

**Approved on**  
2021-06-16**Approved by**  
Telia Company CPO**Owner**  
Head of Sourcing Sustainability

## 1 TELIA COMPANY COMMITMENTS

Telia Company is committed to a number of international guidelines on human rights, labour rights, anti-corruption and environmental responsibility. These include:

- The UN Universal Declaration of Human Rights
- The core conventions of the International Labour Organization (ILO)
- The OECD Guidelines for Multinational Enterprises
- The UN Global Compact
- The UN Guiding Principles on Business and Human Rights
- The Children's Rights and Business Principles

These guidelines form the foundation of the Code of Responsible Business Conduct which is approved by the Board of Telia Company. The requirements set by the Code of Responsible Business Conduct, which go beyond legal compliance and apply to all employees, lay out how to engage with stakeholders in a way that ensures the highest degree of ethical business practices and behaviour.

## 2 SCOPE AND DEFINITIONS

This Telia Company Supplier Code of Conduct specifies requirements applicable to Telia Company AB and its Affiliates (henceforth referred to as "Telia") suppliers and other third party conducting business with or on behalf of Telia. For the purposes of this document, the following terms and definitions apply:

The term 'supplier' includes suppliers and other third parties conducting business with or on behalf of Telia as well as their employees, subsidiaries, agents, affiliates and sub-contractors.

The term 'employees' includes employees and consultants and others working under supplier's supervision.

Telia Company Supplier Code of Conduct is henceforth referred to as 'the Supplier Code.'

Whenever "shall" is used, it indicates a minimum requirement that is necessary to be fulfilled.

Whenever "should" is used, it indicates requirements which are recommended to follow and the targets that we encourage all suppliers to work towards.

In addition to the requirements set forth by the Supplier Code, we may include complimentary sustainability requirements in respective contracts depending on delivery to Telia.

## 3 REQUIREMENTS

### 3.1 GENERAL REQUIREMENTS

#### 3.1.1 Compliance

Supplier shall comply with all regulatory requirements, including but not limited to applicable laws, rules, regulations and treaties and the requirements set out in this Supplier Code. Compliance with the requirements set forth in this Supplier Code is mandatory, even when these requirements stipulate higher standards than those required by regulatory requirements. Suppliers are strongly encouraged to observe international and industry standards and best

practices and always strive to meet the higher standard. In case of conflict between requirements under national law and those of the Supplier Code, supplier shall without undue delay consult with Telia.

It is the supplier's responsibility to enforce and verify compliance with regulatory requirements and compliance with this Supplier Code within its own operations and reflect the content of the Supplier Code in its agreements with its sub-contractors.

Telia reserves the rights to verify compliance with the Supplier Code through a combination of dialog and internal and/or external assessment mechanisms, including but not limited to self-assessments, surveys, site visits and audits to suppliers and sub-contractors. Audits can be conducted by Telia representatives or a professional third party contracted by Telia. Supplier shall therefore maintain relevant and complete documentation and records to demonstrate compliance.

### **3.1.2 Structured management approach**

Supplier shall establish clear goals and processes towards meeting the requirements set forth in this Supplier Code.

Supplier shall enforce, maintain and demonstrate their commitment and compliance through implementation of adequate management systems, effective risk management and allocation of appropriate and sufficient resources, all appropriate to the size and nature of suppliers' operations. Supplier shall have or work towards a culture of continuous improvement in developing and implementing measures to ensure they align with the requirements set forth in the Supplier Code. Supplier shall also have in place adequate remedial mechanisms in case of any violations of these requirements.

Supplier shall ensure appropriate knowledge among relevant employees and managers about the topics which it commits to in this Supplier Code by investing in relevant training and awareness-building. Employees shall be informed and/or trained in their rights.

### **3.1.3 Reporting and communication**

Supplier shall immediately report existing and/or suspected material breach of regulatory requirements and the Supplier Code to a Telia representative or anonymously through our secure web portal Speak-Up Line ([EthicsPoint - Telia Company](#)) or email: [speak-up@teliacompany.com](mailto:speak-up@teliacompany.com).

Supplier shall keep accurate, timely and relevant information on compliance performance and make it available to Telia upon reasonable request and fully cooperate with Telia Company in any investigation conducted regarding obligations in connection with the performance of the agreement

If required by Telia the supplier shall provide information on the traceability of their products with the aim of improving transparency in the value chain.

### **3.1.4 Termination**

In the event of supplier's material breach of the requirements of the Supplier Code, Telia shall have the right to immediately terminate its agreement(s) with supplier, without prejudice to any other rights and remedies available.

## **3.2 SOCIAL REQUIREMENTS**

### **3.2.1 Policy and due diligence on human rights**

As defined in the UN Guiding Principles on Business and Human Rights, the supplier has a responsibility to respect human rights and shall, therefore, have a policy and due diligence processes in place to identify, prevent, mitigate and account for how the supplier addresses adverse human rights impacts it may cause, contribute to or be linked with. Acting upon human rights impacts includes taking appropriate steps to avoid, minimize and/or mitigate them.

Human rights due diligence will vary in complexity with the size of the business enterprise, the risk of severe human rights impacts, and the nature and context of operations.



### **3.2.2. Privacy and freedom of expression**

Supplier shall:

Ensure that products, services and business processes are constructed so that privacy and freedom of expression of individuals is respected;

Not cause or contribute to breach of, privacy or freedom of expression rights; nor retaliate against enjoyment of such rights;

Respect the privacy rights of all individuals (employees, customers, users and other stakeholders) whenever the supplier gathers personal data or implements employee monitoring practices.

### **3.2.3 Employment agreement**

Supplier shall:

Provide individual or collective employment agreements in writing which have clear terms and conditions, specifying but not limited to working hours, overtime compensation, job description, notice period, salary and frequency of payment;

Ensure that employees are informed about, and fully understand, their employment conditions and rights in their native languages or a language understandable to the employee;

Not contract employees through schemes such as but not limited to consecutive short-term contracts or false apprenticeship, to avoid meeting obligations to employees under applicable laws and regulations;

### **3.2.4 Working hours**

Supplier shall:

Define a normal workweek as not exceeding 48 hours;

Ensure that employees do not work overtime on regular basis and that overtime is voluntary and does not exceed on average 12 hours per week, unless otherwise regulated in collective bargaining agreements;

Provide employees at least one day off in every seven-day period and leaves, time off and holidays in accordance with applicable laws and regulations;

Provide annual and parental leave (e.g. maternity, paternity) at the minimum in accordance with local law.

### **3.2.5 Wages**

Supplier shall:

Provide all employees, a living wage, sufficient to meet the basic needs of employees and their family and when applicable, the salary shall be based on criteria set by collective bargaining agreements;

Provide to all employees timely payment and clear information related to their wages and benefits for each pay period;

Compensate overtime at a premium rate or as defined by national laws, collective bargaining agreement or industry standards;

Not allow deductions from living wages for disciplinary purposes or any other kind of financial punishment;



### **3.2.6 Children's rights**

Supplier shall:

Define anyone under the age of eighteen (18) to be a child. Children under the minimum legal working age or completion of compulsory education defined by national laws or fifteen (15) years old, whichever is higher, are strictly forbidden to be used in any phase of business operations in a way that leads to exploiting young workers with work that keeps them away from schooling that they are entitled to. Young workers shall not perform night shifts, overtime or any other work that is heavy, hazardous or unsafe to their physical and mental health and development. For the sake of clarity the term 'young worker' refers to any person over the age of 15 or minimum legal working age in the relevant territory and under the age of 18;

Ensure that, in case of government authorized job trainings or apprenticeship programs, these activities are providing minimum living wage and/or training;

Have in place processes and remediation procedures, with the child's best interests in mind, in case of an encounter of a child working in conditions conflicting with these requirements;

Ensure that its products and services are safe for children for their intended use;

Not expose children to areas of the workplace that are hazardous or unsafe to the health and safety of children;

Respect children's rights in all business activities and business relationships.

Supplier should:

Support children's rights in all business activities and business relationships;

Protect children online (for example through detecting and reporting child sexual abuse materials in workplace equipment) and contribute to building children's digital skills.

### **3.2.7 Forced labor**

Supplier shall:

Take active measures to ensure no use of any form of slave, forced, bonded or indentured labor, or human trafficking, in any part of the value chain. This includes the use of employment bonds aiming to recover costs related to training or educational activities necessary for running normal business operations;

Not restrict employees to move freely or to leave the premises after completing their working hours;

Acknowledge employees' right to terminate their employment provided that they give reasonable notice;

Not request the employees to deposit money or equivalent and/or their original identification documents, nor to pay any recruitment or employment fees or costs;

### **3.2.8 Freedom of association**

Supplier shall:

Recognize employees' right to freely form and to join, or not to join, trade unions or similar employee representative organizations, and to collective bargaining;

Not penalize, persecute, discriminate or harass employees when they join a trade union or act as employee representative;

Facilitate open communication between management and workers to address concerns early, openly and on an informed basis.



Maintain an effective and confidential grievance mechanism to ensure that information and views also can be collected without fear of punishment or retribution.

### **3.2.9 Diversity, equal opportunity and non-discrimination.**

Supplier shall:

Promote diversity, inclusion and equal opportunities for all employees;

Have zero tolerance towards discrimination in any employment practices on the grounds of ethnicity, gender, gender identity and expression, sexual orientation, marital status, social status, pregnancy or parental status, religious belief, political belief, nationality, disability, age, union affiliation or any other irrelevant grounds;

Not subject employees to any mandatory health tests (i.e. pregnancy or HIV/AIDS) that have no relevance to the job function or related to workplace safety;

Not tolerate nor support nor promote any form of physical contact that is sexual, coercive, threatening, abusive and exploitative, as well as psychological or verbal abuse, intimidation, threat or harassment.

Supplier should:

Raise manager awareness of equal opportunity, non-discrimination and inclusion through trainings;

Have goals for increasing diversity (e.g. gender, ethnicity, age, disability);

Perform worker dialogue, surveys or other types of assessment to understand worker perceptions of their treatment;

Regularly evaluate that the Human Resources processes are free from bias and discrimination.

### **3.2.10 Workplace health and safety**

Aligned with international standards for Occupational Health and Safety, supplier commits to provide and maintain a safe and healthy workplace for its employees, visitors, contractors and any subcontractors working on its behalf. In relation therewith, subject to applicable national laws and regulations which may require higher standards than those set forth below (in which case such standard shall apply), supplier shall:

#### **3.2.10.1 Health and safety management system**

Maintain a health and safety management system and mechanisms for monitoring, measuring and improving the system itself, based on continuous improvement, relevant to the scope and nature of the business and risks related to the business operations;

Include in such management system, at a minimum, a clear and written policy, an appointed person or function, procedures and instructions, communication and training;

#### **3.2.10.2 Hazard and risk management**

Have in place an effective workplace risk assessment process;

Address workplace hazards and risks through sufficient and relevant control measures such as appropriate personal protective equipment, as well as prevention and protection devices;

Protect the health and safety of pregnant and breast-feeding workers;

Ensure that employees, visitors, contractors and any subcontractors working on supplier's behalf, have access to these safety measures free of charge and have sufficient training in how to use them;



### 3.2.10.3 Emergency preparedness

Be able to identify and respond to potential emergency situations by having in place adequate and appropriate measures;

Regularly train managers and employees on emergency planning, responsiveness as well as medical care;

### 3.2.10.4 Workplace conditions

Provide, at a minimum, free access to drinking water, sanitary facilities and, when necessary, rest facilities or dorms that address the needs of occupants and visitors;

Ensure that work premises are clean, well lit, and fit for the purpose;

### 3.2.10.5 Incident reporting

Have necessary measures in place to report, record and investigate all health and safety incidents;

Report any severe incident, accident or fatality occurred in the workplace and related to the supplier's business relationship with Telia, to a Telia representative in due time through preestablished communication channels and cooperate with and support Telia in the investigation;

## 3.3 ENVIRONMENTAL REQUIREMENTS

At Telia, we prioritize suppliers that are proactive and systematic in their environmental work, committed to forcefully reducing their environmental impact. We encourage suppliers to provide ideas and innovative solutions that enable us to reduce negative impacts and maximize positive ones.

### 3.3.1 General environmental requirements

#### 3.3.1.1 Environmental management system.

Supplier shall:

Have an environmental management system (EMS) based on continuous improvements and shall fulfil the following minimum requirements;

Have a publicly available environmental policy;

Have significant environmental aspects identified, prioritized, documented and up to date;

Have an environmental program, covering but not limited to, emissions, energy efficiency, renewable electricity, materials and waste, with objectives and activities clearly stated;

Document environmental performance, processes, products and services related to above mentioned areas and upon request, provide data, information and reports in a transparent, reliable and timely manner, not carrying any extra costs for Telia;

Comply with all relevant environmental legislation, international, regional as well as local.

#### 3.3.1.2 Precautionary principle

Supplier shall apply the internationally recognized precautionary principle. This means that the supplier is responsible for always choosing products and solutions with lower environmental footprint within the context of their commercial relationship with Telia. If there is uncertainty regarding the actual environmental impact, the product or solution shall be assessed and documented. If uncertainty remain thereafter, an alternative, well-known and from an environmental perspective more safe solution shall be chosen.



### **3.3.2 Climate change mitigation**

#### 3.3.2.1 General

Supplier shall address its climate impact in a structured way, based on the following:

Supplier shall publicly commit to reduce its GHG emissions with the ambition level of meeting the 1,5-degree scenario as presented by IPCC8 (November 2018). This means at least halving GHG emissions in the supplier's whole value chain every ten years.

Supplier shall set verified science-based targets or similar (for relevant Scope 1, 2 and 3 as described in GHG Protocol Corporate Standard) by 2023.

In addition, by the end of 2022, the supplier shall have a plan in place to achieve a climate-neutral value chains by 2030 (including subcontractors).

Further requirements on energy consumption and climate mitigation may be applicable. See section 3.3.4.

#### 3.3.2.2 Transportation

Supplier shall reduce the environmental impact from transportation including but not limited to prioritizing fuel-efficient and low-emissions vehicles as means of transportation and logistics.

### **3.3.3 Circularity and waste management**

Supplier shall proactively explore and apply circular business models. This calls for activity within areas such as circular inputs (e.g. bio-based or recycled materials and renewable energy), product as a service (limiting environmental footprint by selling a function rather than a physical product), resource recovery (expanding recycling) and product use extension (e.g. extending product life time through and expanding re-use).

#### 3.3.3.1 Proactive approach to reduce waste generation – circularity.

Supplier shall assess the environmental impact of their business operations from a holistic, life cycle perspective, including but not limited to materials and energy use. Supplier shall have a proactive approach towards waste generation in relevant parts of the full value chain. This means that circular principles need to be applied already in the design phase. Other areas of interest could be modular design, design-for-disassembly and end-of-life treatment with a zero-waste perspective.

#### 3.3.3.2 Waste management

Supplier shall ensure proper waste management in line with the EU waste directive, with efforts to constantly move upwards in the waste hierarchy. This means aiming for the higher parts of the hierarchy through initiatives and efforts to prevent, re-use/re-purpose and recycle materials. Supplier must only engage recyclers with implemented environmental management system certified according to ISO 14001, EMAS or similar standards.

### **3.3.4 Specific environmental requirements**

#### 3.3.4.1 ISO certification

Suppliers involved in take-back, recycling and waste management shall be certified according to ISO 14001 or EMAS.

#### 3.3.4.2 Sector-specific requirements

Certain supplier categories shall comply with Telia's specific environmental requirements which are included in agreements when applicable.

#### 3.3.4.3 Chemicals and substances



Specific restrictions of certain substances are found in the Telia's banned and restricted substances.

### **3.4 ANTI-CORRUPTION REQUIREMENTS**

Supplier commits to work against corruption in all its forms and to commit to conduct its business operations in an ethical manner by maintaining a culture of integrity, transparency, openness and compliance. In relation therewith, subject to applicable national laws and regulations which may require higher standards than those set forth below (in which case such standard shall apply), supplier shall:

#### **3.4.1 Policy**

Have a clear policy against corruption in all its forms, including but not limited to extortion, solicitation, bribery of public officials, private sector bribery, negligent financing of corruption, facilitation payments, nepotism, fraud and money laundering;

Not directly or indirectly offer, promise, give, request, agree to accept or receive payments, gifts, any kind of undue benefits or charitable or political donations, to obtain or retain personal or business advantage, to or from any public official, employee, agent, or representative of business partners, including Telia itself, or any other third party;

Public official means any officer, employee, agent, or representative of any government, majority government-owned or controlled entity or any person acting in an official capacity, including any candidate, official, or representative of a political party.

#### **3.4.2 Anti-corruption policies and system of internal controls**

Develop and adopt transparent and auditable anti-corruption policies and procedures and adequate internal controls to prevent and detect corruption on the basis of a risk assessment. The mentioned risk assessment and policies shall address the individual circumstances of supplier, in particular the bribery risks facing supplier (such as its geographical and industrial sector of operation);

Promote employee awareness of company policies and anti-corruption procedures, adopt training programmes and disciplinary procedures. Monitor program effectiveness and enhance transparency;

Create and maintain a system of financial and accounting procedures, including a system of internal controls, reasonably designed to ensure the maintenance of fair and accurate books, records, and accounts, to ensure that they cannot be used for the purpose of bribing or hiding bribery. Not alter any record entry to conceal or misrepresent the underlying transaction represented by it;

Keep documents proving the fulfilment of its obligations during the period stated by applicable law but at least for 3 years after performance of the relevant transaction. Telia is entitled to audit the fulfilment of supplier's obligations under section 3.4 for a period of 3 years after termination of the agreement.

#### **3.4.3 Due diligence of third parties**

Ensure properly documented risk-based due diligence of third parties. Not use third parties for channelling bribes to public officials or private sector bribes or negligently finance corruption;

#### **3.4.4 Transparency, conflicts of interests**

Disclose to Telia information regarding any significant financial interest of individuals in the top management serving as public officials at public bodies or State-owned enterprises in relation to business of supplier, such as substantial ownerships, financial interests or business affiliations of individuals themselves or their family or friends in relation to supplier;

Disclose to Telia information regarding any personal affiliations between employees of supplier in the top management and Telia, such as family members, relatives and friends that might create situation of conflicts of interests;





Disclose to Telia whether any public official is engaged in the top management of the supplier and will notify Telia promptly if this changes or will change.

#### **3.4.5 Fair competition and integrity**

Conduct business operation in line with fair competition;

Not participate in any form of bid rigging or other mechanisms that limit fair competition in tender situations, any form of cartel practices with competitors, such as dividing or allocating markets or customers or price fixing.

#### **3.5 RESPONSIBLE SOURCING OF MINERALS REQUIREMENTS**

Telia recognizes the risks associated with Conflict Minerals. Mining of these minerals in e.g. the Democratic Republic of Congo (DRC) and adjoining countries, as well as other conflict-affected or high-risk countries, has been linked to armed conflict and human rights abuses, support of corruption and money laundering as well as environmental degradation. As part of our human rights agenda, we therefore require our suppliers to take steps to assure that Conflict Minerals are not used in any of the equipment we buy from them (see annex V).

