions. Citadele seeks to maintain accessible and reliable financial services through a combination of digital, physical and product-based initiatives, recognising that preferences and access needs may differ across regions and demographic groups.

Citadele also monitors a broader set of indicators to assess performance across accessibility and affordability dimensions. Supporting monitoring indicators (KPIs) include:

- Active digital channel users, % of total customers (86.9% as of YE 2025)
- Target % of digitally onboarded customers >80% as of YE 2026
- Customer service quality metrics and complaints ratio
- Monitoring digital banking usage trends among selected customer groups, including elderly customers and customers in rural areas

Progress against targets is monitored regularly (NPS quarterly, digital banking availability monthly) and reported externally in the Annual Sustainability Statement. Additional internal indicators, including IT system availability, service downtimes and customer complaints, support ongoing monitoring of service continuity, reliability and accessibility of financial services across the Baltics.

Key actions in 2025

Portfolio composition and financial flows:

- introducing the Home Energy Efficiency Loan to support access to sustainable and affordable housing.
- maintaining both green and conventional mortgage financing to ensure continued access to housing finance across customer groups, while gradually increasing the green mortgage share (approximately 30% of new mortgage lending in 2025).
- Green Savings Account (EUR 52 million as of YE 2025), channelling deposits into carbon-reducing projects while offering an accessible savings product.
- expanding digital onboarding for SMEs and minors (with parental consent), supporting easier access to banking services for selected customer segments.
- supporting affordability through transparent pricing and targeted promotional measures (e.g. promo codes).

Client engagement:

- launching the Piggybank digital savings product to promote financial literacy and inclusion among younger customers.
- further developing the C Trade investment platform to improve access to investing and financial literacy for retail customers.
- enhancing digital customer experience through UX improvements, including screen customisation, privacy-enhancing layouts, and redesign of loans and leasing journeys.
- analysing NPS results across key customer segments - including region, age, gender and income levels - to identify specific barriers to accessibility and affordability, with insights translated into targeted improvement actions.

Internal policies and processes:

- training 100+ employees on accessibility and plain language.
- implementing tactile signage, accessible entrances, acoustic loops, and wheelchair-height calling buttons across branches.
- launching braille-enabled C Cards with a blind notch for visually impaired customers.
- completing WCAG-compliant web accessibility and UX upgrades.
- rewriting ~60% of customer service contracts in plain language (full completion planned H1`26).
- updating procurement and product development procedures to embed accessibility requirements.
- ensuring ATMs are physically accessible, with audio guidance planned from April 2026.
- progressing the Accessibility Project towards alignment with the European Accessibility Act (EAA), with remaining actions scheduled for completion in H1 2026.

Advocacy and partnerships:

- collaborating with Baltic banking associations on industry-wide sustainability and financial inclusion initiatives, including the development of a cross-Baltic ESG Client Questionnaire and a publicly available GHG emissions calculator.
- engaging with national regulators on requirements for physical banking presence in regional areas, leading to the opening of additional in-person customer service points in Q1 2026.
- supporting the adoption of harmonised accessibility and financial inclusion standards across the Baltic banking sector.

In implementing these actions, Citadele considers potential impacts on affordability and access to financial services, seeking to balance sustainability objectives with continued access across different customer groups.

Principle 3: Clients & Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

Client and Customer engagement

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. It should include information on the client engagement strategy including but not limited to the impact areas identified/ targets set, awareness raising activities with clients and customers, relevant policies and processes, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

Links & references

[Annual Report 2025 Sustainability related products: page 24; Transition plan: pp. 37-38; pp. 41–42](#)

Response

Client Engagement Strategy. In 2025, Citadele continued to expand its contribution to the green transition by providing green financing through existing products, developing new specialised offerings, and attracting additional funding earmarked for sustainable projects (green deposit). In July 2025, Citadele introduced the Home Energy Efficiency Loan - designed to support investments in environmentally friendly home improvements.

In the context of the Transition Plan implementation, Citadele recognises that limited availability of client-level GHG data, transition plans and broader environmental information remains a key challenge for evaluating the environmental impact of financed activities. Citadele's approach to client and customer engagement on sustainability is structured around two interconnected objectives: encouraging sustainable practices among existing clients and enabling the transition to more sustainable economic activities through product design, advisory support, and industry collaboration.

Citadele has established a structured stakeholder engagement framework as part of its Transition Plan, ensuring meaningful dialogue and shared accountability throughout the transition process. The framework covers four key groups:

- **Customers and clients.** Client engagement is central to achieving sector-level emission reductions, as progress depends on clients' own transition actions. Citadele's engagement focuses on collecting data required for transition planning and supporting customers in understanding emission targets and transition pathways through on-demand 1:1 advisory meeting.
- **Industry collaboration and data sharing.** Collaboration with industry bodies and regulators is required to improve data consistency and harmonisation across sectors. Citadele actively participates in Baltic banking association sustainability working groups and other regional sustainability initiatives, partners with industry peers and public institutions to develop sectoral decarbonisation standards and works to align climate risk metrics across the market.
- **Internal stakeholder alignment.** Cross-functional collaboration between risk, business, sustainability, and finance functions ensures consistent application of transition methodologies, target validation, and governance oversight - integrating transition targets into risk frameworks, portfolio management, and decision-making.
- **Investors and market communication.** Citadele communicates progress on transition targets through sustainability disclosures and investor reporting, reinforcing transparency and credibility of the transition strategy in capital markets.

Detailed policies supporting this engagement framework will be developed as part of Transition Plan implementation from 2026 onwards.

Client engagement in 2025. In 2025, Citadele initiated the following client and market engagement activities in support of the green transition:

- ESG questionnaires were distributed to the top clients across six high climate-impact sectors, representing approximately 30% of the corporate portfolio, to assess transition readiness and improve the availability of client-level ESG data. The response rate was low, and most clients

provided partial responses or reported having no formal transition plans and limited or no emissions measurement practices, confirming that transition planning and emissions tracking remain at an early stage in the Baltic market. This reinforces the importance of Citadele's advisory support, data collection initiatives, and targeted client engagement to accelerate readiness for the low-carbon transition.

- The ESG team introduced an advisory service offering targeted ESG consultations and direct engagement with priority clients across key sectors, supporting data quality improvement, regulatory alignment, and early-stage transition planning.
- Citadele contributed to the development of Transition Plan guidelines as part of a joint Finance Latvia Association and Finance Lithuania Association industry initiative, supporting harmonised approaches to client transition engagement across the Baltic banking sector.
- A Baltic banking sector biodiversity conference, organised through industry associations, is scheduled for May 2026, reflecting Citadele's commitment to expanding its engagement on nature-related risks and opportunities.

These engagement activities are further operationalised through the Transition Plan implementation and 2026 sector-specific KPIs, which define the next phase of client engagement and data collection efforts.

Policies and Processes Supporting Sustainable Customer Behaviour. Citadele's sustainable lending practices are governed by a comprehensive policy framework including the ESG Policy, ESG Risk Policy, Credit Risk Management Policy, Green Lending Framework, and an exclusion list restricting financing for activities with significant negative environmental or social impacts. Through the Transition Plan (Version 1), Citadele has introduced minimum data requirements and sector-specific KPIs covering real estate, transport, energy and agriculture. These measures support the assessment of the portfolio emissions profile, build the foundation for client engagement on transition topics, and prepare the Bank to scale up its support for clients once market readiness increases.

Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how your bank has developed these in the reporting period. Provide information on sustainability-related products and services and frameworks in place that support the transition needs of clients, size of the sustainable finance portfolio in USD or local currency and/or as a % of your bank's portfolio,* and which SDGs or impact areas you bank is striving to make a positive impact on (e.g. green mortgages—climate, social, sustainability bonds—financial inclusion, etc.).

* Provide information on the sustainable finance frameworks/standards/taxonomies used to label sustainable finance volumes

Links & references

[Annual Report 2025 Sustainability strategy: pp. 22-23](#), [Sustainability related products: page 24](#); [Green lending framework: page 42](#); [EU Taxonomy Disclosures: page 48](#)

Response

Strategic Opportunities in the Green Transition. The transition to a low-carbon economy represents a long-term opportunity for Citadele as a local bank with deep relationships across the Baltic region. While demand for climate-related financing is expected to grow across all customer segments - retail, SME, and corporate - market and client readiness across the Baltics remains at an early stage, as evidenced by limited client response to ESG data collection initiatives in 2025. Citadele is nonetheless positioned to support this transition as it accelerates, through dedicated green products, responsible lending practices, and collaboration with multilateral development banks, while progressively integrating sustainability considerations into core lending and client relationship management processes.

Frameworks and Standards. Green lending is governed by the Green Lending Framework, aligning with the Paris Climate Agreement, UN SDGs - in particular SDG 7 (Affordable and Clean Energy), SDG 9 (Industry, Innovation and Infrastructure), and SDG 13 (Climate Action) - and EU Taxonomy. Citadele also issues financing under EIB, EIF, and EBRD green frameworks, ensuring international standards are applied across the portfolio.

Climate Stability - Products, Portfolio and Performance. In 2025, Citadele disbursed EUR 176.2 million in green financing (11% of total new lending, up from 8% in 2024), including:

- **Green vehicle leasing:** EUR 84.9 million (+3x YoY) in electric and plug-in hybrid financing
- **Green mortgages:** EUR 43.1 million (+16%), supporting energy-efficient residential real estate
- **Corporate green lending:** EUR 47.9 million (+28%), including renewable energy and energy efficiency projects
- **Home Energy Efficiency Loan:** EUR 0.2 million disbursed in 2025 (launched July 2025), supporting household investments in sustainable home improvements - a new product with growing pipeline for 2026.
- **Green Savings Account:** EUR 52 million as of year-end 2025, the first of its kind in the Baltics, channelling deposits into carbon-reducing projects

CBL Asset Management supports climate objectives through two Article 8 SFDR funds and one pension plan. The Green Asset Ratio (GAR) stood at 0.2% based on counterparties' turnover KPI (EUR 7.5 million in taxonomy-aligned assets), reflecting the early stage of EU Taxonomy alignment - with methodology refinement ongoing.

Availability, Accessibility, Affordability and Quality of Resources & Services - Opportunities

Digital banking accessibility represents both a social responsibility and a strategic business opportunity for Citadele. With 412,400 active customers and 87% digital channel adoption across the Baltics, the Bank continues to expand accessible digital banking services, improve customer experience, and support access to sustainable retail lending products, including the Home Energy Efficiency Loan. Through the Accessibility Project, Citadele is embedding inclusive design principles across customer channels and services, supporting alignment with European Accessibility Act (EAA) requirements by H1 2026. These efforts are supported by strong customer outcomes, including the Bank's #1 customer service ranking in Latvia for the 11th consecutive year, highest rating for in-call service in Lithuania, and improved rankings in Estonia.

Principle 4: Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

Stakeholder identification and consultation

Describe which stakeholders (or groups/types of stakeholders) your bank has identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of the bank's engagement strategy following criteria for effective engagement and advocacy, how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Links & references

[Annual Report 2025 Stakeholder engagement approach: pp. 25-26](#)

Response

Stakeholder Identification. Citadele has identified key stakeholder groups whose perspectives are essential for guiding the Bank's sustainability priorities and implementation of the Principles for Responsible Banking. These include internal stakeholders - employees, management, and shareholders - and external stakeholders - customers, suppliers, regulators, bond investors, rating agencies, and the broader society, including media, NGOs, educational institutions, and students. Citadele further distinguishes between affected stakeholders - those whose interests are impacted by the Group's activities - and users of sustainability statements, including investors, lenders, business partners, and civil society organisations.

Engagement Approach and Processes. Stakeholder engagement methods are tailored to the specific characteristics and expectations of each group and regularly reviewed to ensure alignment with the Group's sustainability goals. Citadele is committed to maintaining open, constructive, and meaningful dialogue with stakeholders. Key engagement channels include public disclosures and capital market days for investors; regular Board meetings and quarterly reporting for the Supervisory Board and Management Board; eNPS surveys, quarterly live sessions with the Management Board, and ESG training for employees; NPS and brand awareness surveys, complaint channels, and dedicated feedback mechanisms for customers; and consultations and working groups with regulators and Baltic banking associations. Citadele also engages with industry associations and other external stakeholders to support broader dialogue on sustainability topics.

The Management Board holds ultimate accountability for ensuring stakeholder engagement outcomes are effectively integrated into strategy and operations, with the Supervisory Board regularly updated on stakeholder interests.

Issues Addressed and Outcomes. Stakeholder insights contribute to the Group's understanding of material sustainability topics, expectations, and areas for improvement. Concrete outcomes in 2025 include investor and EBRD/EIB/EIF expectations integrated into the ESG strategy and roadmap; DMA inputs from employees and management shaping priority IROs; customer NPS results driving product and service improvements; and collaboration with Baltic banking associations informing the development of the Unified cross-Baltic ESG Client Questionnaire, improving ESG data quality across the region.

Integration into Strategy and Action Planning. Stakeholder feedback is incorporated into Citadele's strategy, business model, products, and services through processes such as the Double Materiality Assessment, customer NPS insights, and employee eNPS results. These inputs confirm material impacts, identify areas requiring attention, and highlight opportunities to improve services, engagement, and overall performance.

Citadele will continue to strengthen stakeholder engagement as part of Transition Plan implementation, with a particular focus on enhancing ESG data quality, supporting client transition, and contributing to harmonised sustainability practices across the Baltic region. Structured client feedback mechanisms, including NPS surveys analysed across region, age, gender and income segments to identify barriers to accessibility and affordability, are described in detail in the Clients and Customers section.

Principle 5:

Governance & Culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

Governance Structure for Implementation of the Principles

Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts (including accountability at the executive leadership level, clearly defined roles and responsibilities for sustainability matters in internal processes, etc.) and support the effective implementation of the Principles.

Links & references

[Annual Report 2025](#) pp. 19-21; 41-42

Response

Citadele's commitment to the UN Principles for Responsible Banking is not managed as a standalone framework but is embedded in the Bank's overall business strategy, ESG governance structure, and day-to-day operations. The PRB Principles are reflected in and supported by Citadele's Double Materiality Assessment, Transition Plan, Risk Appetite Framework, and annual Sustainability Statement - ensuring that responsible banking considerations are integrated at the strategic, portfolio, and operational levels across the Group. Implementation is overseen by the Management Board through regular review of ESG strategy, Double Materiality Assessment outcomes, sustainability targets, and Transition Plan progress, with overall oversight provided by the Supervisory Board through review and approval of key ESG documents, including the Double Materiality Assessment, Sustainability Statement, and ESG and ESG Risk Policies.

Citadele has established a clear ESG governance structure with defined accountability at executive level. The Supervisory Board oversees ESG strategy and approves related policies, while the Management Board is accountable for sustainability performance and implementation. Responsibility for delivery of sustainability targets, including Transition Plan KPIs, is embedded within relevant business and risk functions and overseen by the Management Board. The ESG Officer, reporting directly to the CEO, leads the Group's ESG agenda, coordinates the Double Materiality Assessment, and monitors progress against targets and KPIs. The Enterprise Risk Management Division integrates ESG risk drivers into the Risk Management Framework and Risk Appetite Framework. Cross-functional coordination is ensured through the ESG Working Group, which supports consistent implementation of sustainability objectives across business lines and control functions, while Internal Audit provides independent third-line assurance.

Key policies supporting implementation include the ESG Policy, ESG Risk Policy, Green Lending Framework, Risk Strategy and Risk Appetite Framework, Credit Risk Management Policy, Code of Ethics, and Supplier Code of Conduct. Sustainability KPIs are embedded in remuneration practices and cascaded by the Management Board across the organisation.

Governance structures ensure that output from the Double Materiality Assessment, stakeholder engagement, and risk assessments are regularly reflected in strategy updates, target setting, and action planning processes.

Promoting a culture of responsible banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, learning & development, sustainability training for relevant teams, inclusion in remuneration structures and performance management and leadership communication, amongst others).

Links & references

[Annual Report 2025](#) Stakeholder engagement forms: page 26; Executive ESG training: page 20; Integration of sustainability-related performance indicators in incentive schemes, page 21. [ESG policy](#). [Supplier Code of Conduct](#), [Terms against Prohibited Conduct](#)

Response

Leadership and Communication. Citadele's commitment to responsible banking starts at the top. The Management Board holds quarterly live sessions with all employees - keeping staff informed on strategic developments, including sustainability priorities, and providing a direct dialogue channel. ESG performance and progress against targets are regularly communicated across the organisation through structured internal reporting and a dedicated ESG section on the Group's intranet, where employees can access climate change information, ESG strategy updates, training materials, and info sessions.

Capacity Building and ESG Training. Citadele provides regular internal and external training on ESG, climate and environmental risk topics at all levels of the organisation. In 2025, Supervisory Board members, Management Board members, and Internal Audit received dedicated training on CSRD and ESRS implementation, covering governance and reporting requirements, double materiality, impacts, risks and opportunities (IRO) management, assurance readiness, and data governance. All employees participate in ESG awareness building sessions covering Citadele's strategy and implementation progress.

Ethics, Integrity and Compliance Training. Mandatory annual anti-corruption and ethics training covers all employees including Management and Supervisory Board members, with a target completion rate of close to 100%. New employees complete ethics and anti-corruption training within their first month. Compliance and AML training completion rates reached close to 100% across the Group in 2025. Both internal and external whistleblowing channels are available, with anonymity and protection from retaliation guaranteed under the Code of Ethics.

Performance Management and Remuneration. Citadele's corporate culture is defined by four core values – Aspire, Personalize, Innovate, Act – embedded in the Code of Ethics and integrated into performance evaluations and annual goal-setting. Culture is actively measured through quarterly eNPS surveys (target >40%) and Peero peer recognition analytics, with results reported to the Management and Supervisory Boards for continuous improvement. Sustainability KPIs are embedded in remuneration practices, with variable pay influenced by the achievement of sustainability-related KPIs and progress on Management Board goals, cascaded across the organisation to relevant business functions.

Learning and Development. Citadele invests in employee growth through structured learning and development programs, including internal and external training, leadership development, and shadow days. A summer internship program supports pipeline development. Job Architecture and Gender Pay Gap Management initiatives were launched for 2025–2027, reinforcing fair and inclusive workplace practices.

Social Responsibility and Community Engagement. Citadele supports broader social responsibility through an Employee Volunteering Program, with 142 volunteering days contributed by employees in 2025.

Responsible Conduct Across the Value Chain. Citadele's supplier assessment practices in the ESG area are summarised within a publicly available Supplier Code of Conduct. Citadele does not tolerate any kind of prohibited conduct and applies the same expectations to its clients and business partners, formalised in the publicly available Prohibited Conduct document.

Risk and due diligence processes and policies

Describe what processes your bank has installed to identify and manage environmental and social risks associated with your bank's portfolio. This can include aspects such as identification of significant/salient risks, due diligence processes, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures your bank has in place to oversee these risks.

Links & references

[Annual Report 2025](#) Management of climate-related risks: pp. 40-41. [ESG policy](#), No-go industries: page 7

Response

Environmental & Social Risk Identification, Assessment and Management Framework. Citadele has established a comprehensive framework for identifying, assessing, managing, and monitoring environmental and social (E&S) risks across its portfolio.

Risk Identification & Assessment. Climate-related risks are classified into physical and transition risks and are identified through a structured materiality assessment covering all key risk types and time horizons. Both transition and physical risks are assessed at portfolio and individual-client level, with environmental and social risks evaluated for all relevant lending transactions. Social risks are further assessed through the Environmental and Social Risk Assessment process, which includes screening all legal-entity lending transactions against the Bank's environmental and social exclusion list based on EBRD guidelines, determining the social-risk level. In own operations, ESG considerations are integrated into the Operational Risk Management process, supported by ongoing public and media monitoring within the Reputational Risk Management framework.

Climate-related risks are viewed as risk drivers affecting all major risk categories - credit, operational, market, liquidity, and strategic risk - with transmission channels identified and assessed for each. Annual Climate-related Risk Materiality Assessments quantify the Bank's exposure to physical and transition risks across short-, medium-, and long-term horizons. Physical risk assessment covers eight climate hazards: riverine flood, coastal flood, water stress, drought, extreme heat, wildfire, earthquake, and landslide, with geospatial analysis applied where feasible. Sector-specific transition risks are evaluated using external sources such as National Energy and Climate Plans. Climate stress testing is based on three NGFS scenarios - Net Zero 2050 (orderly), Delayed Transition (disorderly), and Hot House World (current policies) - covering time horizons up to 2050. The total aggregated financial impact of climate-related risks was estimated at 0.2% of assets, incorporated into the capital add-on assessment within ICAAP.

Risk Management & Mitigation. Material climate-related risks are integrated into the Risk Appetite Framework and Risk Strategy, with corresponding Key Risk Indicators (KRIs) established for both physical and transition risks. Exposure concentrations are monitored regularly using industry environmental risk scores and real-estate collateral physical-risk scores, with thresholds and limits reviewed to ensure alignment with strategy and regulatory expectations. Governance oversight is ensured through integration of climate-related risks into the Bank's overall Risk Management Framework, including ICAAP stress testing and ongoing monitoring of environmental and social risk events.

ESG Due Diligence in Lending. ESG analysis is conducted for each financing decision, assessing environmental and social impacts as part of new client onboarding, exposure increases, and ongoing client monitoring. To improve the quality of ESG data collected from clients, Citadele participates in the Unified cross-Baltic ESG Client Questionnaire initiative – developed jointly by Baltic banking associations and financial service providers – enabling more standardised and higher-quality ESG data collection across the region.

Customer and stakeholder concerns related to environmental or social impacts can be raised through Citadele's established customer complaint channels and internal whistleblowing mechanisms, ensuring appropriate escalation, review and remediation where necessary.

Citadele will continue to enhance its ESG governance framework as part of Transition Plan implementation, including further integration of climate-related targets into risk management, decision-making processes, and internal performance frameworks.

Principle 6: **Transparency & Accountability**

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

The information provided in the Responsible Banking Progress Statement is sufficient. If third-party assurance has been undertaken, provide details on the scope of assurance and the reference/link to the Independent (Limited) Assurance Report

Links & references

[Citadele banka Annual Report 2025](#)

Response

Independent auditor's limited assurance report

KPMG Baltics SIA has performed a limited assurance review of the Citadele Group's Sustainability Statement for the year ended 31 December 2025, as presented in the Auditor's Reports on pages 205-208 of the Annual Report.

While the contents of this Responsible Banking Progress Statement are derived from Citadele's 2025 Annual Report, only the official Sustainability Statement within the Annual Report has received limited assurance. This Responsible Banking Progress Statement has not undergone the same review.