

Report on Sustainable Business Operations

2014



telenor

telenor fondacija



Content

3	With Societies Going Digital, Progress can be Made Faster than Ever Before
4	Investments in Projects for Improvement of Local Communities in 2014
5	Telenor – Employees Come First
11	Internet for All
17	Digital bon ton - for Safer Internet
18	Empowering Youth – Serbia’s Greatest Resource
19	Developing Technology, while Caring for Nature
22	We Look into the Future and Preserve Tradition
24	Floods in Serbia – We are Here to Help
27	Spirit of Sports and Solidarity
28	Awards



With Societies Going Digital, Progress can be Made Faster than Ever Before



We are privileged to be in an industry that by default is one of the key drivers of change and sustainability. With the pace of development that we are all witnessing today, with societies going digital around us, progress can be made faster than ever before. Lives of millions of people will be influenced and can be improved.

Ever since entering the Serbian market, Telenor has demonstrated strong business ethics while driving and engaging in initiatives that make true impact on society. Our approach to sustainable change is deeply embedded in our mission, which is to help people get the full benefit of being connected. Access to communication helps prevent poverty and illiteracy; it raises the level of education and quality of life. With more than 350 partners throughout the years, we have become an integral part of the society, operating responsibly in all aspects of our operations. And we are proud to have this role, dedicated to providing Internet opportunities for all.

Telenor is committed to make Internet a safe place for everybody, especially children and young people. This is where change needs to happen today, as young people are our

tomorrow. It is clear that all sectors have to join in the efforts and cooperate in educating young people and children how to use digital communication channels and ensure online safety. This was recognized in due time by the Ministry of Education, Science and Technological Development and UNICEF, who, together with us, have initiated Stop Digital Bullying project in 2012.

The importance of modern communications has rarely been demonstrated as evidently as during the devastating floods in May 2014. We focused all our resources day and night on securing that people in the critical areas stay in touch with their families and rescue teams. The mere fact that our network carried some of the most important and urgent messages during those days further strengthened our belief that corporate responsibility is and has to be the way we do business every day.

Our partners are our strongest alliances. I know that we are on a good path together, positively impacting people, companies and authorities in Serbia, engaging in the joint effort of creating a sound and prosperous digital society.

Sincerely,

A handwritten signature in blue ink, consisting of stylized initials 'OF'.

Ove Fredheim
CEO TELENOR D.O.O.

Investments in Projects for Improvement of Local Communities in 2014

Invested the total of

111,959,433.30 *rsd*

Invested in strategic projects

96,650,791.42 *rsd*

Corporate philanthropy

13,754,059.30 *rsd*

Operational costs*

1,554,582.59 *rsd*

*Including taxes, publication production and promotional materials

We cooperated with

48 *PARTNERS*

from all over Serbia.

We implemented and supported

28 *PROJECTS*

and actively participated in initiatives and projects aimed to help people affected by floods.

More than

400 *EMPLOYEES*

joined in voluntary activities.

Together with

31 *PARTNERS*

we activated

**40 *HUMANITARIAN
NUMBERS***

in 2014.

Collected

125,492,873.42 *rsd*

Telenor – Employees Come First

Employees are the driving force of our Company. Passion and commitment with which they discharge their everyday duties enable us to develop and provide advanced communication services, and create superior customer experience. Their attitude to their jobs and to our society was especially manifested by our employees during catastrophic May floods, when they worked even above their possibilities in the effort to enable the flood stricken population to communicate with their families, but also with rescue teams. In Telenor, health, safety and development of potentials of our employees is the top priority, and we were reassured that we are on the right track when we won acclaim as the best employer in 2014 in the category of big companies.

Telenor is constantly engaged in the advancement of working environment and cherishes the atmosphere in which employees can develop themselves and learn. We practise gender equality of employees and do not tolerate any form of discrimination, while healthy and safe working environment is an implicit prerequisite in everyday work. For the third year in a row there have been zero injuries at work, but we continue to invest in the health of employees and raising of the already highly developed awareness of its significance.



The Best Employer in Serbia

Telenor is the best employer in Serbia in the category of large companies according to the results of an independently conducted survey among employees in 2014. An anonymous poll which was for the fourth time conducted by Infostud Company, determines satisfaction, motivation and commitment of employees, but also the advantages of an employer and areas where improvements are possible. This year, 47 companies took part in the survey, with the total of more than 13,700 employees. The initial consolidated results of the survey have shown that employees in Serbia highly rank loyalty, quality of interpersonal relations and working conditions.

“The award for the best employer belongs to all our employees in Serbia. For many years now, we have been in the forefront as an employer, and it is very inspiring to receive this recognition for how we work. This is a reward for the entire organization, an achievement enabled through passion and engagement every day, and us consistently caring about and helping each other when chasing new targets and aiming high...”, says Ove. “The commitment and dedication from each of our employees makes us a leading employers and excellent organization. It is a great privilege and an honor to lead such a great team”.

– OVE FREDHEIM

Healthy and Dynamic Environment

Open and dynamic working environment where employees can develop and be promoted is what we are striving to achieve. All together we form a diverse Telenor team which does not tolerate discrimination in any form, and puts customers always in focus. A healthy and safe working environment is for us a prerequisite of successfulness.

We are exceptionally proud because for three years in a row already we haven't had a single injury at work. This is the best indicator of the extent to which we are dedicated to safety of our employees, but also of their high awareness that health is their most imperative benefit.

Year 2014 was again marked by activities in the sphere of health and safety at work.

Oxygen therapy introduced as a new health program as part of recreation for all employees.

Expert – advisory breast ultrasound free of charge.

Lecture on preventive measures in contaminated area (during floods).

Daily check-up of blood sugar level free of charge in Telenor Health Center.

We have launched an initiative for setting up of a street light at the pedestrian crossing in front of Airport City, in Omladinskih brigade Street.



Our Employees

At the end of 2014, Telenor had 927 employees. Besides employees with whom it has signed labour contracts, Telenor has signed contracts with human resources agencies for jobs with variable number of employees, depending on requirements and organization of work.



Zaposleni ženskog pola

Zaposleni muškog pola

GENDER STRUCTURE OF EMPLOYEES



Internship in Telenor – The First Chance for Young People

Telecommunications is one of the fastest growing branches of the economy marked by promotion, hard work and desire to be always updated about the latest technologies. Support to education of young people in this sphere is an important segment of our business operation. Through two-way communication with young people we make prog-

ress, striving to apply the ideas they bring, as representatives of the digital generation. Our aim is to create a productive business environment.

Students' Internship program was launched in 2010. We offer an opportunity to students of final years of university and the ones who have just graduated to acquire

first relevant practical experience, but also a chance to get better acquainted with Telenor corporate culture. During internship, the first interns have acquired their initial working experience in the areas of Communications, Finances, Technology, Marketing and Human Resources. Last year 24 interns were given this opportunity.

We take part in seminars, youth education programs of various organizations we collaborate with, such as Students Alliance, and we are present at Employment Fairs. We establish contacts with relevant organizations, such as students' organizations – Belgrade Students Alliance and AIESEC of Serbia. By participating in their projects we contribute to the engagement of many generations of students and enable them to acquire the skills for successful control of their careers in the future.

As part of Telenor Group which operates on 13 world markets, we were given the opportunity to implement locally numerous innovative ideas that stimulate work and creativity of students. We have joined the Telenor Youth Summit project organized by Telenor Group in cooperation with Nobel Peace Centre. For two years in a row we have organized a competition to find the best representatives of Serbia at the Summit, who have ideas about how digital communications can contribute to favourable social changes. So far, four young people from our country have visited Oslo. They were given the opportunity there to exchange experience with their peers from the entire world, develop ideas at numerous workshops, and meet leaders and global experts.



„Mobility“ Program – Work in Telenor Companies Worldwide

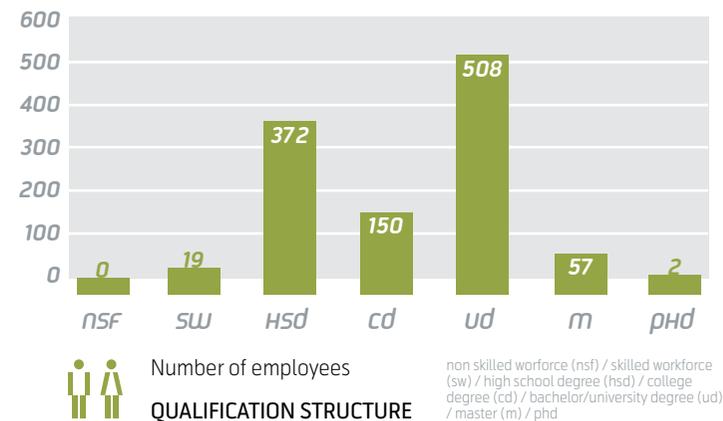
Mobility program has existed ever since the first day of Telenor’s presence in Serbia, but the number of employees who were coming to Telenor Serbia was larger than the number of employees who went to other Telenor companies. In the past years the difference between these two numbers has reversed with the number of employees from Telenor Serbia who are working in other Telenor companies constantly growing. Mobility program operates in two main models:

„Expert mobility“ is aimed at standardisation and the introduction of the best practices in all Telenor companies worldwide. We accomplish this by sending employees with relevant expertise and skills from one company to another. In this way employees acquire experience of working in different markets and develop their professional and leadership skills, and simultaneously contribute to the uniformity of business operation in all the companies of Telenor Group.

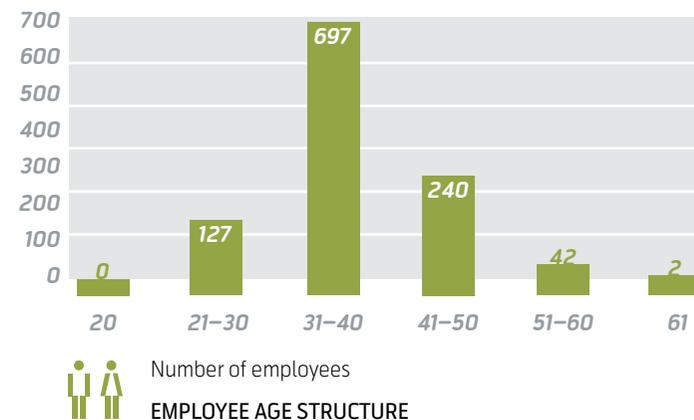
“Development Mobility” is a program intended for the development of employees, i.e. of their professional and leadership capabilities. Employees who have potentials are in this way trained to work on more complex and demanding jobs which contributes to the development of their careers.



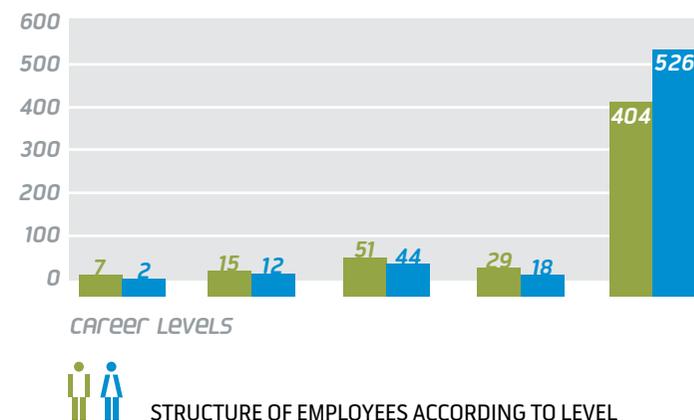
More than half of the employees in Telenor have university degrees.



Among the employees, 63% belong to the age group between 31 and 40. The average age of employees is 37.



Telenor strives to maintain gender equality among its employees. In 2014, there were 46 % of men and 54% of women among them; 57 percent of managerial positions are held by men, and 43percent by women.





Investing in Employees is Investing in Company's Future

In Telenor, development of employees is of key significance because we are aware that only those who continuously advance their knowledge, skills and abilities can keep pace with the increasingly demanding requirements of the market. We are trying to create an environment which constantly stimulates individuals and teams to give more and be better. Throughout the year employees set, realize and monitor their own business goals in agreement with their leaders.

Leadership is founded on 4E model (Explore, Engage, Empower & Execute), and much attention is devoted to the development and education of our leaders.

Our development programs include mentorship, rotations, one-to-one meetings, feedback, coaching... But this is not the end of the list of development possibilities, but on the contrary – this is just the beginning.



In 2014, the total of 176 internal and external training programs were organised, out of which 24 with external training companies.

83% 

83% of employees attended some form of internal corporate training.

 x 67

67 so-called top-talents were identified (colleagues with excellent performance), who attended a mentor program, while more than 90% attended additional development training courses.

Safety and Maintaining Standards as Top Priority

Corporate culture based on two main principles, zero tolerance to injuries at work and consistent protection of human rights, can be achieved solely with active participation of employees.

Telenor devotes much of its attention to the observation of ethical guidelines, legal regulations, international conventions and standards, ensuring in this way preconditions necessary for continuous enhancement of the culture of health and safety at work. Our employees are obliged to observe the set rules and guidelines prescribed by international standard OHSAS 18001. Through substantial internal communication and education we are raising the awareness of employees about the necessity to observe the guidelines not just because it is their duty, but because they were created primarily for the benefit of their health and safety.

We also apply the same approach with all our business partners who are supplying Telenor Company with products and services. The principles of partner relationship are defined by the Agreement on Responsible Partner Conduct which clearly specifies what suppliers are expected to do, how they are obliged to behave and what type of behaviour is not permitted. 301 signed agreement confirm that our partners are aware of the importance of safety at work and observation of ethical norms in everyday business practice.

We care about Ourselves and Others

We are especially proud of the standard of zero tolerance to injuries at work and threats to the environment, the essence of which is that each and every employee, at any moment of each working day, by each action, clearly manifests the care for his/her own safety, the safety of colleagues and of the environment. By raising the awareness of the importance of implementing this standard in all employees, we can be sure that we are on the right track in the effort to persist in accomplishing our mission – prevention of injuries at work.

After all our employees had by the end of 2011 attended workshops on zero tolerance to injuries at work, in the course of the past three years, a program was implemented for the enhancement and raising awareness about the importance of familiarity with and obeying the rules on safety at work. In the implementation of this program we relied to a great extent on “People First” electronic training program. This program includes a detailed explanation of compulsory rules of conduct and practical examples. It is accessible not only to Telenor employees, but to all the others who are interested in it, all for the purpose of raising the level of the culture of preservation of health and safety at work, but also that of the environment as well.



In the course of 2014:

✓ **96 inspections**

- there were 96 inspections of working space,

✗ **0 injuries**

- there were no injuries at work or risky incidents in the Company,

📄 **301 Agreements**

- 301 Agreements on Responsible Business Conduct were signed,

✗ **0 no cases of nonconformity**

- inspection was conducted of all Telenor partners and active contractors – there were no cases of nonconformity,

✗ **0 incidents**

- there were no incidents in the supply chain.

Human Rights

In Telenor we believe that telecommunications enable exchange of ideas and access to information. At the same time, we are aware of potential challenges the new way of communication creates in this area, due to which protection and constant enhancement of human rights is an important part of everyday business operation.

Telenor is dedicated to the protection of human rights in the manner it is provided for in United Nations documents – Guiding Principles on Business and Human Rights and Ten Principles of Global Compact. Both documents are founded on UN Universal Declaration of Human Rights. These principles along with the principles set in Telenor internal enactments – Code of Conduct, Policies, Supplier Conduct Principles and Visions and Values – provide for a unique approach to relationships among colleagues and with customers in the whole Telenor Group and consequently in Telenor Serbia, in the manner in which we conduct our business and in our view of our role in the societies we operate in.

In Telenor we devote due attention to the identification of challenges to human rights and seeking ways to tackle them. This calls for a long-term perspective, constant improvements and dialogue of all stakeholders and decision-makers.

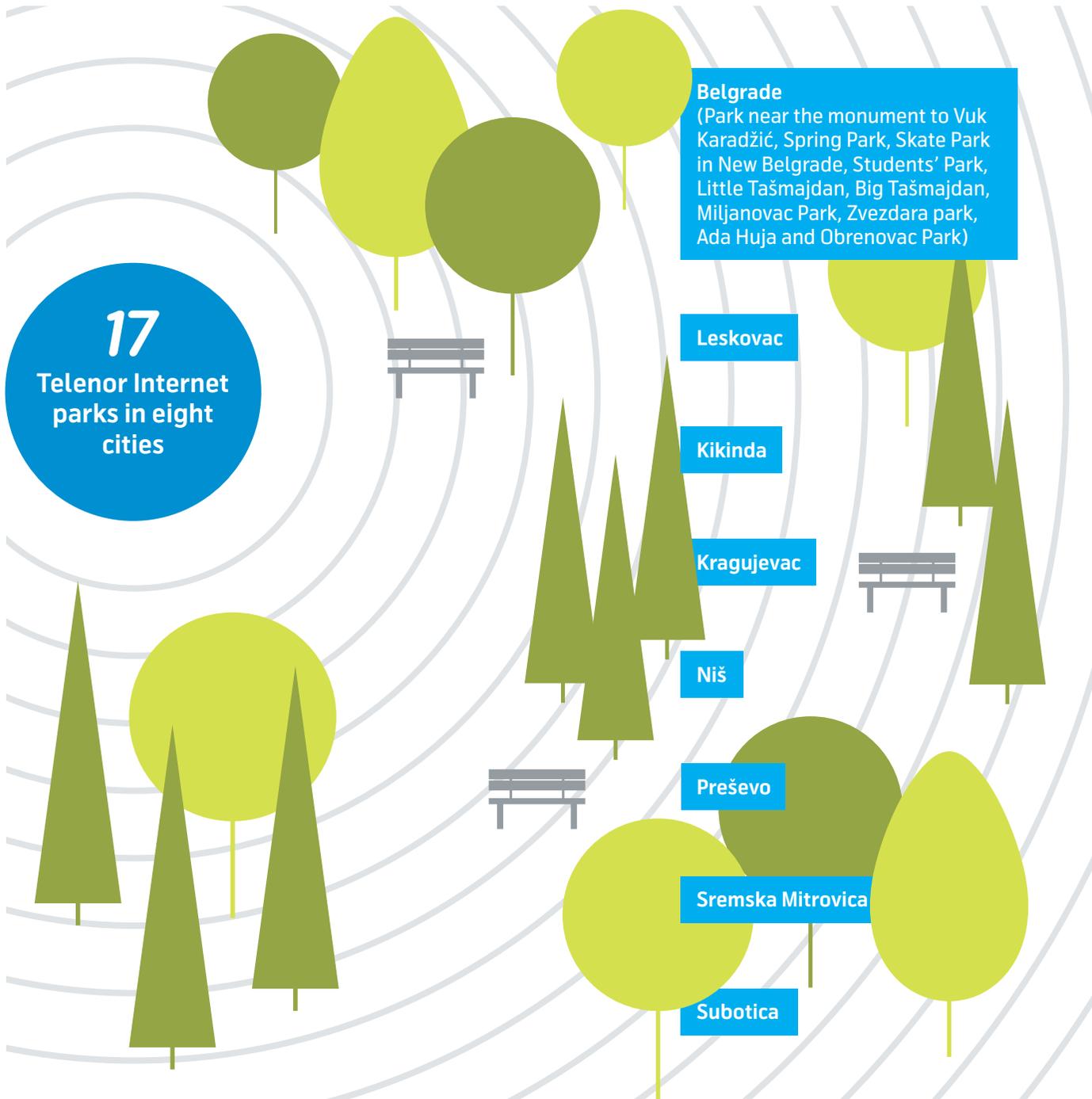
Internet for All

We Connect People, We Invest in Development

Internet and modern communication technologies are helping everyone to improve their lives like never before. Thanks to Internet it is possible to find almost all information, people and services, whether they are in our neighbourhood or in the other end of the earth. We offer what we know best – we help our customers to become better educated, informed and to find entertainment and many other things. In order to enable the largest possible number of citizens of our country, especially young ones, to take advantage of all the benefits offered by Internet for the improvement of their education, but also of local economy, in the course of 2014 we conducted a series of campaigns and initiatives.



Suton (Twilight) by Zlatko Miložčić – Second Place at the Photo Competition Blue and Green World



Internet Parks

For seventh year in a row, Telenor has offered a unique possibility to people across Serbia. While enjoying their favorite parks, they can stay connected with their friends and have access to the information they are interested in. They can surf the Web for free, read emails, get informed, and have fun. The mix of nature and unlimited online access represents a perfect match of man, nature, and technology and allows Serbian cities to keep up with world capitals. Telenor Internet parks also improve local tourism, because they allow tourist to get tourist information about the cities they're visiting and all of Serbia in a simple way. In the course of 2014, we launched parks in Niš i Preševo, and in addition to these two cities, Internet parks are also found in Belgrade, Kragujevac, Subotica, Kikinda, Leskovac, and Sremska Mitrovica.



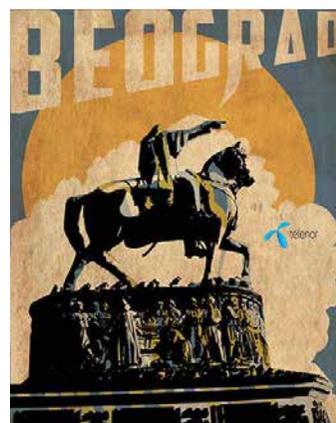
Re-established Cooperation with Vračar Schools – Internet Connection Improved

By improving Internet connection we have re-established cooperation with all the schools in Belgrade Vračar municipality, where we had, as of 2009, equipped all elementary, secondary and professional schools and a library with computers and free Internet. Schools were donated-computer equipment with protection against access to contents intended for adults.



Future Designers Created Digital Postcard

Thanks to the support provided by Telenor Foundation to the project titled “Digital Postcard”, students of Design School in Belgrade were offered the opportunity to become familiar with new computer technologies necessary for their further education and specialization. By donating funds for the purchase of 20 computers, 6 digital cameras, and Telenor Internet, Telenor Foundation supported the idea to turn an unused space in this school into a digital demonstration room equipped with state-of-the-art computers and computer programs where 200 students were trained to digitally process photos. As part of this project, students of the third year of the Design School chose significant sights in the city and presented them to their colleagues in the Network of Art Schools of Central European Initiative. Students took photos of the selected sights, processed them graphically and after creating slogans to accompany them, sent them to addresses of young artists in Europe. In return, they received from their colleagues photos of selected sights from the cities where they live. This project was supported by Belgrade Tourist Organization and its further realisation involves expanding of the network of users and tasks integrated in the curricula of teaching subjects on graphic design, photography, multimedia arts and computer techniques. The complete graphic material was presented in a travelling exhibition which visited Trieste, Linz, Budapest, Zagreb, Ljubljana, Cetinje, Košice, Senta and Belgrade.



Radovi učenika - program „Digitalna razglednica“



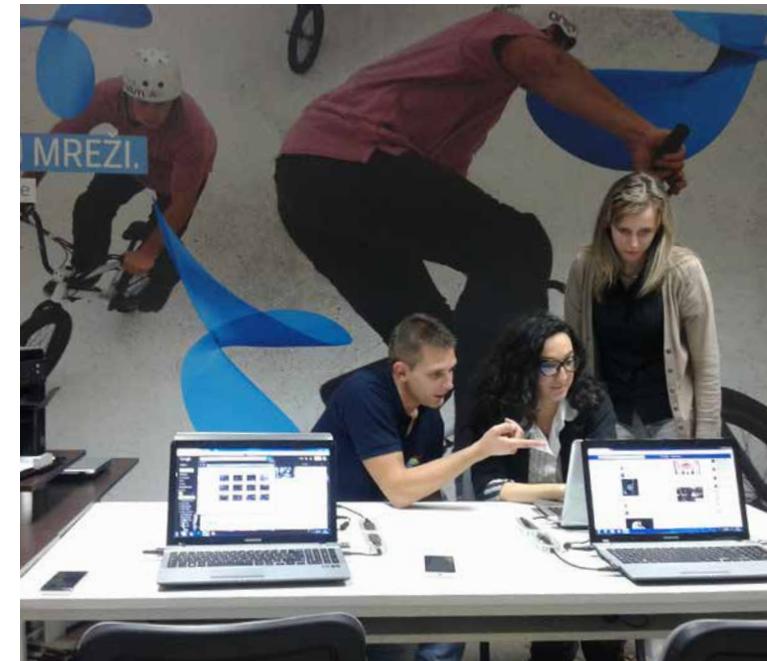
Be in the Loop – Computers and Free Internet for Children’s Hospitals

Thanks to the support of Telenor Foundation, children on short or prolonged hospital treatment at Banjica Institute for Orthopaedic Surgical Diseases will be able to follow school program and spend their leisure time by searching interesting contents on the Internet. This hospital which was donated 12 computers and free access to Internet is the first in a row the Foundation plans to equip in its campaign “Be in the Loop”. The aim is to ensure equal access to education and the opportunity to constantly improve their knowledge for school-age children as their peers in regular schools. Children will have access to Super School program, virtual classroom which contains more than 650 lessons of Serbian language, mathematics, physics and chemistry. This program will help them catch up with the subject matter they have missed. The educational portal also includes lectures, experiments and explanations to help children master the teaching material from the fifth to the eighth grade of elementary school.

Youth Club in Užice Opened and Info Centre in Lešnica

We continue to help young people to become better educated, launch campaigns in their local environments and be creative. After Požega, Loznica, Priboj, Raška and Nova Varoš, a Youth Club was opened in Užice, and as part of it – an Internet Club. The Club is in the City Cultural Centre, and Telenor Foundation has provided ten laptop computers, an equal number of modems with unlimited access to Internet for a year, and one printer. In the Youth Club, various workshops are also available: of 3D animation, online jazz school, school of journalism, training for computer skills, computer skill training for young people with impaired eye-sight, and a lot more. The project was carried out in cooperation with the Ministry of Youth and Sports of the Republic of Serbia, the city of Užice and Telenor Foundation.

In October we opened another Info Centre at the Office of Youth in Lešnica which was equipped with five computers, printers and modems. With the support of Telenor Foundation, thanks to computer equipment and unlimited free Internet access, young people of Lešnica can now advance their information literacy and acquire new knowledge. Various courses will be organised at the Info Centre, they will have support in career planning, activities will take place on the topic of social inclusion, and those who are interested will join workshops for development of team work and planning local activities. Voluntary service at the Info Centre will work on broadening of interests of young people, their knowledge and skills, and workshops will be organised on healthy lifestyles and time management.



POVEZIVANJE

A majority of Roma population had not been registered until 2010, when, together with the Ministry of Health and UNICEF, we initiated the Povezivanje (Connecting) Project. Within this project, thanks to our services, expertise, equipment and mobile Internet, health mediators – 75 of them – have succeeded in connecting Roma with various institutions and helping them learn how to exercise their civil rights. In 2014 we continued to provide support to Connecting project which has achieved fantastic results in the course of 6 years.



37,502  + 16,330 

37,502 visits to families, 140,408 citizens were registered, identity documents and medical cards were issued for 16,330 citizens.

28,003 

28,003 persons have chosen their general practitioners.

30,018  + 2,719 

30,018 children and 2,719 adults were vaccinated.

4,500 

4,500 pregnant women and young mothers had medical check-ups.

11,177 + 1,144 

1,177 women have chosen their gynaecologists and 1,144 mamographs were taken

7,710 

7,710 children were given a systematic medical check-up and enrolled in school

170,278 

170,278 families or family members were visited for the purpose of instructing them through planned conversation and 55,200 pieces of health educational material were distributed.



HISPA Centre for Hypertension and Coronary Failure and Brain Stroke Prevention Opened

Wishing to contribute to the improvement of health of our citizens, in the course of 2014 we helped opening of HISPA centres in whole of Serbia, one of which was opened at the Cardiology Clinic of Kragujevac Clinical Centre. With the opening of HISPA centres, diagnostics and medical treatment begins for patients suffering from hypertension, as one of the leading causes of coronary failure and brain strokes, through a multidisciplinary and individualised approach. The association of centres for hypertension, prevention of coronary failure and brain strokes (HISPA) and the newly opened centre at Kragujevac Clinical Centre as one of its members, through coordinated and integrated work, aim at efficient and timely identification, diagnostics, treatment and long-term monitoring of patients with high cardiovascular risk. HISPA centre in Kragujevac is the 24th such centre in Serbia and the second one on the tertiary level of health care, besides Dedinje Institute of Cardio-Vascular Diseases in Belgrade.



Application for Promotion of Ecotourism of Serbia Upgraded

The Eco Dots project, as an extension of EcoVirtour project, enables local and foreign tourists to get information on preserved areas and rich cultural heritage of Serbia, but also to make reservations and organise eco-tours in our country. In its second edition, Eco Virtour android application presents 15 beautiful protected regions in Serbia. The support to this project is the result of a good combination of our strategic commitments – enabling constructive use of Internet and smart devices, protection of the environment and contribution to the development of Serbian society. This is a unique way to promote our country, since thanks to Internet, we were offered the opportunity to present its exceptional natural wealth.

Golija Nature Park and Biosphere Reserve, Stara Planina Nature Park, special reserves: Obedska bara, Bagremara, Koviljsko-petrovaradinski swamp, Upper Danube region and Deliblatska Sandstone.



Blue-Green World Photo Competition

As of 2014, with the support of Telenor Foundation, Blue-Green Map of Serbia program has been launched, thanks to which all significant natural and urban localities from all over Serbia will be presented within this unique electronic platform. By its support to a photo competition and the application which promotes natural wealth in Belgrade we continue to underline in an easy and accessible way, via mobile technologies, the necessity of preservation of the environment. During the months of July and August, a photo competition was organised by the Environmental Promotion Centre with the support of Telenor Foundation and Secretariat for Environmental Protection of the City of Belgrade. Almost 2,000 photos were sent in for the compe-

tion, and 14 best ones were exhibited at Parobrod (Steamboat) Culture Institution. The photo competition and Blue-Green World exhibition are a continuation of the activities directed towards popularisation of protected and urban natural entities in the city of Belgrade and in Serbia, but also towards education of citizens about the significance of preservation of these localities.

The first place was taken by Vladimir Martinović for his photo titled “Cinema Re-opened”. The second place was won by Zlatko Milojević for his photo “Dusk”, and the best photo according to the selection of visitors of Internet site www.bgmap.rs was “Exuberant vegetation on a veranda at altitude of 1500 m” by Dejan Milojević.

Digital bon ton – for Safer Internet

As leaders in the area of telecommunications we wish to enable the largest possible number of citizens to enjoy numerous benefits of Internet. At the same time we are aware that our task is to make it safer, because despite its many advantages, Internet also bears certain risks. That is the reason why one of our most important initiatives is directed towards promotion of high-quality, educational and entertaining contents on the Internet, but also continuous raising of the awareness of the existence of digital bullying, and dissemination of knowledge how to protect oneself from it. It is possible to attain a long-term solution only through cooperation of all key protagonists – government agencies, private companies, schools, citizens' associations and individuals. For this reason, in 2012, we launched Stop Digital Bullying project in partnership with UNICEF and the Ministry of Education, Science and Technological Development.

Aware of the influence of Facebook on children and of its omnipresence, we have created a page on Facebook titled "Choose your words, stop hate speech". Among other, our intention is to encourage children to promote and disseminate by their activities positive messages and high-quality contents on the Internet and raise their voic-

es against violence (Facebook site address).

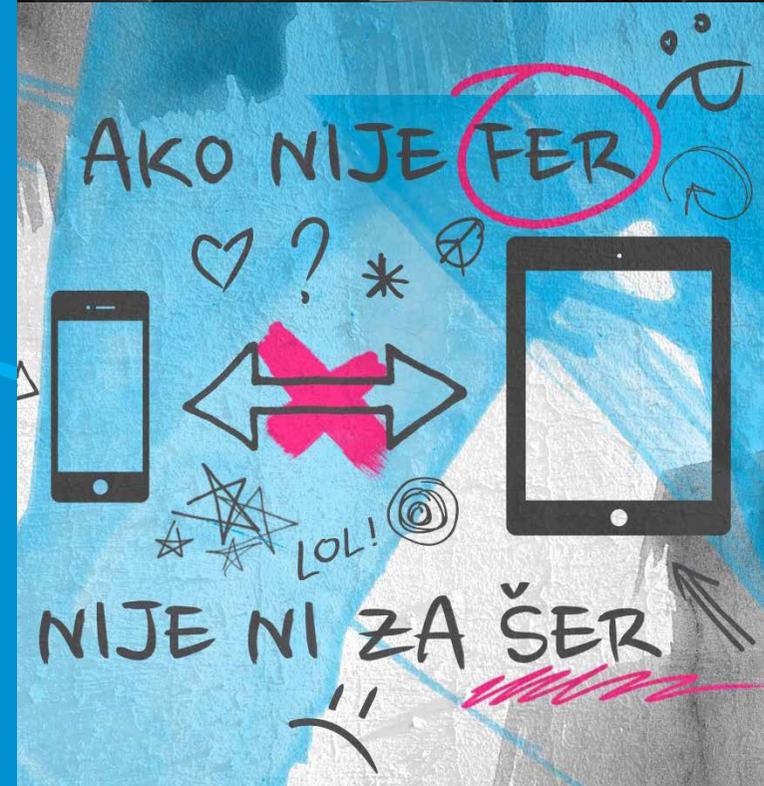
In October 2014 our project was presented at the second Teen Talk Conference which addressed social, cultural, consumer and communication needs and expectations of young people at the age between 13 and 19.

Panel "Post Positive: How to be Cool on the Net" covered issues on the system of values in virtual and real world, the manner in which we react to violence, to what extent we believe the communication going on on social networks, and how hate speech is created and/or what stand we should take towards it in virtual world. The moderator of the panel was Ana Mirković, Executive of Digital Communications Institute, and inspiring interlocutors were: Dušan Borković, car racing driver, Boris Trivan, known blogger and tweeter, Marko Dražić, from News.net, Srđan Dinčić, humorist and stand-up comedian, and Lazar Radosavljević and Nikola Cimbaljević, students of the Faculty of Mathematics in Belgrade.



BirajReciHejtSpreci

www.birajrecihejtspreci.rs



Empowering Youth – Serbia’s greatest resources

By investing in youth we are investing in our future. Thanks to modern technologies, education in the 21st century is acquiring a new dimension and offering equal chances to all. Internet access and IT literacy are the foundations of modern education and offer an abundance of information, skills and networking possibilities. We wish to help with the improvement of schooling system and enable young people to have access to the state-of-the-art tools which will enable them to keep pace with world trends. We also wish to support our most talented pupils and students in further education, because educated young people are indeed the greatest potential of our country.



“Professor dr Ilija Stojanović” Awards for the Eighth Year in a Row

Last year again, traditionally, best students of Telecommunications Department, authors of the best professional TELFOR 2014 papers, and the author of the best paper published in an international periodical, were awarded „Prof. dr Ilija Stojanović” awards by Telenor Foundation. As a sign of recognition, they were awarded money, tablet computers and unlimited access to Telenor Internet for a year. In the past eight years Telenor Foundation has in this way supported 59 students and experts, and we are happy to be able to contribute through this and other various programs to the education of young people and continue to invest in them. „Prof. dr Ilija Stojanović” award was instituted by Telenor Foundation in 2007 in memory of Professor Ilija Stojanović, Member of the Academy, who has contributed greatly to the development of Telenor Company. He was a pioneer of modern telecommunications in the space of former SFR Yugoslavia and modern Serbia, and the founder of the Department of Telecommunications at the Faculty of Electric Engineering in Belgrade.

“Get to Know the State of Serbia” Realized for the Fourth Time

Thanks to the project titled “Get to Know the State of Serbia” realised by National Alliance for Local Economic Development in partnership with Telenor Foundation and the Office of the Republic of Srpska in Serbia, students from diaspora have for the fourth time in a row completed practical training in local administrations and companies in Serbia. More than 20 students from Canada, Denmark, Austria, Greece, Slovenia and the Republic of Srpska had the opportunity to become familiar in the course of three weeks with the organisation and operation of the public and private sector in Serbia, with economic, touristic and cultural potentials of this country and, by exchanging knowledge and experience, to give their contribution to local economic development, regional cooperation between two republics and reinforcement of relations with diaspora. In the course of four years more than 80 young people were included in the “Get to Know the State of Serbia” project. At the final ceremony in the Villa of the Republic of Srpska, students were presented with certificates, and Vladan Atanasijević, President of the Management Board of NALED, presented partners in the project with commendations, as well as local administrations which were hosts to the students - Leskovac, Pirot, Pančevo, Kragujevac, Trstenik, Jagodina, Niš, Pančevo, and municipalities of Stari grad, Zvezdara, Čukarica and Zemun.

Developing Technology, while Caring for Nature

We often tend to take the environment we are living in for granted, forgetful that we can significantly contribute to its improvement, but also to its degradation. For Telenor, preservation of the environment is a priority, so in our business operation we are making efforts to use carefully the resources provided by nature and to preserve them for generations that will come after us. We are also doing our best to develop among our employees the awareness about the ways how in their everyday activities they can contribute to the preservation of natural resources and save power. Recycling and electric power saving are part of our everyday life and corporate culture we are proud of, and we gladly take part in voluntary campaigns which contribute to the preservation and enhancement of nature.

Telenor Donated Belgrade its First Maze Park on Ada Huja

The first maze park in Belgrade was built on Ada Huja thanks to cooperation between Telenor Company and Supernatural movement. The labyrinth is, on the one hand, is a form of afforestation of Ada Huja, but on the other hand it is also a work of art which refines space and promotes care for the environment. On an area with 26 meters in diameter, ligustrum – a semi-evergreen shrub, was planted, as an easily adaptable species to all weather conditions, and seven benches were installed in the labyrinth. The centre of the labyrinth is adorned with a sculpture made of iron by Viktor

Kiš, which presents transformation of energy from one form to another. This labyrinth park is the third in a row of parks donated by Telenor to Belgrade through cooperation with Supernatural. During past years we have built the parks near Nebojša Tower at Kalemegdan and a garden on Ada Huja. With environmental campaigns which are an integral part of our business operation and which our employees take active part in, we wish to show that there are people and companies which are concerned about their environment. We hope to inspire others to take part in such campaigns.



Mobile Phone Recycling

Due to growing interest, Telenor has re-launched a mobile phone recycling campaign in the effort to contribute continuously to resolving of the increasing problem of electronic waste which affects pollution of the environment. Practically immediately after coming to the Serbian market nine years ago, we were the first operator in this country to start recycling mobile phones. We motivated and activated a large number of citizens, whether our customers or not, to contribute together with us to the protection of the environment and raising ecological awareness to a higher level.



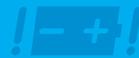
Majority of mobile phone users buy new handsets every two years, so the estimate is that by 2020 there will be 3.2 billion old phones that will end up as waste.

<90%

More than 90 percent of the material mobile phones are made of can be renewed and reused.



When a mobile phone is discarded, it begins releasing toxic substances, such as lithium and cadmium, and polluting the environment.



Batteries take up to 30 percent of a phone mass and can significantly harm the environment.

-90%

90 percent less energy is required for recycling of a battery than for its manufacturing.



Telenor Eco-Miniature Shows on TV Prva

Telenor is a partner of a new serial of Recycle Bin Eco Guerrilla 2 show which is broadcast on TV Prva on the topics of recycling, climatic change, preservation of the environment. What additionally makes this show special are animated films the heroes of which were created by our employees. The serial consists of 13 thematic parts which are aimed at educating spectators and clarifying to them the importance of protecting the environment, but include also examples of responsible business operation of companies and institutions from various areas of ecology and "green industry". A specific feature of this serial are animated cartoons called "Eco-Miniatures", which bring positive examples we could all follow in everyday life and refer to energy saving at work, fuel saving while travelling, recycling and many other topics. We are proud also of some of our colleagues and even their children who have taken part in synchronization and lent their voices to the heroes of "Eco-Miniatures".

We Care about the Environment

	2012	2013	2014
Facilities (GWh)	6.00	5.82	6.33
Telecommunications network (GWh)	29.56	33.35	37.78
Travel (GWh)	5.35	5.79	7.62

ENERGY CONSUMPTION

	2012	2013	2014
Average energy consumption per radio carrier in telecommunications network (KWh)	1,101.06	1,069.25	1,123.70

AVERAGE ENERGY CONSUMPTION (PER RADIO CARRIER)

	2012	2013	2014
Fuel consumption in vehicles (l)	442,094.62	451,494.00	554,070.00

FUEL CONSUMPTION

	2012	2013	2014
Carbon Dioxide Emission (t)	23,600.62	29,005.74	33,355.14

CARBON DIOXIDE EMISSION

Waste Sorted for Further Processing in 2013 (T)

89%

of waste sent for further treatment thanks to the waste management system

E-waste

16,68 T

Wood

3.95

Metal

1.9

Cables

0.04

Furniture

3.2

Plastic

1.55

Paper/Cardboard

12.0

Glass

1.8

Total power consumption in 2014 was 51,72 GWh which is by 15% more than in the previous year (result of Company's growth).

We generated and recycled 16,68 tons of electronic and electric waste in 2014, which is by 25% less than in 2013.

In comparison with last year, heating consumption was reduced by 10%.

No. 1 in Serbia

Since 2010 we have implemented the Environmental management system (ISO 14001 Standard) and we are the sole telecommunications operator in Serbia who holds a certificate on successful implementation of the system. We have recertified EMS (Environmental Management System) in 2014.

We Look into The Future and Preserve Tradition

Culture and arts are the guardians of our identity, they remind us that we are part of European and world cultural heritage and provide us with the inspiration to aim for even better and greater achievements. Modern communication technologies enable us to connect the past with the future so as to preserve a part of our culture not just from oblivion, but to find new, broader audience. We continue to support initiatives which are aimed at preservation of important goods and objects from our past, but also to invest into the creation of new artistic and cultural values through support offered to young and future artists.

Museum on the River about the River

We have supported the restoration, reconstruction and revitalisation of steamboat "Župa" which is the "peer" of famous Titanic. We wish this steamboat to be saved from further decay and be transformed into an exhibition site. The project of restoration, reconstruction and revitalisation of "Župa" was also supported by Goethe Institute and the Museum of Science and Technology, while the initiative was launched by Parobrod (Steamboat) Cultural Institution. In the extraordinary space of "Župa" steamboat, numerous educational, cultural, artistic, ecological and entertaining programs will take place. The permanent exhibition will consist of exhibits devoted to the history of modern Serbian shipping industry, and the second part will be related to "Župa", which celebrated its hundredth anniversary in 2013. In cooperation with organisations which are engaged in ecology and cultural centres, cultural and educational activities are planned for school-age children, but also for all young people interested in this type of projects. Since there is no other similar special-purpose project on the entire the Sava and the Danube river zone in Belgrade the function of which is not purely entertaining, the reconstructed steamboat "Župa" will be a unique cultural institution on the river in the capital.





“El Sistema” Musical Education System

Music Art Project has initiated the implementation of a project titled Orchestras and Choirs of Hope which is aimed at encouraging creative, emotional and intellectual capabilities of children. Thanks to the support of Central European Initiative (CEI) and Telenor Foundation, “El Sistema” musical educational program, founded in Venezuela 39 years ago was presented in Serbia at a concert in Kolarac Foundation. In its pilot phase, “El Sistema” methodology is implemented in three music schools: „Davorin Jenko” and „Josip Slavenski” from Belgrade and „School for the Musically Talented” from Čuprija. These schools offer the framework for creating ensembles of children from socially excluded groups and poor children from elementary schools in their surroundings. The project and the idea of “El Sistema” has already been recognized by the Ministry of Education, Science and Technological Development as an interesting and new methodology which can be implemented in the entire education system.



Floods in Serbia – We are Here to Help

Network as Priority

The catastrophic floods which have stricken a large number of municipalities in Serbia in May 2014 demanded from us, as a company and an integral part of local community, to do everything in our power to help the affected population. In the first and most difficult days our priority was the network. All Telenor services worked day and night to ensure its proper operation and enable communication where it was needed the most. Close co-operation was established for this purpose with the Ministry of Trade, Tourism and Telecommunications, and all the other mobile operators. Connecting of threatened

citizens with rescue teams and crisis headquarters was enabled by calling number 112 for all mobile networks free of charge. In a situation of natural disaster communication among people in the field and relevant authorities is of decisive significance, so we provided tools and mobile services for members of the Red Cross, Sector for Emergency Situations and a few affected local administrations.

In the very first few days already, more than 80 percent of base stations in affected areas were restored, and after just a little over five days, full network coverage was provided.

Telenor Employees Donated More than 2.5 tons of Humanitarian Aid

Wishing to contribute additionally and help people who needed it most, employees in Telenor organised on May 19 already and collected more than 2.5 tons of humanitarian aid for the people affected by the flood. Canned food for babies and grown-ups, bottled water and hygiene products were delivered to the reception centre at Belgrade Fair.





Aid of Telenor Serbia and Telenor Group to Flood Affected People

Telenor Serbia and Telenor Group have donated the total of 20 million dinars to the account of the Government of the Republic of Serbia as aid to flood affected people. For Telenor which is present in Serbia for 8 years already, aid is our civil duty, and for Telenor Group, safety and security of people in countries where it operates comes first.



Understanding for Customers

Taking into consideration the difficult situation caused by floods and their effects on the citizens from affected areas of Serbia, Telenor Company has introduced additional measure of support for its customers by prolonging the deadline for paying April bills for 30 days. For all the other Telenor customers who are not from areas affected by floods, the deadline for paying April bills was also postponed until the end of May 2014.

Psychological and Social Support to Employees

During and after floods, confidential and professional counselling of psychologists and psychotherapists was provided for all employees in Telenor.

Donation for “EKO-DVORIŠTE” (ECO-YARD)

Thanks to our donation, ECO-YARD has been reconstructed and serves again its initial purpose – it is one of rare places where young people from Obrenovac and its surroundings can gather and spend their time in high-quality activities aimed at the preservation of the environment. The reason for the donation to this centre in particular is the exceptional commitment of all its members to ecology, but also the fact that during May floods they have proved to be true partners of the citizens. Although the centre itself was also flooded, its members very courageously made it one of the main centres for collecting and distributing aid to the people from Obrenovac, and later its premises were used as shelter for the people whose homes were under water. Experts from the centre offered counsel to their fellow-townsmen about house repairs or the way in which they can exercise their rights. Trained volunteers of the centre helped their fellow citizens in putting their homes in order and obtaining humanitarian aid, and they also motivated them to take part in various workshops, trainings and seminars for acquiring new skills and knowledge.

They also bought computer and technical equipment which greatly enhances their work in seminars, workshops and exhibitions organized by the Centre for young people from whole of Serbia, while this equipment is simultaneously at the daily disposal of the citizens of Obrenovac who come to the Centre, either to do research or to study. A part of the donation was spent on the organisation of a glass recycling workshop (the first workshop that opened the work of the Centre). Collected glass from the whole town – bottles, jars and other waste material – is used to make completely new and creative useful objects.



Humanitarian Number 1003

As of May 16 already, at the initiative of the Secretariat of the Government of the Republic of Serbia, humanitarian number 1003 was opened for collecting aid for the population of flood affected areas of Serbia. By the end of March 2015, Telenor customers have sent the total of 686,378 messages, and the citizens of Serbia can continue to assist in this way the recovery from the damage caused by floods.

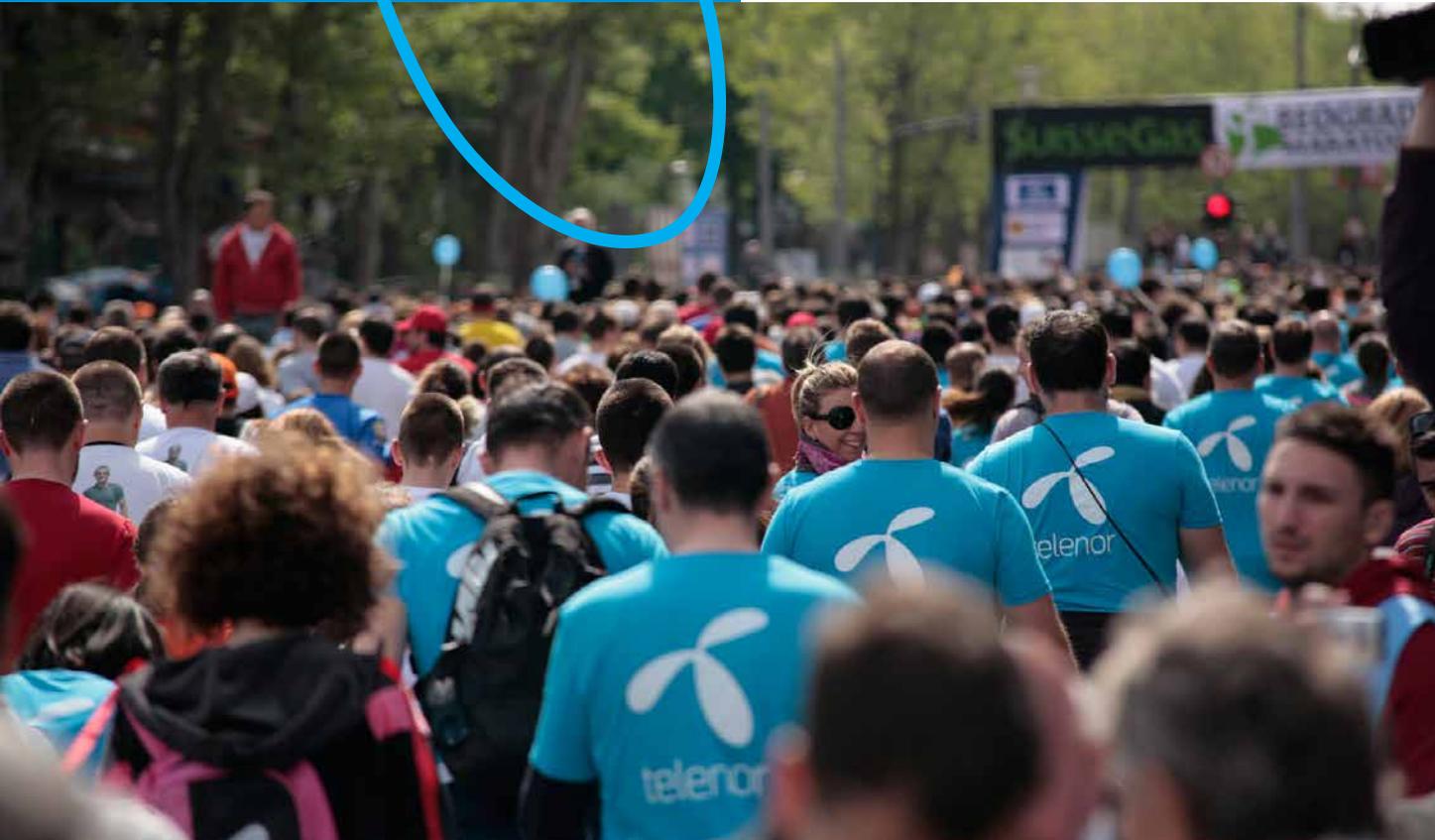
Spirit of Sports and Solidarity

1000 kilometers for NURDOR

On April 27, 2014, two hundred Telenor employees and members of their families took part in CorD Charity Masters humanitarian race during Belgrade Marathon. By participating they have decided to help NURDOR organisation and collected 400,000 dinars for it on the occasion. Together with our employees, representatives of NURDOR also ran in the race, including children and young people cured of cancer, who by doing this sent a message of support to all children suffering from cancer and their families.

The money collected from participation in the race was used for the realisation of NURDOR projects. National association of parents of children with cancer gathers parents, physicians, medical staff and all people with good will who offer practical, emotional and financial support to children suffering from cancer and their relatives.

Telenor is a company which has collected the largest share of money in this campaign, and we are especially proud of the fact that we have also gathered the largest number of participants in the race.



„BELhospice“ Football Humanitarian Tournament

In Kovilovo Sports Centre, the sixth humanitarian tournament in a row was organised by BELhospice. On the occasion 11 thousand Euros were collected for palliative care of patients suffering from cancer. Wishing to help, nine foreign and local companies joined in this humanitarian campaign. Telenor team took part in the tournament twice already and won it both times.

Awards

Public Recognition for “Internet for All” Projects

As part of an organisation which strongly believes in the power of connectivity, and independence and freedom it brings, ever since its arrival at the Serbian market, Telenor has set as one of its objectives to provide access to Internet to the largest possible number of people in this country. For everything accomplished in this sphere in the previous year, Telenor won public acclaim for social responsibility “My Choice” for projects integrated under the title “Internet for All”. When in 2006 Telenor started its business operation in Serbia, Internet penetration amounted to about 27% which was less than in majority of the countries in the region. Nowadays, Serbia is among quite well connected countries with penetration above 50%. Telenor is an extremely significant factor of this growth, and has contributed to it both through its activities within its fundamental business operation and through projects of corporate responsibility. However, in some parts of the country there are still young people who have never worked on a computer or used the Internet which provides us with a strong impetus to continue efforts in this direction.

Just in the course of last year, 13 projects were realised launched all over Serbia with the aim to increase the accessibility to Internet, raise IT literacy, promote information technologies, stimulate creativity and activism of citizens in local communities. A significant portion of these projects contributes to breaking the circle of poverty and social ex-

clusion in the least developed municipalities in Serbia by including different groups, especially children and young people. With this goal in mind, by equipping community premises and providing Internet access in social centres or by opening Internet clubs within youth offices, Telenor has contributed to the solution of this problem. Some projects were directed towards using the potentials of modern technologies for the purpose of improving work in several schools in Serbia.

Hello! Award to Telenor

One of the largest media companies in the region, Color Press Group, presented its annual Hello! Award to Telenor and Telenor Foundation for its dedicated and long efforts in the sphere of corporate responsibility. Among Telenor’s initiatives, special stress was laid on its immediate response and aid donated during May floods – in just five days full network coverage of Obrenovac was provided with full capacity and people were thus enabled to remain in contact with their families and rescue teams; there are also Internet parks and projects realised as part of the initiative Internet for All, such as “Be in the Loop”. This project enables children who are forced to remain in hospitals for long medical treatment to catch up with the school program they miss and enjoy the benefits offered by Internet.



Globally United



Network Serbia
WE SUPPORT

Ten Principles for a Better World

Telenor has joined the global initiative for linking socially responsible companies with United Nations agencies, the commercial sector, governments and the civil sector. This largest global voluntary initiative, called the UN Global Compact, was created for the promotion of ten universally accepted principles on the protection of human and labor rights, preserving the environment and the fight against corruption. In its involvement in the Global Compact, Telenor has committed to adopting and abiding by these principles, and that it would apply them in daily operations.

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