



APPROVED
by SIA "Latvijas Mobilais Telefons"
Management Board
Protocol No 883 of 5 February 2015

**SIA "Latvijas Mobilais Telefons" Group
Supplier Code of Conduct**

Revision No 1

1. GENERAL

SIA “Latvijas Mobilais Telefons” (hereinafter: LMT) Management Board has approved the principles stipulated in the LMT Group Supplier Code of Conduct (hereinafter: the Code). In daily work, every supplier of the LMT group (hereinafter: LMT) must comply with this Code.

Fair and ethical business practices have long ensured the successful operation of LMT. LMT recognizes international standards that regulate human rights, working conditions, environmental protection and the fight against corruption. LMT's operating principles are also based on the OECD guidelines for international companies. These norms form the basis for the LMT sustainability principles, which are set out in the LMT Group Code of Ethics and Conduct. LMT's commitment to sustainability covers the entire value chain, and LMT requires the involvement of its suppliers in applying these principles in its practice. LMT suppliers must comply with the Code in addition to complying with applicable laws and regulations. The Code contains minimum requirements. LMT suppliers are also encouraged to exceed these minimum standards where possible. LMT may agree with individual suppliers on compliance with even stricter requirements.

2. ENVIRONMENT

LMT suppliers shall:

- Comply with all environmental protection requirements specified in regulatory enactments, environmental permits or other applicable regulations.
- Implement and maintain a system for the application of best practices in the company to manage environmental issues and their impact in order to achieve a systematic reduction of environmental impact.

Suppliers who provide LMT goods and products have to:

- Incorporate eco-efficiency, energy efficiency and recycling considerations into product development and design, including packaging.
- Organize reuse and recycling of products and the materials they contain.
- Help LMT reduce its environmental impact.
- Prevent the use of harmful substances on the [Black List](#) and seek to reduce the use of substances on the [Grey List](#).

3. SOCIAL RESPONSIBILITY

a. Business ethics requirements

LMT opposes corruption and expects the same treatment from its suppliers.

LMT does not directly or indirectly give or receive bribes or other illegal payments in order to obtain or maintain a transaction or to achieve the performance or non-performance of any activity. LMT expects the same treatment from its suppliers.

Giving and receiving gifts as part of a business can create a conflict of interest. Business gifts and favours are only intended to increase the company's visibility and show goodwill, not to influence business decisions. They are not used as a means of unduly influencing people's judgements or creating a sense of duty. LMT suppliers do not give or receive such gifts.

LMT suppliers are bound by the following guidelines:

- LMT employees can only accept gifts of limited value from suppliers. Any form of improper and unethical remuneration, including cash, valuable gifts, sponsorship, personal discounts, etc., is prohibited.
- LMT suppliers may not pay for entertainment of family members of LMT employees.
- When visiting suppliers, as well as participating in exhibitions, conferences, etc., travel and accommodation expenses of LMT employees are paid by LMT.
- LMT employees may not participate in advertising or marketing activities in order to promote the goods or services of LMT suppliers.
- Advertisements and events by suppliers must be in good taste and must not offend anyone involved on the grounds of sex, race, ethnicity, disability or other such characteristics.

b. Labour protection requirements

LMT suppliers are obliged to comply with all applicable legal labour protection requirements specified in regulatory enactments. If the supplier operates in the area of LMT's responsibility (for example, on LMT's premises or construction sites), the supplier has the following additional obligations:

- Take responsibility for compliance with labour protection requirements in your company.
- Ensure that all employees receive information and training (instruction) in labour protection, that all employees have access to written labour protection instructions so that employees are able to perform their work duties in accordance with labour protection principles.
- Document all accidents at work and immediately inform LMT about them.
- Assess work environment risks, prevent accidents, incidents, injuries, occupational diseases, work-related illnesses, health and life-threatening behaviours and conditions.

c. Fundamental rights of workers

LMT suppliers are obligated to:

- Ensure that the supplier's employees have the freedom to choose to join a trade union and to conclude a collective agreement.
- Pay all employees at least the minimum wage required by law and collective agreements.
- Comply with working time requirements under ILO conventions, regulations and applicable collective agreements.
- Treat each of your employees in a non-discriminatory manner.
- Not use any kind of forced labour.
- Not use any form of child labour in accordance with ILO Convention No 138 on child labour and regulatory enactments.

4. COMPLIANCE WITH THE CODE AND REPORTING OF INFRINGEMENTS

By adopting the LMT Group Supplier Code of Conduct, the supplier grants LMT the right to monitor and verify compliance with these requirements. The supplier must immediately inform LMT of any possible infringement of these requirements. The supplier is obliged to include the content of these requirements in the contracts with his subcontractors. Any significant infringement of the requirements of the Code gives LMT the right to immediately terminate the contract with the relevant supplier.