



AS Citadele banka

SUPPLIER CODE OF CONDUCT

FEBRUARY 2023



INTRODUCTION

Citadele position

AS "Citadele banka" (Citadele, Bank) operations are based on a long-term perspective and aligned with our social, environmental, and economic goals in the decisions we make, products we offer and services we provide.

Bank acknowledges its responsibility in contribution to sustainable economic development, which includes responsible, fair and ethical business practices from its suppliers.

Citadele operates with high ethical and professional standards. The Bank has developed internal legal framework which sets a clear and transparent corporate governance framework. Citadele is committed to avoid corruption and has no tolerance towards financial crime and non-compliance. Citadele ensures convenient and secure working conditions to its employees, in line with labour-related standards and requirements, national employment, social insurance, occupational health and safety standards. Citadele supports working environment that is free from any discrimination, prejudice, harassment, abuse of powers and undignified attitude.



Suppliers and supply chain

Citadele aims to be a reliable partner to suppliers and contractors. Suppliers are selected based on merit, fair competition, and predetermined criteria, such as quality, price, availability, delivery, reliability, service and sustainability requirements.

Citadele focuses on long-term and good business relations as well as on healthy cooperation. Relationships with business partners are established based on mutual trust and in line with this Supplier Code of Conduct, and suppliers of Citadele are required to comply with this Code of Conduct.

Citadele's commitment to sustainability covers the entire value chain, and Citadele requires the involvement of its suppliers in applying these principles in practice.



The purpose and scope of Supplier Code of Conduct

The Supplier Code of Conduct is aimed to ensure sustainable cooperation with Citadele's suppliers by promoting professional, fair and legitimate business practices, including environmental and social responsibility, high business ethics and sound governance.

Citadele expects its suppliers to manage sustainability topics within the field of human rights, labour practices, business ethics and the environment.

This Supplier Code of Conduct (Code of Conduct) sets out minimum requirements to which the supplier must adhere. If supplier's national regulations require a stricter approach than this Code of Conduct, such regulations shall prevail. This Supplier Code of Conduct is approved by Citadele's Management Board and is publicly available on the Group webpage.



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More information

For more information on Citadele policies and approach to sustainability visit:

<https://www.cblgroup.com/en/about/social-responsibility/>

Contact us

Procurement related topics:

procurementcommittee@citadele.lv

Grievances / Supplier Code of Conduct

violations: notifications@citadele.lv

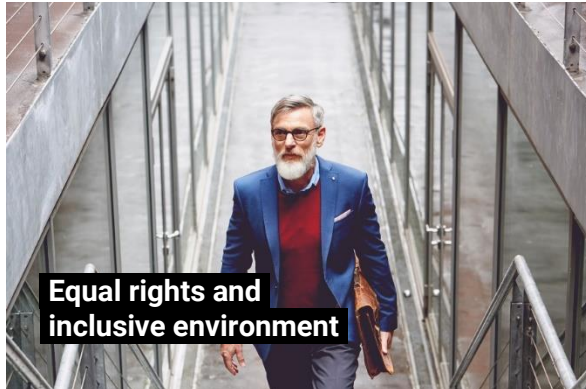
Sustainability related topics: esg@citadele.lv

Website: <https://www.cblgroup.com/en/>

LABOUR MANAGEMENT AND HUMAN RIGHTS

Supplier promotes democratic values, and respects the internationally recognized human rights defined in the [UN Universal Declaration of Human Rights](#) and respects and protects the fundamental principles and rights of workers as guided by International Labour Organization (ILO) Conventions.

Supplier ensures compliance with national labour and employment laws and any collective agreements to which the client is a party.



Supplier respects that everyone has an **equal right** to work; to fair, safe, and healthy working conditions, as well as to fair remuneration.

Supplier promotes an **inclusive work environment** that values and respects employee diversity. No employee shall be discriminated against or harassed because of a person's race, skin colour, gender, age, disability, religious, political or other conviction, ethnic or social origin, property or marital status, sexual orientation, or other circumstances. Supplier is encouraged to establish policies on non-discrimination and promotion of diversity and inclusion in the workplace.

Supplier **does not tolerate** any kind of **abuse** of employees, either directly, indirectly, physically, or verbally.

Supplier establishes, maintains, and improves a **sound worker management relationship**.

Supplier respects the rights of employees to form and join **trade unions** or similar employee representation organisations.

Supplier does not use any form of **forced labour**, forced debt settlement or modern forms of slavery.

Supplier **does not employ children** who have not reached the legal age of employment.

Supplier ensures that accessible and effective means to **raise and address workplace concerns** are available to workers.

Supplier respects the right to privacy of its employees, customers and other persons and handles **personal data** in accordance with the respective legal requirements.

Management of Worker Relationships

Supplier maintains written human resources policies and procedures appropriate to its size and workforce setting out its approach to managing the workforce in accordance with national law. These policies and procedures are understandable, accessible, and communicated to workers.

Supplier provides workers with written **employment contracts** at the beginning of the working relationship which sets out worker rights under national labour and employment law and any applicable collective agreements with respect to working conditions and terms of employment (including their entitlement to wages, hours of work and rest periods, overtime arrangements and overtime compensation), and any benefits (such as leave for illness, maternity/paternity, or holidays). Any material changes are documented and communicated to the workers. Human resources management systems ensure up-to-date employment records are kept that respect the rights of workers to privacy and data protection.

Working hours (regular and overtime) must be in line with the law of the country where the workers are employed. Overtime work is voluntary and is performed and compensated in accordance with national laws.

Employees are provided with adequate and timely **compensation** for the work performed, which is not less than the minimum specified in the laws and regulations, and the collective agreement. Supplier ensures equal pay for employees with the same position and equivalent work tasks, regardless of personal characteristics.



Supplier protects and promotes the **health, safety and security** of workers, by ensuring safe, healthy and secure working conditions and implementing a management system, appropriate to risks associated with its operations.

Supplier provides workers with relevant information, instructions and regular training related to health and safety hazards, risks, protective and preventive measures, and emergency arrangements that are necessary for fulfilment of their job duties.

BUSINESS ETHICS AND GOVERNANCE

Supplier creates an open, honest, transparent, mutually beneficial, and trust-based relations with Citadele and other third parties in accordance with the highest business ethics standards and best procurement practices.

In the field of competition law, supplier complies with the requirements of the binding laws and regulations and the principles of fair competition, which derive from the international and European Union, European Economic Area regulatory frameworks. Supplier does not engage in collusive agreements between competitors, such as on prices, market sharing, tender offers, or other similar activities.

The offers submitted by supplier and the information provided during the contract conclusion process are complete, accurate, and true. Supplier keeps accurate records of the transaction, submits accurate documents to Citadele justifying the transaction in accordance with the contract, laws and regulations, immediately eliminates any errors, and, if necessary, provides Citadele with access to the relevant documents justifying the transaction or to the employees in charge.

Supplier selection in EU projects financed by EIB must comply with the procurement process within the Directives 2014/25/EU, 2014/24/EU, 2014/23/EU and 89/665/EEC and 92/13/EEC, as amended or supplemented from time to time, as applicable, and other rules as specified in the EIB Guide to Procurement.

Supplier respects the right to information and privacy of end users, customers, employees, and business partners.



Citadele has zero tolerance towards bribery, extortion, and other forms of corruption and we expect our suppliers to observe the same rule.



Giving and receiving gifts as part of business dealings can create conflicts of interest. Gifts and favours should be intended only to enhance marketing awareness and create good will, and not to influence business decisions. They should not serve to unduly influence people's judgement or create a feeling of obligation. Such gifts may not be given or accepted by anyone working for Citadele.

Supplier does not accept or give bribes, act as intermediary, or become involved in any other manner in bribery in the interests of the supplier itself, or other persons. Any conflicts of interest are adequately managed and mitigated to ensure that they do not lead to corruption.

Supplier prevents tax evasion and its facilitation, and money-laundering and its facilitation.

Suppliers are encouraged to develop and implement governance framework addressing business ethics topics, which includes:



Written code of conduct of business ethics



Provide employee training on business ethics.



Have a whistle-blower system in place allowing anonymous reporting of misconduct and breaches of policies, laws, and regulations.

ENVIRONMENT AND CLIMATE CHANGE

Supplier is required to fulfil all the requirements stipulated by laws and regulations governing the field of environmental protection, environmental permits, or other applicable regulatory requirements.



Supplier promotes the development and use of environmentally friendly technologies and processes, uses resources as efficiently as possible, plans and implements measures to reduce the amount of waste, greenhouse gas emissions and applies the principles of circular economy.

Supplier contributes to reducing the environmental impact in its supply chain.

Suppliers are encouraged to commit to net zero emission targets.

Suppliers are invited to:

- Incorporate energy efficiency, recycling considerations, and environmental impact awareness into product design and packaging;
- Organize the recovery, reuse, and recycling of its packaging, products, and the materials they contain;
- Help Citadele to learn from supplier's best practices and reduce the Bank's environmental impacts.

These requirements set out the minimum levels of compliance required of Citadele suppliers. As a supplier you are encouraged to exceed the requirements wherever possible. Citadele may include further specific requirements in individual procurement terms of reference as appropriate.

The following requirements are recommended to all suppliers and mandatory to those suppliers for whom the respective climate-related requirements are mandatory under the supplier's regulatory framework.

Supplier has an **environmental management system** in place, which includes:



Written environmental policy or strategy reflecting supplier's environmental management practices



Identification, measurement, and monitoring of environmental impact of supplier's business activities, incl. direct and indirect GHG emissions (throughout the production chain of products and services)



Plans to minimize material environmental impact



Relevant documentation of environmental performance, processes, products, and services related to material environmental impact of business activities



Public disclosures regarding development, position, targets and results of environment and climate related activities

MONITORING AND COMPLIANCE



Citadele expects that its suppliers take the necessary steps to ensure compliance with the provisions outlined in this Code of Conduct, applying the requirements throughout the organization and to all areas of their activities. Suppliers should have the same expectations and requirements from their subcontractors.

Supplier should regularly evaluate their adherence to the applicable requirements of this Code of Conduct and address any noncompliance with the requirements of this Code of Conduct identified by itself, Citadele, or other third parties.

To ascertain supplier's compliance with the requirements of this Code of Conduct, Citadele may carry out

assessments and reviews, request supplier for information, explanations, and evidence of supplier's implementation of and compliance with the provisions of this Code of Conduct.

Supplier shall cooperate and provide information requested by Citadele to the representatives of the Bank, in amount and detail that is sufficient to show its compliance with the requirements of this Code of Conduct.

Supplier must inform Citadele without delay about the violation of the principles and requirements established in the Code of Conduct, the suspicion of a violation or the occurrence of a potential violation, by either reporting it to the contact person specified in the contract or procurement, or sending information to e-mail address: notifications@citadele.lv.

Significant violation of the requirements of Supplier Code of Conduct gives Citadele the right to terminate the contract with the respective supplier. Supplier is solely responsible for all costs incurred in complying with the Code of Conduct.

Contact us

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