



# Code of Conduct



# PATA Code of Conduct

PATA, as the largest full-cycle forest management, timber industry, timber logistics and timber product sales company in Latvia, wanting to promote a sustainable business, has developed guidelines to ensure a responsible and ethical business environment.

The Code of Ethics defines the requirements for PATA, its employees and business partners to ensure compliance with ethical, social and environmental responsibility. The Code of Ethics applies and is binding on all companies in the PATA Group, their employees and business partners. The Code of Ethics is applicable to all PATA business partners and is considered an integral part of the agreements concluded with business partners.

PATA operates in accordance with applicable laws and regulations. PATA employees know and properly follow the requirements of the laws and regulations, as well as internal rules and guidelines applicable to their field. Every employee shall immediately report any violations of the laws and regulations or internal rules and guidelines they notice during work.

PATA business partners shall act in compliance with applicable laws and regulations, as well as this Code of Ethics.

## **Prohibition of corruption and unfair competition**

PATA follows the principle of fairness in each and every business transaction. Any form of extortion, bribery and/or corruption, including giving or receiving of bribes, tangible assets, property or other benefits from employees, business partners, state and local authorities or any other person, shall be prohibited.

If PATA employees find themselves involved in a bribery attempt, or attempts of improper influence by external third parties are suspected, the employee shall immediately notify their direct supervisor and the PATA management thereof.

PATA shall not accept corruption and dishonest business practices. PATA shall not accept or offer any property or other benefits that could affect a person's ability to make objective and fair business decisions. PATA shall not cooperate with the companies who violate laws and regulations or try to influence PATA employees or other persons through bribery.

PATA shall observe fair and ethical competition in compliance with the laws and regulations and expects the same from its business partners. Any agreements or arrangements with buyers and suppliers that limit competition are prohibited.

## **Confidentiality**

PATA business partners shall take the utmost care to ensure the security and protection of confidential and trade secret information received from PATA, and not disclose or otherwise pass it onto third parties.

## **Prevention of conflicts of interest**

PATA shall avoid situations where private or individual financial interests conflict with the interests of PATA or its business partners.

The powers conferred by PATA may not be used for purposes other than the performance of the PATA tasks and the defence of its interests.

## **Data protection**

PATA shall process personal data only to the extent permitted by the applicable laws, in compliance with the principles of lawfulness and good faith.

PATA and its business partner shall ensure that personal data is processed with appropriate security, including protection against unauthorized or unlawful processing, accidental loss, destruction or damage, through appropriate technical or organizational measures.

## **Human rights and labour rights**

### **Human rights**

PATA shall respect, and business partners who provide services or sell goods to PATA shall also respect internationally proclaimed human rights and guarantee that they are not involved and will never be involved in violations of human rights.

### **Child labour**

PATA and its business partners providing services or selling goods to PATA shall under no circumstances employ children under the minimum age provided for in laws and regulations. Minimum age is the age when the person has completed compulsory general education, or no younger than 15 years (or 14 years where the laws and regulations of the country permits).

Children who have reached the minimum legal age for employment shall not be employed in any hazardous work conditions or perform work that can harm the child's personal growth, morality or development.

### **Forced labour**

PATA and its business partners providing services or selling goods to PATA shall not use forced labour. Forced labour means any work or service which a person is compelled to carry out due to any threat of punishment and to which the person has not voluntarily consented.

### **Prohibition of discrimination**

PATA and its business partners providing services or selling goods to PATA shall treat their employees with respect and provide fair and equal opportunities for development. All forms of direct or indirect discrimination shall be prohibited, in particular on the grounds of race, colour of skin, sex, age, disability, religion or political belief, national or social origin, or sexual orientation.

Direct discrimination exists where, in a comparable situation, a person is, has been or may be treated less favourably than another person in relation to any of the above or other circumstances.

Indirect discrimination exists where a seemingly neutral rule, criterion or practice causes or is likely to have adverse effects on individuals in relation to any of the above or other circumstances, unless such rule, criterion or practice is objectively justified by a legitimate aim for which the means chosen are proportionate.

Harassment of a person and instruction to discriminate against him or her shall also be considered to be discrimination.

## **Work environment**

PATA and its business partners providing services or selling goods to PATA have the right to a safe and healthy workplace environment.

PATA and its business partners providing services or selling goods to PATA shall take responsibility for implementing labour protection requirements in their company. Violations of labour safety standards specified in the effective laws and regulations shall not be permitted at workplaces.

PATA and its business partners providing services or selling goods to PATA shall ensure that all employees receive information and training in labour protection in order to be able to perform their work duties in accordance with occupational principles of labour protection.

## **Freedom of Association**

Every worker possesses the entitlement to engage in peaceful assembly and association at all levels, including within trade unions and civic realms. This signifies that individuals have the prerogative to establish and become members of trade unions in order to safeguard their interests.

## **Environment**

### **Environmental protection**

PATA and its business partners providing services or selling goods to PATA shall support precautionary measures to environmental issues and undertake initiatives to promote greater environmental responsibility.

Minimum requirement – PATA and its business partners shall comply with all environmental protection requirements specified in the laws and regulations, environmental permits or other applicable regulations.

PATA shall support the development and dissemination of environmentally friendly technologies and call on business partners to implement and maintain a system of best practices within the company to manage environmental issues and their impacts and achieve systematic mitigation of environmental impacts.

### **Stable and sustainable forestry**

The PATA principle is followed by sustainable forest management with a long-term focus on stable production of timber, environmental protection, and social responsibility in accordance with social, health, and labour safety requirements. PATA business partners who sell or supply suitable goods shall comply with the corresponding certification requirements.

## **Application of the Code of Ethics**

PATA employees shall organise their work and act in accordance with the principles provided for in this Code of Ethics, the internal guidelines and procedures of the company, as well as conventional norms of conduct and morality.

PATA business partners shall follow the principles provided for in this Code of Ethics, as well as conventional norms of conduct and morality, and ensure that their subcontractors also follow these norms.

PATA may verify and monitor compliance with this Code of Ethics. It is the responsibility of the business partner to allow duly accredited auditors or audit firms representing PATA to conduct audits of their companies to verify the compliance with the Code of Ethics.

An PATA employee and PATA business partner shall immediately notify PATA of any violations of this Code of Ethics.

PATA shall not allow an employee to be penalized or otherwise adversely affected, directly or indirectly, as a result of reporting such violations.

Any violation of the Code of Ethics shall be properly investigated, and any significant violation of the Code of Ethics may result in termination of the employee's employment relationship with PATA, as well as termination of the business relationship with the business partner.