

Annex No. 1 to the PATA Code of Conduct

Non-Discrimination and Anti-Harassment Policy

Pursuant to the Convention for the Protection of Human Rights and Fundamental Freedoms¹, realisation of human rights and fundamental freedoms shall be secured without any discrimination on any ground such as sex, race, colour, language, religion, political or other opinion, national or social origin, association with a national minority, property, birth or other status.

Also, the UN Sustainable Development Goals² pursue social, economic and political inclusion of all people regardless of their age, sex, disability, race, ethnicity, origin, religious beliefs, economic or other status. The goals strive to ensure equal opportunity and reduce inequalities of outcome, including eliminating discriminatory laws, policies, and practices and promoting appropriate laws, policies, and action in this regard.

Being aware of the importance of human rights, the PATA group has drawn up its Non-Discrimination and Anti-Harassment Policy (hereinafter the “Policy”), which the PATA group follows itself and asks its suppliers and business partners to follow, thus ensuring the application of the principles of this Policy across the whole supply chain.

Aim of the Policy

The aim of this Policy is to describe the principles of the PATA group in observing human rights, which prohibit discrimination at workplace.

Discrimination

By prohibiting discrimination (differential treatment), the PATA group aims to provide equal and just employment opportunities to all people when establishing employment relationships, during employment relationships, especially when promoting an employee, laying down working conditions, remuneration, professional training or improvement of professional skills, as well as upon giving an employee a notice.

Equal employment opportunities at the PATA group companies are ensured without any direct or indirect discrimination—irrespective of race, skin colour, sex, age, disability, religious, political or other conviction, ethnic or social origin, property or marital status, sexual orientation of an employee or other circumstances³.

Differential treatment⁴ includes the direct or indirect discrimination of a person, infringement of a person or an implication to discriminate thereof:

- **direct discrimination** exists if in a comparable situation the treatment towards a person associated with any of the discriminatory circumstances is, was or could be less favourable than towards another person;
- **indirect discrimination** exists if in a comparable situation an evidently neutral provision, criteria or practice creates or could create an unfavourable outcome for a person in association with any of the discriminatory circumstances.

¹ Council of Europe Convention for the Protection of Human Rights and Fundamental Freedoms, available at: <https://m.likumi.lv/ta/id/43858-convention-for-the-protection-of-human-rights-and-fundamental-freedoms>

² UN Sustainable Development Goals (No. 10.2), available at: <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>

³ Labour Law, available at: <https://likumi.lv/ta/en/en/id/26019-labour-law>

⁴ Law on Social Security, available at: <https://likumi.lv/ta/en/en/id/36850-on-social-security>

Harassment of a person is the subjection of a person to an action which is unwanted from the point of view of the person and whose aim or result is the violation of the person's dignity and the creation of an intimidating, hostile, humiliating, degrading or offensive environment. The PATA group does not tolerate physical, psychological, verbal or sexual harassment.

To ensure equal employment opportunities, the PATA group pursues the following practices:

- ▶ applies uniform selection criteria and conditions when recruiting;
- ▶ offers equal working conditions and opportunities to raise qualifications, undergo professional training, retrain and gain practical work experience, as well as offers equal benefits;
- ▶ uses uniform criteria to assess performance;
- ▶ uses uniform dismissal criteria;
- ▶ pays equal pay for equal work or work of equal value;
- ▶ takes measures to ensure that employees do not experience harassment in the workplace and are not instructed to discriminate;
- ▶ takes measures to ensure that no employee who files a complaint of discrimination or is involved in legal proceedings, as well as any of their representatives or persons giving evidence or explanations of discrimination, is persecuted, and is protected from hostile behaviour or negative consequences.

Application of Policy Principles

The Policy applies to all PATA group companies as well as their suppliers and business partners. All our suppliers are to adhere to our Code of Conduct, which includes provisions on non-discrimination and anti-harassment.

To make sure we enforce this Policy, the PATA group:

- ▶ adheres to all relevant laws and regulations tackling non-discrimination at workplace;
- ▶ recognises the significance of the issue and takes a strong stance on it publicly;
- ▶ educates its staff on the issues raised in the Policy and encourages the staff to report on discrimination if they see or suspect it;
- ▶ ensures that all potential violations of this Policy at the PATA group companies, if such violations have taken place, are properly investigated by authorised and competent persons in compliance with the whistleblowing and grievance procedure;
- ▶ informs its suppliers and other business partners of the company's policy and makes sure that agreements stipulate that this policy is complied with as an integral part of the PATA Code of Conduct;
- ▶ carries out supplier and business partner audits on the policy enforcement.



The Policy is reviewed and, if required, amended or supplemented once a year. The enforcement and review of the Policy is performed by the boards of the PATA group companies.