

RESPONSIBLE INVESTMENT REGULATION

I. GENERAL PROVISIONS AND DEFINITIONS

- 1.1. The Responsible Investment Regulation (hereinafter – **the Regulation**) establishes the principles of Šiaulių bankas AB (hereinafter – **the Bank**) as a financial advisor, which are followed in providing recommendations on unit-linked life insurance.
- 1.2. This Regulation is drafted under *Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector* (hereinafter – **SFDR**). The Regulation is in line with the sustainability risk policy as set out in the SFDR, but under the Internal legislative procedure approved by the Bank's Board, this document falls within the competence of the Bank's Board and is referred to as the Regulation.
- 1.3. Sustainability risk is an environmental, social or governance (hereinafter – **ESG**) event or situation that, if it occurred, could have a real or potential significant adverse impact on the investment value. At the Bank, sustainability risk is understood as ESG risk.
- 1.4. Sustainability factors include environmental, social and labor issues, as well as respect for human rights and the fight against corruption and bribery.
- 1.5. The Regulation reflects the Bank's current approach to sustainability (ESG) risk management in the provision of guidance on unit-linked life insurance. In case of changes in operating practices or legislation, the Bank may revise this Regulation if such changes would alter the principles set out in the Regulation.

II. STATEMENT OF EXPOSURE TO SUSTAINABILITY FACTORS

- 2.1. As a financial advisor in the distribution of unit-linked life insurance, the Bank plays a minimal role in advising on insurance matters, and it does not currently consider the main adverse impacts on sustainability factors. The Bank, as financial advisor, intends to address the key negative impacts on sustainability in case of an increase in insurance advice.
- 2.2. As a financial advisor, the Bank does not make investment decisions for the portfolio of unit-linked life insurance funds, therefore sustainability risks are being managed by companies that are accepting investment decision for the portfolio of unit-linked life insurance funds.

III. PARTICIPATION POLICY

- 3.1. The Bank does not prepare or publish a participation policy, as understood under the SFDR, and information on how the participation policy has been implemented (a public explanation is published on the Bank's website www.sb.lt).

IV. COMPLIANCE WITH INTERNATIONAL STANDARDS

- 4.1. The Bank follows the approved Corruption prevention and unacceptable behavior policy setting out the main principles and requirements for the prevention of corruption and unacceptable behavior and the guidelines for ensuring their observance, the implementation of which creates preconditions and conditions for the implementation of the highest transparent business conduct standards.

V. REMUNERATION POLICY

- 5.1. The Bank's Remuneration policy is published on the Bank's website www.sb.lt.

VI. FINAL PROVISIONS

- 6.1. This Regulation shall be approved, amended or repealed by a decision of the Bank Board.
- 6.2. The Bank reviews, evaluates and adjusts this Regulation accordingly, regarding the latest internal and external developments specified in clause 1.5 of this Regulation, at least once every 1 (one) year.
- 6.3. The Bank publishes this Regulation on its website www.sb.lt.

Effective since September 8, 2022