Our upstream supply chain operations supports our IT, networking and telecom activities for both our retail and business customers as well as our own activities. In procurement we defined four main purchase categories including adjusted strategies. These categories are IT, Network Infrastructure and Energy (NIE), Consumer and Business Products (CBP) and Marketing and Professional Services (MPS).

## Purchase categories

- Construction, Engineering & Facility Management
- Marketing, Media,
  Call Center
  Logistical Service
- Professional Services
- Information Technology
- Network Access
  & Customer Premises
  Equipment
- Energy Management

Within our group of suppliers we have identified environmental and social risk suppliers: companies in low wage countries in Asia, Africa, Eastern Europe, and Central and South America. We regard themas risk suppliers because good working conditions, environmental protection and compliance with human rights are not self-evident in these countries. We define high-risk and medium-risk suppliers. High-risk suppliers produce goods in low wage countries. Medium-risk suppliers provide services in or from low wage countries. The group of risk suppliers are responsible for 55% of our procurement expenditure and supply mainly network equipment, computers and software.

## High risk suppliers

Contract volume: > 100 000 FUR

Origin of production: low cost countries

**Product specification:** tangible

## Medium risk suppliers

Contract volume: > 100.000 EUR

Origin of production: low cost countries

Product specification: intangible, services

## Low risk suppliers

Contract volume: <=> 100.000 EUR

Origin of production: non low wages countries

Product specification: tangible, intangible, services

