

SUPPLIER CODE OF CONDUCT

GUIDANCE FOR MAKEDONSKI TELEKOM SUPPLIERS

The management of Makedonski Telekom (hereinafter: Telekom) is committed to conduct business with the highest level of awareness, commitment, and adherence to applicable laws and regulations and to the highest level of standards of ethical business conduct. Because of its size, Makedonski Telekom has an impact on several other stakeholders in economy, thus the scope of its responsibility cannot be limited by the boundaries of Telekom. Telekom works together with several hundreds of suppliers, including big international corporations and numerous local small and medium size enterprises. Besides, it is also important to establish business contacts with such other companies, whose economic, social and environmental performance is up to the strictest ethical standards.

WHAT ARE THE MAIN GUIDELINES TO BE FOLLOWED BY MAKEDONSKI TELEKOM'S SUPPLIERS?

CODE OF CONDUCT

Telekom's Code of Conduct outlines the rules of ethical and lawful business conduct and lays down the basic principles of business relations with suppliers (e.g. prohibition of active and passive corruption, clean procurement, regulation of conflicts of interest).

The document is available on our website under the following link:

<https://www.telekom.mk/Code-of-Conduct.pdf>

CODE OF HUMAN RIGHTS AND SOCIAL PRINCIPALS

The standards set out in the Code of Human Rights and Social Principles (eg.: refusal of discrimination, enforcement of human rights, support of equal opportunities, rejection of forced labor) are mandatory for the entire DT group. The Code is based on internationally accepted norms, guidelines and standards of the International Labor Organization's fundamental conventions and Multinational Corporations declaration, the OECD Guidelines, the Global Compact and the UN Principles governing Business and Human Rights.

The document is available under the following link:

<https://www.telekom.mk/Code-of-Human-Rights-Social-Principles.pdf>

SUSTAINABILITY

Sustainability and the recognition of the link between the environment, society and economy as well as an active and positive participation in this effort are among the company's long-term strategic principles therefore Telekom is committed to cooperate with its partners in the spirit of the above both in North Macedonia and in all other countries where Telekom cooperates with other entities or businesses. Besides, Telekom uses its best endeavors to ensure that its suppliers operate in conformity with sustainability standards therefore audit, assessment and qualification is made with their active cooperation from a sustainability perspective as part of which the parties jointly manage sustainability incidents and improve their processes. Climate and environment protection considerations are of key importance therefore as a responsible company Telekom uses its best efforts to ensure that the technologies applied have the least possible impact on the environment.

Make Telekom's policies and directives connected with sustainability:

- Diversity and Corporate Responsibility Report: <https://www.cr-report.telekom.com/site19/national-companies#north-macedonia-makedonski-telekom>
- Makedonski Telekom's Environmental Policy: <https://www.telekom.mk/Health-Safety-and-Environmental-Policy-of-MKT.pdf>
- Financial Code of Ethics: <https://www.telekom.mk/Financial-Code-of-Ethics.pdf>
- Makedonski Telekom's Quality Policy: <https://www.telekom.mk/Quality-Policy-of-MKT.pdf>

Makedonski Telekom declares that they pursue their activities according to the above principles and expect the same from all colleagues and partners.



WHERE ARE THE MOST IMPORTANT CONNECTION POINTS BETWEEN TELEKOM AND ITS SUPPLIERS IN THEIR DAY-TO-DAY COOPERATION?

Besides the above guidelines there are practical rules too to regulate the cooperation of Telekom and its suppliers. We deem it important that not only Telekom employees know these rules but our suppliers also understand and accept the necessity of the below terms and framework of our cooperation.

NECESSITY OF DUE DILIGENCE

Prior to concluding contracts that incur payment obligation for Telekom it is necessary to audit the contractual partner so that Telekom may ascertain the business eligibility of suppliers, their future performance potential as well as their professional and ownership background. To this end Telekom requests the submission of company registration and other documents and in certain cases may also request further statements from the person authorized to make legally binding statements on behalf of the company. This due diligence procedure is not only applicable to the registration of new suppliers but existing partners may also be subject to regular and repeated audits.

Telekom requests its partners to cooperate with the company's employees during the due diligence process to create and maintain a fruitful business relation.



ANTI-CORRUPTION CLAUSE IN TELEKOM CONTRACTS

Telekom does not tolerate intention or transaction on corruption; therefore several internal policies and procedures have been developed to prohibit and prevent bribery (including making facilitation payments). Telekom expects its business partners and suppliers to similarly refrain from the unlawful use of money or other compensation paid by Telekom (including the violation of anti-corruption laws). Prior to making this commitment, as part of the supplier prequalification and you diligence process, suppliers have to be aware of and accept Telekom's anti-corruption clause which is a mandatory element of all contracts. Please, review the clause carefully and notify us if a public official is involved in your operation.

The violation of the anti-corruption is regarded as the breach of contract.

The clause is available under the below link:

<https://www.telekom.mk/Anti-corruption-clause-MKT.pdf>



OFFERING, ACCEPTING GIFTS, INVITATION TO EVENTS AND OTHER ADVANTAGES

The offering of gifts and invitations (or any other benefit) is generally approved to cultivate good business relations, however, the partners have to know and respect each other's internal regulations.

It is important for Telekom employees that gifts and invitations should not be frequent, they should not be requested by the recipient, their value should not be lavish and must not influence business decisions, it is important to avoid even the pretense of any attempt to unfairly influence the business partner.

According to Telekom's internal regulations the acceptance of gifts and invitations in excess of a certain value requires the approval and decision of the manager of the recipient therefore Telekom request its partners to observe our internal regulations applicable to the conduct of Telekom employees.



In case of any questions you can turn to the Compliance unit via ask.compliance@telekom.mk.

Complaints about fraudulent activities can be reported to the Tell me! whistleblower portal, address: Kej 13 Noemvri, No.6, 1000 Skopje, tel.: +389 2 3242530, email: tell.me@telekom.mk.



СПОДЕЛИ ДОЖИВУВАЊА