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Owner  
Christian Luiga  
Head of Group Finance

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## GROUP POLICY – PROCUREMENT

### Background and description

#### Background

This document constitutes a Group Policy related to Procurement and is a binding document for Telia Company AB, its Subsidiaries and its Joint Operations (“Telia Company”).

Terms that start with a capital letter in this Group Policy shall have the defined meaning set out in the Delegation of Obligations and Authority.

#### Description

The procurement activities shall strengthen Telia Company competitiveness and profitability by providing a sustainable competitive cost level and minimizing business risk, securing the right quality and fulfilling Telia Company demands on specification, sustainability and supply.

### Scope and purpose

#### Scope

This Group Policy applies to Telia Company AB and to its Subsidiaries and Joint Operations as their own binding policy<sup>1</sup>. In addition, the Telia Company Group works towards adopting this Policy’s principles and objectives in all other operations in which Telia Company has ownership interests.

This Group Policy is part of the Group Governance Framework, which includes without limitation:

- a) Code of Ethics and Conduct, Purpose, Shared Values, Focus Areas, Strategy, Group Policies, and Instructions for the CEO as approved by the Board;
- b) Decisions made by the CEO, and Group Instructions and the Delegations of Obligations and Authority as approved by the CEO; and
- c) Group Guidelines as approved by the Heads of Group Functions.

This Group Policy will be followed by one or several Group Instructions and Group Guidelines relevant for the topic this Group Policy covers.

#### Purpose

The purpose of this policy is to provide a single point of reference and direction for Telia Company’s procurement activities. The purpose is also to provide all employees, conducting procurement-related activities, with a clear understanding of the procurement principles.

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<sup>1</sup> Once formally adopted by the local board of directors if required

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Details regarding the implementation of this Policy are set forth in a separate instruction (the “Group Instruction – Procurement”).

## Principles

The following principles shall apply for the Procurement activities under this Group Policy:

### Sustainability in procurement

All procurement activities shall be conducted in such a way that Telia Company meets its ethical, environmental and social sustainability standards across the entire supply chain.

### Ethics in procurement – Code of Conduct

Telia Company is committed to conduct business responsibly. Telia Company focuses on long-term and good business relations as well as on healthy cooperation. Telia Company’s commitment to sustainability covers the whole supply chain where Telia Company’s suppliers are expected to meet the same high standards.

All employees and consultants within Telia Company involved in procurement activities shall adhere to the Telia Company Code of Ethics and Conduct. Telia Company suppliers are expected to comply with the Telia Company Supplier Code of Conduct.

### Professional organization

Telia Company shall interact with suppliers in such a way that Telia Company are to be viewed as fair and professional, operating to the highest standard of business ethics and procurement practices.

The CPO is responsible for the procurement-related processes and tools. The procurement activities shall be based on standardized common processes and tools, rules and governance framework.

### Procurement leverage

Telia Company shall to the extent possible leverage its total procurement power (e.g. scope, size and spend volume) and perform joint procurement activities across Telia Company companies, countries and functions.

### Procurement under competition

Telia Company shall always promote and ensure fair competition. Competitive bidding is the standard mode of achieving competition. When selecting suppliers, long-term continuous access to the best suppliers, products/services at the lowest total lifecycle cost and fulfilment of sustainability requirements must be guaranteed.

In order to maintain continued competition and reduced risks single source suppliers shall be avoided where possible.



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## Segregation of duties

An adequate level of segregation of duties shall be established in all relevant parts of the procurement processes. Neither any individual employee nor any individual business function shall hold all the basic roles, responsibilities and decision rights for any procurement transaction or decision, e.g. definition of business needs vs. supplier selection or requesting a purchase vs. approving the purchase order.

## Written agreements

To mitigate risk, define responsibilities and liabilities, Telia Company shall have written agreements and purchase orders referring to terms and conditions with all suppliers.

These principles apply to the extent that they do not place Telia Company in violation of domestic laws and regulations.

## Roles and Responsibilities

Each Executive Vice President, Senior Vice President and Vice President reporting to the CEO of Telia Company is responsible for ensuring that this Group Policy is duly communicated and implemented, and that the employees within his/her area of responsibility are familiar with and follow this Group Policy.

All Telia Company employees are however individually responsible for reading, understanding and following this Group Policy. Each employee is also obliged to speak up and raise concerns about actual or possible violations of this Group Policy.

The Chief Procurement Officer (CPO) is responsible for all procurement activities within Telia Company, and for compliance with this policy and its instructions, securing clear segregation of duties between decision of the needs and supplier selection. The group procurement function will be divided into a central Group Procurement organization and a local country organization.

The procurement function, as per delegation from the CPO, shall be responsible for all purchases and all supply contract negotiations and signing of agreements with suppliers within Telia Company, in close collaboration with relevant stakeholders. Exceptions to this can be given by the CPO only and as defined in the Group Instruction – Procurement.

Notwithstanding the above, each functional head in Telia Company is responsible for ensuring that this policy is duly communicated, implemented and complied with in his/her unit(s) and by all its employees.

## Exemptions

If any Telia Company Subsidiary or Joint Operation would like to adopt a corresponding Group Policy with exemptions from this Group Policy, such exemption(s) must be approved by the Board of Telia Company AB.

