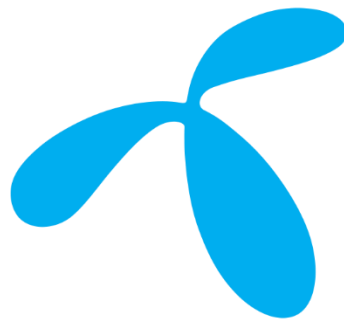


Third Party Risk Management

GROUP POLICY



telenor group

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GROUP POLICY

Third Party Risk Management

Policy owner: EVP People, Sustainability and External Relations

Approver: President & Group CEO

Date of approval: 2024-11-27

1. Purpose & Scope

Telenor is committed to identify, assess, and mitigate risks associated with contracting Third Parties to ensure sustainable and secure operations.

The purpose of this policy is to ensure that:

- Third Parties follow or act consistently with Telenor's standards for responsible business conduct as set out in the Telenor's Supplier Conduct Principles (SCP).
- Risks associated with a Third Party's compliance with SCP are properly identified, assessed, monitored and followed-up throughout the lifecycle of the business relationship.
- Assessments and follow-up of Third Parties are based on risk and all actions are proportionate to the risk the Third Party or their relevant sub-suppliers represents to Telenor.
- Any Third Party that poses an unacceptable compliance risk that cannot be adequately mitigated, shall not be engaged or continue to be engaged with.
- Effective processes that provide the Telenor Company management with sufficient oversight are established.

The term Third Party in this Policy covers any prospective and existing external contracting parties which are intended to provide or provides goods, tangible and/or intangible assets and/or services to Telenor. This includes but is not limited to:

- Agents
- Consultants
- Contractors
- Distributors and Franchisees
- Intermediaries
- Lobbyists
- Manufacturers

- Service providers
- Suppliers, including strategic suppliers/partners
- Vendors, including strategic suppliers/partners

The definition of the term Third Party above applies to this Policy only.

The term does not include the following, as relevant integrity due diligence/screening and management of these are covered by other governing documents and/or processes:

- Counterparties and targets in M&A projects
- Customers
- Sponsorship partners and donees
- Sustainability Partners

2. Requirements

2.1. Third Party Risk Management Process

The Telenor Company shall implement a risk-based Third Party management process throughout the lifecycle of the business relationship. Third Parties shall be assessed both based on the type of engagement and its individual characteristics including relevant sub-suppliers.

The Telenor Company shall prior to entering into a contract assess the Third Party.

2.2. Individual Third Party Risk Assessment

Third Parties shall as a minimum be subject to basic screening and have an assigned initial risk rating covering relevant SCP risks. The initial risk rating (INSIGNIFICANT, MODERATE or SIGNIFICANT), will determine the nature and extent of further assessment and mitigation needed. Basic screening includes but is not limited to company registrations, relevant sanctions lists and adverse media coverage.

The extent of the individual Third Party risk assessment shall be proportionate to the initial risk identified. The higher initial risk rating the more extensive the review and assessment of the Third Party should be. This may include enhanced due diligence such as SCP risk-specific questionnaires and obtaining external specialised services.

The Telenor Company shall properly document and archive the result of the individual Third Party risk assessment and the risk mitigation plan.

The Telenor Company shall not engage with, or continue to be engaged with, Third Parties that pose an unacceptable compliance risk that cannot be mitigated.

2.3. Escalation

If the Telenor Company considers to engage with or continue to engage with a Third Party with a SIGNIFICANT risk rating, such engagement shall be approved by the Telenor Company's CEO. Third Parties which could have appreciable impact on Telenor or the Telenor Company, shall be escalated to the Chair of the Board of Telenor Company.

2.4. Supplier Conduct Principles Commitment

The Telenor Company shall always strive for engaging with Third Parties who either formally commit to the SCP or has a documented standard comparable to or better than Telenor. Formal commitment to the SCP is made by signing the Supplier Conduct Principles Commitment (SCPC).

Third Parties which have a documented SCP standard that is comparable to or better than Telenor and a corresponding internal control system may be exempt from signing the SCPC. Telenor's assessment shall be documented. Such Third Parties shall still be subject to monitoring, review and incident management as set out in this Policy.

The Telenor Company may also exempt individual Third Parties from signing the SCPC, or make modifications to the terms in the SCPC if carefully assessed and approved by the Telenor Company CEO. The CEO's approval shall be documented, and be based on an assessment of SCP risks where at least the following have been considered:

- The reasons for an exemption/modification and,
- Mitigation actions for any identified SCP risks.

Additionally, based on the nature of engagement, some categories of Third Parties can be exempted from signing the SCPC without Telenor Company CEO approval. These risk-based categories are set out in Appendix 1. Such Third Parties shall still be subject to monitoring, review and incident management as set out in this Policy.

2.5. Ongoing Monitoring and Review

The Telenor Company shall establish and implement monitoring activities to track Third Party adherence to the SCP throughout the lifecycle of the business relationship.

Monitoring activities shall be planned, executed, reported, documented and closed in a systematic manner. This process shall be initiated based on the Individual Third Party and relevant sub-supplier risk.

The Telenor Company shall ensure that mitigating actions for non-compliance and risks are identified and implemented by the Third Party, including those within relevant sub-suppliers.

For Third Parties with a SIGNIFICANT risk rating appropriate monitoring and control activities shall be conducted timely and effectively at minimum with one activity in 12 months. If the contract period is shorter than one year, one control activity shall also be conducted.

For Third Parties with a MODERATE risk rating appropriate monitoring and control activities shall be conducted timely and effectively at the minimum with one activity in 24 months. If the contract period the contract is shorter than two years, one control activity shall also be conducted.

The Telenor Company shall aim to raise standards of Third Parties and their relevant sub-suppliers to align with the SCP where relevant, particularly through capacity building activities. In case of grave or repeated non-compliance adequate remedies, including termination of the engagement, shall be considered.

The Telenor Company shall ensure that existing Third Parties undergo periodic risk reassessments. In addition, the individual Third Party risk rating shall be revised depending on the status of mitigations, changes in scope of engagement, results from monitoring and follow-up, and occurrence of serious incidents.

2.6. Incident Management

The Telenor Company shall establish procedures for reporting, managing and mitigating incidents involving Third Parties.

The Telenor Company shall immediately notify the Chair of the Telenor Company Board of serious incidents involving Third Parties and their relevant sub-suppliers. The notification shall be done in addition to any local reporting requirements to authorities.

Serious incidents include, but are not limited to:

- Compliance concerns related to corruption, sanctions, competition law and privacy incidents,
- Other matters which could have appreciable impact on Telenor such as material security incidents, material fraud, matters involving life and health, fatalities, child and forced labour and,
- Serious reputational issues.

The Telenor Company shall ensure that serious incidents are reported, followed up, properly investigated and closed in a timely and quality manner. This includes documenting learnings and implementing improvements.

The Telenor Company shall ensure that serious incidents and repeated non-compliance triggers a reassessment of the risks related to the Third Party.

2.7. End of Engagement

The Telenor Company shall ensure that risks related to termination/expiration of a contract are adequately addressed.

2.8. Annual Risk Review

The Telenor Company shall perform an annual risk review of their Third Party portfolio to assess SCP risks in the Telenor Company. This shall include identifying improvements and status of recommended mitigative actions. The annual risk review shall be presented to the Telenor Company's Management.

2.9. Capacity Building

The Telenor Company shall ensure regular training of relevant internal resources and risk-based capacity building of third parties, where applicable.

3. Reference Documents

Supplier Conduct Principles (SCP)

Supplier Conduct Principles Commitment (SCPC)

