



APPROVED  
by SIA "Latvijas Mobilais Telefons" Board  
decision No 3 of 11 July 2013

SIA "Latvijas Mobilais Telefons" Group  
Code of Ethics and Conduct  
Revision No 1

## **1. GENERAL**

The Board of SIA Latvijas Mobilais Telefons (hereinafter: LMT) has approved the principles set out in the LMT Group Code of Ethics and Conduct (hereinafter: the Code). In daily work, every employee of the LMT Group must comply with this Code, according to the principles with which LMT conducts its business.

LMT is the leading provider of mobile communication services in Latvia, therefore LMT is an essential component of Latvia's social and economic infrastructure. We provide services that help people and businesses communicate easily, conveniently and in an environmentally friendly way, whenever and wherever they are needed.

Fair and ethical business practices have long ensured the successful operation of LMT. We recognize international standards that regulate human rights, working conditions, environmental protection and the fight against corruption. Our operating principles are also based on the OSCE guidelines for international companies. Our goal is to be an honest and socially responsible company that operates in accordance with the letter and the spirit of the law.

## **2. RELATIONS WITH THE INVOLVED STAKEHOLDERS**

We interact on a day-to-day basis with a variety of stakeholders: customers, business partners, competitors, employees, stakeholders, public authorities and market regulators, as well as the public. We build honest, reasonable and clear communication and relationships. We promote a constructive dialogue with stakeholders. We support free and fair trade, fair competition and an ethical legal framework.

### **2.1. Relations with our customers**

We want to be trusted to make LMT the first choice for our existing and potential customers. Our purpose is to provide safe services and quality that benefit our customers and contribute to their successful operation and development. Our goal is to provide the highest standard for consistent privacy protection. This reduces legal and regulatory risks, as well as strengthens LMT's reputation in this regard.

- We openly present our services and products and ensure fair and non-misleading commercial practices.
- We undertake measures regarding network integrity and data security to make sure our customers are sure that their privacy is respected and protected. We conduct regular privacy risk assessments and other technical and organizational measures to prevent unauthorized access to personal data and to protect the information transmitted on our network, as well as traffic data. Transfer of data to law enforcement authorities is possible only to the extent and in accordance with the procedures provided for in regulatory enactments.
- We pay special attention to protecting children from any kind of abuse in our services. This includes the deployment of facilities to help clients protect themselves against information that is illegal or unwanted, and cooperation with public and private organizations to block websites that contain child sexual abuse material. We expect all of our business partners to take steps to curb child abuse.

## **2.2. Relations with employees**

Employees are the key to our success. Our goal is to be a good employer, and we strive to attract, develop and retain qualified and motivated employees.

LMT recognizes international human rights and respects its employees, as set out in the UN Declaration and the conventions of the International Labour Organization:

- We do not recognize any form of child labour, forced debt discharge by labour or forced labour.
- LMT treats all employees fairly and equally. Our goal is to create a work environment where people are respected, regardless of individual differences, talents or personal characteristics. No employee or candidate shall be discriminated against or persecuted on the grounds of race, sex, religion, physical disability, nationality, sexual orientation, family, parental social status or political opinion.
- We respect the right of employees to choose whether or not they are represented by a trade union in relation to a collective agreement. An employee exercising this right must not be discriminated against. All employees must know the basic terms and conditions of their employment. The statutory minimum wage is the minimum wage level, not the recommended wage level.
- The goal of LMT is to ensure and continuously improve a safe and healthy work environment, guaranteeing the safety of work processes, preventing conditions that worsen health, as well as supporting health and well-being measures. We are committed to providing employees with workplaces without the effects of intoxicants, and we will not tolerate any form of violence, profanity or intimidation.
- All employees must pay special attention to prevent the unauthorized disclosure or misuse of company confidential information. At the same time, we support openness and promote the exchange of knowledge and experience.
- Employees should avoid contacts that could create a conflict of interest or the impression of a conflict of interest between the employee's personal conduct and LMT's business.
- Offering or accepting favours or gifts is permitted only in accordance with regulatory enactments and business practices.

## **2.3. Relations with Stakeholders**

LMT wants to be attractive for the Stakeholders' investments in order to ensure long-term and sustainable increase of the company's value for the Stakeholders. LMT promptly, clearly and in accordance with regulatory enactments informs its Stakeholders and the market about all significant events that affect the value of the company.

- Shares of the LMT's Stakeholder TeliaSonera are listed on the NASDAQ OMX Stockholm and Helsinki stock exchanges. LMT ensures that the information provided in the market is correct and communicated in accordance with the laws, stock exchange regulations and corporate governance codes.
- We do not directly or indirectly use information for internal use in securities trading.

- We are honest in our statements regarding financial and non-financial information and provide information to the best of our knowledge. Our goal is full responsibility.

#### **2.4. Relationships with suppliers, business partners and competitors**

LMT wants to be a reliable partner for its suppliers and partners. Our goal is a good long-term business relationship and healthy cooperation. We expect our suppliers and partners to recognize international standards in the areas of human rights, working conditions, the environment and the fight against corruption. We encourage suppliers to align their activities with principles similar to those contained in this Code, and we consider this to be an important criterion in initiating or continuing their business relationships.

- In transactions around the world, we do not, directly or indirectly, give or receive bribes or other illegal payments to obtain or maintain a transaction, or to obtain the performance or non-performance of any action.
- We are aware of LMT's high purchasing power and its potential impact on our business relationships. We choose our suppliers only on the basis of their achievements and expect all suppliers to make honest and active efforts to do business with us.
- We select and evaluate suppliers and subcontractors based on pre-defined criteria such as quality, price, availability, delivery, reliability, services and corporate responsibility requirements that include social and environmental aspects. Adherence to the principles of this Code is an integral part of the agreement with suppliers.
- LMT makes commercial decisions in the best interests of the company, customers and Stakeholders. Personal relationships or interests have no influence on decisions and are therefore independent and reasonable.
- In our dealings with our business partners, we strive for mutual trust in accordance with the provisions of this Code.
- We do not engage in discussions or agree with competitors on price, market shares or other similar illegal activities.

#### **2.5. Relations with the public**

We are committed to promoting the use of technology in the development of infrastructure and services. Our services promote growth and economic development by creating direct and indirect employment opportunities and providing financial investments in the country. Our goal is to be a long-term investor and a good corporate partner.

- LMT's services and offers are diverse to ensure the wide availability of technologies at an affordable price.
- LMT is involved in activities that promote skills in the use of technology, as well as in projects that promote the sustainable development of the Latvian population.
- LMT manages the risks associated with the possible exposure of the population to electromagnetic fields caused by the growing number of mobile terminals and base stations. LMT cooperates with state and local government institutions and organizations and supports research in this area.

- LMT does not get involved in Latvian politics and does not support donations to support political activities. In representing our company, we do not comment on politicians or make political statements. However, LMT is involved in the development and discussion of legislation that affects business.
- LMT is aware of concerns that may arise from legislative, administrative, licensing or law enforcement requirements that the company must adhere to, but which may affect an individual's privacy and freedom of expression. The goal of LMT is to enable citizens to share ideas and provide tools for the development of an even more open society. Freedom of expression and privacy are at the heart of LMT's work.

## **2.6. Environment**

We are committed to doing business in accordance with the principles of environmental sustainability. We support sustainable development by developing, promoting and using resource-friendly and environmentally-friendly services, as well as reducing our negative impact on the environment through our actions.

- We strive to make efficient use of raw materials and energy, as well as reduce waste and carbon dioxide emissions.
- Our services are our own natural choice, made in cooperation with each other. We actively promote such services to our customers in order to increase their efficiency and reduce traffic resulting in high carbon emissions.
- Together with our partners and customers, we strive to reduce the impact of carbon on the environment, thus combating climate change.

## **3. COMPLIANCE WITH THE CODE AND REPORTING OF INFRINGEMENTS**

It is the responsibility of each manager to strengthen the norms of the Code in the company and ensure compliance with it. It is the responsibility of every employee to comply with this Code, and everyone is encouraged to raise concerns and highlight examples of good practice. All activities governed by this Code are reviewed regularly.

Infringements of the Code must be remedied immediately and are the subject of disciplinary action up to the termination of the employment relationship. Employees are invited to report infringements of the Code to their line manager or the LMT Board. All information provided in good faith about possible infringements of the Code will be promptly, fairly and comprehensively investigated, involving appropriate internal and external resources.