

**RIETUMU BANKA AS**

**Group Consolidated Sustainability  
Report**

for the year ended 31 December 2017



## **Mission**

The Bank offers qualitative and professional financial services for the dynamically growing enterprises and high-net-worth individuals from Latvia, the CIS, Europe and other world regions. The Bank aims at providing premium quality service, our personalised and client-oriented approach allows to devise and offer tailored financial solutions for every client meeting his/her business needs and personal requirements.

## **Vision**

The Bank endeavors to strengthen its leading positions in wealth management and corporate client service in Latvia and beyond. The Bank aspires to increase its efficiency ratios and strengthen its market position aiming at ensuring stable profitability. The Bank seeks the stable development achieved by means of effective internal technology and administrative infrastructure.

The Bank is also planning to foster the improvement of risks and control management systems, staff training and professional growth of all its employees.

The Bank; is a socially responsible Latvian bank rendering support for those in need through the charity fund.

## **Core Values**

- Individual approach in decision-making;
- Most recent banking technologies;
- Services provided in five languages, including English, Russian and Latvian;
- Full support of clients.

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## **Reporting Guidelines**

Official name of the joint stock company is *Rietumu Banka* (hereafter – the Bank). *Rietumu Banka* is a parent company of *Rietumu Banka Group* (hereafter – the Group).

*Rietumu Banka Group Sustainability Report 2017* is the Group's first sustainability report, covering a period from January 2017 to December 2017 and the organizational structure dated December 31, 2017. The report is intended to disclose the information about the Group's intentions and efforts put in sustainable development internally and externally.

The Group will present such report on annual basis, starting with this report and presenting the reports further on the yearly basis.

Information, disclosed in this report, is prepared in accordance with Global Reporting Initiative (GRI), based on the G4 Core guidelines. Apart from the above, this report addresses European Union directive 2014/95/EU and the relevant regulations in force in the Republic of Latvia.



## **Group at Glance**

The Group is formed of the Bank and its affiliate companies. *Rietumu Banka AS* is a commercial bank, providing wide range of financial services both for corporate clients and private individuals. The major non-banking companies include leasing and consumer finance companies, repossessed real estate and other repossessed collateral maintenance companies and asset management companies. It is the Group's strategy as much to ultimately integrate its subsidiaries into the Bank's management and control systems. Activities of the Group companies are financed by the Bank via capital investments and loans. In most cases, the Bank owns 100 percent of the shares of its subsidiaries.

The Group fully owns an asset management company *Rietumu Asset Management* which specializes in the asset management services. The asset management company provides individual portfolios for clients, as well as investments into four funds registered in Latvia.

The Group also comprises Belorussian leasing business focused on industrial equipment leasing. The Bank partly owns and finances a consumer leasing company named *InCredit Group SIA*, which is registered and operates in Latvia. *RB Investments SIA group* owns most of the significant real estate that the Bank repossessed, as well as other assets that the Bank took over on defaulted loans. Most of the repossessed assets are located in Riga and around Riga. *RB Investments Group* rents out a portion of these assets and plans to sell most of its portfolio of assets in the coming years.

## **Group Geography**

The Group's headquarters are located in Riga, the Republic of Latvia, although its reach spreads beyond the borders of Latvia. The client servicing operations and processing of all transactions are based in Riga, the sales personnel, remote banking infrastructure, and up-to-date technology solutions ensure upmarket services across the borders. The Group offers both on-site and remote services to affluent clients and high net worth individuals in many parts of the world, although its main markets remain Latvia, CIS countries and EU.

The Group focuses on providing the wide range of banking services to those corporate clients who/which carry out business in international environment, and aims to develop the client network further on, at the same time permanently complying with regulations applicable for the banking sector and promoting best practice principles in its activities.

## **Client Risk Assessment**

In a process of planning and enlarging the geography of potential client engagement, the Group relies on the business potential and possible risk assessment of clients. The Group evaluates a risk related to the client location prior to establishing the business relationships. Depending on the risk level, the Group takes into account the following factors: geopolitical situation in a respective region where the client comes from, jurisdiction, AML-compliance, enforceable ratings provided by the international organizations. The Group always relies on its elaborated list of countries whose residents may not or become its clients.

## **Types of Clients**

The Group maintains and proves its reputation of the reliable and stable provider of financial services; this is why it always focuses on careful selection of its clients and therefore implements a number of targeted measures. One of the mentioned measures is the barrier tariff policy for the provided services to attract trustworthy and reliable clients to make a part of the Group's long-term sustainability strategy.

In order to achieve its goal to offer the qualitative and professional financial services for dynamically growing enterprises and wealthy individuals, the Group evaluates the following factors to distinguish its priority sectors:

- scale and specific features of activities of the clients;
- geographical location;

- industry / sphere of activities;
- nature of business activities.

The Group mostly focuses on the clients coming from trustworthy geographical regions specializing in manufacturing, trade, logistics and transport, construction, holding and management business, licensed finance services, insurance and investment enterprises, e-commerce companies, as well as renders services to the family capital corporations.

## **Product Base**

The major aim of the Group is to provide premium quality service to every client, to hear and understand each client's needs and respond as quickly as possible in a most effective way to offer the most suitable solutions. Considering the whole Group, the largest product and financial services portfolio is offered by the Bank, and they are as follows:

### **1. Business-Oriented Services** comprise:

- settlements: current accounts, remote banking services, payments;
- bank cards: payment cards for business, payroll cards;
- cross-border transactions: international trade financing, transfers and conversion operations, trade finance operations, hedging of currency and price risks;
- liquidity management: demand and term deposits;
- financing: business lending, transport credit facility, overdrafts.

### **2. E-commerce** provides for:

- Internet acquiring (PSP);
- merchant accounts;
- payment processing;
- card issuance.

### **3. Financial Markets for Private Clients** mean:

- access to the main stock exchanges and financial instruments;
- commodities investment gold;
- brokerage services on for professional investors;
- listing services;
- Trade platforms.

### **Asset Management** includes:

- investment funds;
- thematic investment portfolios;
- investment in premium brands of wine.

### **4. Products and Services for Individuals:**

- classical banking services (accounts, payments, digital banking);
- premium payment cards.

### **5. Investment Products:**

- demand and term deposits, subordinated deposits;
- tailored investment solutions;
- lending;
- individual lending solutions;
- mortgage.

One of the major objectives of the Group is to build a partner relation with its clients; therefore, its sustainability goals comprise elaboration of the client engagement approach and **building upon** Know Your Client policy. Effective business contacts, established with every client, provide the Group in general and the Bank, in particular, both with stable liabilities and high-quality assets that ultimately increases the resistance of the Group toward unwanted impact of the international business environment.

### **Supply Chains of Rietumu Group**

The Group is a major provider of the banking and financial services, and the Group's providers are mainly engaged in bringing additional value to the on-site developed service base.

The Group always chooses its suppliers very carefully, paying major attention to their reputation and entering into contractual relationship only with those suppliers, which prove to be reliable and convincing from the sustainability point of view.

The Group's supply chain comprises asset delivery chain to be offered to our clients on-site. The Group subcontracts information technology solutions of the proven experts on the information technology market to upgrade the services and inner procedures. Development of the digital technologies leads the path to the environment-friendly economy and thus enforces the Groups sustainability goals. The Bank invests in information technologies to generally be ahead of the current trends and be on the way to the prominent digital banking on our core markets.

As to the regular supplies, the Bank receives:

- office equipment;
- hardware;
- office appliances;
- paper recycling services;
- plastic cards prior to the embossing – white plastic.

## **Anti-Corruption**

Fundamental values, such as integrity and responsibility, form the basis of the Group's business practice. The Group is absolutely impatient against bribery (bribe-giving, bribe-taking) in any of its expressions and forms. The Bank expects strong, unmistakable and obvious impatience from both the top management of the Bank (the Council, the Board and the key function holders) and its employees, subsidiaries, partners, counterparties, suppliers, agents and other institutions the Bank cooperates with, and also from its clients.

A cornerstone principle of the Group is to prohibit any type of the bribery – either direct or indirect, intentional or unintentional. To achieve this aim and constantly comply with it, the Group has established frameworks for good business practice and risk management strategies, including ones related to the bribery risk minimization (elimination).

### **Anti-Corruption Policy and Program**

The Group's anti-corruption policy is developed in line with bribery prevention principles, stipulated by the international organizations, the laws and regulations of the Republic of Latvia, enforceable international laws and regulations and established business ethics and best practice.

The Bank has developed the Anti-Corruption Policy, which displays the high ethics standards, open and fair business management, its endeavors to improve the corporate culture and ensure the observance of the best corporate business practice and maintenance of high level reputation. The Policy is obligatory and is met by employees on all levels.

### **Building Anti-Corruption Mind-Set**

The Bank has a safe and confidential reporting system about corruption cases and any relevant suspicions. Reporting is confidential, it does not create any negative consequences to the one who reports. Employees report about the corruption cases (the same as on operational risk) according to the internal instructions.

The Group supports its employees' initiatives on settlement of corruption prevention issues, recommendations on necessary informative activities and improvements in internal regulatory framework.

Within the Bank, regular training and testing of knowledge on anti-corruption issues is provided to the employees to ensure respective anti-corruption culture level. The Bank pays special attention to the employees that take specific positions and who while performing their professional duties may incur increased risk of corruption cases or whose professional performance relates to the possibly corruptive environment.

## **Whistleblowing**

The Group has listed several whistleblowing channels in order for the stakeholders to be able to express their thoughts or report any cases of unethical behavior of employees. There are three main channels, which can be used for that:

1. Ombudsman.  
Telephone number: +37167284562, +37167284561  
E-mail: [ombuds@lka.org.lv](mailto:ombuds@lka.org.lv)  
Link to webpage: <http://lka.org.lv/lv/ombuds/reglaments.html>  
Address: Doma laukumā 8A-6, Rīga, LV-1050, Latvia
2. Internal control division (for bribery cases).  
E-mail: [antibribery@rietumu.lv](mailto:antibribery@rietumu.lv)  
Link to banks webpage: <http://www.rietumu.lv/bank-anticorruption>
3. Suggestions and Complaints section on the webpage.  
Link to webpage: <http://www.rietumu.lv/bank-feedback>  
Telephone number: +371 6702 55 55  
E-mail: [complaint@rietumu.lv](mailto:complaint@rietumu.lv)

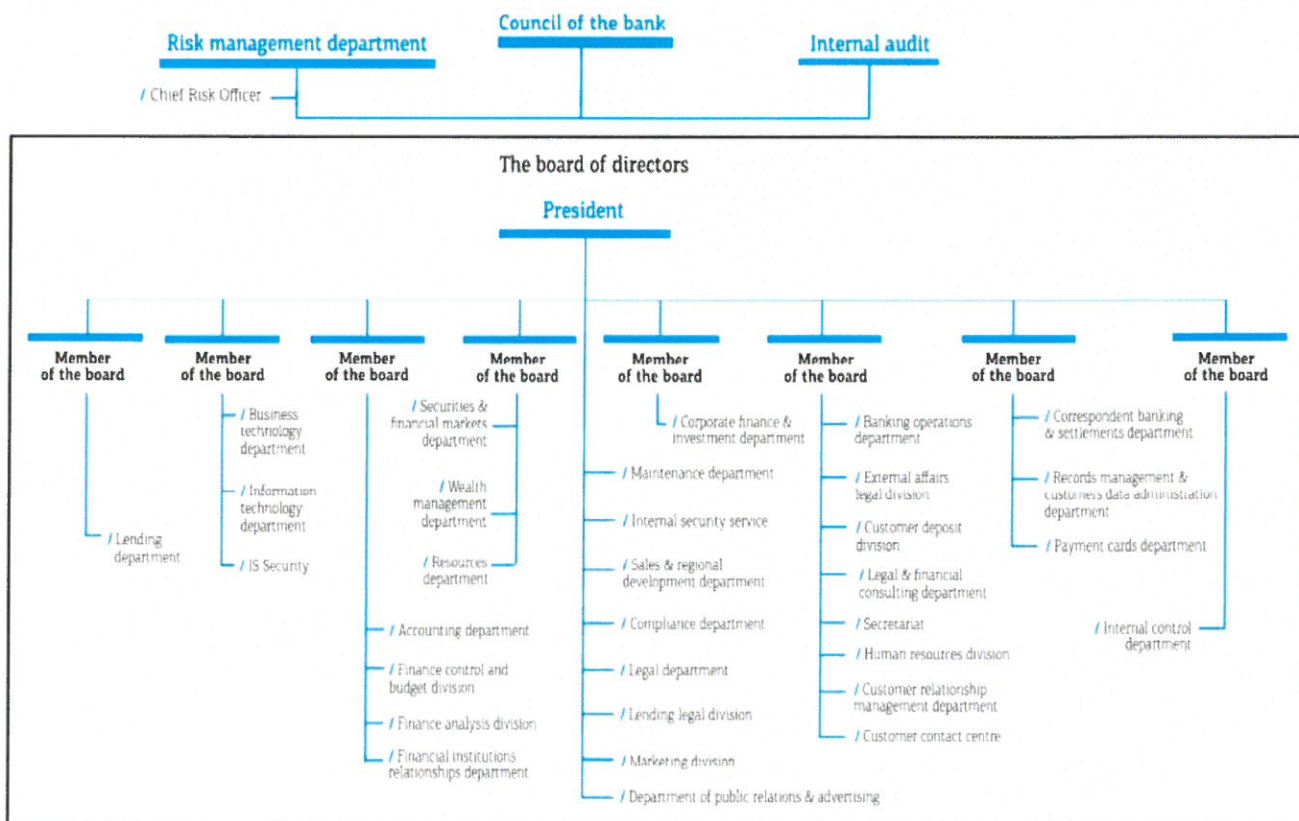
In addition to that, employees of the Bank have various channels to report cases of corruption, conflict of interests and other situations of unethical behavior, which are specified in internal instructions.



## Governance

The Group's main governance body is the Management Board. The Board is elected by the Council and is subject to the Council, which supervises activity of the Board, controls the way the Board ensures development and effective performance of the internal control system; considers appropriate candidates to the Board, elects and approves the Board Members, Audit Committee and Chief Risk Officer; controls that the Bank complies with the regulatory requirements in its business operation; monitors activities of the Board; approves any changes in organizational structure of the Bank; examines the annual report and considers the Board's proposals on the profit distribution; makes decisions on distribution of the yearly budget, and monitors business of the Bank in general.

### Structure of Group's Governance



## Decision-Making

The Group exercises vertical decision-making structure, where each significant decision has to be approved by the top-management. Within the Bank, main strategic decisions, new activities and development of new products is coordinated by the Board Members in their respective areas of responsibility. The final decision-making authority on the mentioned issues has been entrusted to the Bank's Board Chairman, President.

## Board

The Board elaborates and ensures the strategic development of the Group; works on the business continuity and integrity; decides on changes in organization's personnel structure and ensures control over operation of all functions under supervision of each member of the Board; develops new products of the Bank and appoints target operation areas for all structural units of the Ban, as well as implements strategic decisions in relation to the subsidiaries.

The Board is headed by the Chairman of the Board, President who holds major control functions of all areas of activities of the Bank. The Board elects members to the committees of the Bank, the decision-making and development enhancing collegiate bodies of the Bank, and approves amendments to composition of the committees.

The Board consists of nine members:

- **the Chairman of the Board, President Alexander Pankov** provides overall control over operation of the Group;
- **the Board Member, First Vice-President Rolf Paul Fuls** – in charge of accounting, finance planning and control, as well as financial institutions relationships and supervision of subsidiaries;
- **the Board Member, First Vice-President Ruslan Stecyuk** – in charge of the client service and e-commerce issues;
- **the Board Member, First Vice-President Ilya Suharenko** is responsible for client service and legal and finance consulting, as well as human resource management;
- **the Board Member, Senior Vice-President Eugene Dugaev** is in charge of information technologies and business technology management issues;
- **the Board Member, Senior Vice-President Alexander Voloshin** supervises treasury, financial markets as well as the wealth management;
- **the Board Member, Senior Vice-President Natalja Perhova** is in charge of the lending and investment matters;
- **the Board Member, Senior Vice-President Jelena Buraja** heads the corporate finance and investments;
- **the Board Member, Senior Vice-President Natalia Ignatjeva** supervises the area of anti-money laundering and prevention of terrorist financing.

As a matter of fact, the constitution of the Board demonstrates the diversity, gender equality, variety of qualifications, experience and background. In a process of the Board Member election, the Council has always focused on the experience and potential brought by the particular candidate, where age, gender and nationality in practice do not have particular effect.

#### **Composition of Governance Bodies and Employee Structure in the Bank**

The year	2017		2016	
	Male	Female	Male	Female
<b>Number of Managers m/w</b>				
<b>Board Members, Vice Presidents</b>	6	3	6	2
<b>Executive Management</b>	9	3	7	5
<b>Senior Management (Top-Managers, Heads of Departments and General Divisions)</b>	16	21	19	18
<b>Middle Management (heads of divisions inside departments, heads of groups)</b>	55	101	50	107
<b>Other employees</b>	167	338	198	373
<b>Total</b>	253	466	280	505

<b>Composition of Governance Bodies and Employee Structure in the Bank</b>	<b>2017</b>			
	<b>&lt;30</b>	<b>30-49</b>	<b>50-59</b>	<b>60+</b>
<b>The year and age groups</b>				
<b>Board Members, Vice Presidents</b>	0	9	0	0
<b>Executive Management</b>	2	5	5	0
<b>Senior Management (Top-Managers, Heads of Departments and General Divisions)</b>	2	29	4	2
<b>Middle Management (heads of divisions inside departments, heads of groups)</b>	15	111	21	9
<b>Other employees</b>	153	245	65	42
<b>Total</b>	172	399	95	53

## Committees of Bank

Members of the banking committees are proposed and approved by the Board, and the Board Members always consider efficiency of the work performed by each particular candidate. Each committee is composed of at least three members, in separate cases – of five, and each of them is headed by the Chairman and the management within each committee is also provided by the Deputy Chairman.

**The Asset and Liability Committee** develops the Bank's asset and liability management policy; reviews the Bank's financing activities; provides recommendations to the Board on asset and liability planning and management; develops the Group's liquidity and financial activity plan; executes control over the capital adequacy and risk diversification, sets the optimal structure for balance sheet to maximize profitability, limiting the possible risk level.

**The Expert Commission** takes care of the documentary base of the Bank, precision of their storage terms, and compliance with both regulatory requirements and legitimate interests of the Bank, providing safe and accurate keeping of files, protecting of the data included within the documents. The Expert Commission's responsible members provide consultations to the personnel on the effective and correct keeping of documents, taking records on them, maintenance and use, as well as evaluation and environment-friendly destruction, thus building stable and efficient attitude towards confidentiality of the data and reprocessing of valuable renewable resources.

Regarding the sustainability issues, the Bank pays major attention to the prevention of the money-laundering, and the financing of terrorism. To control any possible threats to the fair and transparent business practice, **the Compliance Committee** has been established to enforce the sustainability practices of the Bank. The Committee plans, develops and implements significant and sustainable decisions on measures that have to be implemented in order to prevent the involvement of the organization in any fraudulent and unfair practices leading to laundering of the proceeds derived of criminal activities, breach of national and international sanction regimes. The Compliance Committee takes all the steps in order to evaluate and provide efficient control mechanisms over internal processes of the Bank and elaborates on the anti-money laundering practices of the Bank.

The functions of combating the risks to be involved in the potential money laundering transactions, is also entrusted **the Client Policy Compliance Committee**, which, along with client registration compliance procedures, maintains the proper Know Your Client policy.



The social life of the Bank, its non-financial activities and effective communication promotion is maintained by **the Internal Communications Committee**. Its members are designated to make basic decisions on development of the internal communications program within the Group, elaborate the team-building activities and tasks to be fulfilled on the way to establishment and promotion of the exchange of information within the Group and the Bank, establishing the Group's internal image and provide the satisfaction and social comfort to its employees. The Committee always takes care of the promotion of the Bank's reputable image and enforcement of the loyalty programs.

**The Credit Committee** is responsible for the implementation of the Bank's lending policy and managing the lending area of the Bank. Critical situations affecting the liquidity of the Bank are a matter of competence of **the Liquidity Crisis Commission** which is convened by the Chairman of the Board, President in case of the triggering situations. The overall risk control and prevention measures are planned and developed by **the Risk Committee** which, apart from the above-mentioned collegiate structures, is subject to the Council. The committee ensures the monitoring of the Bank's risk strategy, promptly alerts the Council on possible activities and steps that must be taken in order to keep to the risk strategy and risk management policy. **The Audit Committee** supervises in general the internal control system of the Bank, overviews efficiency of the internal audit system, and monitors the regulations in terms of the Bank's financial reporting and the Group's consolidated financial reporting management.

## Initiatives on Sustainable Development Goals 2030

The Group plans to implement sustainability issues in its internal policies and instructions. The Group intends to use UN Sustainable Development Goals 2030 as its guideline in order to achieve its sustainable development goals.

This is the list of UN Sustainable Development Goals 2030 to which the Group can and already is responding:



(source <http://www.un.org/sustainabledevelopment/sustainable-development-goals/#prettyPhoto>)

## Employment Practices

Employees are an essential part of the organization, make one of its biggest values and constantly develop together with the Group. A total of 952 persons were employed by the Group in the Republic of Latvia and abroad as of December 31, 2017. As a matter of fact, the Bank is a prominent employer on the Latvian labor market. Employment of staff outside the borders of the Republic of Latvia complies with our vision to provide upmarket services in our key strategy regions. Particular numbers are given in the Table 1 and Table 2 below.

**Table 1. Employment Statistics Split by Gender and Age Group**

	Age and Gender	2017		2016	
		Male	Female	Male	Female
<b>Number of Employees</b>	18-29 years	95	104	115	140
	30-50 years	223	346	201	340
	51-60 years	46	71	50	82
	60+ years	25	42	25	28

**Table 2. Employment Statistics Split by Geographical Regions**

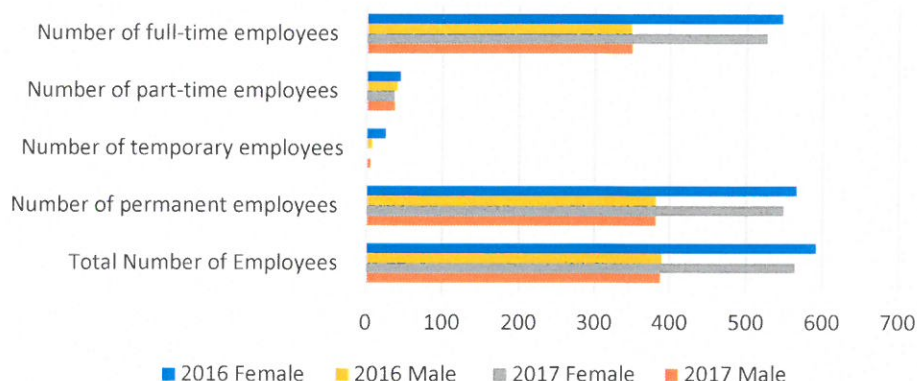
	Regional and Gender Data	2017	
		Male	Female
<b>Number of Employees</b>	Belarus	1	4
	Kazakhstan	2	3
	Ukraine	1	6
	Russia	7	11
	Romania	-	4
	Israel	-	2
	Latvia	377	534

The Group composes its personnel of both permanent and temporary employees, as well as offers the part-time employment, as Table 3 demonstrates. Seasonal variations in employment level is not typical for the Group. In fact, the Group supports its strategy to ensure stable long-term employment by permanent employment practice.

**Table 3. Types of Employment Contract**

Employment Type/Year	2017		2016	
	Male	Female	Male	Female
<b>Total Number of Employees</b>	388	564	390	592
<b>Number of permanent employees</b>	382	549	382	566
<b>Number of temporary employees</b>	6	15	8	26
<b>Number of part-time employees</b>	38	37	41	45
<b>Number of full-time employees</b>	350	527	349	547

### Total number of employees, breakdown by contract type



\*Data as of 31.12.2017 for Rietumu Banka Group

The Group implements quite a few principles and follows its personnel policy in order to achieve its goal to form a professional and motivated team that succeeds in delivering the highest performance results. The Group focuses on creating and maintaining the long-term relations with its team of the employees. This goal is achieved by means of four main strategies targeted at personnel:

1. convenient and ergonomic working environment;
2. motivation program;
3. remuneration pay-out scheme;
4. growth opportunities both in terms of linear development and carrier step-up.

The Group plans its personnel structure based on the strategic goals and business development highlights of the Bank and its subsidiaries. New hires and workforce turnover has always been based on the current demand in Latvia.

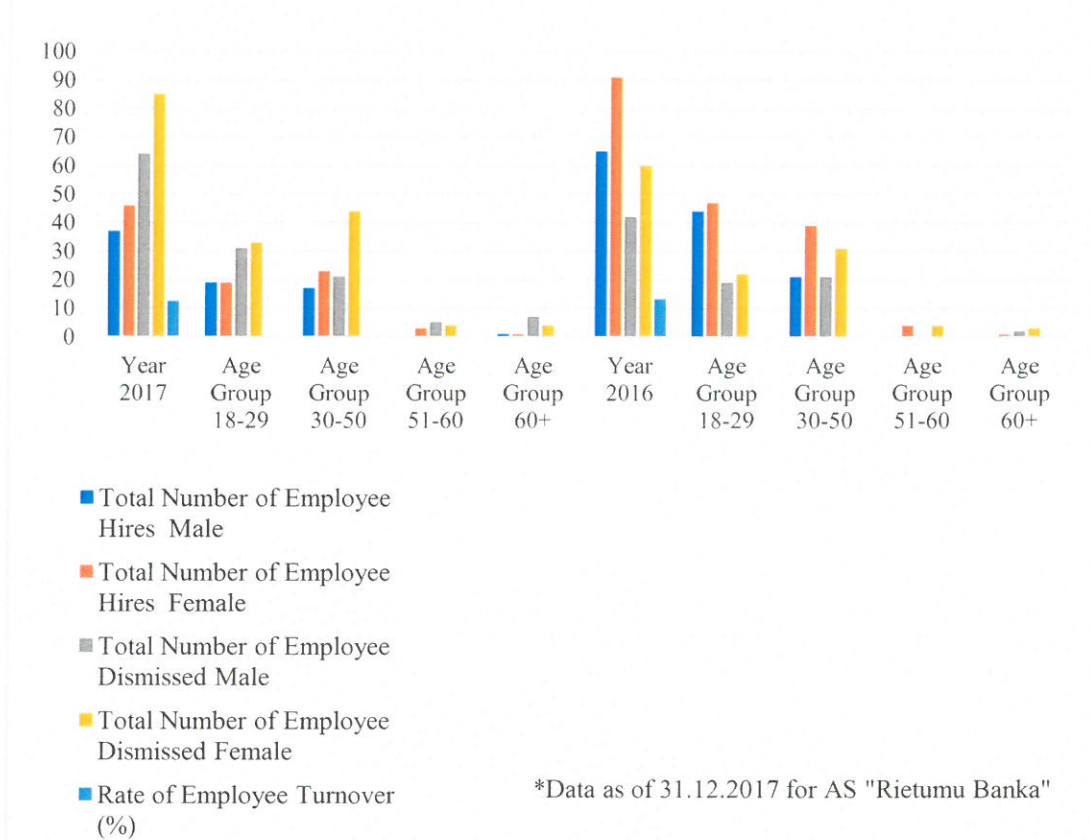
The recruitment process is objective, systematic and fair, giving equal chances to all applicants without restrictions and discrimination. Gender-related recruitment criteria have never existed within the Group, which provides equal employment opportunities for both female and male employees. As a result, the Group makes the advantage of most efficient and talented employees, regardless of their gender. Ageism is not a matter of concern in the Group as well, because the Group companies provide employment both to fresh starters, university graduates, experienced professionals and senior experts, which is proved by the statistics stated in the Table 4 below.

**Table 4. Diversity of Employment and Workforce Turnover Data on the Bank**

<b>Diversity Indices</b>		<i>Total Number of Employee Hires</i>		<i>Total Number of Employee Dismissed</i>		<i>Rate of Employee Turnover (%)</i>
		<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	
<b>Year</b>	<b>2017</b>	37	46	64	85	12.47
<b>Age Group</b>	18-29	19	19	31	33	
	30-50	17	23	21	44	
	51-60	0	3	5	4	
	60+	1	1	7	4	
<b>Year</b>	<b>2016</b>	65	91	42	60	13.27
<b>Age Group</b>	18-29	44	47	19	22	
	30-50	21	39	21	31	
	51-60	0	4	0	4	
	60+	0	1	2	3	



Number of new hires and dismissed employees,  
 breakdown by age groups.



The employees diversity policy results in a wide variety of age groups of persons employed within the Group, including the governance structure. We put efforts to implement inclusive recruitment practices and make optimal benefit of the situation on the markets in different regions. This results in proficient and stable employee team.

The Group offers practice and employment opportunities for young people. This is a good possibility to get valuable and precious knowledge in banking and general business organization, which might well become a stable ground for further success and lead to employment in the Group. To engage the attention of students, representatives of the Bank attend employment trade fairs and events.

At the same time, the Group pays respect to the experienced employees. The Group has established a program for those who has worked for more than 10 years in it, and thus offers additional motivation for the long-term employees.

To better attract and keep stable relationship with its current employees, provide more comfort and stability options, the Group actively implements its loyalty program offering work-related bonuses both to permanent and temporary employees.

### Employee Training Programs

The Group attracts high level professionals to its team, still taking care of the professional development of the current personnel. The Group provides tuition to personnel, starting from the first day of employment. During the introductory training, HR specialist provides newcomers with basic information on the Bank's history, mission, vision, strategy, products and internal labor regulations, Group's regulatory documents which stipulate general requirements

related to the Group. IT specialists provide a short course on hardware/software use for daily activities. Afterward, employees are trained by the appointed mentor, and receive tuition as soon as it is necessary. Heads of the structures within the Bank actively promote professional growth of the subordinates, support their intentions to learn and contribute to their loyalty towards the Bank.

Enhancement of employees' knowledge, skills and competence is a key factor for the long-term success of the Group. Therefore, to maintain and develop its competitiveness, the Group invests in the development and growth of the personnel. The Group has well-developed program of in-house and external training, as well as an option to attend courses and seminars on a regular basis.

In general, the Group offers professional tuition in three categories:

1. **internal studies** – in-house training sessions and lectures at hand for employees who come to learn both in groups and individually, where the training is provided both by our experts and invited lecturers;
2. **external studies** – employees attend both short-term and long-term courses, lectures and conferences on Latvia and abroad;
3. **e-training** – a focused program developed and approved for each year, comprised of a study course on the working place and the online study test.

The choice of the training subjects always depends on the current market needs, regulatory requirements, the topicality of the subject and benefits which the particular subject brings to the professional qualities of attendees.

Beside to the stated learning and professional development programs, our employees have broad opportunities to learn from experienced colleagues, who always come to advice and support the co-employees. We build a strong team; each person is dedicated to the common goals and skillful to bring the Group's development to the upper level.

## **Remuneration System**

In the framework of its remuneration policy, the Group payment system provides for both basic pay and the additional pay-out forming the particular remuneration for the job. The main goal of the remuneration policy is to retain, attract, and motivate employees to be productive, efficient and creative. Although the Bank actively focuses on the loyalty program, remuneration is still considered to be an additional motivation for the productive work practices.

**Remuneration** structure for the Groups personnel is formed of the following categories:

- basic pay;
- bonuses paid to those who put extra efforts to their daily job which leads to the high-quality performance;
- extra pay-outs for those who achieve results in client servicing;
- supplementary payments for overtime work, including the work on public holidays;
- payment of allowances, presents and compensations;
- additional payments for creative innovations offered to the Bank.

## Stakeholder Engagement

The Group considers that one of the most important part of its business activities are its partners, society around it and its employees. The Group identifies its stakeholders as every person who is materially impacted by and impact our operations, separately or in groups. The Group has implemented various internal policies in order to manage the channels of communication between the Group and its stakeholders, to identify and select relevant stakeholders within each group. The expectations and more detailed information about each stakeholder type relevant to the Group are disclosed below.

### **Employees:**

#### *Expectations or Concerns:*

- competitive salary;
- satisfactory welfare and benefits;
- sound workplace environment;
- career development and advancement;
- fair treatment;

#### *Communication channels and frequency:*

- employee surveys (from 1 to 2 per month);
- internal chats with executive management;
- internal communications channels, such as Intranet and internal e-mails;
- public announcements and other activities during a year;

### **Clients:**

#### *Expectations or Concerns:*

- excellent professional service;
- provision of complete and accurate information;
- products that respond to the clients' needs;
- strict client privacy;
- individual approach to each client;

#### *Communication channels and frequency:*

- relationship managers;
- remote communication channels;
- social media;
- Client Contact Center;
- feedback and complaints (social program for improving the client service);

### **Shareholders:**

#### *Expectations or Concerns:*

- financial strength and resilience;
- risk management;
- satisfactory return on investment;
- complete, transparent and verifiable disclosure of information;

#### *Communication channels and frequency:*

- briefings;
- financial reports;
- general meetings throughout the year;

### **Investors:**

#### *Expectations or Concerns:*

- financial strength and resilience;



- risk management;
- satisfactory financial performance;
- compliance with all applicable regulations and laws;

*Communication channels and frequency:*

- investor meetings;
- briefings;
- financial reports;

**Commercial Banks or other financial Institutions:**

*Expectations or Concerns:*

- fair competition;
- overall economic development;

*Communication channels and frequency:*

- meetings between banks on different occasions throughout the year;

**Regulators:**

*Expectations or Concerns:*

- strict control of meeting the policies and regulations;
- transparency;
- high level of cooperation;

*Communication channels and frequency:*

- submission of reports;
- bilateral and multilateral meetings;

**Business Partners and Suppliers:**

*Expectations or Concerns:*

- fair and equal treatment towards business partners and creditors;

*Communication channels and frequency:*

- communication between financial, procurement and planning functions, as stated in the internal instructions and policies;

**Society:**

*Expectations or Concerns:*

- employment development;
- community support;
- provision of financial product information in a complete and correct manner;

*Communication channels and frequency:*

- field visits to universities of Latvia to engage the community throughout the year;
- media;
- participation in exhibitions and other social activities throughout the year.

## **Defining Report Content and Boundary**

The Group defines the content and boundary of the report based on the GRI Guidelines and taking into the consideration the relevance of the disclosed information to the required disclosures on sustainability matters.

The process for defining report content and boundary is specified below.

### **Defining Material Aspects and Boundary Process**

The Group has concluded a research in order to identify material aspects which are most important for the Group sustainable growth. These aspects have been identified and should be revised each year, taking into consideration the progress of the Group on the identified material aspects and the changes, which happened during each year.

After revising of the results of the aforementioned defining process the Sustainability Working Team created a scheme for identification of the material aspects and boundaries.

**(Identification)> (Prioritization)> (Validation)> (Review)**

#### **Identification of Sustainability Topics**

The Sustainability Report Working Team identifies topics relevant to the Group taking into consideration the GRI Guidelines, goals and aims of the Group for each year.

#### **Prioritization of Material Aspects**

After identifying the sustainability aspects relevant to the Group, Sustainability Report Working Team prioritized material aspects based on the impact and issues related to all the stakeholder groups of the Group.

#### **Validation of Material Aspects**

Appointed senior executives from various business divisions of the Group revise the Identified Material aspects to confirm that they are relevant and fully cover the impacts and issues that are significant to its stakeholders. The identified material aspects are mentioned in the Identified Material Aspects chart.

#### **Review**

In the effort to control, develop and achieve the sustainability goals that are identified as the most relevant and impacting for our stakeholders, all Identified Material Aspects and Boundaries will be revised each year. This will allow the Group to keep the track of the progress and key areas on which the Group should prioritize, this will enable the Group to identify new Aspects each year, which can arise in the changing environment.

Following the concluded research, the Group has Identified such Material Aspects and Boundaries of the Report:

**1. Business Fairness:**

- compliance culture;
- fair behavior for all stakeholders;
- transparency;

**2. Efficiency and Solidity:**

- financial stability and performance;
- transparent organization;
- reliability;

**3. Client Experience:**

- partnership relations;
- quality of services;
- individual approach;

**4. Positive Impact on Society:**

- national infrastructure;
- responsible finance;
- employment;
- community engagement;

**5. Development of Human Resources:**

- employee development;
- employee inclusion;

**6. Emerging Risks:**

- security;
- environmental impact.

**Group Materiality**

<b>Influence on Stakeholder Assessment and Decision</b>	<b>High</b>	5, 9,	2	1, 4, 10, 11, 12, 14
	<b>Moderate</b>	16	3, 6, 7, 8, 15	13, 17
	<b>Low</b>			
		<b>Low</b>	<b>Moderate</b>	<b>High</b>
		<b>Significant impact on Economy, Environment and Society</b>		

1. Compliance culture;
2. Fair behavior for all stakeholders;
3. Transparency;
4. Financial stability and performance;
5. Transparent organization;
6. Reliability;
7. Partnership relations;
8. Quality of services;
9. Individual approach;
10. National infrastructure;
11. Responsible finance;
12. Employment;
13. Community engagement;
14. Employee development;
15. Employee inclusion;
16. Security;
17. Environmental impact.

## Reporting Scope and Boundary

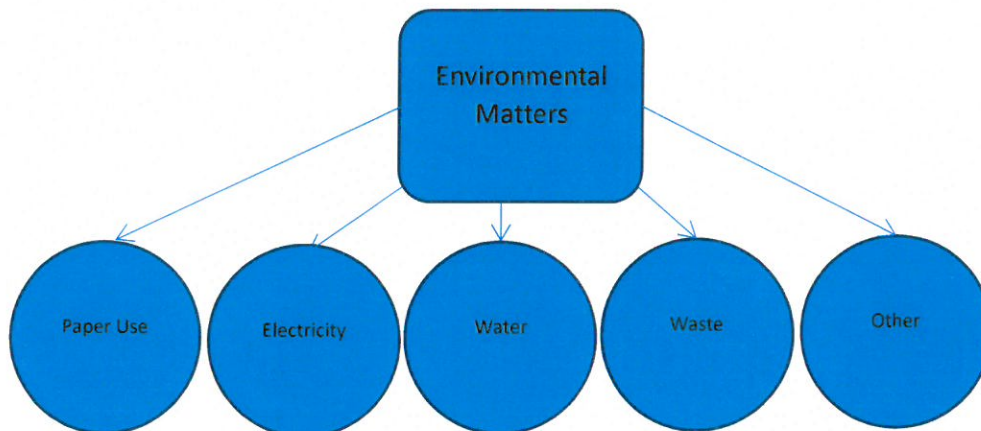
This report covers all entities of the Group. Significant entities, which are members of the Group are stated in the Annual Report (G4-17 Index). Following table illustrates which internal and external stakeholder groups are impacted by the identified Material Aspects.

**Identified Material Aspects Chart**

	Employees	Clients	Shareholders	Investors	Commercial Banks or other financial Institutions	Regulators	Business Partners and Creditors	Society
<b>Compliance Culture</b>	X	X	X	X	X	X	X	X
<b>Fair behavior for all stakeholders</b>	X	X	X	X	X	X	X	X
<b>Transparency</b>	X	X	X	X	X	X	X	X
<b>Financial stability and performance</b>	X	X	X	X	X	X	X	X
<b>Transparent organization</b>	X	X	X	X	X	X	X	
<b>Reliability</b>	X	X	X	X	X	X	X	
<b>Partnership relations</b>	X	X		X			X	
<b>Quality of services</b>	X	X	X	X				
<b>Individual approach</b>		X		X				
<b>National infrastructure</b>	X	X						X
<b>Responsible finance</b>	X	X	X	X	X	X	X	X
<b>Employment</b>	X							X
<b>Community engagement</b>								X
<b>Employee development</b>	X					X		
<b>Employee inclusion</b>	X							
<b>Security</b>		X		X		X		
<b>Environmental impact</b>	X	X	X	X	X	X	X	X



## Environmental Matters



The chart above shows the main concerns of saving the environment by the Group and its employees.

The Group implements its environment saving efforts in the minds of its employees. Employees are regularly reminded about the fact that their day-to-day decisions, not only during working hours, affect the environment. This is connected not only to such basics as using paper less when possible, and about switching the lights off in the rooms that are not used, but also about many other occasions. By contributing to these little everyday steps, one can do a lot, in the means of preserving the environment.

### Rietumu Capital Centre (RCC) Facilities

RCC is one of the most modern office buildings in Latvia and most of the offices of the subsidiary companies of the Group are located in the RCC building. It counts in many facilities, which are aimed to use resources responsibly and safely.

First of all, the climate control in the building is fully automated and adjusts temperature and humidity levels to be on most comfortable levels during winter and summer. This system is backed up with double facade which helps to divide the building from outer environment.

It should be noted that this system works in standby mode during weekends and nights.

#### Electricity

Electricity is the main resource, which is being used by the Bank during day-to-day operation. It should be noted that 2017 year was the first year when the Bank passed the energy efficiency audit.

The Bank is always looking forward to decreasing the consumption of electricity, it should be noted that according to the Latvian laws and regulations there are two components which are taken into consideration when calculating the price of electricity, these are cogeneration and renewable resource energy.

During past years, the Bank has concentrated on replacement of old light bulbs in RCC premises, during 2017th year 208 old light bulbs were replaced in the lamps, they were replaced with new LED lamps, according to calculations this will help the Bank to reduce the electricity consumption by 18 MWh per year.

It should be also stated that starting from 18.00 to 08.00 lights are being turned down in the rooms which are not used during night, this also applies to the weekend days.

<b>Energy Consumption</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
KwH	3,538,566	3,598,795	3,526,661

### **Water**

In order to decrease the damage to environment and to control the consumption of hot water the heaters were installed in RCC, which heat the water which is used by the Bank employees within RCC premises.

<b>Water Consumption</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Cubic meters	13,091	13,490	14,702

<b>Water Heated in RCC</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Cubic meter	2,593	2,711	2,790

### **Natural Gas**

Natural gas is being used by the bank in order to heat the water and heating, this table shows the usage of this resource during last three years.

<b>Natural Gas</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Cubic meters	187,558	179,052	155,130

### **Waste**

The Group currently doesn't use any special facilities of waste management, but it is one of the goals which the Group would like to achieve in future years. This question has been already escalated on top management level.

### **Paper Use**

The Group is always trying to reduce the paper use. Therefore, the Group employees are always reminded to print double sided documents when possible and use paper responsibly.

### **Fuel**

The Group has vehicles which are being used by its employees. Due to the concerns of environmental impacts, which are connected to fuel consumption, the Bank has installed GPS tracking devices in its cars, in order to track car usage.

<b>Fuel Consumption</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Liters	74,652	84,04	75,8

## **Group's Significant Changes in 2017**

### **Changes in Corporate Culture**

The Group makes a part of the global economy ecosystem; therefore, its activities are subject to the effect of pan-European changes in rules of international business management and regulations enforceable within the banking sector. This year, the Bank has launched active process on reshaping and developing its personal data protection rules and practices, which leads to even higher sustainability level within the Group in terms of the human rights protection, client data safeguarding, enforcement IS security, changing data administration processes and ensuring stable cooperation.

### **Changes in Global Reach of Group**

The Group closed the Bank's representative office in Rumania to focus on its core markets and respond to clients' needs in the most efficient manner. The Bank made a decision to cease client consultancy services in its in Rumania-based office to maintain its positions on the most stable markets complying with our client engagement and retention policies, building fit and trustworthy client base and establishing the business on its core sustainability positions.

### **Changes in Organisational Structure within Bank**

The Bank has performed a number of structural changes during a year. Operations control functions have been centered in the back-office since 2017. Legal structures have experienced amendments this year and now ensures the front-office with legal services with the ultimate efficiency.

Since the Group has always been focused on AML, a few improvements in AML area was introduced in 2017, implementing a range of activities in order to enforce its AML practices.

### **Changes to Board Composition**

New Board Member joined the Board of the Bank in 2017 – Natalija Ignatjeva in charge of anti-money laundering and combating terrorism financing within the Bank's internal control system. Natalya has been working 20 years for the Bank, performing management functions since 2005. Her carrier developed from being the Head of the Internal Control Department and the Vice President supervising AML.

### **Significant Changes to Internal Communications**

#### **Reshaping of Intranet of the Group**

New Intranet web-page was launched in 2017. This internal communication site gives most part of the employees relevant information on all kinds of events and developments taking place in the Group. This both informative and team-building measure makes it a useful source of getting-to-know-what's-going-on in and around the Bank and subsidiaries, and to share opinions and ideas on multifaced development, while staying behind the office desk.

#### **Launching of New Service Desk Interface**

Modern and Convenient, provides direct and efficient communication between the employees and the information technologies support service. The standard application form is ultimately user-friendly; the stuff is keen and helpful. Each application, no matter if it is a demand for a new 'mouse' or a serious software misbehavior, the service desk is prompt and convenient as it can be.



### **Ideas Sharing Initiative**

In 2017, the Group launched initiative to provide personnel to speak out and voice the ideas on any improvements and developments. A modern approach to promote the communication on different levels of the governance vertical, generate new business development and just improve the ongoing internal processes, becomes very popular and brings all the employees the feeling and assurance that they are heard, they are pure wealth, they do bring effect to the future of the Bank with the fresh ideas and their views on what has to be done. A special board of the best banking experts bring them to the light to ensure the practical progress.

### **Changes to Banking Technologies**

The Bank positions itself as a modern and client-oriented bank with convenient and up-to-date service; therefore, the Bank continuously works on development of the IT solutions for financial services. Arrogant competition on the part of the non-financial lenders, motivates the Bank to make investment in technological developments, offering new up-to-date banking services as a strong alternative to the classical (typical) banking operations.

To achieve our major goals and stay on top of the market, the Group constantly improves the infrastructure of services, and work on the technological development.

### **Latest Developments in FinTech**

*Rietumu Banka* becomes the first bank in Latvia to launch a fundamental project on deposits in FinTech – Zinspilot. The Bank made an agreement on the fastest growing FinTech services in the world building a collaboration with the leading Dutch platform on placing the deposits. With the mediation of the modern platform, which is based on the principle of B2C (the business-to-client), funds deposited in the German banking system are forwarded to the deposits in various countries of the European Union (EU). Zinspilot is a unique service which offers wide access to the Bank's depositing products by means of 1,000 networks. In essence, Zinspilot is a platform belonging to the German financial technologies enterprise Deposit Solutions, and its average deposits are worth more than 1.2 billion euros (according to the data of 2016).

In 2017, the Bank launched cooperation with an association of a number of successful Latvian start-up companies StartinLV. The cooperation is targeted at support of the new projects in financial technologies. Being a bank with a modern infrastructure, which is open to the broad integration, the Bank is ready to attract new partners, professional and efficient, and we already do business with several start-up enterprises, providing them a platform for testing and approval of their ideas.

### **Changes to Investment Products**

The Bank started offering its clients both in Latvia and abroad financing of deals with such luxury assets as yachts and private jets.

The Bank successfully manages the refinancing deals mainly because of the perfect quality of the product and high demand on the secondary market. For this reason, the Bank was acknowledged by the international wealth management edition – Spear's 500 Travel Guide among leading banks which provide financing for purchases of yachts and private jets.

In 2017, the Banka also received an award as the Best Bank in region, being honored for its private banking operations by Spear's.

## **Social Impact Made by the Group**

The Group is a part of the society, and the basis of its sustainable business practices is formed by building upon financial technologies, step-by-step development of the corporate culture, and maintaining fair business operation. Apart from forming a big financial industry player on the Latvian, the Group has been a long-term patron of art, culture, society development, and active charity enthusiast.

The Group's philosophy is that everyone has to share the wealth – even its small portions – with other people who are in need, help humans to overcome troubles, bring the overall level of cultural education up, and support talents, who mostly need a helping hand to overcome any social obstacles, grow and bring significant benefits to the whole society, no matter if it's all about culture, business, or any other measure of the healthy sustainability.

As the Group assumes, both large and small charitable deeds are important and equally valuable since timely aid, support and a hand, stretched out to help those beside us, makes the society sustainable and viable, and builds a strong connection between various social groups. One can never measure good intentions and support to those who are in need, since timely aid, support and an effort to rich out to help those beside us is just priceless. Every effort for the sake of goodness and help makes the society sustainable in general and builds strong connection between the parts of the society.

The Bank endorses social life development and improving the cultural aspects of life here in Latvia by participating in shows of world-scale performers and musicians in Latvia; the same the Bank takes part in the music, ballet and theatre festivals. Pop, jazz, classical music calls Latvian music lovers and all those who are open to come and see prominent cultural events.

In 2017, the Bank has participated in broad-spectrum festivals:

- **Baltic Musical Seasons** its main target is to preserve and develop Latvia's cultural traditions, and, ultimately, make Latvia as the main point of attraction for devotees of classical music;
- **World Jazz Festival** – the 4<sup>th</sup> in a row this year, hosting world stars of jazz music in the capital of Latvia;
- **Laima Vaikule's** music festival *Rendez-Vois*, the bright and festive event bringing together Latvian and Russian music stars.

In general, the Bank regularly participates in the concerts of folk, classical and popular music, who come from Israel, Russia, Italy, the Baltic States and from all over the world, proving that there are no boundaries for the art.

Sustainable social life comes together with regular stagings of prominent performers and modern/classical ballet dancers, and this year, the Bank participated in the events with the participation of the brightest stars to visit Latvia:

- Roden by Boriss Eifman, which has told our local audience the story of life and creations of two great sculptors and creative personalities – Auguste Rodin and Camille Claudel;
- anniversary set of stagings starring a famous Russian performer and man of art Gennady Hazanov; the event was dedicated to the 25<sup>th</sup> year of the Bank's operation;
- theatre festival 'Golden Mask' – the festival comes to Latvia since 2006 uniting cultures and building a bridge between Russia and Latvia which arouses a great interest of public. Organizers of 'Golden Mask' always invite society to come to a special event in scope of 'Golden Mask' – a charity dinner with guest stars, where everyone is welcome to share monetary values with those in need in exchange to open communication with actors. 'Golden Mask' is a kind of sustainable culture institution which bears a proper load of endorsing the cultural level in Latvia.

## Group in Support of Art Exhibitions

The Bank regularly organizes art exhibitions of both local and foreign artists, sculptors and photographers in its permanent art gallery located in the center of the city, in the Bank's headquarters.

The Bank organizes exhibitions opening the way of art out to the public, because the exhibitions of art are for free and open to every visitor. Each exhibition is launched as a sparkling event lead by authors of the exhibited works, everyone is welcome to connect with the art at the exhibitions.

In the framework of the charity programs, art exhibitions are supported in Latvia, putting prominent art works for display in national galleries, and also finances art work acquisitions for Latvian museums, for example, a portrait made by Ludolf Libert to Gulbene's art museum. In fact, the artist himself came from Gulbene. Currently, the works on establishment and creation of Latvian youth support and development center has been held.

Apart from broad social events, this year marked a quarter of the century of the Bank on the Latvian market and abroad. The Bank's anniversary was prominently celebrated in the year 2017. Starting from a small financial institution in a two-floor banking office with just a bit more than 30 employees, the Banka has outgrown to step on the leader's position on the local market and beyond its borders. In quarter of a century, the Banka has become one of the leading banks in Latvia and the Baltic States. And it still heads up with innovations and constant development.

## Social Consciousness of the Group

The ability to understand emotions, needs and concerns of other people, awareness of people within the society created the Group's attitude towards charity. Making the society better and building the grounds towards its sustainable development are those two cornerstones, to which the Group's main values belong, and which build the stable basis for the charity program.

Development, elaboration and implementation of the charity programs is in charge of the charity fund - *Rietumu Bankas Labdarības Fonds*. During the first ten years of its existence, the charity fund has become one of the largest charity organizations of Latvia. In the year 2017, the charity fund celebrated its ten-years anniversary, still supporting events which trigger social development to its best.

Becoming the active participant of improvements in medical supplies in Children hospital, the charity fund and its devoted people saw how important and socially responsible the daily work of baby nurses, and the fresh idea to award the most hard-working nurses quickly came real, and the award named Looking for the Best Nurse, also supported by *Diena*, became a kind tradition. The year 2017 made no exceptions, whereas small patients and their parents vote for the best nurses, and the wife of Latvia's president patrons the regular event.

At the end of this year, the charity fund in cooperation with a fund *Paaudze* (the Generation) made a great present to the Children In-patient University Hospital in pre-Christmas period. The charity team acquired and presented to the mentioned health care institution equipment for preparation of the intravenous feeding. The nutritional support is essential for newborn lives of 25 small patients, and the new facility replaces manual labor of the nurses who now can devote their precious time to the direct care of the patients.

The Group also engages people working within the organization to support the charitable deeds, and, indeed, actively calls everybody to share presents, sweets, gifts and toys to people of various age groups and in their specific complicated situations, and the employees actively call on this initiative, packing and bringing small pieces of holiday to other people who might be lacking simple things and simple joy.

The charity fund endorses children in many ways, not only in medicine, but in education, sports and overall development as well. These might be tickets to children theater, clothes, campings,

and much more. In January of 2017, 450 pupils of musical schools from all over Latvia came to Riga-based National Opera to visit Gaetano Donicetti's opera *Maria Stuart*.

Social projects, many of which have been supported by Latvia's municipalities, are a key direction of the charity fund's work. This includes constant improvement and development of a city park Mežaparks, basketball facilities for youngsters, financing of local, mainly rural charity projects, like renovations of children sport plots, sponsorship of equipment supplies to schools.

The charity fund also patronizes a regular project series entitled Sacral Heritage of Latvia. This is a result of the fruitful cooperation of Rietumu Bankas Labdarības Fonds and Latvian State Cultural Monument Preservation Inspectorate, with a purpose to either preserve or renovate sacral and religious monuments. A total of more than 35 churches were renovated with support of the charity fund.

Socially active position of the charity fund is widely marked in Latvia, and its head, Inga Šīna leads many projects actively taking part in their development and support. As a result, the Board Chairman of the charity fund Inga Šīna entered the top of Latvia's best female business leaders of 2017, compiled by *Pastaiga.ru*.

Projects of the charity fund are intended for making our city more beautiful as well. The original art object – the Christmas Tree shined brightly on the City Hall Square of Riga, the top tourist object of Riga, the place where, according to the legends, the first Christmas tree was decorated. Therefore, the bright art object bears historical value, endorses cultural life and promotes interest of foreign tourists towards the capital of Latvia. The Christmas tree is well-resistant toward the rain and snow, and it is protected by an artificial umbrella. The Christmas tree brought joy and miracle to every person passing by the street, and the charity fund actively brings hope, good deeds and strong assurance that united society and sustainable social development are going to continue through years.

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## GRI Context Index

<b>Disclosures G4-32 (Context Index)</b>	<b>Information to be Disclosed</b>	<b>Page</b>	<b>Additional Explanation</b>
<b>G4-1</b>	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability	Group Consolidated and Bank Separate Financial Statements (AR) p.3-7	
<b>G4-3</b>	Report the name of the organization	SR: p. 4	
<b>G4-4</b>	Report the primary brands, products, and services	SR: p. 5, 6, 7	
<b>G4-5</b>	Report the location of the organization's headquarters	SR: p. 5, 33	
<b>G4-6</b>	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	SR: p. 5	
<b>G4-7</b>	Report the nature of ownership and legal form	SR: p. 5	
<b>G4-8</b>	Report the markets served (including geographic breakdown, sectors served, and types of clients and beneficiaries)	SR: p. 5, 6, 7	
<b>G4-9</b>	Report the scale of the organization, including: total number of employees; total number of operations; net sales (for private sector organizations) or net revenues (for public sector organizations); total capitalization broken down in terms of debt and equity (for private sector organizations); quantity of products or services provided	AR: p.19. SR: p. 2,6, 7, 15, 16	

<b>G4-10</b>	Report the total number of employees by employment contract and gender. Report the total number of permanent employees by employment type and gender. Report the total workforce by employees and supervised workers and by gender. Report the total workforce by region and gender. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries)	SR: p. 15, 16, 17, 18
<b>G4-11</b>	Report the percentage of total employees covered by collective bargaining agreements	Not Applicable
<b>G4-12</b>	Describe the organization's supply chain	SR: p. 7
<b>G4-13</b>	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain, including: changes in the location of, or changes in, operations, including facility openings, closings, and expansions; changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations); changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination	SR: p. 28, 29
<b>G4-14</b>	Report whether and how the precautionary approach or principle is addressed by the organization.	FS: p.39-52 SR: p. 8
<b>G4-15</b>	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	SR: p. 14

<b>G4-16</b>	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: holds a position on the governance body, participates in projects or committees, provides substantive funding beyond routine membership dues, views membership as strategic. This refers primarily to memberships maintained at the organizational level	None	
<b>G4-17</b>	List all entities included in the organization's consolidated financial statements or equivalent documents. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report. The organization can report on this Standard Disclosure by referencing the information in publicly available consolidated financial statements or equivalent documents	AR: p. 72; 19 SR:p.25	Non significant subsidiaries are not covered in SR even if consolidated in AR
<b>G4-18</b>	Explain the process for defining the report content and the Aspect Boundaries. Explain how the organization has implemented the Reporting Principles for Defining Report Content	SR: p. 22	
<b>G4-19</b>	List all the material Aspects identified in the process for defining report content	SR: p. 23	
<b>G4-20</b>	For each material Aspect, report the Aspect Boundary within the organization, as follows: report whether the Aspect is material within the organization. If the Aspect is not material for all entities within the organization (as described in G4-17), select one of the following two approaches and report either: the list of entities or groups of entities included in G4-17 for which the Aspect is not material or, the list of entities or groups of entities included in G4-17 for which the Aspects is material. Report any specific limitation regarding the Aspect Boundary within the organization	SR: p. 24, 25	

<b>G4-21</b>	For each material Aspect, report the Aspect Boundary outside the organization, as follows: report whether the Aspect is material outside of the organization. If the Aspect is material outside of the organization, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified. Report any specific limitation regarding the Aspect Boundary outside the organization	SR: p. 24, 25	
<b>G4-22</b>	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	Not Applicable	This is the first Sustainability report of the Group
<b>G4-23</b>	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	Not Applicable	This is the first Sustainability report of the Group
<b>G4-24</b>	Provide a list of stakeholder groups engaged by the organization	SR: p. 20, 21	
<b>G4-25</b>	Report the basis for identification and selection of stakeholders with whom to engage	SR: p. 20, 21	
<b>G4-26</b>	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	SR: p. 20, 21	
<b>G4-27</b>	a. Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns	SR: p. 20, 21	
<b>G4-28</b>	Reporting period (such as fiscal or calendar year) for information provided	SR: p. 4	
<b>G4-29</b>	Date of most recent previous report (if any)	Not applicable	This is the first Sustainability report of the Group
<b>G4-30</b>	Reporting cycle (such as annual, biennial)	SR: p. 4	
<b>G4-31</b>	Provide the contact point for questions regarding the report or its contents	SR: p. 33	

<b>G4-32</b>	Report the 'in accordance' option the organization has chosen. Report the GRI Content Index for the chosen option (see tables below). Report the reference to the External Assurance Report, if the report has been externally assured. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines	SR: p. 4	This report is not externally assured
<b>G4-33</b>	Report the organization's policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. Report the relationship between the organization and the assurance providers. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report	SR: p. 38	Rietumu Bank Group plans to improve creditability and reliability of its disclosed sustainability performances each year. Senior executives are involved in seeking for an external assurer who is independent from the Group
<b>G4-34</b>	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts	SR: p. 10, 11, 12, 13	
<b>G4-56</b>	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	SR: p. 2	
<b>G4-57</b>	Report the internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity, such as helplines or advice lines	SR: p. 9	
<b>G4-58</b>	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistle-blowing mechanisms or hotlines	SR: p. 9	