

## **Suppliers Code of Conduct**

BH Telecom, as the leading operator in Bosnia and Herzegovina providing high quality and most up-to-date services in the field of telecommunications, has accepted the Ten Principles of UN Global Compact. We have supported these basic principles referring to human rights, work standards, environmental protection and anti-corruption through implementation of the corresponding ethical and moral standards in our business operations.

These principles also have the key role in the relationships between BH Telecom and its suppliers<sup>1</sup>, so they are included in the Suppliers Code of Conduct. Our suppliers (including their managing authorities, employees, representatives and subcontractors) must implement below stated principles in their supply chain.

### **1. Law Application**

We expect for our suppliers to behave ethically and correctly while doing their job applying all international, national and local laws and regulations in their market activities. If legislation or other rules, being different from the provisions of the Suppliers Code of Conduct, are applied in the countries where a supplier operates, the rules which are more stringent will apply.

### **2. Social Responsibility**

#### **2.1. Freedom of Association and Right to Collective Negotiations**

Suppliers will obey labor rights to associate freely and to join trade unions pursuant to valid laws and conventions of the International Work Organization (IWO). Employees must have a free communication with the management about their work conditions, without fear of revenge, intimidation and harassment.

#### **2.2. Child Labor**

In compliance with the conventions of the International Work Organization (IWO) and Article 32. of the UN Convention on Rights of Children (UNCRC), it is strictly forbidden for children to work in any production phase performed by the suppliers and their subcontractors.

#### **2.3. Differences and Discrimination Suppression**

Suppliers will ban discrimination based on race, skin color, age, sex, sexual orientation, ethnicity, disability, religion, political affiliation, trade union memberships, marital status at employment and procedures related to employees, so promoting differences and equal opportunities during employment.

#### **2.4. Salaries and Allowances**

Suppliers will provide salaries and allowances for employees in accordance with applicable national legislation, including those referring to minimum salary, compulsory social security contributions, overtime payment and other allowances, avoiding any salary deductions as disciplinary measures.

<sup>1</sup> "Supplier" means a distributor of goods and services. These principles can be defined in more details in contracts with suppliers.

## **2.5. Working Hours**

Working hours, including overtime, must comply with applicable national legislation. If there is no legal framework, standards of the International Work Organization (IWO) will apply. Pursuant to national legislation, overtime will be paid at prices being higher than the prices paid for regular working hours.

## **2.6. Health and Security**

Suppliers should take responsibility for health and security of their employees, provide a safe and healthy work environment for them, minimize work risks, give up from utilization of raw materials and work equipment detrimental to health and take the best possible measures to prevent injuries at work place and professional diseases.

## **3. Environmental Protection**

Environmental protection and conservation of natural resources have a high position on the scale of priorities for BH Telecom. Accordingly, we expect from our suppliers to implement valid regulations and environmental protection standards. During a product development, production and utilization it is important to minimize greenhouse gas emissions and to reduce their harm to public health and environment to minimum possible level. We expect for our suppliers to use resources sparingly in order to reduce environmental burden in the air, water and on earth. We expect for our suppliers to take into consideration reusing, recycling and harmless and ecologically acceptable waste removal while developing, producing and using a product, the same as with other activities.

We expect for our suppliers to implement all applicable legal regulations and requests with respect to product safety, especially in terms of security, marking and packaging, as well as utilization of dangerous substances and materials. Suppliers share their know-how with their clients, own suppliers and third persons, and they inform BH Telecom pro-actively and transparently about security and ecological aspects of their products.

## **4. Forbidden Business Practices**

### **4.1. Corruption**

Suppliers with which BH Telecom cooperates consistently implement zero tolerance for corruption. Supplier will refrain from any type of corruption or activity which could be potentially understood as follows:

- a) promising, offering, giving and receiving a bribe,
- b) non-compliant promising, offering, giving and receiving a gift,
- c) misappropriation and unauthorized usage of other people's property,
- d) direct or indirect promising, offering, giving and receiving of benefits for illegal mediation, awarding and keeping operations/contract, contract conclusion under more favorable conditions, avoidance of supervision of contractual obligations performance or other behavior, i.e. failure causing a damage to other contracting party or enabling illegal gain for the representative of one of contracting parties, its agent, representative, seller or other legal or physical person being related to one of contracting parties in any way.

## **4.2. Competition**

Supplier will obey the rules of free and fair competition in all business relationships and he will not misuse his eventual dominant position in the market. Supplier will not attempt to include in his contracts with BH Telecom the conditions contrary to market competition regulations.

## **4.3. Sponsorship**

All supplier's sponsorships must be in compliance with applicable legislation.

## **4.4. Money Laundry**

We expect for our suppliers to fulfill legal obligations regarding prevention of money laundry and not to take a part in money laundry activities.

## **4.5. Conflict of Interests**

Supplier will avoid conflict of interests possibly resulting in corruption. Supplier is obliged to inform BH Telecom in writing, without a delay, about circumstances in which personal interest influences or makes impression that it influences on contractual relationship between the parties, as well as circumstances which influence or could influence on evaluation, objectivity or loyalty of individuals acting for account of BH Telecom. If a supplier is also BH Telecom customer, he will not make efforts to gain unjustifiable advantage and will keep procurement and sales strictly separately.

## **4.6. Data, Trade Secrets and Company's Property**

Suppliers are obliged to keep confidential all data about contract or order, being familiarized with during operations/contract implementation within their business cooperation with BH Telecom, without disclosing them to third persons. Supplier will not use or process all data he received (including also personal data) contrary to applicable laws.

## **5. Supervision and Audit**

### **5.1. Supervision**

In order to ensure implementation of principles stated in this Code, supplier will make available all documents important for establishing harmonization in the contract period and he will inform BH Telecom, without a delay, on his findings about any discrepancy with the principles and corrective measures being adopted for the purpose of implementation of the principles.

### **5.2. Audit**

BH Telecom and/or its authorized representative are entitled to supervise suppliers in order to make an efficient evaluation of their real harmonization with the principles. It includes the right of BH Telecom and/or its authorized representative to make audits such as field inspections, other party's audit, inquiries and/or interviews with selected employees in the supplier's premises, construction sites and/or other locations where the supplier operates. Supplier gives his consent for BH Telecom to ask for and get additional information (e.g. EcoVadis self-assessment) if he finds necessary. In the case of any discrepancy with above principles, the supplier will take corrective measures and inform BH Telecom about it. BH Telecom will make regular evaluations of the main suppliers' risks as a self-assessment, fact-finding or audit. BH Telecom suppliers will have the guidelines about the method for suppliers' validation available regarding their compatibility with this Code.

BH Telecom preserves the right to terminate its business relationship with the suppliers knowingly breaking this Code and its principles. While selection of the most favorable supplier BH Telecom preserves the right to exclude the suppliers not implementing the main principles of this Code.

General Manager

Sedin Kahrیمان, MS.Tr.&Comm.

Sarajevo, 16 Oct., 2020