



*Approved by
AS VIRŠI-A
Meeting of the Council
on 20 August 2021,
Minutes No. P/2021-9*

AS VIRŠI-A CODE OF ETHICS

1. Purpose and basic principles

- 1.1.** The purpose of the Code of Ethics of JSC VIRŠI-A (hereinafter - the “Company”) is to develop business practices that are based on the basic principles of ethics and behaviour and help employees to find answers to questions related to ethical dilemmas.
- 1.2.** The basic principles, core values and norms included in the Code of Ethics are binding on all employees of the Group of the Company, including employees of LLC Viršu nekustamie īpašumi, LLC VIRŠI Renergy and LLC VIRŠI loģistika (hereinafter - “employees”), mutual relations, as well as in relations with clients, cooperation partners, governmental and non-governmental institutions, as well as with the mass media.
- 1.3.** The basic principles and norms set forth in the Code of Ethics shall be observed, when recognising that the actions of each individual employee form the overall image of the company in society.
- 1.4.** The Code of Ethics is not a comprehensive description of values, ethical principles and norms of conduct, and in situations not covered by this Code employees are guided by general ethical principles and norms of conduct.
- 1.5.** When cooperating with the company's partners, employees shall follow the provisions of the Code of Ethics and inform the partners about them.

2. Principles of corporate ethics

2.1. Human rights:

The company complies with internationally recognised human rights norms, such as those described in the International Charter of Human Rights, and ensures and guarantees that the company is not and will not be involved in violations of human rights.

2.2. Child labour:

- Under no circumstances does the company employ children who are younger than the minimum age specified in regulatory enactments.
- Children who have reached the minimum age for employment shall not be employed in dangerous working conditions or in jobs that could be detrimental to the child's health, personal growth, moral and development.

2.3. Forced labour

- The company shall not use forced labour under any circumstances.
- Employees have the right to freely terminate the employment relationship by warning the employer of such with prior notice within the time period specified in the regulatory enactments or the contract.

2.4. Non-discrimination clause

- The company treats its employees with respect and provides fair and equal development opportunities.

- All forms of direct or indirect discrimination shall be prohibited, in particular on the grounds of race, colour, sex, age, disability, religious or political opinion, national or social origin, sexual orientation; or in relation to marital status, pregnancy, the presence or absence of children, religion, etc.

2.5. Work environment

- Employees of the Company have the right to a safe and healthy work environment.
- The company assumes responsibility for the implementation of labour protection requirements in its company. Violations of labour safety norms specified in regulatory enactments shall not be permitted at workplaces.
- The company ensures that all employees receive information and training in occupational safety and health in order to be able to perform their work duties in accordance with the principles of occupational safety.

2.6. Environmental protection

- The company supports precautionary measures regarding environmental issues and takes the initiative to promote greater responsibility for the environment.
- The company complies with all applicable environmental protection requirements specified in regulatory enactments, environmental permits or other applicable regulations.
- The company supports the development and dissemination of environmentally friendly technologies, implements and maintains a system for the application of best practices in the company to manage environmental issues and their impact and achieve a systematic reduction of environmental impact.

3. Values and actions

The company has defined the values and actions it expects from its employees:

3.1. The passion is our fuel:

Courage. I defend new ideas and substantiate my opinion, even if it does not correspond to the majority's views. I take responsibility and make decisions, even unpopular ones.

Initiative. I understand the situation and I am forthcoming. This often means doing more than indicated in the job description. I want to help. I am open to new ideas, education, acquisition of new knowledge and skills.

Purposefulness. I have a real interest in the development of the company and a relentless desire to achieve my individual goals just like in sports - faster, higher, stronger!

3.2. The power lies in our roots:

Traditions. I appreciate the achievements of the company and my colleagues and respect it. I respect Latvian and company traditions, I use them in a modern context.

Economy. I treat the company's resources and the environment responsibly.

Pride. I am proud to work for a local company. I believe in the product I sell. I am loyal to the company and I care about its reputation, therefore I say good things about it.

3.3. Human to human:

Respect. I respect others. I can say thank you and listen to the opinion of others, assuming it may be different from mine. Respect means never to humiliate each other and building valuable relationships with colleagues, clients and business partners.

Team. I work in a team and I am aware of the great power of mutual cooperation. Only together can we find answers that cannot be found alone. I am able to distance myself from my goals and focus on one common goal. The team helps me to understand my abilities and put them into use.

Responsibility. I am responsible to myself, colleagues and the company. I act honestly and in accordance with the values of the company. I am responsible for my words and work. You can rely on me.

4. Principles of ethics of the employee

- 4.1.** The employee shall not engage in any activities that discredit the company.
- 4.2.** The employee shall perform his/her work duties carefully and responsibly. The employee shall refrain from any behaviour or action that may shame the company or cast doubt on his or her honesty and fairness.
- 4.3.** The personal interests of the employee shall not affect the performance of his or her duties. The employee shall be able to separate the performance of his/her duties from other duties.
- 4.4.** Employees shall separate privacy from employment and shall not use working time to address issues of private life.
- 4.5.** The employee shall refrain from engaging in transactions that could be perceived as gaining financial or other material benefits. The employee shall not influence other persons in order to earn personal gain.
- 4.6.** The employee has a duty to avoid ethical risks and shall be able to justify the action as complying with basic ethical principles and norms.
- 4.7.** In the performance of his or her duties, the employee shall be fair, kind and helpful to colleagues, clients or business partners, act without arrogance, and shall respect the rights and obligations of these persons. An employee shall not use words, gestures or perform actions that may offend the honour and dignity of others.
- 4.8.** An employee may not support or conceal an illegal action or decision.
- 4.9.** In performing his/her duties, the employee shall observe the generally accepted business etiquette. The employee's appearance shall be business-like and orderly; in communication with other persons the employee shall use a business communication style.
- 4.10.** If the employee has made a mistake, the employee admits his or her mistakes and corrects them. Making mistakes, acknowledging them honestly and justifying the truth is part of human and ethical action.
- 4.11.** The employee performs his/her job responsibilities responsibly, using his/her knowledge, skills, abilities and work experience to achieve the highest professional result. The employee shall use the working time intensively and efficiently.

- 4.12.** It is the responsibility of the employee to participate in training and improve their qualifications in accordance with the company's strategy and common goals.

5. Provision of information and expression of opinion

- 5.1.** Financial and all other company information provided to the media, state authorities, the public or elsewhere in the public domain is complete, fair, accurate and understandable.
- 5.2.** To avoid discrepancies in opinions in the public space, no employee should comment/express the opinion of the company before it has been agreed with the Management Board or responsible employee of the company.
- 5.3.** The employee shall not misuse the information obtained in the performance of his/her duties, and undertakes not to disclose this information to third parties.
- 5.4.** Employees shall refrain from expressing public opinion that is contrary to or incompatible with the business objectives of the company. When publicly expressing a different position on an issue, the personal opinion is strictly and unambiguously distinguishable from the official opinion of the company.
- 5.5.** If there is a misunderstanding of communication within the company or in relations with partners, the company shall immediately eliminate it by explaining the true information.
- 5.6.** Mentioning false information and defaming competitors is strictly prohibited.

6. Mutual relationship between the employees

- 6.1.** Employees cooperate with colleagues by providing and receiving the necessary assistance in the performance of professional duties and do not misuse the trust of colleagues.
- 6.2.** Employees shall treat colleagues with due respect. There is a relationship of trust and cooperation between colleagues. Employees shall not misuse the ignorance or mistakes of other employees for their benefit.
- 6.3.** Humiliation of colleagues, public criticism and cynical attitude are unacceptable. Mistakes in the work process are indicated personally and the work of a colleague, rather than his or her personality or views, is evaluated. Employees shall evaluate their actions in good faith, listen to criticism and correct their mistakes.
- 6.4.** Employees have the right to claim treatment from colleagues that is not offensive and provocative. Employees are prohibited from harming other colleagues during the performance of their duties by their actions or omissions.
- 6.5.** Employees shall avoid non-collegial relationships - intrigue, mood effects, gossip, slander, hypocrisy. Employees shall avoid and not permit harassment of other persons due to race, gender, age, national or religion or other circumstances.
- 6.6.** Employees shall respect everyone's right to their opinion, take the views of others into account, without offending or insulting anyone personally.
- 6.7.** In conflict situations, the employees shall act restrainedly, constructively and try to find a solution to the conflict. If disagreements or disputes between employees cannot be resolved through mutual negotiations, the line manager and the human resources department may be involved, if necessary. Employees shall avoid the public discussion of disagreements.

- 6.8.** If any of the partners fails to comply with the provisions of the Code of Ethics, this must be stated to the partner and, if necessary, the Management Board of the Company, direct manager or responsible authority shall be informed. In the case if an agreement on cooperation in accordance with the Code of Ethics is not possible, it shall be terminated.

7. Introduction and enforcement of the Code of Ethics

- 7.1.** The Human Resources Department introduces all employees of the company with the Code of Ethics.
- 7.2.** It is the responsibility of each employee to perform their job responsibilities in accordance with this Code of Ethics, as well as other internal regulations and guidelines developed by the Company.
- 7.3.** Managers set an example for employees with their position and actions, as well as answer questions of the employees about ethical dilemmas, if any.
- 7.4.** In the case of questions and uncertainties, the employees of the company can turn to the Management Board of the company for support in solving ethical dilemmas, receive recommendations and examples of good practice for independent understanding and the resolution of similar situations in the future.
- 7.5.** Employees can submit proposals and recommendations to the Management Board of the Company on the Code of Ethics or opportunities for its improvement.
- 7.6.** The Management Board of the Company may establish an ethics commission for resolving disputes pursuant to an order.

8. Supervision and improvement of the implementation of the Code of Ethics

- 8.1.** The Management Board of the Company monitors the practical application of the Code of Ethics by periodically reviewing its compliance and effectiveness.
- 8.2.** The Management Board of the Company reviews and updates the Code of Ethics, if necessary, at least once every three years after the approval of the previous wording of the Code of Ethics. If amendments are made to the Code of Ethics, they shall be approved by the Council, and it shall be deemed that the new wording of the Code of Ethics is approved with the approval of amendments.
- 8.3.** The Code of Ethics enters into force on the day it is approved by the Council of the Company.
- 8.4.** The Code of Ethics is available on the intranet and website of the Company.

Chairman of the Council
Jānis Riekstiņš