

Supplier Code of Conduct for SIA “Larstar”

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Introduction

The Company Larstar has a Code of Conduct that applies to all our staff including the Top management that reflects values of quality and integrity. We are committed to treating all personnel with respect and dignity, ensuring safe working conditions, and conducting environmentally responsible operations. We expect our suppliers to conduct themselves with the same standards as Larstar and its employees.

To ensure our relationships with our suppliers meet and support these expectations, we have the Supplier Code of Conduct. We expect our suppliers to conform to these requirements and communicate the Code to their suppliers.

This document is based on the requirements of the United Nations, ILO Conventions, developed by the International Labour Organization (ILO) and the Laws of the Republic of Latvia.

A. Customer and Supplier Relations

1. Conclusion of Contracts

As the interface between customer and supplier, we need to enter into agreements with both sides in order to ensure a course of business.

This is to protect our business partners, and of course ourselves too. For this reason, we endeavor, right from the start, to equip our business processes with clear rules of play, so that those processes can take place without problems.

2. Confidential or Protected Customer and Supplier Information

In the day-to-day work you often receive and give out confidential or protected information. This information should be given only where both parties have signed a confidentiality agreement.

Under no circumstances, except as necessary for the normal course of business, may any employee divulge such information to any third party or use such confidential or proprietary information for their personal advantage.

Suppliers shall not share or exchange any price, costs or other competitive information or undertaking of any collusive conduct with any other third party with respect to any proposed, pending, or current Larstar procurement.

B. Labor

We are committed to upholding the human rights of workers, and to treat them with dignity and respect as understood by the international community.

The labor standards are:

3. Child Labor

Any form of child labor is prohibited. We reject the use of child labor -either by ourselves or by our suppliers.

4. Forced labor.

The Supplier shall not use any forced, bonded, or indentured labor or involuntary prison labor. All work shall be voluntary, and workers shall be free to leave upon reasonable notice.

5. Wages and Working Hours

Wages, including overtime and special services, shall be guaranteed according to the level of applicable laws and provisions. The maximum number of working hours laid down in the applicable national laws shall be adhered to.

6. Human Dignity

We respect and protect the personal dignity of every individual.

7. Non- Discrimination and Diversity

We do not tolerate discrimination against or harassment of our staff and stuff of Suppliers.

The Supplier shall promote cooperation, individual responsibility, and acceptance of diversity among its employees. The Supplier and its employees shall not engage in discrimination based on race, color, age, gender, sexual orientation, ethnicity, disability, place of origin, ancestry, source of income, pregnancy, religion, political affiliation, union membership, family status or marital status in hiring and employment practices such as promotions, rewards, and access to training.

8. Employee Treatment, Harassment and Abuse

The Supplier's employees shall be treated with respect and dignity and Supplier's disciplinary policies and procedures shall be clearly defined and communicated to employees before application. There shall be no harsh and inhumane treatment, including any physical, sexual, psychological, verbal harassment or abuse, or corporal punishment; nor is there to be the threat of any such treatment.

9. Freedom of Association and Collective Bargaining

The Supplier shall work directly with employees to find solutions to any outstanding legal and employment issues while at all times respecting worker rights to obtain representation, join labor unions, and/or bargain collectively. Workers shall be able to communicate openly with management regarding working conditions without fear of reprisal, intimidation, or harassment.

10. Human trafficking

Human trafficking has to be condemned. Violations of human rights are both a cause and a consequence of trafficking in persons. Accordingly, it is essential to place the protection of all human rights at the center of any measures taken to prevent and end trafficking.

C. Employees**11. Tolerance, Fairness and Equal Opportunities**

We value each of our employees equally. We do not discriminate by race, ethnic origin, gender, religion, or political views, or by disability, age, or sexual identity. We do not tolerate that any of our employees should be disadvantaged for any of the above reasons, and we expect proper, friendly, and fair dealings with colleagues, employees and with our business partners.

12. Data Protection, Data Security, Confidentiality and Protection of Others' Rights

Personal data may be collected, processed, and used only as necessary for the stated, clear, and authorized purpose.

Company documents must be protected from loss, from internal and external malicious and accidental threats, and access by unauthorized parties.

13. Health and Safety at Work, Health, and Fire Safety

It is our obligation to avoid endangering people and the environment, to keep the influence on the environment low, and not to waste resources. Processes, business premises and operating materials must comply with the applicable statutory and internal specifications for health and safety at work, as well as health safety, fire safety and environmental protection in the scope of our legal certifications.

The supplier undertakes to take responsibility for the health and safety of his employees.

To control hazards through organizational measures and take the best possible precautionary measures against accidents and occupational diseases.

To offer training on the topic of occupational safety.

To set up and use occupational safety management.

14. Whistleblowing and Protection Against Retaliation

Employees can contact the administration for any questions anonymously (without Whistleblowing), being sure that they will not be fired or harassed for this, i.e., they will be protected from retaliation.

15. Conflict of Interest

Employees must ensure that any business decision and the resulting actions are in the interest of the company and are not motivated by personal or financial interests or relationships. The emergence of conflicts of interest or even the appearance of such a conflict must therefore always be avoided if this gives the impression that the objectivity or independence of a person may be impaired.

D. Environmental

We recognize that environmental responsibility is integral to producing products. In manufacturing operations, adverse effects on the community, environment, and natural resources are to be minimized while safeguarding the health and safety of the public.

The environmental standards are:

16. Environment protection

The supplier is obliged to act in accordance with the applicable statutory and international standards regarding environmental protection.

To minimize environmental pollution and make continuous improvements in environmental protection.

To set up and use an environmental management system according to ISO 14001 or equivalent.

Suppliers should make practical efforts to minimize the use of energy, water, and raw materials. Where possible, these should be renewable or sustainably sourced.

17. Hazardous Substances

Chemicals and other materials posing a hazard to humans, or the environment are to be identified, labeled, and managed to ensure their safe handling, movement, storage, use, recycling or reuse, and disposal.

18. Material Restrictions

Suppliers are to adhere to all applicable laws, regulations and customer requirements regarding prohibition or restriction of specific substances in products and manufacturing, according to the statutory requirements that apply to the corresponding market (e.g., REACH) including labeling for recycling and disposal.

19. Decarbonization

Decarbonization is the process of reducing and removing net greenhouse gas outputs by reducing the amount emitted, using zero or low-emission energy sources, increasing energy efficiency and by carbon sequestration. Suppliers are to look for cost-effective methods to improve energy efficiency and to minimize their energy consumption and greenhouse gas emissions.

20. Water, quality, consumption, and management

The Supplier must implement of water quality control, its consumption and management where applicable.

21. Renewable energy

Renewable energy refers to energy sources that are derived from natural resources that are replenished at a faster rate than they are consumed. This includes resources such as sunlight, wind, water, biomass, geothermal heat etc. The use of renewable energy is important for reducing

greenhouse gas emissions and promoting sustainable development. Suppliers should choose renewable energy sources whenever possible.

22. Reuse and recycling

Recycling is the process of taking an item, dividing it into its individual materials and reprocessing it to create a different material or item.

Reusing is when you keep that item intact (more or less) but use it for another purpose.

We support these processes and the WEEE Directive and encourage our suppliers to also implement them in order to protect the environment.

23. Noise emission

Being fully aware of our responsibility for staff health and environmental, we consistently apply advanced technology and equipment to minimize noise emissions.

E. Ethics

To meet social responsibilities and to achieve success in the marketplace, Suppliers are to uphold the standards of ethics including:

24. ABIDING by the LAW

The applicable laws and regulations shall be observed.

25. Anti- Corruption and Anti-Money Laundering

Suppliers undertake not to encourage, tolerance or get involved in any way whatsoever in any form of corruption, bribery, extortion, and embezzlement and Money Laundering.

26. Fair Business and Competition

Standards of fair business and competition are to be upheld.

27. Protection of Identity and Non-Retaliation

Programs that ensure the confidentiality, anonymity, and protection of supplier and employee whistleblowers are to be maintained, unless prohibited by law. Suppliers should have a communication process for their personnel to be able to raise any concerns without fear of retaliation (see item 14).

28. Disclosure of information

The supplier undertakes to disclose all necessary information at the request of the customer.

29. Responsible Sourcing of Raw Materials

We aim to use only raw materials in our products, whose extraction, production, transport, trade, processing, and export neither directly nor indirectly contribute to human rights abuses, health & safety issues, environmental pollution, or compliance breaches.

This regards to raw materials, such as tin, tungsten, tantalum, and gold (3TG) from conflict-affected and high-risk areas (CAHRAs) like the Democratic Republic of the Congo (DRC), as well as cobalt. Smelters without adequate, audited due diligence processes in place shall be avoided. Upon request, suppliers shall disclose their supply chain including information on the origin of the material via the RMI CMRT.

30. Intellectual properties

Intellectual property - such as know-how, ideas, business secrets, design rights and copyrights – is one of the main assets of a company. We respect the rights of our customers and comply with trade secrets of not disclosing this information, and we demand the same from our suppliers.

31. Export control and Economic Sanctions

As a company operating internationally, we observe all relevant economic sanctions and abide by all local and international trade regulations and laws governing imports controls.

32. Counterfeit Parts

“Counterfeit Parts” shall mean parts, components, modules, or assemblies whose origin, material, source of manufacture, performance, or characteristics are misrepresented. Our company condemns the manufacture and supply of "Counterfeit parts" in all areas of production.

We expect our suppliers to develop, implement and maintain methods and processes appropriate to their services to minimize the risk of supplying counterfeit parts and materials. Suppliers must have an effective process in place to identify counterfeit parts and materials.

F. Supply chain

Suppliers will only use subcontractors or other third parties who will comply with all applicable laws and regulations and who adhere to the same (minimum) standards set forth in this guide.

Suppliers must comply with all applicable trade control laws and regulations in the import, export, re-export or transfer of goods, services (including software and technology). All invoices and any customs or similar documentation submitted to Larstar in connection with transactions involving must accurately describe the goods and services provided and the price thereof.

G. Monitoring

The SIA "Larstar" expects that suppliers will actively monitor and audit their management process to ensure compliance with this Supplier Code of Conduct.

Larisa Soboleva LSO
Director

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