



**LMT Group
Code of Ethics and Conduct**

Rev. 2

1. GENERAL

- 1.1. The Management Board of Latvijas Mobilais Telefons SIA (hereinafter, the LMT) has approved the principles enshrined in the Code of Ethics and Conduct of LMT Group (hereinafter, the Code). In performing their duties, all employees shall abide by the Code and its principles that guide the commercial operations of LMT Group.
- 1.2. LMT is not only the leading mobile operator, but also an IT company that develops various innovative digital solutions for drones, smart cities and sensors, mobility and defense.
- 1.3. For a long period of time, fair and ethical commercial practices have ensured the success of LMT Group. We recognize international standards for human rights, working conditions, environmental protection and fight against corruption. We abide by international declarations, conventions and guidelines, including the UN Universal Declaration of Human Rights and conventions of the International Labour Organization. Our conduct is based on OECD guidelines for international companies.
- 1.4. Responsible and future-driven operations serve as a basis for sustainable results: in our lives, it means fairness and responsibility for the life, work and society that includes passionately doing more and better than is required by the law or other normative acts. This Code is based on LMT values: passion, development and cooperation. We realize that the fourth industrial revolution has taken over the world – smart technology determines how we cooperate, live and work. Latvia will become a smart country – a place, where smart technology, brilliant people and sustainable environment ensure welfare and leadership. We deeply believe in that.

2. RELATIONS WITH STAKEHOLDERS

On daily basis, we interact with various stakeholders: customers, suppliers and cooperation partners, competitors, employees, shareholders (hereinafter, the Shareholders), public and supervisory bodies, and the general public. We build fair, reasonable, and clear communication and relations. We promote a constructive dialogue with all stakeholders.

2.1. Relations with our customers

We strive to meet customers' expectations by pursuing fair commercial practices and offering innovative quality products and services that benefit our customers and facilitate their operations and development.

- 2.1.1. We aim to ensure innovative, versatile, and quality electronic communications services and the latest technological advances according to the current information security, privacy and personal data protection requirements by complying with the applicable law, sectorial and standard requirements, and the internal requirements of LMT Group.
- 2.1.2. We promote technology acceptance and digital literacy as an important part of our daily lives by informing the customers about the latest opportunities and the most suitable solutions for services and products.
- 2.1.3. As we consider customer satisfaction important, we have open communication, and provide information, study customer needs and facilitate customer feedback in their preferred environment, and provide remote and in-person services that meet customer needs.

- 2.1.4. We are open, fair and forthcoming, and we respect the diversity of customer needs.
- 2.1.5. We have a special focus on protecting children from any type of abuse in using our services. This includes deployment of opportunities for customers to protect themselves against unlawful or unwanted information, and cooperation with public and private bodies in blocking websites that offer opportunities for sexual abuse of minors. We expect all of our business partners to take measures to prevent the abuse of children.
- 2.1.6. We duly manage information security and personal data protection by protecting our customer and business information, by duly identifying potential risks and taking the required measures for their mitigation and prevention.
- 2.1.7. In developing and implementing new and innovative services, during the entire project or service life cycle we apply integrated data protection and data protection by default requirements, including adequate cyber security requirements. We also perform security checks for solutions and services.
- 2.1.8. We implement measures for network integrity and data security for our customers to be sure that their privacy will be respected and protected. We regularly assess privacy threats and risks, and take other technical and organizational measures to prevent unauthorized access to personal data and protect any and all information transmitted over our networks, as well as traffic data. No data shall be provided to law enforcement bodies unless and to the extent such transfer is required by the law.

2.2. Relations with employees

Professional and motivated employees are the key to our success. We aim to be one of the best employers in Latvia, and we strive to attract, develop and retain the most suitable candidates with a high degree of motivation. The professional ethics of our employees is based on loyalty, professionalism and accountability, integrity, team-work and protection of confidentiality.

- 2.2.1. We disapprove of all types of child labor, debt servitude or forced labor.
- 2.2.2. We treat all employees fairly and equally. We aim to develop a professional environment where everyone is respected irrespective of their individual peculiarities and personal qualities. No employee or candidate shall be discriminated or persecuted due to his/her race, gender, religion, physical disadvantages, nationality, sexual orientation, family, social standing of parents or political conviction.
- 2.2.3. We appreciate, respect and support the diversity of knowledge, experience and opinions that helps us develop. We promote diversity and inclusion by creating a professional environment where talents are developed and employee engagement is welcome, and were awareness of the notion of diversity is facilitated.
- 2.2.4. We select LMT personnel only on the basis of professional skills, abilities, experience and knowledge of each candidate.
- 2.2.5. We provide for a remuneration system that ensures equal pay for equal work to male and female employees irrespective of their age.
- 2.2.6. We provide equal career development opportunities to all employees. Any employee may apply for open vacancies. Decisions are based only on professional skills, abilities, experience and knowledge of each candidate.

- 2.2.7. We respect the right of employees to choose to be or not to be represented by a trade union. No employee who relies on this right shall be discriminated. All employees shall be aware of the basic requirements and provisions that guide their employment relationship.
- 2.2.8. We ensure and continuously develop safe and healthy occupational environment by guaranteeing safe occupational processes and eliminating circumstances that could undermine health, as well as by promoting health and wellness.
- 2.2.9. We strive to develop an environment where employees feel safe to express reasonable suspicion about potential violations of internal or external normative documents and unethical conduct.
- 2.2.10. We are guided by the following basic principles of professional ethics and corruption prevention:
 - 2.2.10.1. In our company, while at work, no person shall use intoxicating substances or be under their influence.
 - 2.2.10.2. No violence, intimidation, rudeness or remarks that may offend other employees due to their race, gender, religion, physical limitations, nationality, sexual orientation, family, social status or political conviction shall be tolerated.
 - 2.2.10.3. We process personal data pursuant to the law and the internal requirements of LMT Group, and strictly abide by the security and confidentiality requirements.
 - 2.2.10.4. We use non-public information of LMT Group, incl. personal data, only for professional purposes and only to the extent needed. Its use for the benefit of others, incl. yourself, is strictly prohibited. We keep media that contain non-public information of LMT Group safe to ensure that they are inaccessible to unauthorized persons.
 - 2.2.10.5. We avoid situations or conduct that contravenes or may seem (an external observer may think that an employee has a conflict of interest) to contravene the performance of duties for the benefit of LMT Group.
 - 2.2.10.6. We act for the benefit of LMT Group by preventing any material or other personal interests of our employees and any persons related to them from affecting the decision-making process.
 - 2.2.10.7. Gifts and business hospitality shall be offered only for the purposes of ensuring the standing of LMT Group, improving its visibility and demonstrating good faith, and not to affect any business decisions. They shall not be used to unduly affect opinions or create the sense of obligation. We accept and offer gifts and business hospitality if they are reasonable and a part of developing good business relations for the benefit of LMT Group and according to the law of the Republic of Latvia.

2.3. Relations with Shareholders

We strive to be attractive to investments from Shareholders to contribute to the long-term increase of the company value, sustainability and responsible development.

- 2.3.1. Shares of the LMT Shareholder Telia Company are listed in the NASDAQ Stockholm and Helsinki exchanges. We ensure that any and all information

- provided to the market is accurate and disclosed pursuant to the law, exchange regulations and corporate governance codes.
- 2.3.2. In trading with securities, we neither directly, nor indirectly use insider information.
 - 2.3.3. We ensure that Shareholders' rights and interests are respected and represented during Shareholder meetings.
 - 2.3.4. Pursuant to the law, we duly and clearly provide good-quality and complete information to the Shareholders and markets about all developments that affect the value of the company.
 - 2.3.5. We strive to ensure the transparency of any processes at LMT Group, as well as reliable financial and non-financial reporting.
 - 2.3.6. We develop an efficient internal control environment and ensure risk management that suits the types of commercial activity, strategy and goals of LMT Group.

2.4. Relations with suppliers, cooperation partners and competitors

We strive to ensure that suppliers and cooperation partners perceive us as a reliable, fair and professional partner that acts according to the strictest standards of business ethics and the best procurement practices. We aim to have good long-term business relations and constructive cooperation across the entire supply chain, and expect compliance with our ethics, sustainability, personal data and information protection requirements. We expect that our suppliers and cooperation partners fairly and voluntarily enter into agreements with us, as well as recognize international standards on human rights, occupational conditions, environmental protection and fight against corruption. We consider these criteria important in initiating or continuing our business relations.

- 2.4.1. We take a firm stance against corruption and bribery, and do not support them in any form. We may not offer, promise, give, allow, request, accept or receive bribes or other unwarranted advantages to secure or maintain a deal or to facilitate or reward a decision.
- 2.4.2. We develop open, fair, transparent and mutually respectful relations with third parties for the benefit of both sides pursuant to the normative acts and the strictest business ethics standards. We adopt equal and fair approach to third parties that facilitates healthy competition and excludes the risk of unlawful personal material benefit.
- 2.4.3. No corrupt payments or measures shall be taken on our behalf, as well as financing of corruption via third parties.
- 2.4.4. We plan our activities to prevent any conflicts of interest, and make commercial decisions in the best interests of the company, customers and Shareholders. Personal relations or interests shall have no effect on decisions, thus, they shall be independent and well-grounded.
- 2.4.5. We assess suppliers and cooperation partners according to a fully defined need, appropriate qualitative assessment results and compliance with pre-defined assessment criteria, for example, quality, price, functionality, protection of personal data and information, accessibility, delivery, reliability, services and sustainability requirements that include social aspects and environmental protection. We select an offer that is the most suitable considering the goals and the respective need of LMT Group, as well as that is the most advantageous.

- 2.4.6. Compliance with the principles set out in this Code is an integral part of an agreement with suppliers.
- 2.4.7. We do not engage in negotiations and do not agree with competitors about prices, market shares and other similar unlawful acts.
- 2.4.8. We highly respect the principles of fair competition that exclude prohibited agreements among market participants, abuse of the market power and unfair competition, and that arise from international, EU and Latvian normative acts.

2.5. Relations with the public

The electronic communications infrastructure of LMT not only ensures communication between people, and devices, but also data transmission that strengthens the national ICT sector and indirectly contributes to the economy by focusing on innovative digital solutions and attracting partners. We strive to give an opportunity to the interested Latvian companies and scientists to develop and create future solutions that could be used to digitize important daily processes. We strive to maintain the good standing of our company, and be socially responsible.

- 2.5.1. We promote digital transformation and drive comprehensive, development-driven changes.
- 2.5.2. We improve the ability of the general public to use advanced technology and innovative solutions to solve various environmental and social problems.
- 2.5.3. To support economic and societal development trends, we engage in corporate social responsibility activities and projects that contribute to sustainable development of the Latvian people. Projects that help to overcome the digital divide, ensure the rule of law, improve digital skills, promote human rights, protect children or otherwise contribute to sustainable development are considered a priority. We take due care in assessing the reputation, competences and abilities of an organisation with which we are ready to cooperate. We provide support in compliance with the principles for corruption prevention.
- 2.5.4. We do not engage in the national politics, do not give political donations and do not support political events. In representing our company, we do not comment on politicians and do not make political statements. However, we engage in the development and discussion of laws and regulations that affect commercial activity.
- 2.5.5. We are aware of the concerns that may result from legislative, administrative, licensing or statutory implementation requirements that the company should strictly apply, and that can affect the personal privacy and the freedom of expression. We strive to give an opportunity to people to share their ideas and provide tools for an ever more open society by advocating for the freedom of expression and protection of privacy.
- 2.5.6. We do not shy away from expressing our opinion about issues that are important to the public and the country, in particular, if they refer to the industry, investment in environment and democracy. We express our opinions openly: directly, or by means of industry or employer NGOs, and according to the LMT Group, industry and internationally acknowledged principles of social responsibility (incl. anti-corruption and open lobbying principles).
- 2.5.7. We focus on issues that are related to people's health and security, and take any and all action that may be required in the applicable law of the Republic of Latvia

to install public electronic communications network base stations, incl. intensity measurements of the electromagnetic field.

2.6. Environment

We are deeply committed to protecting the environment by promoting efficient use of the resources, reducing the environment pollution and contributing to introduction of new environmentally friendly technologies.

- 2.6.1. We strive to use resources as efficiently as possible, and to reduce the amount of waste and greenhouse gas emissions.
- 2.6.2. We develop and offer services, and develop and introduce environmentally-friendly, innovative solutions that will help our customers and the public to reduce their environmental footprint.
- 2.6.3. We engage in various innovation ecosystem activities to support sustainable ideas.
- 2.6.4. In selecting potential partners and vendors, we include environmental and energy efficiency criteria that apply to the goods or services in the description of basic requirements.
- 2.6.5. In initiating or continuing business relationships, we consider the environmental protection performance of cooperation partners an important criterion.
- 2.6.6. We introduce principles of the circular economy by supporting the assessment of sustainability criteria and return to the market of second-hand equipment, as well as by collecting and recycling mobile end devices.

3. COMPLIANCE WITH THE CODE AND REPORTING VIOLATIONS

- 3.1. The head of each structural unit of LMT Group shall ensure compliance with the Code. All employees shall act according to the Code, shall not tolerate its violations and shall highlight best practices.
- 3.2. Employees shall report all breaches of the principles enshrined in the Code, any suspicion thereof and any potential breaches to the head of the structural unit or, if needed, via the whistle-blowing channel.
- 3.3. All information about potential violations of the Code provided in good faith shall be quickly, justly and comprehensively investigated by involving adequate internal and external resources.
- 3.4. A violation of the Code shall suffice to impose disciplinary sanctions or to terminate the employment. Should it be found that a cooperation partner has violated this Code, such violation may serve as the grounds for terminating the agreement. In this situation, the decision shall be made by the Management Board of LMT Group.