

Latvijas Gāze

Code of Conduct

Approved by the Management Board of AS Latvijas Gāze on 22
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Dear colleagues,

We believe it's not just what we achieve that counts, it's also how we achieve it. By making good choices and taking responsibility and accountability for them, we can positively impact the lives of any of our clients. It also means to go beyond simply following laws and rules.

The values of Latvijas Gāze and our Code of Conduct supports an engaging work environment and helps us to navigate the constantly changing business landscape. This builds the foundation for our long-term success.


It is an important part of the internal working environment that employees feel comfortable to voice any concerns they have, and can trust Latvijas Gāze Group to take the appropriate actions. We are all responsible for building this type of culture. With everything we do and every choice we make. This is why every one of us needs to understand our Code of Conduct and use it as a compass to guide our work.

Yours sincerely,

Aigars Kalvītis

*Chairman of the Management Board
AS Latvijas Gāze*





” **This Code of Conduct** (hereinafter also the Code) applies to all employees of AS Latvijas Gāze and it’s application shall be followed at the extent possible in its majority-owned subsidiaries (at the moment of adoption of the Code - AS Gaso). The Group companies promote compliance with the Code by its consultants, either internal or external.



CONTENTS

- 01** Acting with Integrity
 - 02** Respecting Human Rights and People
 - 03** Taking Care of the Environmental Impact and Safety of the Resource We Deliver
 - 04** Protect Company Assets and Inside Information
 - 05** Avoid Conflicts of Interest
 - 06** Zero-tolerance for Corruption and Bribery
 - 07** Engaging with Society
 - 08** Know with Whom you Trade
 - 09** Compliance with Competition Laws
 - 10** Compliance Involves Everyone
- 

01

Acting with Integrity



” **Integrity means doing what is right. Integrity is about how we expect the highest ethical behaviours of ourselves and others. By acting with integrity, we reflect positively on the values and reputation of the Group.**

We all want to do what is right. The Code of Conduct will help to reach that. The Code defines how employees should conduct themselves as representatives of Latvijas Gāze. The Code addresses our responsibilities to the company, to each other, and to customers, suppliers and public institutions.

We all must follow the law, act fairly and with honesty in all matters, and be accountable for our actions.



Our values

We are proud of our values. They are non-negotiable and inform everything we do.



CLIENT FOCUS is about always doing the right thing for clients and striving for the highest quality.



TRANSPARENCY helps us build trust with each other and with society by being honest and open about how and what we do.



RESPECT means supporting colleagues and the communities around us, and embracing self-esteem and individuality.

01

Our expectations

To thrive in an ever-changing world and achieve our purpose, we need to adapt some of our behaviours to keep us competitive, all while staying true to our values. That's why we have our expectations.

ACCOUNTABILITY is about taking good and careful ownership, prioritising work that supports our strategy and delivering what we promise.

DEVELOPMENT encourages to elaborate and learn from others, and to ask for and give feedback, so we can continually grow as individuals, teams and as an organisation.

SUSTAINABILITY focuses us to track the development that meets the needs of the present without compromising the ability of future generations to meet their needs.

TEAMWORK is about all of us working together on aligned objectives, encouraging diversity of ideas and inspiring each other.

Employees or consultants, either internal or external, are expected to:

- Read, understand and comply with the Code of Conduct
- Ask for advice from your direct manager (or company's Compliance officer) when uncertain about the right thing to do.

In addition, managers are expected to:

- Lead by example
- Communicate the respective policies and procedures of the company to their teams and take the time to discuss with them how they apply to the team
- Never direct or encourage the team members to achieve business results at the expense of ethical conduct or compliance with the Code.

When you are not sure how to move forward

01

Think about your planned actions and ask yourself:

- Are they consistent with the Code of Conduct?
- Are they legal?
- Are they ethical?
- Would I want to read about them on social networks or media?

If the answer is "No" to any of these questions, stop and ask for help to the direct manager (or Compliance officer) to find the right path.

Respond to Questions and Concerns



If approached with a question or concern related to the Code, listen carefully and give the employee your complete attention. If necessary, ask for clarification and additional information. Answer any questions if you can, but do not feel that you must give an immediate response. Seek help, if you need it, to answer.

02

Respecting Human Rights and People



Latvijas Gāze is committed to respecting international human rights, in particular, those enshrined within the Universal Declaration of Human Rights and International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and principles of the United Nations Global Compact.

02

We promote decent working conditions. We do not tolerate the use of forced or child labour under any conditions. All our employees must respect the prohibition to discriminate on the basis of race, age, nationality, gender or other forms of discrimination.

Employees are encouraged to be active in their personal and professional development and growth. Employee well-being and health are important to Latvijas Gāze. We never compromise on safety of employees. We are all responsible for working safely at all times, and we must comply with relevant occupational health and safety laws, as well as with our safety rules and standards.

We all treat our colleagues equally. The internal communication is professional by respecting colleagues, their tasks and duties. We act through the cooperation, do not criticize anyone personally and address necessary improvements *têt-à-têt*.

What is the right thing to do?

02

- **STRIVE** to promote diversity, include people with different competences, experiences and backgrounds in our teams.
- **BUILD AND ENCOURAGE** a culture in which people can have diverse views and opportunities to contribute.
- **CONSIDER** how you can improve your workplace's atmosphere and inspire others.
- **SPEAK UP** if you perceive inappropriate behaviour, whether it is targeted to you or someone else.
- **TAKE RESPONSIBILITY** for your personal and professional development.
- **MAKE SURE** that your work performance is not impaired by, for example, alcohol or drugs.
- **EXPECT AND ENCOURAGE** others to comply with safety requirements. Report any accidents and unsafe conditions immediately. Never assume that someone else reported a risk or concern.
- **BE A ROLE MODEL** for health and safety and lead by example. Always look out for yourself and your colleagues and take appropriate care of your health.





03

**Taking Care of the
Environmental Impact
and Safety of the
Resource We Deliver**



We comply with relevant environmental laws and pay close attention to how our operations impact the air, climate, water, land and biodiversity.

We aim to minimize our adverse effects. We measure and assess the direct and indirect environmental loads and impacts of our operations and promote the use of advanced technologies. We deliver to our clients the resource which is explosive and therefore the utmost attention is paid to the appropriate safety measures.

We want all our employees to be aware of environmental issues in their day-to-day work. This is why we are all expected to act responsibly and share best practices. Any action that can affect people and the environment negatively must be considered carefully.

What is the right thing to do?

- Be aware of the environmental impacts and legal requirements of your work and workplace.
- Avoid unnecessary risks and act before there is a problem.
- Share your best practices with others.
- Perform all measurements, analyses and reporting truthfully and accurately.
- Do not waste resources (water, electricity, fuel, paper, ink) and use them efficiently.
- Handle chemicals and all waste with care and according to instructions.
- Report any activities that might pose a risk to the environment.
- Make sure that the resource we deliver meets the necessary quality and safety requirements.

04

Protect Company's Assets and Inside Information



Tangible and intangible assets

04

In our everyday work, we are responsible for the assets of our company, such as the funds of the company, employees' time at work and the result we produce, IT systems and their software, mobile devices, vehicles, photocopiers, intellectual property and information. We must handle them with care and protect them from damage, theft and misuse.

CONFIDENTIALITY

All our employees must take appropriate measures to safeguard our and our business partners' confidential information. We handle confidential information with care and share confidential information only with those who have the right to access the information and need it to do their work. We follow our internal policies and procedures to protect data from threats and unauthorised and illegal use.

PRIVACY

Latvijas Gāze has the right to access and use the information received or created by our employees within terms of their employment. We respect the privacy of employees, clients, business partners and their representatives by handling personal data in compliance with relevant laws and company policies and procedures. We use and utilise technology ethically and responsibly.

DECISION-MAKING AND DOCUMENT TRAIL

Our decisions are made with the best interests of the company in mind and based on appropriate risk assessments. Legal and financial approval procedures are in use

throughout our organisation, and we are committed to following them. These procedures include risk mitigation practices, such as determining authorised persons, monetary limits and segregation of duties.

DISCLOSURE AND INSIDE INFORMATION

We do not disclose non-public information to anyone outside the company, including to family and friends, except when disclosure is required for business purposes.

As a publicly listed company, we must comply with applicable laws and rules of the stock exchange when making Latvijas Gāze's information public. Only designated company employees can make public statements to the media on behalf of the company. We are committed to following the rules and regulations relating to market abuse and inside information.

What is the right thing to do?

ASSETS

- Do not misuse company assets or information, for example, for personal or non-Latvijas Gāze business or for illegal or unethical activities.
- Use common sense. For example, the occasional personal phone call or e-mail from your workplace is acceptable. Excessive personal calls or e-mails is a misuse of assets.
- The policy of the company may allow additional personal use for certain assets, such as a company car or mobile device. Always check relevant internal policies to ensure that you are using company assets as intended.

INFORMATION

- Safeguard the intellectual property of the company by maintaining adequate legal protection and confidentiality and respect the intellectual property of third parties.
- Follow internal policies on information security to safeguard the confidentiality of data and to protect data against cyber risks. When dealing with personal data, always remember to assess the legitimate purpose for their usage, limit use, make it safe and delete when obsolete.

- Do not share confidential information from your former employers or ask others to do so. If you leave Latvijas Gāze, do not share our confidential information with others.
- Do not discuss confidential matters in public areas or on social media or with relatives or friends.
- Direct all media contacts to marketing or investor relations for all comments on company matters.
- Use caution if third parties request information about the company from you, for example, as part of their “Know Your Customer” procedures. Make sure that the requestor has a legitimate purpose for the request, do not provide any confidential information without appropriate confidentiality agreements in place and safeguard personal data.
- Remain up to date on internal policies and procedures relating to insider issues. Contact responsible officer if you have questions.

04



05

Avoid Conflicts of Interest



We are all expected to act in the best interest of Latvijas Gāze

05

This means we must all avoid conflicts of interest, among other things. A conflict of interest arises when your personal interests conflict with interests of the company. When you have a conflict of interest, you must not be involved in decision-making relating to the particular question.

PERSONAL INTERESTS

Personal interests, for example, holding shares of our suppliers, customers or competitors, can create conflicts of interest. However, for example, minor shareholdings of publicly traded companies do not create a conflict of interest.

You must not work for a company competing with Latvijas Gāze or be engaged in other professional activities with it. You must not engage in any professional activities that could have a negative impact on your job performance by demanding too much of your time or conflicting with your work at Latvijas Gāze.

PERSONAL RELATIONSHIPS

We all may have relatives or friends who work for or have financial interests in customers, suppliers or competitors of Latvijas Gāze. This kind of a connection creates a potential conflict of interest: Others might think that you give special treatment to such a business partner or that they may influence the actions you take on behalf of Latvijas Gāze. Such a situation *per se* is not a conflict of interest. Albeit a conflict of interest arises if you have decision-making power or influence in dealing with that business partner.

DISCLOSE AND DISCUSS

We must inform our managers of any conflicts of interests and obtain permissions, if necessary. Each situation is assessed and in case of necessity respective decisions are made.



What is the right thing to do?

- Do not derive unjust personal benefit from opportunities created through your position in the company or through the use of information or assets you have access to in your work.
- Recuse yourself from all decision-making that creates a real or potential conflict of interest.
- Make sure that all your decisions on the job are objective and made with company business interests in mind.
- Tell your manager if you are considering taking any outside job or position to discuss possible conflict of interests. Get written permission, if necessary.
- Document and make known all potential and real conflicts of interests to your manager, regardless of whether you think they influence your decisions.

Is there a conflict of Interest?

Ask yourself:

Could my personal interests or relationships influence the decision I am about to make or interfere with interests of Latvijas Gāze:

- If yes, discuss it with your manager
- If you are not sure, discuss it with your manager
- If not, nonetheless someone else could perceive it that way, discuss it with your manager
- If not, it is probably not a conflict of interest.

06

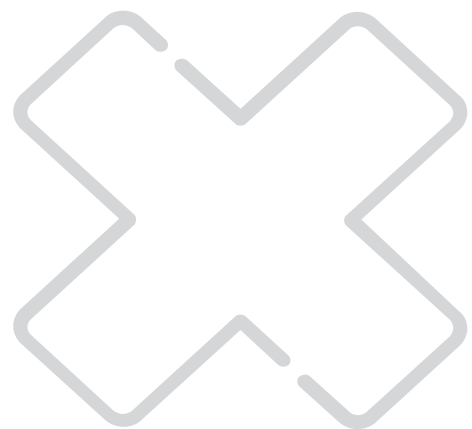
Zero-tolerance for Corruption and Bribery



Our guiding principle is clear: We do not tolerate corruption or bribery in any form.

06

We never offer or pay bribes or allow bribes to be paid to government officials or private persons, and we never solicit or accept bribes.



Specifically, we must not give or offer anything of substantive value to **improperly influence a business decision to get business, keep business or gain an unfair advantage.** We cannot do so directly or indirectly, meaning through a third party. Likewise, we must not, directly or indirectly, ask for or accept anything of value that might affect or appear to affect our ability to be objective in our business decisions. This includes any payment, loan, discount, political or charitable contribution, gift, trip, business opportunity, service or other valuable benefit with the above mentioned purpose.

Gifts or hospitality, given or accepted, must have a usual legitimate business purpose and must always be reasonable in kind and size.

All requests and offers of any improper payment, benefit, gift or hospitality must be rejected and reported without delay to the Compliance officer.

What is the right thing to do?

06

GOVERNMENT INTERACTIONS

- Do not give, offer or accept anything of value when dealing with a government official without first consulting the legal team.
- Understand that the term “government official” has a wide range of meanings under various anti-corruption laws. It often includes any officer, employee or representative of or candidate for any government department, agency, state-owned or state-controlled enterprise, municipality, political party or public international organization.
- Do not make facilitation payments, i.e. payments to government

officials to speed up routine government actions, such as processing paperwork or obtaining a permit.

BUSINESS PARTNERS

- Remember that it is also a violation of laws to give, offer or accept bribes or other payments to or from private business partners or other parties that are used to influence business decisions or secure special treatment.

THIRD PARTIES

- Remember that you and Latvijas Gāze may be legally liable for the improper conduct of a third party, such as an agent, consultant, adviser, joint venture partner, local partner, distributor, or supplier acting on behalf of Latvijas Gāze.
- When entering into or renewing a contract with any third party, perform the appropriate risk assessment and due diligence as well as make sure to include the risk based contractual terms.
- When issuing any kind of authorization, either written or oral, make sure that the scope of authorization does not go beyond what is necessary as well as that the reputation of the authorized person does not rise any doubt on the performance of the entrusted duties through the legitimate means only. If possible, request the empowered person to acknowledge with this Code.
- Only pay reasonable and justifiable commissions and fees to third parties, based on the services delivered and the contract between Latvijas Gāze and the third party.

GIFTS, HOSPITALITY, TRAVEL AND ENTERTAINMENT EXPENSES

- Do not offer, give or accept gift or hospitality, meal, travel or entertainment that is excessive or used to influence improperly business decisions or secure special treatment or that could create the appearance of impropriety. Examples of acceptable gifts include a logo pen or t-shirt, or a gift basket at holiday time. Ordinary business meals and attendance at sporting events or culture events generally are not excessive and are acceptable.
- Gifts or discounts offered to a large group of employees as part of an agreement between the company and another party may be accepted.

07

Engaging with Society



Our goal is to be a trusted partner.

We aim to understand society-specific expectations and engage in dialogue with various stakeholders to discuss our targets, operating principles and the challenges we face.

We recognise our significant societal impact. Our aim is to contribute positively to the economic, environmental and social development and to minimise any negative impacts of our operations.

We participate in the development of different groups of communities through various projects and initiatives and disclose our activities actively and openly.

07

What is the right thing to do?

- Do not make political contributions or otherwise support political candidates, parties or groups on behalf of Latvijas Gāze.
- Keep your political activities clearly separated from your work.
- Be open to constructive dialogue with all stakeholders in accordance with internal policy on disclosures.
- Listen to and welcome diverse opinions and express your opinions constructively.

08

**Know with Whom
you Trade**



By knowing our customers, suppliers and other business partners and developing business relationships with them, we can improve our business performance, supply security and business continuity.

08

At the same time, we can mitigate the risk of becoming involved in illegal business activities and suffering losses or reputational damage due to such relationships. This is why we must select our business partners carefully using objective criteria, for example, such as business conduct in compliance with applicable laws.

Like any other international company, we must comply with all applicable national and international trade compliance regulations. Trade compliance among other includes regulations governing import, cross-border trade and domestic trading, as well as international and national sanctions.

We do not conduct business in violation of applicable anti-money laundering, anti-terrorism and financial crime laws.

What is the right thing to do?

KNOW YOUR BUSINESS PARTNERS

- Know your customers, suppliers and other business partners.
- Obtain and maintain relevant and up-to-date information about them.
- Do not make commitments if you have concerns about a business partner's ethical behaviour.
- Aim at developing the business relationships continuously, monitor the activities of business partners and act if you detect a risk that could have an impact on Latvijas Gāze.

SUPPLIERS

- Select suppliers based on comprehensive risk assessment.
- Safeguard confidential information and share information about product performance or prices on a need-to-know basis only.

TRANSACTIONS

- Keep complete and accurate records of all business transactions.
- Make payments to business partners, such as suppliers and agents, with care. Make sure that payments go to the person or company that provides the goods or services. Also, make sure that payments go to the country where the partner either does business or has sold goods or provided services to Latvijas Gāze. Contact the legal team if you uncover irregularities.
- Do not ignore red flags, such as complex or unusual payment structures, multiple payments from or to various parties, requests for payments to unrelated accounts or, for customers, large increases in order volumes that are inconsistent with normal ordering patterns and lack clear business purposes.
- Follow the company's sanction risks assessment and the sanctions control procedures.

09

Compliance with Competition Laws



Competition laws protect and promote effective and fair competition. They require that every company acts independently on the market, without engaging in practices that could hinder competition between companies.

Competition laws forbid agreements and other practices that have the objective or effect of restricting or distorting competition. They also regulate the behaviour of companies that have dominant market positions. So, our actions must always comply with all applicable laws governing competition.

In practice, this among other means:

- Do not engage with other businesses in, for example, price fixing, division of geographic or product market, clients, suppliers or on the basis of other criteria, restrictions on or control of technical developments or investments, participation in procurements, different attitude towards equal situations etc.
- Do not discuss or exchange sensitive information with competitors even if the restrictive effect on the competition from that would be only theoretical.
- Assess carefully the content every contact with competitors, either individual or, for example, those made during professional forums or through professional associations.
- Make sure any commercial agreements with competitors, customers, distributors, suppliers or other business partners comply with competition laws.
- Make sure we do not abuse a dominant market position, in the markets we have one.



What is the right thing to do?

09

DEALING WITH COMPETITORS

- Avoid all unnecessary contacts with competitors. All competitor contacts must have a clear and lawful purpose.
- Do not discuss or provide any sensitive information to a competitor. Examples of sensitive information include pricing, costs, delivery volumes, discounts, operating rates, market allocations. This applies to discussions with all competitors of Latvijas Gāze on all occasions, including informal (social) events and unplanned meetings.
- Refuse to answer or comment if a competitor opens a discussion about any of the sensitive subjects mentioned above.

INFORMATION EXCHANGE

- Do not share commercial information for statistical purposes with competitors without first consulting legal team. You must not do so directly or indirectly, meaning through a third party, for example, a trade association.
- Always keep confidentiality in mind and do not share with your business partners any other information than what is necessary for the planned transaction. This is important to remember, for example, if you deal with customers or suppliers that are existing or potential competitors in another (new) business area of the company.

TRADE ASSOCIATION PARTICIPATION

- Do not participate in meetings without an agenda. Review meeting agendas in advance to make sure that the topics are legitimate. If in doubt, consult the legal team.
- Do not share sensitive information at trade association meetings. Protest immediately if any other participant discloses such information (on their company) or otherwise acts in contravention of competition laws. If this has no effect, leave the meeting at once. When possible, have your protest and/or exit documented in the meeting minutes.
- Check whether the minutes properly reflect the discussions of the meeting. Request modifications and amendments, if necessary.
- Remember that competition law also applies to all side and informal meetings.

RELATIONS WITH DISTRIBUTORS, CUSTOMERS AND SUPPLIERS

- Do not restrict our customers' freedom to set their resale prices
- Consult the legal team before entering into any restrictive agreements (such as exclusivity or non-compete) with suppliers or customers.
- Contact the legal team if you think that we may have a dominant market position for a specific product in a specific geographical area to ensure that there is no abuse of dominant position.

INVESTIGATIONS

- Contact the representative of the legal team immediately and follow their instructions in case of an unannounced investigation (dawn raid) by any competition authority (Competition Council or Public Utilities Regulator).

10

Compliance Involves Everyone



We are all responsible for maintaining the integrity and ethical standards of Latvijas Gāze. If we suspect misconduct, we are all obligated to speak up, as well as listen to the concerns raised by others.

This Code of Conduct is the basis for our various policies and procedures (internal rules), which address the topics discussed in more detail. We continuously communicate the importance of compliance to our employees and others representing the company.

10

All employees must promptly report any observed breach of the law, this Code of Conduct or other internal policies and procedures to their managers or the Head of the legal team.

In case the employee has a concern on being protected, it is possible to use the company's whistleblowing channel: trauksmes.zinojums@lg.lv. The description of internal whistleblowing procedures can be found in company's intranet.

This makes it possible for us to deal with issues and correct them in a timely manner and prevent them from happening again.

Misconduct reports are reviewed carefully, personal data are handled appropriately and confidentiality of reports is maintained to the extent possible.

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