

Tet Group Suppliers Code of Business Ethics

Rīga

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1. INTRODUCTION

- 1.1. The *Tet Group Suppliers Code of Business Ethics* defines the terms and conditions of cooperation that are due for fulfilment by all suppliers of the *Tet* Group to ensure adherence to fair business partnership practices. All business partners with whom transactions are conducted, or who participate in the procurement tenders held by *Tet* (hereinafter referred to as the Suppliers), are encouraged to organise their business in conformity with similar standards.
- 1.2. The *Tet Group Suppliers Code of Business Ethics* describes the actions that the Supplier shall undertake to comply with human rights principles, and simultaneously with this to also ensure safe working conditions and fair cooperation standards, as well as conduct business so that to cause no harm to the environment, and adhere to high ethical standards throughout all phases of operation of the supply chain.
- 1.3. The *Tet Group Suppliers Code of Business Ethics* is deemed binding on all employees of the *Tet* Group. Employees, who organise procurement tenders, and who conclude contracts with the Suppliers shall have a duty to advise the Suppliers of the terms and conditions of the *Tet Group Suppliers Code of Business Ethics*, seeking also an express written consent from the Supplier proving its commitment to adhere to the said.
- 1.4. The Suppliers shall ensure that their employees, as well as the subsidiaries and subcontractors involved in the supply process are duly advised of the requirements set forth in the *Tet Group Suppliers Code of Business Ethics* and act in conformity with these.
- 1.5. The terms and conditions set forth in the *Tet Group Suppliers Code of Business Ethics* shall be adhered in organising cooperation with all Suppliers that are deemed to be a business partner of *Tet* or *Tet* Group (hereinafter referred to as *Tet*) with regard to some procurement.
- 1.6. The terms and conditions set forth in the *Tet Group Suppliers Code of Business Ethics* shall be duly adhered to in organising all procurement and concluding procurement contracts.

2. TET COOPERATION WITH SUPPLIERS.

- 2.1. *Tet* strives to maintain such Supplier database that is steady and incorporates highly competitive companies with a good business reputation. *Tet* aims to be a reliable business partner that strives to build solid and sustainable business relationships, and seeks the promotion of a productive cooperation.
- 2.2. Cooperation with *Tet* employees:
 - 2.2.1. Communication with the *Tet* employees (the contact persons specified in the procurement contract or procurement tender documents) shall be organised by the Supplier in conformity with the cooperation practices and requirements specified in the present document.
 - 2.2.2. In organising its operations *Tet* explicitly forbids giving or receipt of any bribes, nor does it allow carrying out any other illegal or unethical activities aimed at the promotion of any transaction or more favourable cooperation terms, or fulfilment of any other economic interests.
 - 2.2.3. Business decisions shall be made, and activities need to be carried out in such manner that these decisions and activities are based on the best interests of the Supplier and *Tet* and its subscribers, clients and shareholders. Hence, decision-making shall not be based on personal interests of an individual; personal relationships or interests shall not affect soundness and independence of the company judgement; decisions shall not be made and activities carried out in situations, when there exists a conflict of interest.
 - 2.2.4. *Conflict of interest* – a situation in which an employee, in fulfilling job duties, needs to make a decision, or participate in a decision-making process, or carry out other activities connected with the job position, which affect, or may affect personal or economic interests of the employee, or relatives or business partners of this employee.
 - 2.2.5. *Tet* Suppliers are selected, taking into account the existing procurement terms, stating clearly that the Suppliers shall compete fairly and actively for the right to cooperate with *Tet*.

- 2.2.5.1. The selection and evaluation of the Suppliers is based on predefined criteria (e.g., quality, price, functionality, availability, delivery terms, reliability, service terms and company's obligations), which include social and environmental aspects.
- 2.2.5.2. The information that the Suppliers provide to *Tet* with regard to the company, products and/or services offered, business partners, clients and potential clients of the Suppliers shall be clearly stated, accurate, reliable and non-misleading.
- 2.2.5.3. Adherence to the *Tet Group Suppliers Code of Business Ethics* and conformity of the activities with the present document is deemed such obligation that shall be duly incorporated into the contract with the Supplier, and form an integral part of the same.
- 2.2.6. *Tet* takes all necessary and reasonable measures to minimise the exchange of business gifts within the framework of a business relationship. Business gifts or hospitality shall solely be offered and accepted in conformity with the existing laws of the Republic of Latvia and generally accepted business practices.
 - 2.2.6.1. Hospitality (social functions, business breakfasts/lunches, seminars, events held to provide some information and gathering a large number of participants, or entertainments) may be offered and/or accepted, if the purpose of the event is clearly known, if there is no expectations with regard to such decisions or activities that otherwise would not have possibly been expected, and if the cost of the event is reasonable and duly justified.
 - 2.2.6.2. Travel and business trip expenses incurred by *Tet* employees are covered by *Tet*, except situations when the cost is covered, whether in full or in part, using the EU or other international funds in the order set forth in the existing laws of the Republic of Latvia, or interstate treaties.
 - 2.2.6.3. No hospitality shall be offered and/or accepted, neither there shall be any costs that are covered, or any business gifts given and/or received in situation, when contract negotiation is still in progress, or when bidding is being organised, or the winner of the tender is in the process of being selected (except business lunches held in conformity with generally accepted business practices, seminars, and events held to provide some information and gathering a large number of participants).
- 2.3. The Supplier and *Tet* shall ensure compliance with the laws and regulations of the Republic of Latvia and European Union governing the field of compliance with the sanctioning regime and also the guidance and enforcement practices in the respective field. Consequently, the Supplier and *Tet* shall ascertain that there are no persons within the range of customers or suppliers of the Supplier and *Tet* whose personal names or legal names are included in the sanctions lists of the EU, USA, UN or the Republic of Latvia, they shall not conclude any transactions with such persons, shall terminate transactions with such persons in case a transaction has already been concluded, as well as shall take any other measures provided for in laws and regulations, guidance and enforcement practices.
- 2.4. The Supplier and *Tet*, upon request, shall submit in due time to each other information required for ensuring the sanctioning regime, inter alia, to identify the beneficial owners, owners, persons entitled to sign, as well as shall immediately notify of any changes in the provided information.

3. BUSINESS ACTIVITIES AND HR POLICIES OF THE SUPPLIER.

- 3.1. The Supplier shall be held liable for the conformity of its activities with the laws of the Republic of Latvia.
- 3.2. The Supplier shall ensure fulfilment of the existing labour rights and labour safety terms, securing also the payment of the due taxes and social insurance fees, and abiding by the following requirements pertaining to the fulfilment of labour rights and provision of appropriate working conditions:
 - 3.2.1. Use of child labour, as well as bonded labour or forced labour shall be banned.

- 3.2.2. All employees shall be treated on a fair and equal basis. No employee shall be discriminated against, or harassed due to his/her age, race, gender, religion, handicap and disability, nationality, sexual orientation, marital status or political opinion.
- 3.2.3. The Supplier shall ensure safe and friendly working environment, and undertake the necessary labour protection measures by preventing and reacting to unhealthy conditions, as well as by promoting implementation of such activities that promote the wellbeing of the employees and create a healthy work climate. The Supplier shall also meet all security terms specified in the relevant supply agreements.

4. CONFIDENTIALITY OF INFORMATION.

- 4.1. The Supplier shall take special care to ensure nondisclosure of the *Tet* trade secrets and prevent loss, illegal disclosure, or misuse of the *Tet* data or confidential information.
- 4.2. The Supplier shall not disclose trade secrets – any kind of *Tet* information, which is owned by, and received from *Tet*, whether in written, electronic or any other format, and which is not publicly available, such as data of physical persons and subscribers (clients), technologies, provision of services, types of services, operations and profit, as well as any other internal information and data, which is made known to the Supplier with regard to *Tet*.
- 4.3. Beyond the limits of its contractual obligations the Supplier, with no prior written *Tet* approval, shall in no way use the name of *Tet*, or refer to it, or publish or disclose any kind of information about *Tet* to a third party, including also mass media. For breach of the present obligation *Tet* shall have the right to claim a penalty at the amount of EUR 1400 payable duly by the Supplier.
- 4.4. In carrying out any kind of activity, including also processing of the data in countries other than the country in which the relevant data is obtained or received, the Supplier shall process the said information in good faith, and in conformity with the laws of the respective country.
- 4.5. Information that is publicly available is not deemed a trade secret.
- 4.6. *Tet* undertakes to take equal care in protecting the information and data provided by the relevant Supplier.

5. PROCESSING OF PERSONAL DATA

- 5.1. When personal data (any information relating to identified or identifiable natural person) must be processed within the framework of cooperation between *Tet* and the Supplier from the moment of signing of the Contract, as well as during and after the performance thereof, the Supplier and *Tet*, each within the scope of their responsibility, shall be responsible for the protection of the privacy and personal data of natural persons and shall ensure the compliance with Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (hereinafter referred to as Regulation) and the laws and regulations of the Republic of Latvia. The Parties shall each bear their own costs to meet these obligations.
- 5.2. For the processing of personal data, the Parties shall conclude a written document conforming to the Regulation (a contract or an annex to the contract). The processor shall certify and guarantee that appropriate technical and organisational measures will be implemented in such a way that the processing will comply with the requirements of the Personal Data Protection Law or the Regulation (the relevant regulatory act in force and applicable at the time of processing) and ensure the protection of the rights of the data subject. The Supplier shall submit to *Tet* at least one of the following documents as a certification for the performance of guarantees:
- 5.2.1. A certification of the approved code of conduct referred to in Article 40 of the Regulation.
- 5.2.2. A certification of the approved certification mechanism referred to in Article 42 of the Regulation.

- 5.2.3. A certification for the receipt of the ISO/IEC 27001 certificate in the field of IT security management system;
- 5.2.4. A completed survey on the technical and organisational measures for ensuring data protection which shall be updated during the duration of the cooperation as soon as changes have been made to the information or certification included in the survey in part or in whole.
- 5.3. The Supplier shall ensure that *Tet* has the right to carry out on-site checks of the guarantees and certification provided that are stipulated in the survey at any time, as well as an audit of the processing and protection of personal data. The Supplier shall be obliged to comply with the data processing and protection instructions and recommendations provided by *Tet*, cooperate and provide the necessary information and accesses.
- 5.4. Taking into consideration that personal data of the contact persons are also subject to the data processing regulations, *Tet* and the Supplier shall ensure the protection and legal processing thereof. In order to do this, *Tet* and the Supplier shall ensure that the contact persons are designated on the basis of relevant legal grounds (for example, that such status stems from the contact person's employment relationship) that the designated contact persons are informed of their duties as contact persons and that the information about them throughout the course of the cooperation, including reference thereof in the contract, shall be transferred to the other Party for the purpose of cooperation. The Parties shall undertake to inform each other without delay of any change of contact persons and delete information about persons who no longer comply with this status.
- 6. IMPACT OF BUSINESS ACTIVITIES ON THE ENVIRONMENT.**
- 6.1. *Tet* strives to conduct its business in an environmentally friendly manner. By working jointly with the Suppliers *Tet* aims to reduce the environmental impact of the company's operations, thereby participating in the fight against global climate change.
- 6.2. *Tet* Suppliers shall take a precautionary approach to environmental challenges and undertake such initiatives that promote greater environmental responsibility, improved energy efficiency, as well as advance the development and diffusion of environmentally friendly technologies and best practices. The Supplier shall:
- 6.2.1. comply with the existing environmental laws and regulations and identify the impact of its operations on the environment (minimum requirement);
- 6.2.2. whenever feasible, minimise the use of environmentally unfriendly technologies and processes.
- 7. MANAGEMENT SYSTEMS OF THE SUPPLIER.**
- 7.1. The Supplier is encouraged to introduce such company management system that secures fulfilment of the *Tet* corporate requirements, and to describe this system so that it can be used as a basis against which to assess the conformity of the Supplier's operations with the said requirements.
- 7.2. The Supplier shall undertake all activities deemed as necessary and appropriate to ensure conformity of its operations with the present document.
- 8. CONFORMITY WITH THE TET SUPPLIERS CODE OF BUSINESS ETHICS.**
- 8.1. The Suppliers shall comply with the terms and conditions set forth in the *Tet Group Suppliers Code of Business Ethics*.
- 8.2. The *Tet Group Suppliers Code of Business Ethics* also contains such requirements that are higher than the standards specified in the national laws.
- 8.3. Within the framework of cooperation the Supplier shall have a duty to ensure that its employees, as well as the subsidiaries and subcontractors involved in the process are duly advised of the terms and conditions of the *Tet Group Suppliers Code of Business Ethics* and comply with these.

- 8.4. The Supplier shall with immediate effect advise *Tet* of any breach of the *Tet Group Suppliers Code of Business Ethics*.
- 8.5. The Supplier shall have a duty to advise *Tet* with immediate effect, if the Supplier possesses information proving that a *Tet* employee, or a relative of this person needs to make a decision, or participate in a decision-making process in a situation, when there exists a conflict of interest, and which affects (may affect) personal or economic interests of the relevant *Tet* employee, or relatives or business partners of this employee.
- 8.6. The Supplier shall ensure that the employee of the Supplier, who is involved in the implementation of the contract or procurement, or transactions, arising out of, or in connection with the same, uses the job position and information that is obtained by the Supplier through fulfilling its job duties within the framework of the orders placed by *Tet* for the sole benefit of the contract, procurement, or transactions, arising out of, or in connection with the same, and not for the sake of personal interests.
- 8.7. The Supplier shall refrain from carrying out activities, if these activities may give rise to suspicion of potential, likely or actual conflicts of interest, as well as impair the *Tet* reputation.
- 8.8. If the Supplier identifies any conditions that give rise to, or may give rise to such conflict of interest, which causes substantial harm or damage to the interests of *Tet* or *Tet* clients, and defines the measures due for carrying out in order to mitigate this interest of conflict, it shall notify of the existence of said conditions the person specified in the *Tet* contract or procurement tender documents.
- 8.9. The Supplier shall have a duty to undertake other activities, which are deemed necessary and appropriate, and which a reliable business partner is expected to undertake to prevent the conclusion of any additional transactions with a third party, arising out of, or in connection with the relevant transaction, as a result of which a person other than *Tet*, whether a physical or legal person, becomes a direct or indirect beneficiary of the said transaction, and advise duly of the possible occurrence of such situation.
- 8.10. If the Supplier is advised of, or suspects such activities that may be in conflict with the *Tet Group Suppliers Code of Business Ethics* it shall have a duty to report the said to the contact person specified in the procurement contract or procurement tender documents.
- 8.11. The Supplier, by participating in procurement tenders or concluding contracts with *Tet*, acknowledges that it has become acquainted with the contents of the *Tet Group Suppliers Code of Business Ethics* (<https://www.tet.lv/images/tet/piegadataju-etikas-kodekss-lv.pdf>), and that it commits to comply with the said.
- 8.12. All actions that are in conflict with the *Tet Group Suppliers Code of Business Ethics* are deemed a serious breach of the contract, which may provide the grounds for premature termination of the contract.