



TelekomSlovenije

**CODE OF  
ETHICS  
OF THE  
TELEKOM  
SLOVENIJE  
GROUP**



Esteemed readers,

The Code of Ethics of the Telekom Slovenije Group sets out the guiding principles of our operations and the Telekom Slovenije Group's responsibilities in its mutual internal relationships, and in relationships with the users of our services, shareholders, the social and natural environment in which we operate and all other stakeholders who establish relationships of various forms with the Group.

In our work, we strive for tolerance, mutual respect and the respect of basic human rights. We promote fair and ethical treatment, and operations that comply with valid legislation. Our aim is to achieve established business objectives, and thus the business interests of the Telekom Slovenije Group as a whole.

Contemporary forms of communication are constantly changing, while both the Group and the users of its services are spurred to change by technological changes. To that end, it is important to build the Telekom Slovenije Group's reputation through ethical behaviour and conduct. Our reputation facilitates the successful fulfilment of our mission, and the establishment of honest relationships that all of the Group's stakeholders expect from us, in accordance with values that we believe in.

**Rudolf Skobe, MSc**

President of the Management Board



## 1. TOWARDS A CODE OF ETHICS

The Telekom Slovenije Group develops the most advanced digital technologies and services that are changing the world. With our knowledge, and through carefully planned development and a clear view to the future, we simplify the lives of our users and ensure them security and reliability at all levels of our operations and services. We believe in simple and secure solutions, and act prudently and responsibly in our everyday work to achieve that end.

The purpose of the Code of Ethics of the Telekom Slovenije Group (hereinafter: the Code) is to provide unambiguous information and keep the Group's employees abreast of both the basic ethics and legal guidelines that we respect in our work. Certain areas covered by the Code are defined in more detail in internal acts that are complied with full, together with the Code.

Whenever we find ourselves in a dilemma, we should ask the following questions:

- Will my conduct and behaviour have a positive impact on the Telekom Slovenije Group's reputation in the eyes of the public?
- Is my conduct legal?
- Is my conduct in line with internal acts?
- Is my conduct in line with my own personal values and the values and principles of the Telekom Slovenije Group?

The Code applies to all employees and all others who work in some capacity with Telekom Slovenije Group companies, regardless of the legal basis for cooperation, type of job or location of work. The Code uses a single term – employees – for both employees and others who work with the Group.



# RESPONSIBILITY TO THE TELEKOM SLOVENIJE GROUP

We are efficient, professional, reliable, responsible and fair in our work, and conduct ourselves in accordance with the principles of a good manager.

## 2. RESPONSIBILITY TO THE TELEKOM SLOVENIJE GROUP

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We perform our work in accordance with the objectives of the Telekom Slovenije Group, and our own personal and professional development. We are efficient, professional, reliable, responsible and fair in our work, and conduct ourselves in accordance with the principles of a good manager. We strive for business excellence every day, at all levels of our operations. Through their conduct, supervisors serve as an example to employees, who they brief on the content of the Code and to whom they offer assistance whenever they are asked.

### **We respect the dignity of every individual**

Mutual relationships are based on mutual respect and on respect for the dignity of every individual. We reject all forms of bullying, harassment or discrimination on the basis of gender, race, skin colour, age, state of health, religious, political or other conviction, national and social origin, financial status, sexual orientation or other personal circumstances.

### **We create a work environment in which open mutual relationships are prevalent**

We create a safe, motivational and positive work environment, as we believe that open and honest mutual relationships contribute to business excellence. We encourage the exchange of opinions as a way to find the best solutions to achieve established objectives. To that end, mutual communications are respectful and professional.

We promote innovation, self-initiative, creativity and the search for solutions, while ensuring continuous professional and personal development.

### **We are responsible for the assets that serve as the basis for our competitiveness and commercial success**

We protect the assets of the Telekom Slovenije Group, and handle them with the care and diligence of a good manager. The value of assets, which include property, plant and equipment, business information and industrial property, serve as the basis for our competitiveness and commercial success.

We handle the assets that we use on a daily basis diligently

and responsibly. Every employee is responsible for assets made available to him or her and those assets are protected in accordance with the security policies governing individual areas of our operations. This includes the protection of trademarks, ideas, research, innovative solutions and other information. If we identify events or situations that could result in a loss, abuse, damage to the Group's reputation, or in damage to, the destruction or theft of the Telekom Slovenije Group's assets, we inform our supervisor accordingly.

### **We carefully protect personal data, information and business data**

We handle the personal data of employees, users, business partners and other stakeholders to which we have access on account of the nature of our work with the utmost care, conscientiously and responsibly, and in accordance with the highest level of sensitivity and integrity. We are aware that personal data and the privacy of the individual are basic human rights. We therefore protect such data to prevent access to them by unauthorised persons.

We apply the principle of confidentiality whenever we handle information or business data. We respect rules governing the protection of personal data, trade secrets and information security. We do not disclose confidential or business data, in material or dematerialised form, to third persons or persons not authorised to receive such data. The disclosure of business information could cause direct commercial damage to the Telekom Slovenije Group, or cause damage to its reputation or a loss of trust in the Group. Confidential data are protected, regardless of how they are obtained.

Business documentation is retained for legally prescribed periods. To that end, we are responsible for ensuring that

business documents are not destroyed, concealed, damaged or made unusable in any other way.

### **We separate business life from private life**

The employees of the Telekom Slovenije Group are socially active, and participate in various volunteer organisations and social initiatives in their free time. We participate in such activities strictly on our own behalf, and separate our private lives from our business lives. The property and premises of the Telekom Slovenije Group are not used for personal activities, nor do employees involve Telekom Slovenije Group companies in their private lives. Political beliefs and opinions, and views about various social topics are expressed strictly on our own behalf.

We express our own opinions and points of view via communication on social networks. Our private posts do not disclose trade secrets, commercial agreements or other information that we have gained knowledge of in the workplace. Our private profiles also maintain a respectful and dignified tone of communication.



## RESPONSIBILITY FOR FAIR AND TRANSPARENT OPERATIONS

Fairness and transparency allow us to ensure the long-term success of our operations, as well as to maintain the trust of stakeholders and build the reputation of the Telekom Slovenije Group.

### 3. RESPONSIBILITY FOR FAIR AND TRANSPARENT OPERATIONS

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Our operations are based on ethical principles, and on fairness and transparency. In this way, we ensure the long-term success of our operations, maintain the trust of all stakeholders and build the reputation of the Telekom Slovenije Group.

#### **We strive for integrity, and for fair and transparent operations in accordance with the law and regulations**

The communication of data and information regarding our operations, both within and outside the Telekom Slovenije Group, is always truthful, precise, timely and honest. We do not tolerate the concealment from or provision of false data to management or other stakeholders.

Business documents, books of account, and financial and audit reports are maintained in accordance with the highest standards of corporate governance, taking regulations and valid legislation into full account. Data and/or information are disclosed in accordance with national regulations and the requirements of the consolidated reporting of the Telekom Slovenije Group. We are bound to the full, honest, timely, precise and clear disclosure of business information, which we publish in accordance with the law.

We report on the operations of companies whose securities are traded on the regulated market in accordance with stock exchange rules on notification. We are especially careful to follow the principle of the equal notification of shareholders.

We cooperate with the competent supervisory authorities and institutions in supervisory procedures, taking into account regulations governing the protection of confidentiality and the scope of powers and competences of supervisory bodies. We are careful not to work with or assist persons who wish to mislead stakeholders by providing incomplete or misleading information.

The Telekom Slovenije Group advocates professionalism and integrity in relationships with all stakeholders: employees, users, shareholders, owners, investors, analysts, regulatory authorities, the media, competitors, suppliers and other business partners. In mutual relationships, we strive to conduct ourselves in accordance with the principles of a good

and responsible expert, honesty and respect. We ensure that employees carry out their tasks, authorisations and responsibilities in accordance with valid legislation and the internal acts of a specific company, and with the codes and recommendations that are relevant for our areas of business.

We are aware that compliance means ensuring the highest standards of corporate governance and operations in accordance with international professional standards and best business practices, and with transparent, ethical and socially responsible conduct.

#### **We avoid conflicts of interest and the pursuit of personal interests**

In our work, the interests of the Telekom Slovenije Group always come before our personal and financial interests. We avoid activities and situations in which our personal interests could have a direct or indirect effect on the decisions we make or that could affect in any way the operations of the Telekom Slovenije Group. We also avoid situations that could give the impression that our business decisions are under the influence of personal interests. Conflicts of interest can affect our business judgement, endanger the reputation of the Telekom Slovenije Group and expose it to risks. We therefore avoid conflicts of interest to the greatest extent possible. If a conflict of interest arises [i.e. a case involving a supplier or other party in which we have a personal investment or with whom we make a decision regarding the conclusion of a transaction], we inform our supervisor accordingly without delay.

Employees may not be direct or indirect [via any related party] partners in companies nor perform any activity independently that represents a competitive activity to Telekom Slovenije Group companies. Management may decide otherwise on a case-by-case basis, taking into account the circumstances. Employees report all such potential ownership links or activities to their supervisor or the Compliance Committee in writing

without delay.

Employees do not perform activities that might be counter to the interests of the Telekom Slovenije Group. All supplemental activities performed in exchange for payment, and any related changes thereto, are reported to our supervisor or the Compliance Committee without delay.

#### **Gifts and hospitality**

We do not permit our work-related and/or business decisions to be affected by gifts, favours and hospitality provided by third persons. Employees may accept from or offer to third persons a gift or hospitality appropriate to the circumstances, provided that the value of the gift or hospitality [1] does not exceed legally prescribed limits and [2] if the acceptance or offering of a gift or hospitality does not raise concerns that such an act could affect the recipient's decisions regarding work-related or business matters [appropriate gift and/or hospitality]. We regularly inform our business partners and all other stakeholders with whom we cooperate in our work about the aforementioned practice.

#### **Prevention of corrupt practices**

The Telekom Slovenije Group does not condone corrupt practices and applies a zero-tolerance policy in that regard. According to the Group's definition, corrupt practices include offering and accepting bribes, and other acts whose aim is to gain or attempt to gain an advantage or benefit for oneself or a third party through the abuse of powers or position. Benefits may be pecuniary or non-pecuniary [services, favours or items] and whose aim is to influence our business decisions or the business decisions of others.

## **We carefully protect inside information**

We handle inside information that could affect the price of our securities or other financial instruments carefully, lawfully and fairly.

Inside information is any information that indirectly or directly affects the operations of Telekom Slovenije Group companies or the Telekom Slovenije Group as a whole, and the public disclosure of that information could affect the price of securities or other financial instruments. It most frequently takes the form of information regarding financial operations, business activities that could affect the Group's competitive position on the market, the introduction of new services and other activities important to the Telekom Slovenije Group's operations. Any investor [employee, shareholder, supplier, etc.] could use their knowledge of inside information as the basis for an investment decision. Inside information is therefore protected carefully and not disseminated to third persons.

In our work, we may be briefed on business, inside and other information about Telekom Slovenije Group companies that have not been published. Such information is not exploited for personal financial gain or any other benefit.

## **Prevention of money laundering**

In accordance with the legally prescribed definition, money laundering is any act aimed at concealing the source of money or other assets obtained via criminal activity, including the conversion or any other transfer of money or other assets deriving from criminal activity, the concealment or disguise of the true nature, source, location, movement, disposition, ownership or rights in connection with money and other assets deriving from criminal activity.

We only transact with partners who perform a lawful activity. Through our conduct, we attempt to prevent or identify illegal forms of payment, in particular to prevent the use of the financial transactions of Telekom Slovenije Group companies by third persons for money laundering purposes.

## **Prevention of the restriction of competition**

We are careful in our communications with competitors to respect valid competition legislation and regulations. We are aware that any collusion or coordinated actions with competitors is unlawful. We therefore reject any agreements with competitors that could lead to restrictive practices, while taking care to closely guard inside information and other confidential business information in communications with them.

We conduct ourselves fairly and prudently on the market where we operate, and do not abuse our market position through our conduct. We take into account all aspects that could affect competition in every decision or activity relating to our operations on the market.

## **Sponsorships and donations reflect our vision, mission and values**

Social responsibility is one of the key strategic policies of the Telekom Slovenije Group. To that end, our sponsorship and donation activities reflect our vision, mission and values.

The companies of the Telekom Slovenije Group do not use its financial resources or in any other way support political parties and their campaigns, referendums or the election campaigns of individuals.

## **Reporting dishonest conduct**

If we learn of any unlawful act, event or unethical conduct that could harm the reputation or operations of the Telekom Slovenije Group, or that breaches the dignity and personal integrity of an individual employee, we are bound to report such an event without delay.



# RESPONSIBILITY TO OUR STAKEHOLDERS

We create relationships with employees, the users of our services, shareholders, owners, investors, analysts, regulatory authorities, the media, suppliers and other business partners based on mutual trust, respect, responsibility and best business practices.



## 4. RESPONSIBILITY TO OUR STAKEHOLDERS

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We create relationships with employees, the users of our services, shareholders, owners, investors, analysts, regulatory authorities, the media, suppliers and other business partners based on mutual trust, respect, responsibility and best business practices.

### Responsibility to employees

We are aware that committed, professional and motivated employees are essential to the performance of the Telekom Slovenije Group. We therefore create conditions for the well-being of all employees in the workplace, while dedicating special attention to personal and professional development. We carry out activities aimed at the right work-life balance, and thus increase employee satisfaction and reduce stress in the workplace. We strive to ensure that Telekom Slovenije Group employees are briefed on strategic policies and key business decisions in a timely manner. Communication is based on the principles of openness and clarity.

We respect employees' right to join workers' organisations (at both the company and sectoral level), and strive to ensure that dialogue with social partners is professional and in line with the regulatory framework.

### Responsibility to the users of our services

Users are the focal point of our operations. We therefore build long-term relationships that are based on trust and satisfaction. We develop the most advanced services in line with trends in the sector with the aim of simplifying users' lives, while at the same ensuring security and reliability. Among the most important elements of the Telekom Slovenije Group's operations are the quality, simplicity, clarity and accessibility of our services.

In some situations, our users are also our competitors, state authorities and suppliers. We conduct ourselves in a professional manner in such cases, i.e. in the same manner we conduct ourselves in relationships with every other user.

### Responsibility to shareholders

Shareholders represent the group with a decisive impact on the strategic decisions and operations of the Telekom Slovenije Group. The generation of value for shareholders is thus the most important objective of the Group's corporate governance. The Telekom Slovenije Group maintains a corporate governance system that respects the principle of the equal treatment of shareholders and that facilitates the responsible exercising of their rights. In this framework, shareholders are regularly informed about significant events and issues associated with the achievement of established objectives, the Group's performance and planned operating results.

### Responsibility to business partners

In our operations, we primarily work with those partners who can help us ensure continuous development and the provision of superior services. Relationships with business partners are built taking into account ethical and legal norms, including tolerance, mutual respect and a transparent and non-discriminatory relationship. We will explain to our business partners that we are bound to this Code, and that we expect from them the same level of respect for human rights, dignity, diversity, and ethical and sustainable operations.

### Responsibility to regulatory and other competent authorities

We work with representatives of regulatory authorities, legislators and other official institutions in accordance with the applicable regulations and laws.

### Responsibility to the general public

The Telekom Slovenije Group is constantly under the watchful eye of the general public. Representatives of various stakeholder groups want to know how we face challenges in the adverse economic environment, what are our business plans and strategy, how are new products developed and the network upgraded, what can they expect in the future in terms of technological development and growth in the value of the Company, etc. The media plays a special role in communicating our messages to stakeholders. We are therefore open to the media, work closely with representatives of the media and provide them access to the information they need to do their job (while protecting trade secrets, inside information, confidential information, and personal and other sensitive data), respond to their questions and maintain a proper and professional relationship.

### Responsibility to the wider social community

The Group actively identifies opportunities where it can contribute to the development of the social and economic environment in which it operates, through its expertise, and financial and other resources. We support sporting, cultural, educational, humanitarian and environmental organisations and projects, and take a responsible approach to nature and cultural heritage.

In our operations, we are committed to the principles of sustainable development, and systematically reduce our impacts on the environment and natural habitat.

## 5. RESPONSIBILITY TO THE CODE

All employees and other (legal and natural) persons who work in the name and on behalf of Telekom Slovenije Group companies are bound to this Code. Every employee is responsible for being familiar with the content of and complying with the Code in their work. Responsibility for compliance with the Code is based on ethical principles and the principles of responsibility for one's behaviour and conduct. We are aware that failure to comply with the Code may be deemed a breach of work obligations, and could result in disciplinary action, liability for damages, criminal liability or other liability.

The Code serves as guidelines in the drafting of the Telekom Slovenije Group's internal acts. If we need help in understanding or have any other dilemma in connection with the content of the Code, we may submit questions to [skladnost@telekom.si](mailto:skladnost@telekom.si) or contact the compliance and integrity officer directly.

Employees are obliged to report any identified or potential breach of the Code and other internal acts, or unlawful, unethical or otherwise questionable conduct in one of the ways listed below:

- directly to their supervisor,
- via the intranet portal,
- via the email address for that specific purpose: [prijave@telekom.si](mailto:prijave@telekom.si)
- via ordinary post, and
- directly to the compliance and integrity officer.

All reports will be handled in accordance with internal acts by the committee appointed for that purpose.

Individuals who are aware of breaches are obliged to:

- act in the best interests of the Telekom Slovenije Group company in question and in accordance with their powers,
- protect the integrity and identity of both the whistleblower and the individual or group to which the report relates, and
- protect the whistleblower against potential retaliatory or other acts.

The Code does not provide answers to all specific questions. Employees must be familiar with the content of internal acts that govern a specific area, legislation and regulations that impact the Group's operations, and measures imposed by the regulatory authority that we must respect as an operator with significant market power.

The Code of Ethics of the Telekom Slovenije Group enters into force on 1 February 2017.