

**Approved on**  
12/06/2018**Approved by**  
Telia Company CEO**Creator**  
Chief Sourcing Officer  
Telia Company Sourcing

## **Telia Company Supplier Code of Conduct**

Telia Company is a leading provider of information and communications technology (ICT) services and a vital part of the social and economic infrastructure in the markets where we operate. We provide services that help people and companies communicate in a simple and effective way, when and where needed.

In our journey toward becoming the New Generation Telco, we strive to act with integrity by ensuring that decisions we make is responsible and ethical. Our values Dare, Care and Simplify and our purpose “Bringing the World Closer” form the foundation of our everyday work and drive our effort to run a responsible business and contribute to an overall sustainable industry and supply chain. We dare to raise our voice and address malpractices in our industry and we dare you to do the same – together with us.

We acknowledge the complexity of our global supply chain and risks we face together. Therefore we have created this Supplier Code of Conduct to clarify the requirements our suppliers must comply with when doing business with us. We recognize that in some cases, it will be challenging to meet these requirements, but we are committed to supporting you and together our joint efforts will contribute to strengthening sustainable business practices in the industry. We will work together in order to maintain high ethical standards and conduct business in a responsible way.

We believe that the requirements in this Supplier Code of Conduct are the way toward a prosperous collaboration. We believe that aligning expectations and requirements ensures effectiveness, mutual value creation and positive societal development.

**Company information**

Telia Company AB  
Stjärntorget 1 SE-169 79 Solna, Sweden  
Registered office: Stockholm  
Business ID 556103-4249 VAT No. SE556103424901

## 1 Telia Company commitments

Telia Company is committed to responsible business and adheres to a number of international declarations, conventions and guidelines on human rights, labor rights and conditions, environmental responsibility and anti-corruption. These include:

- The United Nations' Universal Declaration of Human Rights
- The Core Conventions of the International Labour Organization
- The OECD Guidelines for Multinational Enterprises
- The UN Guiding principles on Business and Human Rights
- The United Nations Global Compact Principles
- Children's Rights and Business Principles

These international standards form the foundation of our Code of Responsible Business Conduct, and are the standards which our internal policies are harmonized with.

## 2 General conditions

### 2.1 Scope

This Supplier Code of Conduct specifies requirements applicable to Telia Company suppliers conducting business with or on behalf of Telia Company. For the purposes of this document, the following terms and definitions apply:

- The term 'supplier' includes suppliers as well as their subsidiaries, agents, affiliates and sub-contractors.
- The term 'employees' includes regular employees and consultants, regardless if they are permanently employed, temporarily contracted, directly employed, students or supervised.
- Telia Company Supplier Code of Conduct is henceforth referred to as 'the Supplier Code.'

### 2.2 Compliance

Supplier shall, comply with all applicable laws and regulations and the requirements set out in this Supplier Code being understood that compliance with the requirements set forth in this Supplier Code is mandatory, even when these requirements stipulate higher standards than those required by national laws or other applicable laws and regulations. Suppliers are strongly encouraged to observe international and industry standards and best practices. References to relevant standards are provided in the respective chapters stipulating requirements.

It is the supplier's responsibility to enforce and verify legal compliance and compliance with this Supplier Code within its own operations and through its supply chain. In case of conflict between requirements under national law and those of the Supplier Code, suppliers shall without undue delay consult with the relevant Telia Company entity.

Telia Company reserves the right to verify compliance with the Supplier Code through a combination of dialog and internal or external assessment mechanisms. The supplier shall therefore maintain relevant and complete documentation and records to show such compliance.



## 2.3 Structured management approach

Suppliers shall establish clear goals toward meeting the requirements set forth in this Supplier Code. Suppliers 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. Suppliers shall have or work toward a culture of continuous improvement in developing and implementing measures to ensure they align with the requirements set forth in the Supplier Code. Suppliers should also have in place adequate remedial mechanisms in case of any violations of these requirements.

Suppliers are responsible for being updated about new or revised requirements in future revisions of the Supplier Code, available at: [www.teliacompany.com/en/sustainability/supplier-portal/](http://www.teliacompany.com/en/sustainability/supplier-portal/)

## 2.4 Reporting and communication

Suppliers shall immediately report existing and/or suspected violations of applicable laws, regulations and the Supplier Code to a Telia Company representative or anonymously through our secure web portal [Speak-Up Line](#) or email: [speak-up@teliacompany.com](mailto:speak-up@teliacompany.com) Telia Company will closely monitor non-compliance with the Supplier Code. Suppliers shall keep accurate, timely and relevant information on compliance performance and progress and make it available to Telia Company upon reasonable request. Your reports will be handled confidentially and Telia Company prohibits any retaliation related to reported concerns made in good faith.

## 2.5 Audit right

Buyer shall be entitled to perform audits at Supplier's premises or sites and/or at Buyer's premises or sites regarding Supplier's proper fulfilments of the Supplier Code.

## 2.6 Termination

Any breach by Supplier, of the requirements of the Supplier Code, which is not considered insignificant, shall give Buyer the right to immediately terminate its agreement(s) with Supplier, without prejudice to any other rights and remedies available.

# 3 Requirements

## 3.1 Human rights

Aligned with the UN Guiding Principles on Business and Human Rights, Supplier commits to respect human rights within its business operations. All employees shall be treated with respect and dignity and are entitled to fundamental human rights. 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:

### 3.1.1 Policy and due diligence

Have in place a policy and due diligence processes to understand any adverse human rights impacts with which it may be involved;



Communicate and address any potential or actual adverse human right impacts by taking appropriate steps to avoid, minimize and/or mitigate them;

### **3.1.2 Freedom of expression and privacy**

Ensure that products and business processes respect the human rights aspects of privacy and freedom of expression;

Not, obstruct or interfere with, or retaliate against, freedom of expression or privacy rights;

Respect the privacy rights of employees, customers and other stakeholders whenever it gathers personal data or implements employee monitoring practices;

### **3.1.3 Diversity and non-discrimination**

Promote diversity and equal opportunities for all employees;

Have zero tolerance toward discrimination in hiring and any other employment practices on the grounds of ethnicity, gender, sexual orientation, marital, social or parental status, religious belief, political belief, nationality, disability, age, union affiliation or any other relevant 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 psychological, physical, sexual or verbal abuse, intimidation, threat or harassment.

## **3.2 Labor rights**

Aligned with ILO's International Labour Standards, Supplier commits to uphold decent labor standards and provide a work environment for its employees to obtain decent and productive work, in conditions of freedom, equity, security and dignity. 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:

### **3.2.1 Employment agreement**

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 own language;

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;

### **3.2.2 Working hours**

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 12 hours per week, unless otherwise regulated in collective bargaining agreements;

Provide employees at least one day off in every seven-day period, leave periods and time off for legally recognized holidays;

### **3.2.3 Wages**

Provide all employees, a living wage, sufficient to meet the basic needs of employees and to provide some discretionary income and when applicable, 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;

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

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

### **3.2.4 Child labor**

Define anyone under the age of 18 to be a child being understood that children under the minimum legal working age in the relevant territory or fifteen (15) years old, whichever is higher, are strictly forbidden to be used in any phase of business operations;

Not to exploit young workers with work that keeps them away from schooling that they are entitled to, nor perform night shifts and overtime nor 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 the 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 clearly beneficial to the participating individuals;

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

### **3.2.5 Forced labor**

Take active measures to ensure no use of any form of slave, forced, bonded or indentured labor, or human trafficking, in any phase of business operations. 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;



### **3.2.6 Freedom of association**

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;

Maintain an effective and confidential grievance mechanism that facilitates open communication between management and workers and addresses concerns early, openly, on an informed basis and encourage employees to use grievance mechanisms without fear of punishment or retribution.

## **3.3 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:

### **3.3.1 Health and Safety management system**

Maintain a health and safety management system, 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, mechanisms for monitoring, measuring and improving the system itself;

### **3.3.2 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;

Ensure that employees, visitors, contractors and any subcontractors working on supplier's behalf, have access without any charge to these safety measures and that they are sufficiently trained in how to use them;

### **3.3.3 Emergency preparedness**

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

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



### **3.3.4 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;

### **3.3.5 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 Company, to a Telia Company representative in due time through pre-established communication channels;

Cooperate with and support Telia Company in the investigation of all material incidents.

## **3.4 Anti-corruption**

Aligned with the 10<sup>th</sup> Principle of the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises, 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 offer, promise, give, request, agree to accept, receive payments, gifts, any kind of undue benefits, charitable or political donations, directly or indirectly, to obtain or retain personal or business advantage from any public official, individual, employees of business partners, including Telia Company itself;

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

Develop and adopt transparent and auditable anti-corruption program and adequate internal controls to prevent and detect corruption on the basis of a risk assessment addressing 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 program, 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;

### **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 Company information regarding any financial interest of individuals serving as government 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 Company information regarding any personal affiliations between employees of supplier and Telia Company, such as family members, relatives and friends that might create situation of conflicts of interests;

### **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 Environment**

The supplier commits to operate in an environmentally responsible and efficient manner. 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:

### **3.5.1 Environmental management system**

Have in place an environmental management system based on continuous improvement and international standards. Certification according to ISO 14001 or EMAS is mandatory for suppliers involved in take-back, recycling and waste management;

### **3.5.2 Precautionary principle**

Apply the precautionary principle by refraining from using substances, materials or processes where there is uncertainty regarding the negative environmental impact;

### **3.5.3 Life cycle approach**

Assess the environmental impact of its business operations from a life cycle perspective, including means of assembly and end of life treatment where relevant. If requested by Telia Company, the Supplier undertakes to take back products out of service for reuse/recycling;





### **3.5.4 Waste management**

Ensure proper management and recycling of waste in an environmentally sound and traceable manner;

### **3.5.5 Monitoring and reporting**

Measure, follow up and report, if requested by Telia Company; environmental performance, processes, products and services provided in a transparent, reliable and timely manner;

### **3.5.6 Transportation**

Reduce environmental impact from transportation whenever possible including but not limited to prioritization of fuel-efficient and low emissions vehicles as means of transportation and logistics.

## **3.6 Responsible sourcing of minerals**

Supplier commits to work proactively to ensure that minerals in its products and its supply chain are responsibly sourced. 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:

### **3.6.1 Policy and due diligence**

When applicable, have a policy and due diligence frameworks in place, consistent with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas;

### **3.6.2 Assessment of mineral supply chain**

Take necessary steps in its supply chain to identify components, materials and/or products that may contain unsustainably mined minerals, meaning minerals excavated at high environmental and/or social costs, or conflict minerals, meaning minerals that may directly or indirectly contribute to the financing of armed conflict, serious human rights violations and serious environmental damage;

### **3.6.3 Responsible sourcing practices**

Promote responsible sourcing practices in its own mineral supply chain with the aim of sourcing conflict-free minerals and avoid unsustainably mined minerals;

Support relevant industry efforts to eradicate the use of conflict minerals and develop responsible sourcing practices.

