

# TAX STRATEGY U.K.

## BACKGROUND

The Telia Company Group, listed on the Stockholm and Helsinki Stock Exchanges, is the largest telecommunications group in the Nordic and Baltic regions.

This tax strategy document details our approach to the management of tax by the Group's UK entities ("the UK Group"), and it is based on the overall Telia group approach to tax.

Our purpose regarding taxes is to be a responsible taxpayer, and everything we do should be a reflection of our purpose. Guided by our purpose we care for paying the correct amount of taxes legally due, ensuring we meet all legal requirements and file tax returns and tax payments according to local legislation and regulations. Applicable tax laws and regulations are closely monitored in all jurisdictions and tax knowledge is shared through internal networks within the Group.

Our approach to tax is guided by our Group Governance Framework. This is demonstrated by the Group Instruction on taxes that sets Telia Company group-wide mandatory minimum level principles regarding taxes to ensure that all employees working with tax matters or having taxes as a part of their responsibility are compliant and contributes to the shareholder value.

All decisions should be made at the appropriate level and supported by documentation that evidences the facts, conclusions and any risk involved.

Authorized decision makers are appointed by the Group CEO as defined in the Delegation of Obligations and Authorities document under the Group Governance Framework. Significant tax issues or other material events concerning taxes are reported to the Audit Committee on a quarterly basis, or more often if necessary.

## APPROACH TO TAX

The Groups approach is to deliver shareholder value based on the commercial drivers of the business. We ensure that due consideration is given to the Group's reputation, brand and corporate and social responsibilities when considering tax initiatives.

The UK Group is not considered material to the activities of the Telia Company Group, however the same principles are applied in seeking to deliver shareholder value, which includes taking advantage of tax incentives, reliefs and exemptions offered by tax authorities. We do not engage in artificial tax planning.

## MANAGING OUR TAX AFFAIRS

We manage our tax affairs in compliance with local tax laws and regulations, recognising that the global tax environment is inherently complex. The UK Group adopts a cautious approach in respect of tax risk. When tax legislation is subject to interpretation, external tax advisors are consulted, and where appropriate, the matter is discussed with tax authorities.

Telia Company maintains standardised internal control systems and risk management routines to identify and assess risks, which include the identification of tax risks. Regular reviews are performed to ensure high quality tax reporting and compliance with laws and regulations within Telia Company and transparency is of utmost importance.

Our tax affairs are managed in accordance with our Code of Conduct. Please find our code of conduct under following webpage: <http://dontdothisatwork.teliacompany.com/>

## APPROACH TOWARDS DEALING WITH HM REVENUE & CUSTOMS (HMRC)

Telia Company seeks to develop strong, mutually respectful working relationships with HMRC based on transparency and openness. We regularly monitor tax changes through interactions with our external tax advisors and from our own research, which includes HMRC announcements, other tax publications and the provision of training to our employees.

Telia Company ensures to pay the amount of taxes legally due in accordance with UK tax legislation and international accepted principles.

Where there is uncertainty on a tax treatment, we consider discussing the matter with HMRC on a real time basis to provide clarity on our tax reporting.

Our published tax strategy satisfies Schedule 19 of the UK Finance Act 2016.