



APPROVED
by SIA "Latvijas Mobilais Telefons"
President's Order No 181
of 12 December 2022

LMT Group
Supplier Code of Conduct
Revision 2

1. GENERAL

- 1.1. The Management Board of “Latvijas Mobilais Telefons” SIA has approved the principles stipulated in the LMT Group Supplier Code of Conduct (hereinafter – Code). In daily work, every supplier of the LMT group (hereinafter – LMT) must comply with this Code. Suppliers include suppliers and other third parties who do business with or on behalf of LMT, as well as their employees, subsidiaries and other affiliates, branches, agents, subcontractors, consultants and other contractors working under the supplier's supervision.
- 1.2. Fair and ethical business practices have ensured the successful operation of LMT in the long term. LMT recognises international standards that regulate human rights, working conditions, environmental protection and the fight against corruption. LMT complies with international declarations, conventions and guidelines, including the Universal Declaration of Human Rights of the United Nations (hereinafter referred – UN) and the conventions of the International Labour Organization (hereinafter – ILO). LMT's operating principles are also based on the OECD guidelines for international companies. These provisions form the basis of LMT sustainability principles which are defined in the LMT Group Code of Ethics and Conduct.
- 1.3. LMT's commitment to sustainability covers the entire value chain, and LMT requires the involvement of its suppliers in applying these principles in 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 whenever possible.

2. BUSINESS ETHICS

- 2.1. The supplier creates open, honest, transparent, mutually beneficial and trust-based relations with LMT and other third parties in accordance with the highest standards of business ethics and best procurement practices.
- 2.2. In the field of competition law, the supplier complies with the requirements of the binding laws and regulations and the principles of fair competition, which derive from the international and European Union/European Economic Area regulatory framework. Suppliers do not engage in collusive agreements between competitors, such as on prices, market sharing, tender offers or other similar activities.
- 2.3. The offers submitted by the supplier and the information provided during the contract conclusion process are complete, accurate and true. Suppliers keep accurate records of the transaction, submit to LMT accurate documents justifying the transaction in accordance with the contract, laws and regulations, immediately eliminate the errors, and, if necessary, provide LMT with access to the relevant documents justifying the transaction or to the employees in charge.
- 2.4. The supplier ensures compliance with the specifications, requirements, terms and conditions specified in the contract, does not replace products or services with others, and does not engage subcontractors to fulfil obligations without prior agreement with LMT.
- 2.5. When choosing its suppliers and cooperation partners within the framework of the fulfilment of obligations to LMT, the supplier clearly defines the need for procurement, conducts qualitative research of the market and potential suppliers and assesses the compliance with the previously determined evaluation criteria.

3. INFORMATION PROTECTION AND PERSONAL DATA PROTECTION

- 3.1. The supplier is obliged to ensure the protection of protected information against unauthorized access and use. Protected information is trade secrets and other

business-related information, intellectual property, personal data, as well as other information of LMT and entrusted to LMT that is not publicly available.

- 3.2. The supplier undertakes not to disclose protected information, as well as to process personal data and other data in compliance with the applicable laws and regulations, LMT protected information processing requirements and the terms and conditions of the cooperation contract.
- 3.3. The supplier undertakes to take care of the security of the LMT information in its possession, by protecting it against cyber-attacks, theft, loss, waste, misuse, destruction or similar risks.
- 3.4. The supplier shall not have the right to use LMT's protected information for commercial use or personal gain, or for the benefit of any third party, unless agreed in writing with LMT.
- 3.5. The supplier undertakes to adequately protect the personal data and privacy of all parties with whom it cooperates, including suppliers, customers, consumers and employees.

4. COMPLIANCE WITH SANCTIONS

- 4.1. The supplier ensures compliance with sanctions in accordance with international agreements binding on the Republic of Latvia, laws and regulations of the European Union and the Republic of Latvia and the requirements of subordinate legal acts, as well as the recommendations and good practices of international organizations.
- 4.2. The supplier does not conduct business or terminates business relations with sanctioned persons from the Republic of Latvia, European Union, UN and NATO member states.
- 4.3. The supplier timely submits to LMT the complete information necessary to ensure the sanctions regime, including information about beneficiaries, owners, if it is not available in official or public registers, and immediately informs about changes in the information provided.
- 4.4. Violation of sanctions, circumvention or attempt to violate or circumvent sanctions is considered a significant violation of the cooperation contract. LMT shall immediately and without prior warning deny access to financial funds and economic resources to cooperation partners against whom the sanctions imposed by the above imposers of sanctions are in force, as well as take other measures in accordance with the established requirements.

5. PREVENTION OF CORRUPTION

- 5.1. The supplier must avoid situations or actions that, within the framework of the commercial relationship between LMT and the supplier, are or appear to be (it seems for an external party that the employee has a conflict of interest) in conflict with the interests of LMT and the supplier or interfere with the proper performance of the duties. The supplier must prevent the influence of financial or other personal interests of the employee, as well as the person related to him or her, on decision-making.
- 5.2. LMT takes a firm stance against corruption and bribery, does not support it in any form and expects the same attitude from its suppliers. The supplier is prohibited to:
 - 5.2.1. offer, promise, agree, give, allow, demand, accept or receive a bribe or other undeserved advantage, either directly or indirectly, personally or through an intermediary, if its purpose or effect is to promote an illegal activity, improper performance of functions, or a person's official position or power abuse (bribery);

- 5.2.2. provide financial means to third parties in a way that could be considered as financing corruption due to negligence. In situations where there is a considerable risk of corruption, appropriate preventive measures should be taken so that payments to third parties are not used for corruption;
 - 5.2.3. demand and extort a bribe on behalf of LMT or its cooperation partners. If an employee demands or extorts a bribe or is suspected of it, the manager must be informed immediately;
 - 5.2.4. make or accept incentive payments for running or speeding up day-to-day processes, unless such payments are provided for in the official service price lists;
 - 5.2.5. earn additional income or to mediate in transactions that affect or could affect the interests of LMT;
 - 5.2.6. use the property of LMT for its commercial activities.
- 5.3. Corporate gifts and hospitality are part of building a successful business relationship, however, such actions may be considered corrupt and illegal, therefore, when making a decision on the exchange of corporate gifts or hospitality, the supplier evaluates its compliance with laws and regulations and these guidelines:
- 5.3.1. it has a relevant and clear business objective compatible with the interests of LMT and the supplier;
 - 5.3.2. it is proportionate and consistent with the nature and normal practice of the commercial relationship;
 - 5.3.3. it is offered or received openly and transparently, without concealing it or creating a false impression of the purpose of the exchange;
 - 5.3.4. its regularity or frequency does not indicate possible inappropriate causes or intentions that create conflicts of interest.
- 5.4. The supplier refrains from exchanging corporate gifts and hospitality that may cast doubt on his or her objectivity and neutrality, e.g.:
- 5.4.1. it may create an apparent or actual conflict of interest;
 - 5.4.2. it can be perceived as exerting undue influence;
 - 5.4.3. an unfair commercial advantage is expected for it;
 - 5.4.4. gives the impression that the purpose of the gift giver is to encourage the adoption or non-adoption of a decision, action or inaction;
 - 5.4.5. counter-soliciting is suspected;
 - 5.4.6. it can create unwanted commitments and reasonable suspicions of biased decisions;
 - 5.4.7. it may affect the performance of the work duties of the giver or the recipient of the gift.

6. FUNDAMENTAL RIGHTS OF EMPLOYEES

- 6.1. The supplier respects all internationally recognized human rights defined in the UN Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.
- 6.2. Before starting the employment relationship, the supplier introduces the employees with the basic terms and conditions of the mutual employment relationship in a language they understand.
- 6.3. The supplier promotes open communication between employees and management. The supplier allows employees to freely join or not join a union or other representation of the employees' choice and enter into a collective agreement without threats, intimidation or discrimination.

- 6.4. The supplier does not use any form of forced labour, forced debt settlement or modern form of slavery.
- 6.5. The supplier does not employ children who have not reached the legal age of employment.
- 6.6. The supplier provides employees with adequate and timely payment for the work performed, which is not less than the minimum specified in the laws and regulations and the collective agreement. The supplier ensures equal pay for employees with the same position and equivalent work tasks, regardless of personal characteristics.
- 6.7. The supplier complies with the working time (including overtime, rest breaks and paid leave) requirements stipulated by ILO conventions, laws and regulations and applicable collective agreements.
- 6.8. The supplier promotes an inclusive work environment that values and respects employee diversity. No employee shall be discriminated against or harassed because of his or her race, colour, age, disability, religious, political or other beliefs, national or social origin, property or family status, sexual orientation or other circumstances.
- 6.9. The supplier does not tolerate any kind of abuse of employees, either directly, indirectly, physically or verbally.

7. LABOUR PROTECTION

- 7.1. The supplier of LMT is obliged to comply with all the legal labour protection and fire safety requirements set forth in the applicable laws and regulations.
- 7.2. In LMT premises and LMT objects, the supplier is obliged to follow LMT's instructions on labour protection and fire safety issues and to inform LMT about the specifics of their work, the methods used and the equipment used, if it can affect the safety and health protection of other employees, as well as to cooperate with LMT's occupational safety specialists in ensuring the safe working environment and working conditions, so as not to create additional risks for the safety and health of LMT employees and other persons.
- 7.3. The supplier, when performing work in LMT premises and LMT objects, complies with and observes the following principles:
 - 7.3.1. certifies that he or she is an expert and a knowledgeable specialist in the execution of the work to be performed and has all the specific knowledge, experience and skills to choose and use the most suitable, efficient, harmless and safe work execution technology for each of the types of work, and engages only qualified employees in the execution of the work, who have all the certifications specified in the binding laws and regulations regarding the qualifications required for the planned work and the necessary health examinations;
 - 7.3.2. undertakes full responsibility for the use of work performance technology appropriate to the specifics of each type of work and the conformity of the technology used in the performance of work and work equipment, protective equipment, personal protective equipment and the necessary inspections in accordance with the binding laws and regulations;
 - 7.3.3. ensures that before starting the intended work, all employees involved in it undergo briefings at the LMT Health and Safety at Work Division in the field of labour protection and fire safety on specific objects, undergo repeated briefings at the LMT Health and Safety at Work Division with no less frequency than stipulated in the binding laws and regulations;

- 7.3.4. ensures that all employees receive information and training (instructions) in occupational safety, that all employees involved in the performance of specific tasks have access to the instructions of the manufacturer of the work performance equipment, safety data sheets for chemicals and mixtures, and occupational safety instructions, so that employees can perform their work duties safely and according to labour protection principles;
- 7.3.5. before starting work and in the process of performing work, assess the risks of the work environment, preventively carry out the necessary work protection measures, the purpose of which is to prevent the threat of unhealthy conditions and to respond accordingly, as well as to prevent accidents at work and occupational diseases;
- 7.3.6. ensures that employees comply with the national epidemiological safety measures, that employees comply with the basic principles of hygiene and precautions against infection, including requirements for the use of face masks, gathering requirements and restrictions, reporting procedures for illness, isolation, home quarantine and self-isolation requirements, if applicable;
- 7.3.7. documents all accidents and incidents at work and immediately informs LMT about them;
- 7.3.8. assumes full responsibility for compliance with occupational safety requirements and fire safety requirements of its employees and temporary employees throughout the performance of work.

8. ENVIRONMENT

- 8.1. The supplier fulfils all the requirements set out in the laws and regulations governing the field of environmental protection, environmental permits or other applicable documents.
- 8.2. The supplier implements and maintains a system for applying best practices and continuous improvement in the company.
- 8.3. The supplier promotes the development and use of environmentally friendly technologies and processes.
- 8.4. The supplier uses resources as efficiently as possible, plans and implements measures to reduce the amount of waste and greenhouse gas emissions.
- 8.5. The supplier contributes to reducing the environmental impact in its supply chain.
- 8.6. The supplier helps LMT reduce its environmental impact by following the precautionary principle and choosing products and solutions with a smaller ecological footprint as part of the commercial relationship with LMT.
- 8.7. The supplier prevents the use of harmful substances included in the [Black List](#) and tries to reduce the use of substances included in the [Gray List](#).
- 8.8. At LMT's request, the supplier provides reliable, transparent and timely information about the company's environmental performance in relation to the products supplied or services provided to LMT at no additional charge.
- 8.9. Suppliers providing goods and products to LMT are required to use eco-design in the development of goods and products, including packaging, improving their ecological characteristics throughout their life cycle in accordance with the following principles:
 - 8.9.1. to optimize product raw materials by using cleaner and renewable materials obtained through recycling and that are recyclable/reusable;
 - 8.9.2. to optimize the use of the product, ensuring energy efficiency, durability, modular product structure, easier maintenance and repair;

- 8.9.3. to optimize the end of the product life cycle by providing for product reuse, design for easy disassembly, product recovery and material recycling.

9. RESPONSIBLE EXTRACTION OF CONFLICT MINERALS

The supplier ensures that in products or parts in LMT's supply chain are not used minerals originating from conflict-affected and high-risk areas, i.e. minerals smelted in tin, tantalum, tungsten and gold, obtained from organizations that directly or indirectly finance conflicts in the Democratic Republic of the Congo or in neighbouring countries, are associated with human rights violations, corruption and money laundering, as well as environmental degradation.

10. COMPLIANCE WITH THE CODE AND REPORTING ON VIOLATIONS

- 10.1. The supplier is responsible for ensuring that the persons who work under its supervision as part of the cooperation are familiar with the Code and comply with the requirements set out therein.
- 10.2. By accepting the Code, the supplier grants LMT the right to monitor and verify the fulfilment of these requirements. In order to improve the transparency of the value chain, LMT has the right to receive information from the supplier about the traceability of its products.
- 10.3. The supplier must immediately inform LMT about the violation of the principles and requirements established in the Code, the suspicion of a violation or the occurrence of a potential violation, by reporting it to the contact person specified in the contract or procurement. If the supplier wants a discreet consideration of his or her submission in accordance with LMT's Whistleblowing Policy, the report can be submitted to LMT by sending it to the e-mail address: trauksmes.celsana@lmt.lv.
- 10.4. The supplier is obliged to include the content of these requirements in the contracts with its subcontractors.
- 10.5. Any significant violation of the requirements of the Code gives LMT the right to immediately terminate the contract with the relevant supplier. In such a situation, the decision is taken by the Management Board of the respective LMT group company.