

## EPSO-G GROUP'S SUPPLIER CODE OF CONDUCT

<b>Purpose:</b>	to define the minimum standards of EPSO-G Group expecting that all Group's Suppliers and Sub-Suppliers conduct with, thereby promoting legal, professional, coherent and fair business practices that include the objectives of environmental protection, human rights, labor standards, and business ethics. The Supplier Code of Business Ethics is based on the principles of the United Nations Global Compact.
<b>Scope of application:</b>	All Suppliers and Sub-Suppliers of the Group, who during their activities, provide services or goods to the Group or perform activities on their behalf.

### 1. General provisions

EPSO-G Group's sustainable activities are oriented towards the implementation of the energy sector transformation by ensuring a balance between environmental, social, and economic goals, thereby contributing to the creation of a climate-neutral economy. The Group is responsible for the smooth implementation of strategic energy projects significant to the State of Lithuania, guided by the highest standards of environmental protection, business ethics, transparency, employee health, and safety. Therefore, the role of all Suppliers and Sub-suppliers is extremely important in the pursuit of EPSO-G's coherent operation.

The Group is committed to ensuring the implementation of sustainability principles in all its activities. Therefore, it seeks to create such an organizational culture, which would be based on shared responsibility for the health and safety of employees, protection of human rights, transparency and business ethics, the welfare of employees and local communities, protection of the environment, and preservation of natural resources at all activity levels. The EPSO-G Group aims to apply these principles in cooperation with all its Suppliers.

The Group expects its Suppliers to comply with all relevant laws, regulations, and licenses, as well as to follow the principles set out in this Supplier Code of Conduct, which will become the basis not only for constructive cooperation but also for greater progress in the field of sustainability.

The EPSO-G Supplier Code of Conduct has been prepared in accordance with the approved Group's Sustainability, Environmental Protection, Corruption Prevention, Transparency and Communication, Equal Opportunities, Employee Safety and Health, Procurement policies, as well as the Group's Code of Ethics. The Supplier Code of Business Ethics is also based on international agreements such as the United Nations Universal Declaration of Human Rights, International Labour Organization Conventions, the United Nations Aarhus Convention, the United Nations Global Compact, and the United Nations Convention against Corruption.

### 2. Business Ethics

The Group's Suppliers must comply with all laws and other normative legal acts during their activities. Suppliers must also adhere to the highest standards of business ethics and:

- 2.1. conduct its activities in accordance with the principles of fair competition, not to participate in any form of prohibited agreements (for example, on the sharing of markets or customers, or agreements on prices) that restrict fair competition;
- 2.2. avoid situations that could lead to a conflict of interest, and in case of a possible or existing interest conflict with the Group, immediately warn all interested parties (including

- responsible persons of the Group) about the situation and promptly take measures to control and/or eliminate the uprising/existing interference;
- 2.3. refrain from accepting or providing any gifts that may be considered illegal, as well as the supply of goods, services, or work free of charge to gain an unfair advantage;
  - 2.4. refrain from any illegal payments and gifts to the Group, civil servants, political parties, politicians, candidates for political positions, or other people;
  - 2.5. comply with legal requirements related to the provision of charity or support;
  - 2.6. do not tolerate bribery, influence trading, money laundering, abuse of office, and any other forms of corruption. Do not offer, pay or promise any illegal reward or other illegal benefits to your client, supplier, partner, or their representatives without receiving the same from them, do not commit fraud, do not cheat or otherwise perform illegal actions;
  - 2.7. seek to implement corruption prevention measures in their activities to manage corruption risk and notify the responsible institutions of possible violations in accordance with the applicable legislation procedures;
  - 2.8. to ensure the protection and confidentiality of information entrusted to the Group and to handle personal and other data in compliance with legal acts and contracts signed with the Group;
  - 2.9. have no relations with people subject to or related to international sanctions;
  - 2.10. take preventive and other measures upon identification of the corruption case to ensure that such an act does not recur in the future.

### **3. Human rights**

Suppliers commit to respecting human rights and treating all their employees with respect, without violating their dignity. Suppliers ensure their employees have all opportunities to exercise basic human rights and:

- 3.1. do not tolerate discrimination due to race, gender, sexual orientation, family or social status, having children, religious beliefs, political views, nationality, disability, or age, neither when hiring, nor during work, nor when terminating employment relationships.
- 3.2. do not tolerate any form of psychological, physical, sexual, or verbal harassment, intimidation, threats, mobbing, or insults.
- 3.3. respect employees' freedom of expression and the right to privacy, to take no actions that may limit or otherwise negatively affect the expression of these freedoms.
- 3.4. respect the right to privacy of your employees, customers, and other parties when collecting personal data or implementing employee monitoring tools.
- 3.5. inform the responsible employees of the Group about any potential or actual negative impact on human rights and take corrective actions to eliminate identified non-conformities and preventive measures to prevent other violations of this nature.
- 3.6. ensure the safety of persons who report and testify about violations of human rights or similar incidents.

### **4. Labor Standards**

Suppliers commit to adhering to appropriate labor standards. Suppliers have to create a working environment that enables their employees to perform tasks safely, properly, productively, and:

- 4.1. conclude employment contracts in accordance with the requirements of legal acts, clearly defining the working conditions, working hours, the conditions for overtime pay, the salary, and the frequency of payments.

- 4.2. pay employees on time and provide information regarding their salary and benefits for each period comprehensively.
- 4.3. respect the right of employees to form and join trade unions, labor councils, and collective negotiations without fear of retaliation.
- 4.4. do not tolerate forms of child (under 15) labor and apply additional benefits and guarantees to employees under 18.
- 4.5. to ensure that no form of slavery, forced labor, prison labor, forced labor for debt, human trafficking, or physical punishments are used in the activities.
- 4.6. ensure safe and healthy working conditions by implementing procedures, certified health and safety management systems, safety programs, and solutions aimed at eliminating the risk of workplace accidents, injuries, and illnesses among the Supplier's employees.
- 4.7. conduct employee safety and health briefings, work safety training, ensure compliance with requirements and instructions, provide employees with collective and personal protective equipment, and suitable work tools considering the specifics of the work performed by employees, and hold qualification training when needed.
- 4.8. enable employees to notify the responsible persons of the Supplier about unsafe working conditions, properly investigate the received reports, and eliminate the identified discrepancies.

## **5. Environmental safety**

Suppliers carry out their activities in pursuit of making the least possible impact on the environment. Suppliers are also committed to complying with legislation and laws related to environmental protection and strive to:

- 5.1. use dangerous chemical substances or such substances that affect human health and the environment in an unclear way as little as possible or not use at all in the production of goods, the provision of services, and the performance of work.
- 5.2. comply with the requirements of legal acts regulating waste management, strive to reduce the amount, and ensure proper disposal of waste minimizing the risk of negative impact on the environment as much as possible.
- 5.3. strive to reduce the consumption of raw materials and natural resources, including water resources, to ensure their efficient use, and to increase the use of renewable energy in their activities.
- 5.4. carry out a risk assessment of the environmental impact of their activities to the possible and appropriate extent, to seek to prevent the occurrence of such risks. To determine the objectives of reducing the impact of their activities on the environment and climate and to implement relevant precautionary measures.
- 5.5. strive for a responsible, environmentally friendly supply of raw materials by applying the principles of the circular economy, strive to include environmental criteria in your purchasing procedures, take these criteria into account, as well as energy efficiency, secondary use, or recycling when developing products.
- 5.6. prioritize the products with type eco-labelling (according to LST EN ISO 14024) and goods, services, or works with more environmentally friendly properties when participating in public procurements announced by the Group considering life cycle costs.
- 5.7. act in a way to preserve or not damage the environment, infrastructure, or property important to local communities when performing work or providing services in areas and Group facilities located near settlements. In case of any damage, implement proportionate damage recovery or compensatory measures to ensure that the communities' interests or their social and economic environment are not violated or otherwise negatively affected.

- 5.8. strive to systematically manage the impact on the environment arising in the activities, applying the environmental protection management standard LST EN ISO 14001 (or an analogous European Union or another international standard) or creating an environmental protection program that would assess the risks of negative impact on the environment arising in the activities and their management measures.

## **6. Supervision of Suppliers' Compliance with the Code of Conduct**

- 6.1. Suppliers develop, implement and maintain effective management systems that ensure the implementation of the provisions of this Supplier Code of Conduct, and upon request, provide documents confirming the operation of management systems, data, and other additional explanations required by the Group company. Such Supplier Management Systems must be proportionate to the business size, complexity, and environmental risk.
- 6.2. The Supplier is responsible for monitoring the compliance of its business operations with legal requirements and the provisions of the Supplier Code of Conduct. The Supplier is encouraged to seek that the Sub-Supplier also adheres to the provisions of this Suppliers' Code of Conduct.
- 6.3. In order to carry out activities with Suppliers that comply with the provisions of this Supplier Code of Conduct, the Group may carry out Supplier evaluation or verification procedures in accordance with the applicable internal legislation: request information, initiate visits to the Supplier's premises and/or places of performance.
- 6.4. The initial assessment of Suppliers, proportionally considering the size, complexity, and environmental risk of the business is carried out by the Supplier filling out a questionnaire.
- 6.5. Upon receipt of information or in case of doubt regarding compliance with the provisions of this Supplier Code of Conduct, Group may perform an inspection of the Supplier in accordance with the procedure established by internal legal acts, the purpose of which is to assess compliance with these provisions. The Supplier cooperates with the Group in good faith during such an assessment, promptly provides all the requested information, and enables the representatives of the Group to physically access the relevant premises or places of activity.
- 6.6. The Supplier must take all possible measures to eliminate any inconsistencies with the provisions of this Supplier Code of Conduct identified during the inspection of its own or Group's activities, seek to correct them within a reasonable period of time, and inform the responsible employees of the Group about them.
- 6.7. The Supplier's refusal to provide information or explanations, avoidance or delay in providing them, provision of incorrect information, failure to provide opportunities for representatives of the Group to physically access the Supplier's premises or places of activity, as well as avoiding the correction of identified discrepancies may be considered a gross violation of this Supplier Code of Conduct.
- 6.8. The Group has the right to assess the consequences of such Supplier's behavior within the scope of the Supplier's contract in the case of a gross violation of the Supplier Code of Conduct without limiting the possibility of making relevant decisions regarding further cooperation.
- 6.9. Suppliers are encouraged to honestly report to the contact person of the Group specified in the contract or the Group's hotline indicated below about the suspected or actual violation or difficulties in correcting recorded non-compliance of the provisions of this Supplier Code of Conduct:
- 6.9.1. using the report submission form <https://pranesk.epsog.lt/en/>;
- 6.9.2. by e-mail – [pranesk@epsog.lt](mailto:pranesk@epsog.lt);

- 6.9.3. by sending information by post to the address of the Company's registered office - Gedimino pr. 20, Vilnius, EPSO-G addressing the Director of Compliance and Risk Management;
- 6.9.4. by providing information to EPSO-G's Director of Compliance and Risk Management at the contacts listed on the website: <https://www.epsog.lt/en/about-us/trust-line>.