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**AS "LATVIJAS FINIERIS"**

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Unified Registration No. 40003094173

*Policy approved*

*At the meeting of the Executive Board of AS "Latvijas Finieris" on 6 March 2025*

*Minutes No. 8-e*

**Latvijas Finieris Group**

**CODE OF CONDUCT**

**Riga**

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## **Message from our Chairman**

Jānis Ciems, Chairman of the Executive Board, AS “Latvijas Finieris”:

Latvijas Finieris Group is the European leader in birch plywood production. Our performance and achievements are based on values strengthened over decades and management principles proven in responsible work. These principles have provided a strong foundation for a coherent corporate culture and relationship-building practices, thus fostering a common understanding of goals, growth and development.

The Code of Conduct describes actions and behaviors that come from our culture, traditions and positive habits. It brings together written and unwritten conditions, policies and practices. The Code of Conduct is the “language” in which we build relationships and dialogue with our stakeholders: suppliers, customers and other cooperation partners, employees, shareholders and the communities within which we operate. This document is not a guide but a roadmap for us to make informed and responsible decisions in our daily work, while promoting transparency, ethical behavior and sustainability. We are convinced that the Code of Conduct will serve as a platform for a common understanding of cooperation and relationship building between the Group’s companies and employees, customers, suppliers, and other cooperation partners.

The Code of Conduct is an open document that can be supplemented and improved as the Group develops. Each employee of “Latvijas Finieris” is responsible for implementing it in everyday life.

“Latvijas Finieris”, for the purposes of this Code, means the companies of Latvijas Finieris Group as a whole and each company of Latvijas Finieris Group individually. This Code of Conduct applies to every one of our employees.”

We expect from the employee	We expect from the manager	If you are not sure how to proceed
<ul style="list-style-type: none"> <li>• Read, understand and comply with the Code of Conduct and educate yourself on the applicable laws and internal requirements.</li> <li>• Ask your manager for advice if you are unsure what to do.</li> <li>• Speak up and report concerns if you see or suspect wrongdoing.</li> </ul>	<ul style="list-style-type: none"> <li>• With your everyday conduct, demonstrate behavior that reflects the values of the Group.</li> <li>• Inform others about the Code of Conduct and its requirements, and help your teams understand and apply it in their daily work.</li> <li>• Promote a culture of openness and an environment where people feel comfortable speaking about inconvenient issues and expressing concerns.</li> </ul>	<p>The Code of Conduct does not cover all circumstances. Therefore, ask yourself some simple questions that can help you assess the situation:</p> <ol style="list-style-type: none"> <li>1. Is it legal?</li> <li>2. Is it ethical and in line with our values?</li> <li>3. Does it align with the Group’s policies and defined principles?</li> <li>4. Will your colleagues consider the decision fully appropriate?</li> <li>5. If it were to be in the news, would it be good for our reputation?</li> <li>6. Does it show respect for employees, partners, customers, and society?</li> </ol>

## **“Latvijas Finieris” mission, vision and values**

Mission:

**Work, earn and invest responsibly, by developing long-term relations with customers, employees, forest owners, cooperation partners and society at large.**

Vision:

**To Be the global leader of viable and customer-orientated birch wood solutions.**

Core values:

**Safety.** We create a safe environment and act in a responsible manner.

**Respect.** We respect each other and promote honesty, loyalty and mutual trust.

**Development.** We strive for self-improvement and encourage the growth of others.

**Engagement.** We are the owners of our work; we take the initiative to get the job done.

## 1. Work responsibly, earn responsibly, invest responsibly

Our responsible governance, values-based culture, and the high ethical standards of our engaged employees ensure transparent business practices throughout the Group's value chain, as well as fair treatment of market participants, customers, suppliers, other partners, and society as a whole.

### 1.1. Responsible Business

#### 1.1.1. Compliance

We comply with all international and national laws and regulations at all times, including binding requirements governing the movement of goods, international sanctions and other conditions, as well as the Group's policies and other internal rules of procedure developed by us.

Each group employee, within the scope of his or her expertise, follows changes in external laws and regulations and their application in his or her area of work. The employee is familiar with and understands the Group's internal rules of procedure and complies with their requirements in the daily performance of his or her duties.

We do not tolerate illegal financial transactions, including fraudulent activities and the circulation of proceeds from crime.

*Important to know:*

- ✓ Find out what external and internal laws and regulations apply to your work, comply with them, and keep up-to-date with changes.
- ✓ Treat any internal training seriously and carefully read every new or updated internal document that applies to you as an employee.

#### 1.1.2. Fair competition

We comply with all applicable competition laws and regulations and do not engage in practices restricting competition.

The Group actively ensures fair competition by carefully analyzing market development and taking legal action in the event of unauthorized activities.

*Important to know:*

- ✓ Oral and written agreements with competitors that reduce or otherwise affect competition, such as agreements on prices, markets, or sharing customers, are prohibited.
- ✓ It is forbidden to communicate or exchange commercial information with competitors, including discussing such information with competitors in formal or informal discussions; therefore, take care when

*Explanations:*

**Commercial information** – information about prices, markets, strategy, production and development plans for our products and services.

**Competitor** – any other independent company with

<p>attending events where you are in contact with competitors. If competitors start to discuss such topics during a conversation, politely end it.</p> <ul style="list-style-type: none"> <li>✓ It is forbidden to fix the resale prices of products and services for independent traders.</li> <li>✓ It is forbidden to match offers with competitors in public procurement.</li> <li>✓ Acts that could be considered as an attempt to exclude an existing or potential competitor from the market or to control prices are prohibited.</li> </ul>	<p>which our company competes in a particular product or service market, such as another plywood manufacturer.</p> <p><i>If you are unsure or have any doubts, please contact our lawyers!</i></p>
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### 1.1.3. Preventing corruption

We do not tolerate corruption in any form: we do not offer, pay or accept bribes or similar financial or non-financial benefits in the public or private sector. Our approach is not to overdo corporate gifts and hospitality and not to offer or accept gifts or other hospitality-related expenses of disproportionate value that may have a potential or actual impact on decision-making or even the mere appearance of such an impact.

<p><u>Important to know:</u></p> <ul style="list-style-type: none"> <li>✓ It is strictly prohibited to give or receive bribes or payments of any kind to public officials, business partners and their representatives.</li> <li>✓ Report to your manager immediately if you are offered or asked for a bribe, an unreasonable gift, or other financial benefit.</li> <li>✓ Report to law enforcement authorities if you suspect corruption within the company.</li> <li>✓ Report to your manager if you suspect any possible bribery.</li> <li>✓ Respect the gift policies of your cooperation partners, as other cooperation partners prohibit their employees from accepting even small corporate gifts.</li> </ul>	<p><u>Explanations:</u></p> <p><b>Bribery</b> – the giving or offering of material values, financial benefit, or benefit of another character, if such offer is accepted, either personally or through an intermediary, to an official, so that the official, acting in his/her official capacity, may or may not perform an act in the interests of the briber, the bribe-offeror or another person.</p> <p><b>Appropriate corporate gifts</b> are souvenirs of the company or small gifts such as various items with company logos, sweets, etc., which have the value of demonstrating individual respect.</p>
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#### 1.1.4. Prevention of conflict of interest

Our employees perform their duties and make decisions solely in the interests of “Latvijas Finieris”, avoiding potential conflicts of interest.

We respect every employee's right to privacy and activities outside the company. However, there may be situations where an employee’s private interests clash with the company's. It is, therefore, important for everyone to recognize such situations and avoid conflicts of interest in decision-making.

<p><u>Important to know:</u></p> <ul style="list-style-type: none"> <li>✓ A conflict of interest may arise if you, on behalf of “Latvijas Finieris”, make decisions regarding a cooperation partner in which you or your family members or even close friends have a majority of stocks/shares or other financial interests.</li> <li>✓ Carefully consider whether volunteering activities and positions outside of work conflict with “Latvijas Finieris” interests and separate private life activities from professional ones.</li> <li>✓ Side work must be agreed with the employer, “Latvijas Finieris”.</li> <li>✓ Do not use the commercial and intellectual information of “Latvijas Finieris” for personal gain.</li> <li>✓ Consider whether you are breaching the conflict of interest rules by receiving a gift from a cooperation partner.</li> <li>✓ Always ensure that your decisions are objective and based on the interests of “Latvijas Finieris”.</li> <li>✓ If you have doubts about a specific situation, discuss it with your manager to avoid any potential conflict of interest.</li> </ul>	<p><u>Explanations:</u></p> <p><b>Conflict of interest</b> occurs when an employee’s interests may affect his or her ability to make objective and fair decisions for the company.</p> <p><u>Further information is available at:</u> Provisions for preventing conflicts of interest. Work Order Regulations.</p>
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#### 1.1.5. Protection of property, information and data

Technological development and innovation are an important aspect of the Group’s competitiveness. The Group’s employees only use the company’s property, industrial equipment, and information technologies in the interests of “Latvijas Finieris” and with reasonable care.

Latvijas Finieris Group protects and processes any information in its possession, including confidential information, such as trade secrets of cooperation partners and information containing personal data, in accordance with the applicable laws and regulations and the company’s Privacy Policy.

<p><u>Important to know:</u></p> <ul style="list-style-type: none"> <li>✓ Remember to also take care of information technology, data, and information security when working remotely, outside the office, for example, during business trips.</li> </ul>	<p><u>Explanations:</u></p> <p><b>Personal data</b> – any information relating to and concerning an identifiable natural</p>
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Information technology security:

- ✓ Use the company's IT technology for its intended purpose only and with adequate protection against access by third parties.
- ✓ Do not arbitrarily install software on the computers of the company.
- ✓ The installation and use of unlicensed software is strictly prohibited.
- ✓ You may also use your work mobile phone for private purposes. Still, you should be aware that information on a company-provided mobile phone may be checked or read, subject to legal and security considerations, while at the same time respecting confidentiality and data protection requirements.
- ✓ Use mobile devices responsibly and securely, as they can pose serious security risks. Ensure the use of screen locking, do not allow others to use your device, do not disable software updates, avoid **jailbreaking** or unauthorized firmware modifications, and install only secure applications.
- ✓ Content created using artificial intelligence tools is the responsibility of each individual. We oversee, review, and take responsibility for the content we have created. It is important to act responsibly to ensure that the final result is high-quality and ethical.

Confidential information:

- ✓ Do not disclose, share, or discuss confidential information with third parties, including family members, friends, and acquaintances.
- ✓ Confidential information may only be passed on to colleagues who need it to fulfill their job responsibilities.
- ✓ Before sharing information, alert colleagues to specific confidentiality requirements, such as those set out in confidentiality agreements between cooperation partners.
- ✓ Do not discuss confidential information in public places and do not leave material containing confidential information unattended, even in the office.

Personal data:

- ✓ Only collect the minimum amount of personal data necessary for the performance of your job and for the purpose for which it is collected, and only keep it for as long as necessary.
- ✓ Strictly comply with the protection rules for the personal data concerned.
- ✓ If you have any concerns about the use, protection or possible breach of your personal data, please consult your manager or our Data Protection Officer.

person (for example, but not limited to, name, surname, personal identity number, contact details, financial information, etc.).

**Trade secret** – business information of “Latvijas Finieris” that is not publicly available and has commercial value. Trade secrets are defined in the Work Order Regulations.

**Confidential information** – trade secret information of “Latvijas Finieris”, as well as information of cooperation partners in accordance with the concluded agreements.

*Further information is available at:*  
Work Order Regulations.  
[Privacy Policy](#).

### 1.1.6. Cooperation partners

We expect our cooperation partners to ensure that their activities comply with both applicable laws and regulations and the principles and standards set by our Group.

Before commencing cooperation, “Latvijas Finieris” shall, to the best of its ability, verify information about the potential cooperation partner, its ethical standards, reputation and the compliance of its activities with the laws and regulations.

Monitoring continues on an ongoing basis to prevent the risk of cooperating with sanctioned persons or companies involved in illegal activities such as money laundering, terrorist financing or gross human rights or environmental violations.

<p><u>Important to know:</u></p> <ul style="list-style-type: none"><li>✓ When you start working with a new supplier, check the general information available in the registers, as well as information on any tax debts.</li><li>✓ Ensure that your supplier is committed to the obligations set out in our Supplier Code of Conduct.</li><li>✓ Never engage with companies that are in any way involved in money laundering, fraud, or tax evasion.</li></ul>	<p><u>Further information is available at:</u></p> <p>Sanctions Risk Management Regulations. Debtor’s Monitoring Regulations. Supplier Code of Conduct.</p>
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## 1.2. Responsibility for the Environment

### 1.2.1. Environment and Climate

We are aware of the environmental impact of our activities along the entire value chain and take measures to reduce our impact on the environment by improving the efficiency of our production processes, increasing the share of renewable energy in total energy consumption, reducing the share of fossil raw materials in production, managing greenhouse gas (GHG) emissions, etc.

The Group’s main raw material is wood, which is a renewable, carbon-sequestering resource and an alternative to non-renewable materials, including those of fossil origin. We are committed to using wood more and more efficiently, producing products with the highest possible added value and longer life cycles, and developing innovative new wood products. Thus, we aim to minimise waste generated as much as possible and contribute to the circular economy and bioeconomy.

<p><u>Important to know:</u></p>	
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<ul style="list-style-type: none"> <li>✓ As a large manufacturing company, we impact the environment; therefore, minimizing it at every stage of our operations is important.</li> <li>✓ When making decisions or starting new projects, including investment projects, carefully assess whether the solution in one area will harm others and minimize potential risks, including environmental ones.</li> <li>✓ Be responsible when being in nature and don't leave litter behind. At work and at home, sort waste as much as possible and use resources responsibly and sparingly.</li> <li>✓ If you know how to improve efficiency and resource consumption in production and in the office, speak up, tell your colleagues and your manager, and participate in the Work Efficiency Programme (DEP).</li> </ul>	<p><u>Further information is available at:</u></p> <p>Environmental policy. Energy policy.</p>
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### 1.2.2. Sustainable use of land and forestry

We develop expertise in forestry and logging, managing the value chain from forest seed to the finished wood product. The Group promotes sustainable land use practices by fostering balanced interactions between society, the environment and the economy that provide ecosystem services, increased carbon sequestration, biodiversity conservation, social and cultural functions of forests, the generation and transfer of new knowledge, including the substitution of fossil products, and economic value for the forest owner, society and the economy as a whole.

We always know the origin of the wood we use. All timber used in the production of wood products is of legal origin and complies with the European Union Timber Regulation and "Latvijas Finieris" Timber Procurement Policy.

Further information is available at:

Environmental policy.

[Timber Procurement Policy.](#)

"Latvijas Finieris Forest" [Forest management plan.](#)

## 2. Establish long-term relationships with stakeholders and society in general

We recognize that any achievement is based on successful and long-term cooperation. This is why we build long-term relationships with all stakeholders: employees, customers, suppliers, forest owners, and other cooperation partners, as well as communities, based on respectful dialogue, starting from respect for fundamental human rights to care for society's sustainable development.

## 2.1. Human rights and labor law

In our activities, we respect fundamental human rights and rights at work, as understood by the United Nations Guiding Principles on Business and Human Rights and the International Labour Organisation’s Declaration on Fundamental Principles and Rights at Work.

“As an employer, “Latvijas Finieris” maintains the working environment and develops processes to prevent any infringement or violation of employees’ human rights.

Employment legal relationships in the company are established in compliance with the requirements of the applicable laws and regulations of the countries represented by the Group, ensuring equal opportunities, equal pay, fair treatment, safe and inclusive working conditions, preventing unauthorized forms of employment, and employment relations with young people or underage persons, complying with the applicable laws and regulations. We do not tolerate human trafficking and modern slavery, including forced labor, and we comply with the minimum legal age for employees. We also do not restrict employees’ freedom of association, including the right to form or join trade unions.

We respect diversity and do not discriminate.

<u>Important to know:</u>	<u>Explanations:</u>
<ul style="list-style-type: none"> <li>✓ Together and individually, we shape the Group’s internal working culture in line with the Group’s values.</li> <li>✓ Be aware that every one of us impacts the human rights of people around us with our daily actions – in the family, in the workplace with colleagues and cooperation partners, and in society at large.</li> <li>✓ Treat everyone with respect and fairness.</li> <li>✓ Engage in creating an open and safe working environment where everyone can express their opinion.</li> <li>✓ Do not engage in or support violations against a person, including harassment, bullying, or physical and emotional abuse.</li> <li>✓ Remember that we are all different, with our own opinions, stereotypes, beliefs and faiths, marital and health status, etc., but in the performance of our duties, including recruitment, we place the highest value on professionalism, the willingness to learn and cooperate, performance and fair treatment in line with the Group’s values.</li> <li>✓ The Group does not tolerate activities of employees that glorify genocide, crimes against humanity, war crimes, and the justification of totalitarian regimes and ideologies.</li> <li>✓ Speak up if you see human rights principles violated in any way.</li> </ul>	<p><b>Discrimination</b> – when people are treated differently in the same circumstances because they belong to a particular group. Discrimination can be based on gender, ethnic origin, age, sexual orientation or religion, political or other opinion.</p> <p><b>Diversity</b> – the different characteristics of people, whether physical or mental, their experiences or world view.</p> <p><u>Further information is available at:</u>  <a href="#">Personnel Policy.</a>  <a href="#">Work Order Regulations.</a></p>

## 2.2. Occupational health and safety

Safe working conditions that are as harmless to health as possible are one of the Group's strategic and sustainability priorities. We promote a safety culture and the Group has a comprehensive occupational health and safety system in place where every employee and manager, as well as every member of the supply chain and cooperation partner, is expected to play their part.

Simultaneously with the continuous development of a safety culture, we promote the well-being of our employees by involving them, improving the physical working environment and processes, and promoting their physical and mental health, including work-life balance.

In accordance with the Group's Occupational Health and Safety Policy, the occupational health and safety system is based on each employee and cooperation partner behaving honestly and responsibly towards their own safety and health, as well as the health and safety of those around them.

<p><u>Important to know:</u></p> <ul style="list-style-type: none"><li>✓ Read the occupational safety and fire safety regulations and instructions carefully, understand them, and follow them.</li><li>✓ It is important to fully understand the safety hazards and risks associated with your work because we each contribute to a safe working culture in the company.</li><li>✓ Act in such a way that you can set an example to others – colleagues and outsourced service providers operating in the locations of the company.</li><li>✓ In situations where you notice potential safety risks, don't remain indifferent; report them because every non-compliance detected helps improve the safety of the working environment.</li></ul>	<p><u>Further information is available at:</u></p> <p><a href="#">Personnel Policy.</a> <a href="#">Occupational Health and Safety Policy.</a> Work Order Regulations.</p>
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## 2.3. Products and Customers

We work with our customers to build long-term relationships based on mutual respect and understanding of their needs. We also follow technological innovations in the industries, helping our customers become more sustainable and competitive.

We provide our customers with complete product solutions tailored to their unique needs, promoting the increasing use of wood as a renewable resource in a wide range of industries and extending product life cycles.

We comply with and ensure the requirements of all applicable laws and regulations relating to the safety and quality of products or services, ensuring the safe manufacture of products and services for people and the environment, and the development of new products and processes.

Further information is available at:  
[Plywood Manual.](#)

Information about products and services on the “Latvijas Finieris” [website](#).

## 2.4. Dialogue with stakeholders

### 2.4.1. Communication

We are a trusted partner and engage in respectful dialogue with all stakeholders, identifying their needs and expectations and engaging them in a targeted way that promotes effective cooperation on issues where the interests of the Group and stakeholders converge.

Representatives of the Group communicate openly, honestly, and properly with any stakeholder—both internal and external —using verified information and respecting freedom of opinion and expression.

The department responsible for communications ensures that any information flow to the media on behalf of “Latvijas Finieris” is done so. The Group’s spokespersons in dealings with the media are members of the Group’s management level or other employees delegated for the specific situation and topic.

**Important to know:**

- ✓ If your responsibilities do not include providing information to media representatives or other forms of communication with the media, then if you receive a request from media representatives to provide opinions or information about the company or its activities, please direct it to the Head of the Marketing and Communications Department of “Latvijas Finieris”.
- ✓ The information published on the Group’s social media accounts is trustworthy, and you can share it without further permission.
- ✓ Please refrain from commenting negatively on social media about the Group’s activities, but discuss any situations or concerns within the company.
- ✓ In social media and other communications, please respect confidentiality and business ethics and do not disclose information about cooperation partners without consent.

**Further information is available at:**

Work Order Regulations.

[Brand protection and product guidelines](#).

### 2.4.2. Interest representation

We develop opinion leadership in the forest sector and operate actively in other sectors. We exercise our rights to express our opinion on issues of importance to the Group and society, thus representing the professional, data-driven, and practical experience-driven view of the industry.

We are interested in the sustainable development of the sector and the national economy as a whole, which is why we participate in decision-making processes by joining and forming non-governmental and sectoral professional organizations, sectoral policy initiatives, and working groups.

“Latvijas Finieris” does not support political parties and/or candidates for public office in any way, including financially.

**Important to know:**

- ✓ Only engage in interest representation if you are duly authorized to do so.
- ✓ It is prohibited to participate in any activities related to the interest representation that could damage the reputation of “Latvijas Finieris”.
- ✓ It is prohibited to make any payments to political parties directly or through third parties on behalf of “Latvijas Finieris”.
- ✓ As a private individual, you have the right to participate in political, religious, and other public activities. However, it is important to clearly and unambiguously separate these activities from your work at "Latvijas Finieris".

**2.4.3. Support and contribution to society**

Interaction with society is a significant area of our competitiveness and corporate social responsibility. This is why we are interested in and promote sustainable development, employment and business partnerships in local communities.

We work closely with higher education and research institutions to contribute to the overall development of the Group and society. We also work with general and vocational education institutions, devoting time to educating teachers, children, and young people.

We value ideas that promote cultural and social cohesion by supporting and promoting initiatives and projects that have a positive impact and contribute to education. The granting of support is carried out in accordance with the requirements of the internal rules of procedure of “Latvijas Finieris” and the established criteria, avoiding the possibility of corruption or financial crime.

**Important to know:**

- ✓ Support for projects is only granted in accordance with the procedure established by “Latvijas Finieris”.

**Further information is available at:**

Support directions are published on the [website](#).

### **3. Report non-compliance or suspected non-compliance**

If you notice or suspect a violation of the “Latvijas Finieris” Code of Conduct, other “Latvijas Finieris” policies or principles, or applicable laws or regulations, please report your concerns.

You can report in one of the following ways:

- informing your manager;
- informing trade union support persons;
- informing an internal auditor;
- submitting a whistleblowing report. The identity of the whistleblower is protected and not disclosed. Information on the whistleblowing procedure is available [on the website of](#) “Latvijas Finieris”.