

APPROVED

Public Limited Liability Company Lietuvos
paštas

5 September 2023 by Resolution No. 12-30

ANTI-CORRUPTION POLICY

Version 3

Effective from 05/09/2023

ANTI-CORRUPTION POLICY

Policy owner: The Department of Safety and Prevention

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| Objective: | To ensure that the Company's activities and behaviour meet the highest standards of trustworthiness, integrity, transparency and business ethics acceptable to society. |
| Scope of application: | The Policy and the Company's internal documents implementing it are relevant and applicable to all employees of the Company |

TABLE OF CONTENTS

| | |
|---|---|
| I. GENERAL PROVISIONS | 4 |
| II. REGULATORY AREA | 4 |
| III. TERMS AND ABBREVIATIONS..... | 4 |
| IV. KEY POLICY PRINCIPLES AND COMMITMENTS..... | 6 |
| V. MONITORING AND CONTROL OF POLICY IMPLEMENTATION..... | 7 |

DOCUMENT HISTORY

| Date of signature | Version | Essential description of the change to the document | Document owner | Document drafter |
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| 05/09/2023 | 3 | 1.2. The anti-corruption goals, objectives, targets, indicators and measures for creating a corruption-resistant environment of Lietuvos paštas shall be set out in the Corruption Prevention Action Plan for a period of two years | The Department of Safety and Prevention | Asta Vaičiūnienė |

I. GENERAL PROVISIONS

1.1. The *Anti-Corruption Policy* (hereinafter referred to as the *Policy*) sets out the policy of the public limited liability company Lietuvos paštas (hereinafter referred to as the *Company*):

1.1.1. Basic principles for implementing corruption prevention;

1.1.2. Prohibitions, requirements and obligations for an anti-corruption management system;

1.1.3. A framework of measures to create a corruption-proof environment;

1.1.4. Responsibilities.

1.2. The anti-corruption goals, objectives, targets, indicators and measures for creating a corruption-resistant environment of Lietuvos paštas shall be set out in the Corruption Prevention Action Plan for a period of two years, taking into account the strategic goals of Lietuvos paštas and the results of the evaluative analysis of the anti-corruption management system.

1.3. The Policy shall be formulated and implemented in the Company through the implementation of an anti-corruption management system in all areas of the Company's activities and processes where there is a high likelihood of corruption occurring.

1.4. The anti-corruption compliance officer of the Company shall be independent and shall have the powers and functions set out in this Policy, the job description and other internal documents of the Company. If necessary, he/she shall have the right to address the Board and the Chief Executive Officer of the Company directly.

II. REGULATORY AREA

2.1. The *Policy* has been developed in accordance with the LST ISO 37001:2017 Anti-Corruption Management System. Requirements and Guidelines for the Use of the Standard (hereinafter referred to as the Standard), the Republic of Lithuania Law on Prevention of Corruption, the Republic of Lithuania Law on the Adjustment of Public and Private Interests in the Civil Service, the Republic of Lithuania Law on the Protection of Whistleblowers, the most important corruption-resistance documents approved by the Minister of Transport and Communications of the Republic of Lithuania, the Company's Articles of Association, and any other documents that regulate the Company's activities.

III. TERMS AND ABBREVIATIONS

3.1. Terms and abbreviations used in this *Policy* (terms are in alphabetical order without numbering, and the word in the term or abbreviation is in bold):

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| Close persons | The spouse, cohabitant, partner of the declarant where the partnership is registered in accordance with the law, their parents (adoptive parents), children (adopted children), brothers (step-brothers), sisters (step-sisters), grandparents, grandchildren and their spouses, cohabitants or partners. |
| Level of resistance to corruption | A measure of the Company's resistance to corruption. |
| Company | Public limited liability company Lietuvos paštas, legal entity code 121215587, registered office address Juozo Balčikonio str. 3, Vilnius. |
| Gift | A benefit, whether material or otherwise (hospitality, favours, services, privileges, discounts, gifts for consumption, etc.), to which the employee has no private right and which confers on him/her an advantage in a material or non-material situation. This includes benefits received by third parties such as relatives, acquaintances, etc. |
| Conflict of interest | A situation where the declarant, in the course of his/her official duties or the performance of an assignment, is required to take or take part in a decision or to execute an assignment which also concerns his/her private interests. |

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| Contractor | A business partner (legal entity or natural person) with whom the Company has concluded, intends to conclude or modify a contract. |
| Corruption | Abuse of power for the benefit of oneself or another person in the public or private sector. |
| Determination of probability of manifestation of corruption | The procedure for identifying corruption risk factors in the Company's activities. |
| Prevention of corruption | Systematic activities aimed at enhancing the Company's and its employees' resilience to corruption, including the identification, assessment, elimination and/or mitigation of corruption risk factors through the development and implementation of a system of measures to create a corruption-resistant environment. |
| Risk of corruption | The likelihood of corruption in the Company's business. |
| Corruption risk analysis | The identification and anti-corruption review by the Special Investigation Service of corruption risks and their factors in the Company's area of activity or in a process involving one or more areas of the Company's activity. |
| Corruption management risk | A component of the Company's internal control that includes the identification and assessment of corruption risk factors, the selection of measures to reduce corruption risk, their implementation and the evaluation of the results achieved. |
| Corruption risk factors | Causes, conditions, events and circumstances that may give rise to a risk of corruption. |
| Criminal offences of a corrupt nature | Bribery, influence peddling, graft, abuse. Other criminal offences committed within the Company and in the provision of public services, directly or indirectly for the purpose of obtaining an advantage for oneself or for another person, such as the following: abuse of office or exceeding one's authority, abuse of official authority, falsification of documents or instruments of measurement, fraud, embezzlement or misappropriation of property, disclosure of a secret of the service, disclosure of a trade secret, misrepresentation of income, profits or assets, legalisation of money or property acquired by criminal means. Other offences where the commission of such offences is intended or required to obtain a bribe or graft or to conceal or disguise bribery or graft. |
| Corrupt nature offence of the law | An administrative offence, misconduct in office or misconduct at work committed by abuse of power, directly or indirectly for the purpose of obtaining an advantage for oneself or for another person, as well as an offence of a corrupt nature. |
| Trust line | Internal reporting channel for information on irregularities within the Company. |
| Violation | A criminal offence, administrative offence or misconduct of work duties, as well as a serious violation of the mandatory standards of professional ethics or any other violation of the law that threatens or infringes the public interest, of which the person becomes aware by virtue of the person's employment or contractual relationship with the Company. |
| Private interests | An interest of the declarant (or a person close to the declarant) in a personal pecuniary or non-pecuniary gain, a moral debt, a moral obligation or any other interest of a similar nature owed by the declarant (or a person close to the declarant) in the performance of the declarant's duties. |
| Due diligence | A process that seeks to assess in more detail the corruption risk factors associated with the Company's activities, specific transactions, projects, counterparties and candidates/employees of the Company. |

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| Anti-corruption assessment of legislation or draft legislation | Anti-corruption assessment of existing and/or envisaged legal regulation and identification of shortcomings in the legal regulation that may give rise to corruption. |
| Public interest | The public interest in impartial and fair decision-making by declarants. |

3.2. Other terms shall be understood as defined in the Law on Prevention of Corruption.

IV. KEY POLICY PRINCIPLES AND COMMITMENTS

4.1. Main principles of the *Policy*:

4.1.1. **Legality.** The Company implements measures to create an environment resistant to corruption in compliance with the Constitution of the Republic of Lithuania, the requirements of laws and other legal acts, and by ensuring the protection of fundamental personal rights and freedoms.

4.1.2. **Zero tolerance of corruption and the inevitability of accountability.** The Company does not tolerate any form of corruption. Any employee of the Company who commits an act of a corrupt nature, irrespective of his/her position, performance of his/her work duties, merits to the Company, shall be held liable in accordance with the procedure established by legislation. Whenever a violation has the appearance of an illegal act, it shall always be reported to the competent authorities.

4.1.3. **Universally binding.** All persons shall be subject to corruption prevention. This means:

4.1.3.1. all employees of the Company undertake to abide by the principles set out in this Policy and the measures to create a corruption-resistant environment, to avoid any violations of the law of a corrupt nature, and to carry out the functions entrusted to them with honesty and transparency;

4.1.3.2. personal example from managers. This is a key factor in building a culture of intolerance of corruption within the Company. Company managers are held to a higher standard of ethics and transparency than other employees. The Company's executives are actively involved in the prevention of corruption, demonstrate, by their personal example, appropriate behaviour that does not call into question the interests of employees and the public, and take care of the Company's interests and reputation.

4.1.4. **Permanence.** The effectiveness of the measures to create a corruption-resistant environment shall be ensured by regularly checking and reviewing the results of the implementation of the measures to create a corruption-resistant environment, by assessing their effectiveness and by submitting proposals to the management of the Company on how to improve the effectiveness of the relevant measures.

4.1.5. **Proportionate anti-corruption activities.** Control measures intended to create a corruption-proof environment to mitigate corruption risks are designed and implemented according to the level of corruption risks identified, with the aim of minimising the administrative burden.

4.1.6. **Transparency and publicity.** The Company's anti-corruption activities are public and understandable and open to the public. The Company's activities and strategic objectives are transparent and its key operational documents are publicly available, insofar as this is not contrary to legal requirements.

4.1.7. **Employee involvement.** Employees are regularly informed about the Company's Policy, encouraged to contribute to the creation of an anti-corruption environment and involved in the implementation of measures to control a corruption-proof environment.

4.1.8. **Integrity and impartiality.** Employees of the Company must avoid conflicts of interest at all times. In the event of circumstances which may give rise to a conflict of interest between the employee and the Company, the employee shall recuse himself/herself from participation in the preparation, discussion or adoption of decisions and shall inform the responsible persons in accordance with the procedures laid down by the Company.

4.1.9. **Protection of personal rights.** The Company's anti-corruption activities are carried out in a manner that ensures the certainty and stability of legal regulation, protects the rights and legitimate interests of individuals, and complies with the requirements of legal protection of personal data.

4.2. The Company publicly declares that it prohibits and does not tolerate any form of corruption and its manifestations, and therefore **undertakes**:

4.2.1. **Not to tolerate corruption in any form.** The Company prohibits and does not tolerate bribery, graft, influence peddling, nepotism, unlawful pre-agreements, abuse of authority, dishonesty among themselves, as well as with customers, business partners, Lithuanian or foreign institutions, organisations or other persons, and any other forms of criminal offences of a corrupt nature and any other forms of manifestation of corruption. Employees may not directly or indirectly offer, give, accept or solicit bribes, and their conduct must not be such as to create a reasonable apprehension of impropriety.

4.2.2. **Not to give or to refuse accept any gift or service that is not in accordance with international protocol, tradition, representation, or that is unacceptable according to law.** As part of its commitment to responsible business, which seeks to increase public confidence in public sector officials and their decisions, the Company does not accept or provide gifts that are unacceptable under the law. It shall record all cases of giving, receiving and refusing gifts in the Register of Gifts and shall inform the employee in charge of the anti-corruption compliance function in case of suspicions about a gift.

4.2.3. **Not to finance or otherwise support politicians, political parties or their representatives, election campaigns, or foundations** established in the name of politicians, and to refrain from direct or indirect forms of influence with politicians or political parties or persons associated with them. The Company does not engage in political activities, nor does it endorse or receive any support from any political party, organisation or person otherwise engaged in politics. The Company does not restrict the personal initiative of employees to participate in political activities, but the personal actions of employees must be clearly distinguished and not linked to the Company's activities, position and responsibilities.

4.2.4. **Non-provision of support.** The Company shall not provide support to either natural persons or legal entities, except in respect of employees in the context of an employment relationship, in the cases and in the manner provided for in the collective agreement. The provision of support to interested parties shall be subject to the approval and agreement with the Company's shareholder of the rules for the provision of support, which are published on the Company's website.

4.2.5. **Transparency in all purchases and sales:**

4.2.5.1. **Public procurement.** The Company's public procurement shall be carried out in accordance with the principles of equality, non-discrimination, mutual recognition, proportionality and transparency, and in accordance with established public procurement procedures.

4.2.5.2. **Real estate transactions.** The Company's real estate transactions shall be carried out in public, except as provided for in the Company's internal regulations. The Company shall not transfer real estate to the Company's employees, members of the Company's supervisory and management bodies or persons related to them.

4.2.5.3. **Movable property transactions.** The sale of movable property (other than real estate) shall be organised in such a way as to ensure equal conditions, rights and accessibility for both third parties and the Company's employees. Employees of the Company and persons related to them may only participate in the purchase of the movable property to be sold under the same conditions as any other person. Any potential conflicts of interest shall be declared and must be avoided (e.g. the employee's functions are directly related to the sale/valuation of the Company's assets etc.). If an employee is not required to declare a private interest, the conflict of interest situation must be reported to the immediate supervisor and the employee performing the anti-corruption compliance function.

4.2.5.4. **Retail trade.** The Company shall not enter into transactions with the Company's employees, members of the Company's supervisory and management bodies or persons related to them.

4.2.6. **The Company shall comply with the requirements of the legislation and the Company's anti-corruption management system.** The Company complies with the requirements of competition law and does not tolerate conduct that restricts fair competition and does not enter into agreements that may affect prices, transaction terms, business strategies, participation or non-participation in tenders.

4.2.7. **Avoid conflicts of interest.** Employees who declare a private interest shall disclose their private interests openly and honestly by completing and updating their declarations of interest in a timely manner and by disclosing in advance any potential conflict of interest. Employees of the Company shall not be involved in the making or execution of decisions that create or may create a conflict of interest. The Company's employees shall make decisions impartially and objectively, without prejudice or bias, based on factual and data-based information.

4.2.8. **To encourage employees and other stakeholders to report any perceived or suspected past, present or future irregularities to the Company's internal reporting channel, i.e. the Trust Line.** The Company shall investigate all reports submitted, protect the confidentiality of the persons who submitted them and shall not adversely affect them. The person who made the report shall not be liable for defamation if, at the time of reporting the violation, he/she had reasonable grounds for believing that he/she was providing truthful information, and the same shall apply if, after an investigation, it turns out that the information provided has not been substantiated. Reports shall not be referred to the division or employee whose actions gave rise to the concern. The Company shall notify the competent authorities if it detects signs of an illegal act.

4.2.9. **Continuous improvement of the anti-corruption management system.** The management of the Company, taking into account the results of the evaluative analysis of the anti-corruption management system and the suggestions made to improve the effectiveness of the relevant measures, shall allocate sufficient resources and properly allocate the functions necessary for the effective and efficient implementation of the anti-corruption management system.

V. MONITORING AND CONTROL OF POLICY IMPLEMENTATION

5.1. The implementation of the provisions of the Policy shall be detailed in other documents of the Company prepared and approved by the General Manager of Lietuvos paštas.

5.2. The Department of Safety and Prevention shall be responsible for developing and updating the Policy in a timely manner.

5.3. The Policy shall be approved by the Board of the Company.

5.4. The Policy shall be reviewed and updated as required, but at least every two years.

5.5. The Policy shall apply to all divisions of the Company.

5.6. This Policy shall be published on the Company's intranet and shall be accessible to all employees of the Company.

5.7. Managers of divisions whose employees are required to comply with this Policy shall be responsible for acquainting subordinates with this Policy.