

# RAIRU

LIMITED LIABILITY COMPANY

"RAIRU"

## COMPANY POLICY



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**RAIRU**

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# 1. INTRODUCTION

The main activity of "RAIRU" LTD (hereinafter referred to as RAIRU) is the provision of forestry services, but as a part of its economic activity, it also sells timber and energy wood or wood chips, as well as since 2021 it has been producing carpentry goods.

RAIRU Policy has been developed to reflect RAIRU's principal values, rules of conduct, and regulations that affect day-to-day work and decision-making. The Policy is stipulated to help emphasize specific rules, values, and assumptions.

This Policy is designed to respect the values and beliefs of the Company and its employees in any situation the Company faces. The Policy is created based on past experience and generally accepted norms, the influence of the surrounding and internal environment, the specifics of the Company's operation, and other significant factors. The Policy shall unite all Company employees and the Company itself.

RAIRU recognizes the United Nations Universal Declaration of Human Rights and implements the 10 principles of the United Nations Global Compact initiative in such important areas as: work and human rights; health and safety; environment; and business ethics, including the fight against corruption. (Appendix 1).

The goal of RAIRU is to create the highest added value in each of its activities, so that every RAIRU employee, client and cooperation partner is confident of what has been done. It is important for us to create the environment, where any employee has a sense of security and confidence in the highest quality at every step; confidence for a client that the assigned task will be performed conscientiously, professionally and with a long-term vision. RAIRU works following the basic principles of fair competition.

## Values that are RAIRU guidelines:

- a team;
- professionalism;
- stability;
- honesty;
- safety;
- environmental sustainability.

The Policy of RAIRU is binding on all its employees.

## 2. WORKING ENVIRONMENT

RAIRU operates as a socially responsible company that, within its capabilities, ensures the growth of employees and the overall development of the industry, creating sustainable employment and added economic value.

RAIRU is committed to maintaining and providing a favourable and safe working environment for all employees working for the Company. Respectively, we do not tolerate discrimination, violence or harassment of any kind in the workplace.

It is the responsibility of all managers and employees to provide an enabling and safe work environment to achieve this goal. Each of us is personally responsible to our colleagues and the Company for active participation in the creation of a favourable and safe working environment.

The company has established this enabling work environment policy relying on the fact that everyone in our workplace does not only refrain from such behaviour, but also identifies and reports discrimination, violence and harassment in the workplace whenever it occurs.

### The Company's Policy is focused on the following main principles:

- the Company does not use child labour illegally – it means that RAIRU does not employ children under the age of 15, but children who have reached the minimum legal working age are not employed in hazardous working conditions or in jobs that could jeopardise the child's personal growth, morality and development;
- the Company prohibits and does not support all forms of forced labour – it means that any employee can freely start and freely terminate employment legal relations;
- the company prohibits and does not support any kind of violence in the working environment;
- the Company ensures that there is no discrimination in employment and profession;
- the Company respects the freedom to establish associations, unions and trade unions and the right to collective bargaining;
- the Company complies with the requirements established in the Latvian legal acts and ILO ) conventions ratified in Latvia.

RAIRU takes responsibility for its employees and tries to create a safe and healthy working environment for them – all the employees have been provided with insurance against accidents, life insurance with savings (the

contribution is not deducted from the employee's wages), as well as health insurance.

RAIRU respects the privacy of its employees and protects relevant information, does not allow employee discrimination, all the employees have the right to fair and equal treatment.

Employees with the same qualifications, experience, and performance should receive equal pay for equal work. To promote the improvement of the employee's qualifications, RAIRU can refer employees to qualification courses.

Each employee is personally responsible for maintaining an enabling environment by following all health and safety-related procedures and maintaining a safe and healthy workplace. All workplace accidents, unsafe equipment, unsafe work methods, and conditions must be reported to the direct manager or the person responsible for occupational safety. It also applies to the use of alcohol and illegal drugs in the workplace.

Each manager is responsible for providing appropriate health and safety information to RAIRU employees, as well as training employees on safe evacuation from buildings and proper handling of workplace equipment, tools, and chemicals.

### 3. WAGES

#### RAIRU is obliged to:

- pay wages in accordance with the procedures and deadlines specified in the employment agreement. Paying wages in non-cash by transfer to the employee's account;
- ensure fair pay and reasonable working hours – the length of the working week must not exceed the one stipulated by the laws of the respective country, and also condemn any kind of forced labour or child labour;
- before an employee starts work to familiarize them with the work to be performed and its conditions, work procedures, occupational safety, fire safety, safety equipment and other regulations related to the performance of work;
- ensure such work organization and working conditions, including personal protective equipment, so that an employee can perform the work assigned to them without jeopardising their health and life, including instructing on actions in case of accidents;

- issue an employment certificate to an employee, specifying the employee's first and last name, personal identification number, employee's photo, the date and number of this employment agreement, the name of the employer and the taxpayer's registration number, certifying it with their signature;
- when dismissing an employee, pay all sums due from the employer on the day of dismissal;
- the employer has the right, in order to ensure the fulfilment of their legal obligations, to process any employee's personal data in accordance with the procedures specified in the regulatory enactments of the Republic of Latvia.

## 4. OCCUPATIONAL SAFETY

RAIRU works purposefully to prevent any harm and protect its employees and cooperation partners from safety and health hazards in the working environment. An occupational safety specialist is responsible for occupational safety in the Company, instructing new employees, as well as re-instructing the existing employees.

### **RAIRU's occupational safety and its management are implemented:**

- complying with the requirements set forth in the labour protection regulatory enactments and standards
- performing regular internal monitoring of the working environment, i.e. identification, and assessment of possible risks of the working environment and measures to reduce or prevent the identified risks
- regularly collecting information on accidents and incidents that occurred or almost occurred at work and occupational diseases, analysing and assessing this information, and determining measures to reduce them
- arranging the working environment appropriately, i.e. adapting the work to the individual, in terms of workplace arrangement, work equipment, as well as the choice of work and production methods
- regularly training and instructing the company employees on labour protection and the importance of labour protection in improving work processes and preserving health
- providing any employees who are exposed to health-harmful factors of the working environment with collective and personal means of protection
- ensuring mandatory health check-ups for the employees, thus regularly assessing the impact of working environment factors on their health condition

- cooperating with the employees in the field of labour protection, inviting them to actively participate in the planning and development of occupational health and safety issues, informing them about inconsistencies observed and making suggestions to the Company's top management
- promoting an internal culture focused on openness and inviting everyone to report possible violations in labour protection; situations that expose an employee or a cooperation partner to the risk of an occupational disease or an accident at work.

## 5. ENVIRONMENT AND ECOLOGY

In every decision and action, RAIRU seeks the most suitable solution for the environment to jointly build a greener future for Latvia. All environmental requirements are observed in its work and the RAIRU team itself plans how the activity can be implemented as environmentally friendly as possible. The ecology of RAIRU forest works must not significantly threaten other types of forest use. Care for the environment is included in every step – from further use of used oil, tire disposal, and clean working environment to long-term decisions in forestry. RAIRU works to ensure that Latvia is well-kept, tidy, and available to future generations.

RAIRU complies with and follows all currently applicable laws and other requirements relating to the impact of its operations, products, and services on the environment. Special procedures and development plans are introduced to identify the impact of its activities on the environment, avoid and/or reduce its negative impact, and fight against climate change by using the available techniques based on the industry's good practices.

All waste generated in the production process is dealt with following local laws before disposal. Under local laws, RAIRU handles all waste responsibly (identifies, stores, disposes of, and processes), especially hazardous waste. The Company ensures that any substance that poses a risk to the environment is identified, appropriately labelled, and stored to prevent any risk of contamination.

## 6. DATA PROCESSING

RAIRU takes care of the privacy and protection of personal data and respects the rights of data subjects to the legality of personal data processing in accordance with Regulation No. 2016/679 of the European Parliament and

the Council of April 27, 2016 on the protection of natural persons concerning the processing of personal data and the free movement of such data circulation (hereinafter referred to as the Regulation) and other applicable laws in the field of privacy and data processing.

Personal data of RAIRU's employees, cooperation partners, and private clients are disclosed to auditors, insurance companies, and governmental or municipal authorities (for the purpose of fulfilling their legal obligations). Data may also be disclosed to banks about the conduct of business. General data, which may contain information classified as personal data, such as the cadastral register number, may be disclosed to various forestry associations. Furthermore, in special cases, it is possible to disclose data for research and development purposes in the forestry sector. The personal data of RAIRU's employees, cooperation partners, and private clients are not disclosed to other persons (clients, business partners, etc.).

**According to the Article 6 of the Regulation, the data are processed for the following purposes:**

- client identification
- preparation of the invoice
- service provision
- ensuring the operation of the service
- improving services, developing new services
- promoting and distributing the service
- customer service
- consideration of objections
- administration of payments and settlements
- debt recovery and collection
- planning and accounting
- provision of information to state administrative authorities and subjects of operational activity in the cases and to the extent specified in external regulatory enactments.

## **7. PREVENTION OF RISKS OF CORRUPTION AND CONFLICT OF INTEREST**

RAIRU does not allow corruption and conflict of interest situations in its activities, and also expect equal treatment and behaviour from its employees,



customers, and cooperation partners. RAIRU ensures that each of its employees is informed about the procedures for preventing conflicts of interest and corruption risks.

RAIRU regularly assesses the risks of conflict of interest and corruption to reduce their impact on RAIRU's finances, reputation, and the fulfillment of established strategic goals.

The Board and employees of RAIRU make decisions only in the interests of RAIRU. The Board and employees are prohibited from making decisions in the interests of their relatives, as well as lobbying the interests of persons related to them.

RAIRU employees are prohibited from accepting or offering direct or indirect gifts, money, and items equivalent to money, entertainment offers, or benefits, if they are related to the performance of work duties and if they can influence or create doubts about the performance of any job duty or task, or the objectivity of RAIRU's operations.

RAIRU employees are obliged to inform the Board of RAIRU about the risks of conflict of interest, and any corrupt activities.

RAIRU does not support or tolerate bribery and corruption, whether financial or otherwise, in any transactions or relationships.

The use of RAIRU funds or other assets for any illegal or improper purpose is strictly prohibited.

RAIRU is aware that even a hint or indirect indication of corruption or bribery can negatively affect RAIRU's reputation and undermine public trust.

Everyone has a duty to report suspected or attempted bribery or corrupt practices.

## **8. TRADE SECRET AND CONFIDENTIALITY**

RAIRU establishes that, according to the "Trade Secret Protection Law", information and data that, in compliance with the regulatory enactments, must be included in the reports of natural or legal entities conducting economic activity, are not considered trade secrets. For example, publicly available information in Lursoft, Firms.lv databases, the State Revenue Service, the State Unified Computerized Land Registry, the European Union and other databases. All other information contained in the accounting is considered a

trade secret and is available only to auditors, tax administration, law enforcement authorities, courts, as well as other institutions in cases provided for by the regulatory enactments.

**A trade secret is any publicly unavailable financial, legal or marketing and other commercial information, including:**

- financial standing, presence of debts, amount of current assets
- debtors and creditors
- information on employees' wages, calculation methodology, and amounts of allowances and bonuses
- income and expenses from the sale of goods and services;
- information about clients and partners
- existing and potential risks (i.e. initiated and possible legal proceedings)
- specifics of the services provided
- sales volumes of services
- main components and conditions of concluded legal contracts (prices, terms, etc.)
- information on the composition of clients, suppliers, representatives, partners and intermediaries
- information about the need for materials, raw materials, etc.
- technical equipment (level, possibilities, perspectives, technologies)
- content of internal, incoming, and outgoing documents.

**When drawing up an employment agreement with employees, it is expected that the employees will observe the following principles of trade secrecy:**

- not to disclose the information at their disposal, which is RAIRU's trade secret (the amounts of wages, allowances, and bonuses), production, and other secrets, as well as to ensure that such classified information is not directly or indirectly accessible to third parties
- the employee is prohibited from disclosing a trade secret within 3 years after termination of employment with RAIRU.

**When drawing up agreements with cooperation partners and third parties, it is assumed that:**

- if, within the framework of the contract, a cooperation partner requires to fill out questionnaires and appendices, they must be

clearly understandable and unambiguous. RAIRU may refuse to fill out this type of documentation if it violates personal data protection, confidentiality, or trade secrets. Questionnaires must be proportionate, complying with the legislation of the Republic of Latvia and the EU. RAIRU has the right to request cooperation partners to explain the detailed legal basis on which any information containing trade secrets or personal data is requested from RAIRU;

- the recipient of the information undertakes to take care of the safety and protection of the received information with the utmost care and attention, as well as to comply with the requirements of the applicable regulatory enactments in the processing of such information;
- if a cooperation partner asks to submit information containing a trade secret, the disclosure of such information is essential for the establishment of legal relations between the parties, and the Board of RAIRU agrees to disclose such information, in such a case, a confidentiality agreement must be concluded between the parties, within the framework of which a contractual penalty for the disclosure of the trade secret must be provided;
- if RAIRU finds out that a cooperation partner does not act in accordance with RAIRU values generally accepted and described in this Policy, RAIRU points out what needs to be corrected or improved. In any case, RAIRU reserves the right to cancel unfulfilled orders, terminate further orders and/or terminate the contract with the company's partner in the event of serious violations of ethics, working environment – safety, confidentiality and other violations or if the cooperation partner refuses to make improvements;
- if the legislation in the country of residence of RAIRU's business partner differs from the legislation of the Republic of Latvia, in such a case RAIRU is guided only by the legislation of the Republic of Latvia;
- if RAIRU has to make a choice – to disclose a trade secret or personal data and conclude a contract, or not to disclose a trade secret or personal data, losing the opportunity to conclude this contract, in such a case RAIRU unequivocally decides in favour of the protection of personal data and trade secrets;
- RAIRU has the right to request information from clients or business partners in no less amount than RAIRU's business partners or clients have requested such information from RAIRU.

## APPENDICES

## APPENDIX 1

# 10 Principles of the UN Global Compact

### Principles related to human rights:

1. Entrepreneurs should support and respect the protection of internationally proclaimed human rights.
2. A company should not be complicit in human rights abuses.

### Principles related to labour law:

3. Companies should uphold the freedom of association, as well as recognise the right to collective bargaining.
4. Entrepreneurs should not use forced labour. It means that any employee can freely start and freely terminate employment legal relations.
5. Entrepreneurs should not use child labour. It means that RAIURU does not employ children under the age of 15, but children who have reached the minimum legal working age are not employed in hazardous working conditions or in jobs that could jeopardise the child's personal growth, morality and development.
6. A company should not allow discrimination in respect of employment.

### Principles related to the environment:

7. Companies should protect the environment.
8. Companies should promote environmental responsibility.
9. Companies should encourage the development and diffusion of environmentally friendly technologies.

### Principle against corruption and bribery in business:

10. Companies should work against corruption in all its forms (including bribery, extortion of money and other benefits).