

ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICY

2022-08-04
Vilnius

1. GENERAL PROVISIONS

- 1.1. This Environmental, Social and Governance Policy („**Policy**“) of UAB HEAVY FINANCE („**Operator**“) describes the main environmental, social and sustainable governance objectives that the Operator will aim to implement in order to:
 - 1.1.1. contribute to public well-being;
 - 1.1.2. promote sustainable governance;
 - 1.1.3. promote achievement of long-term goals.

2. DEFINITIONS

- 2.1. Unless a different meaning is required by the context, the following capitalised words used in the present Policy shall have the meanings indicated below:
 - 2.1.1. **Operator** shall mean the crowdfunding service provider UAB HEAVY FINANCE, legal entity code 305576227, registered address at Birutės str. 18-1, Vilnius, Lithuania, that is the operator of crowdfunding platform www.heavyfinance.com;
 - 2.1.2. **Platform** shall mean the crowdfunding platform available at www.heavyfinance.com operated by the Operator, through which the Investors grant the crowdfunding funds to the Borrower;
 - 2.1.3. **Policy** shall mean this document.
- 2.2. Other capitalised words used in the Policy shall have the meanings assigned to them in the Regulation (EU) 2020/1503, the laws of the Republic of Lithuania, resolutions of the Board of the Bank of Lithuania and other relevant legal acts.

3. ENVIRONMENTAL RESPONSIBILITY

- 3.1. The Operator aims to embed environmental responsibility in every aspect of the Operator’s activities.
- 3.2. The Operator believes that the Operator has a responsibility to minimize the energy, carbon, water and waste impact of the Operator’s business and recognize that these impact occur not just in the daily operations but also through entire Operator’s value chain.
- 3.3. The Operator believes that it must strive to reduce environmental impacts across full life cycle of its corporate operations.
- 3.4. To accomplish set out goals the Operator seeks to adopt and implement environmentally sound policies in its internal operations.
- 3.5. With its activity the Operator seeks to improve environmental performance primarily through:
 - 3.5.1. incorporating environmental considerations into product and service development;
 - 3.5.2. adopting new efficient and effective technological solutions;
 - 3.5.3. reducing energy consumption, waste and emissions;
 - 3.5.4. fostering the adoption of environmental management system.
- 3.6. In addition, the following environmental factors should always be considered in the Operator’s activities:

- 3.6.1. air and water pollution should be minimised and monitored under appropriate regulatory standards;
 - 3.6.2. biodiversity should be respected and supported;
 - 3.6.3. climate change aspects of industrial operations should be monitored;
 - 3.6.4. energy efficiency can have direct economic benefits and should be promoted;
 - 3.6.5. land degradation should be avoided or its long-term effects mitigated;
 - 3.6.6. waste management practices should be optimized to maximise environmental benefits;
 - 3.6.7. water scarcity in affected regions should be considered.
- 3.7. The Operator also develops business lines that are focused on environmental change and reduction of carbon in the environment.
- 3.8. In addition Borrowers engaged in environmentally responsible ways of farming are encouraged by Platform pricing:
- 3.8.1. Farmers who are enabling more sustainable agriculture (meaning upgrading their equipment/heavy machinery to a more effective and environmentally friendly) get a 0.25% interest rate discount.
 - 3.8.2. Farmers who are engaged in no-till farming get a 0.5% interest rate discount.
 - 3.8.3. Farmers who are engaged in ecological farming (proven by a certificate) get a 0.75% interest rate discount.
 - 3.8.4. Interest rate discounts can be summed up.

4. SOCIAL RESPONSIBILITY

- 4.1. The Operator believes that people are at the heart of its business and most valuable assets.
- 4.2. The motivation and well-being of employees is of utmost importance.
- 4.3. The Operator strive to be an optimal employer to its workers as well as valued partner to its communities.
- 4.4. The Operator is committed to:
 - 4.4.1. respecting all human rights;
 - 4.4.2. supporting the payment of fair and competitive wages;
 - 4.4.3. providing a safe and healthy work environment;
 - 4.4.4. promoting work-life balance;
 - 4.4.5. promoting long-term human resource planning;
 - 4.4.6. promoting equal opportunity in employment practices and procedures;
 - 4.4.7. facilitating training and competence development.
- 4.5. In accordance with the recognition that businesses can achieve substantial long-term benefits from being socially responsible the Operator aims to consider the following social issues and initiatives in pursuing its commercial objectives:
 - 4.5.1. customer satisfaction should be day-to-day priority;
 - 4.5.2. diversity and equal opportunity should be promoted;
 - 4.5.3. product and (or) service mis-selling should be avoided;
 - 4.5.4. marketing communications should be responsible and convey a positive approach;
 - 4.5.5. data protection and privacy principles should be always respected;
 - 4.5.6. indigenous rights and applicable legal frameworks should be respected at all times.

5. SUSTAINABLE GOVERNANCE

- 5.1. The Operator considers good governance as essential to creating and preserving value of its shareholders and other stakeholders.
- 5.2. This includes a sound approach to corporate governance that complies with all applicable laws, rules, regulations and policies, as well as unwavering adherence to the Operator's values.
- 5.3. The Operator is committed to:
 - 5.3.1. managing conflicts of interest;
 - 5.3.2. avoiding bribery and corruption;
 - 5.3.3. maintaining confidentiality;
 - 5.3.4. protecting copyright and other forms of intellectual property;
 - 5.3.5. fostering transparency;
 - 5.3.6. acting in good faith.

6. FINAL PROVISIONS

- 6.1. The Policy enters into effect once confirmed by a resolution of the CEO, unless the CEO's resolution prescribes a different date of the Policy coming into effect.
- 6.2. The Policy shall be reviewed annually or earlier, if necessary.