

APPROVED BY:
Order No. _____ of
_____ 2020 of
CEO of AB Lietuvos
Geležinkeliai

Code of Business Conduct for Suppliers of AB Lietuvos Geležinkeliai Group



CHAPTER I GENERAL PROVISIONS

A supplier which offers the supply of goods, the provision of services or the execution of works (hereinafter referred to as the Supplier)¹ to the Group of AB Lietuvos Geležinkeliai (hereinafter referred to as LTG Group) based on a purchase-sales contract (hereinafter referred to as the contract) should strictly follow the business principles of the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the ILO Declaration on Fundamental Principles and Rights at Work, and the business principles laid down in the present Code, as well as ensure that all subsuppliers, subproviders and subcontractors involved in the supply of goods, the provision of services or the execution of works to the Supplier observe these principles.

CHAPTER II BUSINESS PRINCIPLES

1. In performance of the contracts entered into with LTG Group the Supplier follows the principles below:

1.1. The principle of legality – the Supplier always abides by the laws, rules, or other regulatory framework provisions of the country in which it operates or provides services.

1.2. The principle of respect for human rights:

1.2.1. The Supplier ensures equal opportunities for its employees, regardless of their race, gender, age, belonging to different communities or religious groups, fosters a climate of ethical and respectful treatment, and promotes freedom of opinion and expression;

1.2.2. The Supplier ensures that the supply of goods, the provision of services or the execution of works at any stage of supply chain exclude the use of child labour and the recruitment of workforce through the use of force or deception².

1.3. The principle of decent working conditions³ – the Supplier ensures that:

1.3.1. employees are not exposed to physical or psychological violence at work;

1.3.2. equal opportunities are guaranteed for new employees without discrimination on grounds of their age, gender, beliefs, or belonging to the relevant communities;

1.3.3. employees receive fair remuneration or at least the minimum wage fixed in the country in which it operates; employees are paid for overtime work as well as for the work done on a rest day or public holiday pursuant to the legal acts; payroll tax avoidance practices (payment of envelope wages) are eliminated in the country where it supplies goods, provides services or executes works;

1.3.4. employees are allowed freedom of association and free expression of opinion without experiencing threats, pressure, or penalties, and without interfering in such activity of employees;

¹ The definition “Supplier” used in the title of this Code and in this Code is construed as defined in the Republic of Lithuania Law on Public Procurement.

² The International Labour Organisation’s Conventions: No 29 concerning Forced or Compulsory Labour of 10 June 1930, No 138 concerning Minimum Age for Admission to Employment of 26 June 1973, No 105 concerning the Abolition of Forced Labour of 25 June 1957, No 182 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour of 17 June 1999.

³ The International Labour Organisation’s Conventions: No 87 concerning Freedom of Association and Protection of the Right to Organise of 17 June 1948, No 98 concerning the Application of the Principles of the Right to Organise and to Bargain Collectively of 1 July 1949, No 100 concerning Equal Remuneration of Men and Women Workers for Work of Equal Value of 29 June 1951, No 111 concerning Discrimination in Respect of Employment and Occupation of 25 June 1958.

1.3.5. the confidential reporting of concerns about unacceptable behaviour is in place, and protection is offered to those who blow the whistle.

1.4. The principle of anti-corruption:

1.4.1. The Supplier promotes zero tolerance for corruption or other fraudulent activities, operates in an ethical manner in observance of the principles of fairness, transparency and openness, does not offer, give, or promise nor accepts any unlawful compensation or other unfair advantage to/from its client, supplier, partner or their representatives, does not commit fraud, deception or otherwise illegal acts;

1.4.2. The Supplier refrains from making any illegal payments, giving gifts to the public servants, political parties, politicians, political candidates, or other persons;

1.4.3. The Supplier appropriately implements the anti-corruption, compliance and internal control programmes to assist in the management of corruption risks and the identification and prevention of corrupt activities, informs its employees about these programmes, promotes compliance with their provisions, and organises appropriate training;

1.4.4. The Supplier refrains from giving any gifts or supplying goods, providing services or executing works for no payment in order to gain an unfair advantage (Suppliers may accept, or give gifts pursuant to international protocol and/or customs, official business or representation gifts unless prohibited by any applicable legal acts and such gifts are appropriate for maintaining business relationships);

1.4.5. Neither the Supplier itself nor its employees use undisclosed information received in cooperation with a company within LTG Group, or information about this company, which could result in unlawful gain;

1.4.6. The Supplier takes all necessary measures for the prevention of money laundering or terrorist financing;

1.4.7. The Supplier complies with the international sanctions implemented in the Republic of Lithuania;

1.4.8. The Supplier meets the legal requirements for offering support and/or charity;

1.4.9. The Supplier avoids any situations likely to give rise to a conflict of interest, without delay and within a reasonable time notifies all stakeholders in the case of a conflict of interest, potential conflict of interest or the risk of such conflict of interest, and expeditiously takes steps to manage and resolve the conflict of interest;

1.4.10. The Supplier ensures compliance of its business operations with the established requirements for the implementation of national security interests.

1.5. The principle of fair competition:

1.5.1. The Supplier complies with the requirements of the legal acts regulating the procedure for the import, export, and transit of goods and services;

1.5.2. The Supplier does not exchange current, recent, or future pricing information nor agree its pricing or participating in procurement procedures with other market players, does not imitate participating in procurement procedures nor involve in cartel activity or other activity likely to affect pricing, terms of supply, or otherwise narrow competition among suppliers;

1.5.3. The Supplier does not act through consultants, intermediaries, agents, representatives, or other persons in order to obtain unfair advantage;

1.5.4. The Supplier does not finance any interest groups or organisations in order to gain an unfair competitive advantage.

1.6. The principle of data protection and information security:

1.6.1. The Supplier signs all appropriate agreements for the processing of personal data and/or data exchange with LTG Group's companies, processes the data available or entrusted to it in accordance with the provisions of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) as well as other legislation regulating the processing and protection of personal data;

1.6.2. The Supplier properly informs its personnel that LTG Group may process the personal data of the Supplier's employees in order to properly perform the contracts entered into between the parties.

1.7. The principle of environment, health, and safety:

1.7.1. The Supplier applies management measures to ensure environmental protection, employee health and safety at work, continues to explore ways to reduce the environmental footprint of its business operations, and ensures a cost-effective and responsible use of natural resources⁴;

1.7.2. The Supplier gives due care to the safety and health of its employees, visitors or other people who might be affected by its business;

1.7.3. The Supplier ensures a safe working environment, the safety of products and necessary competencies of employees whose work is related to the safety compliance;

1.7.4. The Supplier applies regular and preventive measures for occupational safety and health in the workplace to protect its employees from the possible threat to their health and life, and creates safe and healthy working conditions;

1.7.5. The Supplier ensures that a regular assessment of occupational risk is performed in the workplaces, and the workplace of each employee and the workplace environment comply with the requirements of the occupational safety and health legislation, and that employees, visitors or third persons are protected from possible injuries and in their environment they are not exposed to the risk factors that are detrimental to health or dangerous;

1.7.6. The Supplier ensures that employees start working at the company only after they have been instructed and/or trained in how to do their job safely and acquired the required skills; that workers who do the work in the railway danger zone are trained in accordance with the procedure established in the Law on Railway Traffic Safety of the Republic of Lithuania;

1.7.7. When working in cooperation with other employer or when working together in the same workplace, the Supplier organises the work in a safe manner to ensure appropriate safety and health of all employees, regardless of whose employee is doing the work, takes the necessary measures to comply with the requirements of the occupational safety and health legislation in the workplaces, and all employees are informed of possible threats and risk factors associated with each employer's business;

1.7.8. The Supplier declares the state of occupational safety and health of its company's employees and submits the Supplier Safety and Health Questionnaire to LTG Group's company (due to the occupational safety and health requirements applicable by LTG and risk factors that may occur), indicated in the Guidance for Third Persons (clients, contractors who execute works and provide services in the territory of LTG Group's companies) available on LTG Group's website.

1.8. The principle of copyright protection – the Supplier complies with all applicable legislation regulating the protection of copyright and related rights.

1.9. The principle of tax payment – the Supplier duly meets its tax obligations and adheres to the tax laws and other regulations applicable to it.

CHAPTER III FINAL PROVISIONS

⁴ The Vienna Convention for the Protection of the Ozone Layer of 22 March 1985 and the Montreal Protocol on Substances that Deplete the Ozone Layer of 16 September 1987;
The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal of 22 March 1989;
The Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade of 10 September 1998 and its 3 regional Protocols;
The Stockholm Convention on Persistent Organic Pollutants of 22 May 2001.

2. In the circumstances referred to in this Code, the Supplier promptly, not later than within 3 business days or other time limit specified by LTG Group's company, informs LTG Group's company of that and provide all available information (data).

3. Once LTG Group has initiated an internal investigation where it has a suspicion that there is a violation of the provisions of this Code, or where it is inspected how the Supplier complies with its obligations, the Supplier cooperates in good faith with LTG Group's company and expeditiously provides all required data (information) needed for such investigation. The Supplier's refusal to provide data (information) or explanations, avoiding or delaying providing the same is equivalent to a violation of this Code.
