



DIVERSITY POLICY

I. GENERAL PROVISIONS

- 1.1. The present Diversity Policy (hereinafter referred to as the **Policy**) sets out the requirements that the public company Šiaulių bankas (hereinafter referred to as the **Bank**) and its subsidiaries (hereinafter referred to as the Group companies) (hereinafter the Bank and the Group companies are referred to as the **Group**) complies with to promote equality and diversity culture within the Group. The management body/bodies is/are represented by the Supervisory Council (hereinafter referred to as the **Council**) performing supervisory functions, and the Management Board (hereinafter referred to as the **Management Board**), a collegiate management body performing management function.
- 1.2. Diversity is a situation in which the characteristics of employees and members of management bodies, including age, gender, geographical origin, education and professional experience, differ in such a way as to ensure a diversity of views within the Group and, as appropriate, within management bodies. Diversity is a factor that consistently enhances the potential of employees and management body members, the organisation's competitive advantage and profitability, and ensures that the Group remains an attractive employer for employees and a partner for stakeholders.
- 1.3. The purpose of the present Policy is to foster a Group culture where gender equality and diversity are intrinsic parts of the organisation and where differences are effectively used to create business benefits. The present Policy aims at ensuring a broad range of qualities and skills among the Group's staff and members of the management bodies to ensure a diversity of views and experience and to facilitate independent views and sound decision-making process. Leadership that recognises, assesses and makes operational the differences and similarities between employees and members of management bodies provides broader possibilities for staff to realise their full potential.
- 1.4. The Bank's policy on the suitability and assessment of the Bank's management is regulated in such a way that the selection/recruitment of new members of the Bank's management bodies, as well as succession planning shall consider the aims and objectives of this Policy. The Bank's principles and rules for monitoring the implementation of equal opportunities and the prohibition of discrimination are governed by separate internal Bank documents.
- 1.5. The present Policy has been drawn up in accordance with the Resolution No. 03-176 'On the Approval of the Description of the General Requirements for Internal Governance of Banks' of 2 August 2012 of the Board of the Bank of Lithuania, and Resolution No. 03-181 'On the Approval of the Provisions on the Evaluation of the Managers of the Bank of Lithuania's Financial Market Participants Supervised by the Bank of Lithuania and of the Persons Performing the Key Functions' of 14 November 2013 of the Board of the Bank of Lithuania, the *Joint Guidelines on the assessment of the suitability of members of the management body and key function holders* of the European Banking Authority and the European Securities and Markets Authority (ESMA) of 2 July 2021, and the Corporate Governance Code for the Companies Listed on NASDAQ Vilnius.
- 1.6. The Policy applies to all employees and members of the management bodies of the Bank and Group companies. The Policy shall be implemented in accordance with the procedures set out in the internal documents of the Bank and Group companies.

II. PRINCIPLES AND OBJECTIVES OF THE DIVERSITY POLICY

- 2.1. **Fostering the diversity culture.** The Bank is committed to improving the diversity of all criteria – age, gender, education and experience across the Group. The geographical origin

criterion is not mandatory, as neither the Bank nor the Group companies operate internationally, this, however, seen by the Bank as an advantage. Managers and employees of the Bank and Group companies need to be aware of the benefits of diversity and create and promote a culture of diversity. Group-wide efforts are made to raise awareness among managers and employees of the benefits of diversity in the management body and in the Group by hosting training or other communication and education initiatives.

- 2.2. **Increasing the diversity of the management body.** In order to ensure compliance with the statutory requirements applicable to the Bank and the Group companies their management bodies must be sufficiently diverse in terms of the age, gender, education and experience of their members to be able to provide a wide range of viewpoints, independent opinions and the resulting related challenges. The appointment/recruitment decision must take into account the shortlist of suitable candidates, and take into account the fact that a more diverse management body encourages constructive criticism and debate driven by diversity in views. However, members of the management body should not be appointed/recruited for the sole purpose of increasing diversity if this would impair the collective functioning of the management body and reduce the collective or individual suitability of its members.
- 2.3. **Equality.** All employees and members of the Group's management bodies, irrespective of gender, ethnic origin, religion or other beliefs, age, sexual orientation, gender identity and gender expression, or physical abilities, shall have equal access to employment, work, training and career development. The Group ensures that equal treatment, remuneration and career opportunities are provided throughout your employment with the Group.
- 2.4. **Achieving gender balance.** The Group aims to achieve gender balance by increasing the proportion of under-represented genders at all levels, from top management to employees. However, even with a view to boosting gender balance, primary consideration is given to a person's education, qualifications, experience, skills, abilities, business and personal qualities, and other relevant criteria relating to the person's ability to carry out his or her duties efficiently and to a high standard of performance.
- 2.5. **Increase of the number of the under-represented gender in management bodies.** The Bank takes into account the under-represented gender on the Bank's Council, the Management Board when electing/recruiting new members, as well as in succession planning, in order to increase the number of the under-represented gender in the Bank's management bodies. Enhancing the gender balance in management bodies must ensure a diversity of qualifications and competences among members of management bodies. It is a prerequisite that the members of the management body, taken together, have sufficient knowledge, professional competence and experience to understand the Group's activities and the risks involved, and that the composition of the management body complies with the legal requirements. The Bank effectively and consistently pursues increasing the gender balance in the Bank's management bodies, and this Policy sets 25% as the minimum criterion for under-representation of the genders on the Bank's Council and the Management Board, which starting with 2028, i.e. the outset of the new term of office of the Bank's Council and the Management Board shall not be less than 30%. The Bank does not set any quantitative targets for gender distribution in the Group's corporate management bodies, but in the event of equivalent candidates for the Group's management bodies, priority must be given to the under-represented gender.
- 2.6. **Zero-tolerance to discrimination.** The Group has a zero-tolerance approach to discrimination and requires active efforts to achieve diversity and equality. No one shall be discriminated on the grounds of sex, race, colour, ethnic or social origin, genetic features, religion or belief, membership of a national minority, property, birth, disability, age or sexual orientation. Bullying and harassment of any kind will not be tolerated. Any individual must feel free to express their views openly and feel able to influence change. Managers are expected to act proactively to counteract and stop any bullying, harassment or discrimination.

III. IMPLEMENTATION OF THE POLICY

- 3.1. Diversity is considered an integrated part of the governance of the Bank and the Group, and must be reflected in both day-to-day operations and the Group's strategy.
- 3.2. Diversity and a positive approach to diversity are promoted within the Group at all levels, from top management to employees. Each manager must promote diversity within the unit he/she manages, ensure equality and zero tolerance for discrimination, and ensure that all other principles of the Policy are properly complied with. Managers need to be given more information through training on the benefits of managing diversity within the body and the organisation.
- 3.3. The Policy objectives are implemented, and the diversity balance is achieved by strengthening the Group's human resources management, ranging from the recruitment and selection process, performance appraisal, rotation of managers and key function holders, to the pooling of candidates for appointments to the management body.
- 3.4. All employees and members of management bodies who believe that the principles of the Policy have been violated have the right to make an anonymous report to the Bank's Compliance Officer or to the Chairman of the Nomination Committee with a request to investigate the situation, and to file a report in accordance with the Law on the Protection of Whistle-Blowers of the Republic of Lithuania. Having received any information about a failure to comply with the Policy, the Bank shall promptly take steps to investigate and remedy such possible breaches and shall regularly inform the Council of the Bank thereof. Any form of harassment, victimisation or hostile behaviour against a person who has provided information about non-compliance with the principles of the Policy is prohibited and not tolerated.
- 3.5. The implementation of the objectives of the Policy is recorded in relation to a regular review of the composition of the management bodies of the Bank. If the objectives or targets of the Policy are not implemented in a timely manner, the reasons for the failure to implement the measures shall be recorded, documenting the timeframe within which these measures should be taken to ensure the implementation of the diversity objectives and targets.

IV. RESPONSIBILITY AND REPORTING

- 4.1. The Bank shall regularly monitor and assess the course of the implementation of the Policy.
- 4.2. The responsibility for the Bank's progress in the area diversity and compliance with the Policy lies with the Management Board of the Bank; the ensuring the criterion of under-representation of the genders in the Bank's management bodies set out in the Policy, which is the responsibility of the Council of the Bank. The implementation of the diversity policy within the Bank's management bodies is monitored and evaluated by the Nomination Committee, which, as necessary, makes recommendations to the Council of the Bank.
- 4.3. Each Group company is responsible for the implementation of the Policy within the Group company and is accountable to the Management Board of the Bank.
- 4.4. The Internal Audit Division of the Bank regularly reviews the implementation of the Policy within the scope of the diversity of the Bank's management bodies, within the timeframes set out in its action plans.
- 4.5. All identified deviations from the Policy shall be reported to the Management Board of the Bank, except the deviations in the scope of the diversity of the members of the Bank's management body shall be reported to the Council of the Bank, either directly or through the Nomination Committee of the Bank.
- 4.6. The Bank shall publish on a regular basis, but at least once a year, information on the Policy applicable to the selection of the members of the management body, its objectives and the

significant targets set out in the Policy, as well as the extent to which these objectives and targets have been implemented. This information shall be disclosed by the Bank through its annual financial reporting.

V. FINAL PROVISIONS

- 5.1. The Policy and its amendments shall be prepared by the Human Resources Department of the Bank and submitted to the Management Board and the Nomination Committee of the Bank for consideration. The Policy, together with the feedback and suggestions from the Management Board and the Nomination Committee of the Bank, shall be submitted for the approval to the Council of the Bank. The present Policy shall come into effect after it is approved by the Council of the Bank.
- 5.2. The Council of the Bank shall be informed in advance and, if necessary, consulted when the Policy is adopted, amended or eliminated.
- 5.3. The Policy shall be reviewed and, where necessary, updated in accordance with the terms and procedures set out in the internal documents of the Bank.
- 5.4. The Policy is published on the internet website of the Bank.
- 5.5. The Bank shall disclose information on the implementation of the Policy only in compliance with the mandatory requirements of legal acts and the provisions of confidentiality and the legal protection of personal data.
