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APPROVED

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board meeting of Latvijas Pasts VAS
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Latvijas Pasts State Joint-Stock Company's Code of Ethics for Suppliers

Pasts

*THE DOCUMENT IS SIGNED WITH A SECURE ELECTRONIC
SIGNATURE AND CONTAINS A TIMESTAMP

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1. Introduction

- 1.1. Grounded in the core values of Latvijas Pasts VAS (hereinafter referred to as "LP"), the Latvijas Pasts VAS Code of Ethics for Suppliers (hereinafter referred to as "the Code of Ethics") establishes the principles and conditions for cooperation with the company's suppliers.
- 1.2. The term "Supplier" refers to any natural or legal person who, regardless of the form of cooperation, provides goods, services or construction works to LP.
- 1.3. The term "cooperation" refers to any current contractual, non-contractual or future planned cooperation between LP and the Supplier, whereby the Supplier provides or will provide goods, services or construction works to LP in exchange for payment by LP.
- 1.4. The term "legal act" refers to Latvian and international laws and regulations.

2. Scope and objectives of the Code of Ethics

- 2.1. The objectives of the Code of Ethics are as follows:
 - 2.1.1. to establish uniform core values and conditions for cooperation between LP and Suppliers, and to promote adherence to principles of fair business practices, human rights, labour law and business ethics within LP and the Suppliers' supply chain;
 - 2.1.2. to ensure compliance with the provisions set out in the Code of Ethics in the execution of cooperation agreements between LP and Suppliers;
 - 2.1.3. and to promote and encourage good governance and socially responsible business practices.
- 2.2. The Code of Ethics is binding on LP and Suppliers.
- 2.3. The principles of the Code of Ethics are applicable throughout the Supplier's supply chain.
- 2.4. The Code of Ethics is accessible to all Supplier employees and/or Suppliers on the LP website.

3. LP commitment

- 3.1. In cooperating with Suppliers, LP:
 - 3.1.1. complies with applicable legal acts, regulations, guidelines and procedures;
 - 3.1.2. acts respectfully and professionally;
 - 3.1.3. ensures openness and transparency in transactions with Suppliers, provided this does not compromise the achievement of the most economically advantageous outcomes;

- 3.1.4. promotes fair and open competition, while making practical use of resources and seeking innovative solutions;
- 3.1.5. protects commercial secrets and prevents their disclosure;
- 3.1.6. does not solicit or accept financial or non-financial benefits from potential, current or former Suppliers, except those specified in their offers;
- 3.1.7. responds to all requests, provides consultations and shares information to a reasonable extent and in a timely manner;
- 3.1.8. reviews and investigates complaints received.

4. Values and fundamental principles set out in the Code of Ethics

4.1. Compliance with legal acts

- 4.1.1. Suppliers comply with all applicable legal acts and regulations.
- 4.1.2. Suppliers comply with all binding international and national labour laws to ensure appropriate working conditions.
- 4.1.3. The Supplier complies with the UN Convention on Human Rights to protect the human rights of both its employees and third parties.
- 4.1.4. The Supplier undertakes to comply with all environmental regulatory and binding legal acts.
- 4.1.5. The Supplier complies with the provisions of legal acts regarding construction, service provision and production and/or sale of goods, and ensures that all necessary licences, permits and other necessary documents meet the requirements of legal acts.

4.2. Environmental protection standards

- 4.2.1. The Supplier minimises its environmental impact to the greatest extent possible and adheres to responsible environmental protection policies and practices.
- 4.2.2. The Supplier undertakes to promote the reduction of GHG emissions, including reducing energy consumption by implementing energy efficiency measures.
- 4.2.3. The Supplier commits to implementing measures to reduce waste volume and to ensure proper waste management and sorting.
- 4.2.4. The Supplier commits to implementing water-saving measures and, where possible, organising initiatives to preserve biodiversity.
- 4.2.5. The Supplier commits to minimising environmental pollution and taking necessary actions to mitigate environmental risks.

4.3. Ensuring a safe working environment

- 4.3.1. The Suppliers provide their employees with a safe and health-conscious working environment and adhere to proper health and safety management practices.
- 4.3.2. Suppliers comply with the requirements set out in applicable legal acts pertaining to occupational safety, working environment and health.
- 4.3.3. The Supplier provides its employees with the necessary collective and individual protective equipment, while planning and implementing internal monitoring of the working environment.
- 4.3.4. The Supplier ensures that all employees are trained in occupational health and safety in accordance with the requirements of applicable legal acts.

- 4.3.5. The Supplier undertakes to pay special attention to the required work safety procedures and strictly follow all regulations in order to prevent any kind of emergency situations, accidents, and to minimise their negative consequences.
- 4.3.6. Where possible, the Supplier, in accordance with the procedures, ensures crisis management and business continuity management in the event of emergency situations, while promptly informing LP about the emergency situation.

4.4. Prevention of conflicts of interest, fraudulent activities, money laundering and corruption

- 4.4.1. Suppliers do not engage in money laundering and terrorist and proliferation financing activities.
- 4.4.2. The Supplier and its employees refrain from engaging in fraudulent or corruptive activities, including, but not limited to, the misuse and/or fraudulent appropriation of another person's property and/or rights to such property, and do not influence others to partake in such activities for the purpose of obtaining unauthorised benefits.
- 4.4.3. The Supplier does not engage in illegal activities, does not perform any type of activity that may lead to the imposition of international sanctions, including those imposed by the European Union or Latvia, or those imposed by Member States of the European Union or North Atlantic Treaty Organization, particularly those affecting significant financial and capital market interests, and takes preventive measures to avoid violations of the aforementioned sanctions, as well as intentional or unintentional cases of their circumvention.
- 4.4.4. The Supplier adheres to a zero-tolerance policy regarding corruption and does not tolerate fraud.
- 4.4.5. If the Supplier and/or its employees become aware of any potential corruption or bribery, they are obligated to inform LP immediately.
- 4.4.6. Suppliers never offer or provide financial or non-financial benefits to LP and its employees, nor may LP employees and/or Supplier employees solicit financial or non-financial benefits, and they must refuse such benefits.
- 4.4.7. If the Supplier's and/or LP's employees have reasonable suspicions that an employee of the Supplier and/or LP, personally or through an intermediary, solicits, accepts or offers any kind of financial or non-financial benefits, LP and/or Suppliers must be informed immediately.
- 4.4.8. In accordance with applicable legal acts, any manifestation of corruption is considered as significant grounds for the termination of contractual relations.

4.5. Prevention of unfair and malicious business practices

- 4.5.1. The Supplier and its employees uphold honest business practices, adhere to the principles of fair competition and refrain from engaging in restrictive, corruptive or discriminatory transactions.
- 4.5.2. The Supplier builds relationships with customers, suppliers, subcontractors and other partners based on good corporate governance practices, mutual integrity and transparency.
- 4.5.3. Suppliers adhere to fair pricing practices and determine payments or interest in accordance with applicable legal acts.
- 4.5.4. Suppliers do not use aggressive methods to sell their products and/or services, i.e. methods that may be considered unfair.

4.6. Compliance with confidentiality and intellectual property rights

- 4.6.1. Suppliers must respect commercial secrets, confidentiality and intellectual property rights.
- 4.6.2. Information provided by LP and Suppliers in the course of cooperation, or obtained by LP and Suppliers, is confidential, unless explicitly stated otherwise, or if the information is publicly available.
- 4.6.3. LP and Suppliers are obliged to protect trade secrets and confidential information and use it for cooperation purposes only. LP and Suppliers may not disclose any trade secrets or confidential information obtained in the course of their cooperation to third parties, except in cases specified in legal acts.
- 4.6.4. Unauthorised use, disclosure and dissemination of commercial secrets and confidential information may result in termination of the contractual relationship between LP and Suppliers.
- 4.6.5. The prohibition on unauthorised use, disclosure and dissemination of trade secrets and confidential information also remains in force after the termination of the established contractual relationship.

4.7. Personal data protection

- 4.7.1. In their transactions with LP, Suppliers comply with the provisions, principles and requirements of the EU General Data Protection Regulation (GDPR) as well as other legal acts applicable to the protection of personal data.
- 4.7.2. The Supplier ensures that personal data is collected, compiled, used and stored in strict compliance with the provisions of legal acts.

4.8. Ensuring respect for human rights

- 4.8.1. The Supplier supports and protects human rights and stands against forced labour, child labour, slavery and human trafficking.
- 4.8.2. The Supplier ensures a socially responsible working environment, including, but not limited to, compliance with applicable laws governing minimum wage, working time and socially responsible taxpayer practices within its structures and supply chains.
- 4.8.3. Suppliers provide a working environment that allows employees to act fairly, ethically, and to ensure that companies in their supply chain are not involved in human rights abuses.

4.9. Prohibition and prevention of discrimination

- 4.9.1. Harassment and discrimination, including based on race, gender, nationality, ethnic origin, age, sexual orientation, religious belief or political affiliation, is not permissible. Suppliers provide a working environment free from harassment or discrimination, offering equal employment opportunities and promoting diversity within their organisation.
- 4.9.2. The Supplier provides equal opportunities to its employees and its Suppliers.
- 4.9.3. The Supplier treats its employees with respect, tolerance and courtesy. Any form of discrimination or conduct that could be considered as damaging to an employee's dignity and/or humiliating is not permitted.

4.10. Supplier reputation check

- 4.10.1. It is important for LP to cooperate only with Suppliers who have a good reputation.
- 4.10.2. LP has the right to conduct a Supplier reputation check before entering into a cooperation agreement and during cooperation, regardless of whether a cooperation agreement has been entered into or not.

4.10.3. LP conducts reputation checks in accordance with its internal rules.

4.10.4. LP has the right to initiate termination of cooperation if risks to the Supplier's reputation are identified that do not meet LP's standards and compromise LP's reputation.

5. Responsibility

- 5.1. Every Supplier is responsible for reinforcing the norms of the Code of Ethics in its operations and monitoring their compliance.
- 5.2. LP has the right, either on its own or by involving an external service provider, to request the Supplier to submit explanatory documents at any time if violations have been detected or information has been received that the Supplier had violated the requirements of legal acts governing the performance of the contract.
- 5.3. When entering into any contractual relationship with LP, the Supplier informs its employees and other partners involved in the performance of the contract about the Code of Ethics and their obligation to comply with it.
- 5.4. LP has the right to terminate cooperation with a partner or not to initiate it if LP has information about violations of the Code of Ethics or provision of false information to LP.