



Sustainability Report
2012



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ABOUT US



Telenor Group is an international provider of telecoms, data and media communication services.

Telenor Group has mobile operations in 11 markets in the Nordic region, Central and Eastern Europe and in Asia, as well as a voting stake of 43% (economic stake 35.7%) in VimpelCom Ltd, operating in 18 markets.

Headquartered in Norway, Telenor Group is one of the world's major mobile operators with 148 million mobile subscriptions in its consolidated operations, revenues of NOK 101.7 billion in 2012 and a workforce of approximately 30,000.

Our vision is simple: Telenor exists to help customers get the full benefit of communications services in their daily lives.

We're here to help.

➔ **READ MORE**

Click here to find out more about the Telenor Group.

TELENOR GROUP

AROUND THE GLOBE

Telenor Norway

Telenor is the country's leading telecommunications operator.



Telenor Sweden

Telenor is the third largest mobile operator in Sweden.



Telenor Denmark

Telenor is the second largest mobile operator in Denmark.



Telenor Hungary

Telenor is the second largest mobile operator in Hungary.



Telenor Serbia

Telenor is the largest mobile operator in Serbia.



Telenor Montenegro

Telenor is the largest mobile operator in Montenegro.



DiGi Malaysia

DiGi is the third largest mobile operator in Malaysia. DiGi is listed on Bursa Malaysia.



Telenor Pakistan

Telenor is the second largest mobile operator in Pakistan.



Uninor India

The Indian greenfield mobile operator Uninor launched its services in December 2009 and has presence in six Indian telecom circles.



Grameenphone Bangladesh

Grameenphone is the largest mobile operator in Bangladesh. Grameenphone is listed on the Dhaka Stock Exchange (DSE) Ltd and the Chittagong Stock Exchange (CSE) Ltd.



dtac Thailand

dtac is the second largest mobile operator in Thailand and is listed on the Stock Exchange of Thailand and the Singapore Exchange.



VimpelCom Ltd

Telenor Group holds an economic stake of 35.7% in VimpelCom Ltd, operating in 18 markets. VimpelCom Ltd has 214 million subscribers (as of 31 Dec 2012), and is listed on the New York Stock Exchange.

The Telenor Group is listed on the Oslo Stock Exchange.





MESSAGE FROM THE PRESIDENT AND CEO



I am pleased to present the Telenor Group Sustainability Report for 2012. The Annual Report for 2012 and this Sustainability Report provide an overview of Telenor’s results in terms of financial, social and environmental performance.

Telenor Group’s commitment to the ten principles of the UN Global Compact remains firm. It continues to guide our work to secure the sustainability of our operations. But while our strategy remains unchanged, we see that new developments require us to stay vigilant and responsive. This is important both in addressing emerging challenges and in maximising our opportunities.

JON FREDRIK BAKSAAS

During the year we have seen growing stakeholder attention on human rights risks, especially relating to privacy and freedom of expression. The responsibilities of telecoms companies operating in countries where there are concerns relating to human rights violations have been highlighted.

At Telenor Group we have worked systematically to address these risks during the year. Together with peers in the telecoms industry, we have discussed relevant challenges with the aim of developing a set of principles on Telecommunications, Freedom of Expression and Privacy.

Special focus was afforded to republics in Central Asia, where VimpelCom Ltd has operations. In the light of these developments, we have taken an active role as a long-term investor in VimpelCom, and engaged with the company to build more awareness of the challenges the industry is facing. During 2013, we will continue this dialogue.

It has also been a year in which we have seen further evidence of the transformative powers of the mobile phone. One of the most striking examples is found in Pakistan, where the Easypaisa mobile banking service continues to grow.

It is now ten years since Kofi Annan called upon the world to “address the constraints that exclude people from full participation in the financial sector”. The introduction of mobile banking has been the most effective way of addressing those constraints. The fact that there are now more than one million registered Easypaisa accounts, and that over four million users are making payments through Easypaisa every month, tells me that real progress is being made.

This report contains much detail on our achievements during 2012. It also discusses many of the challenges we face as an international company operating across different geographies.



MESSAGE FROM THE CHAIRWOMAN

OF THE ETHICS AND SUSTAINABILITY
COMMITTEE OF THE BOARD



LISELOTT KILAAS

Liselott Kilaas

During 2012, Telenor Group took significant steps to deliver greater sustainability across all our lines of business. Our initiatives are discussed in detail in this report. We also strived to better leverage our participation in wider sustainability coalitions. By joining forces with our industry peers we made progress on supply chain sustainability, in our management of human rights risks and in our efforts to build a safer digital environment for children.

Telenor joined the Joint Audit Cooperation (JAC) in 2012. This is an association of European telecoms operators that adopt a common assessment methodology to verify, assess and promote sustainability and best practice across our supply chains. Telenor carried out five audits on behalf of JAC in 2012. In return, we received detailed findings from a further 35 audits carried out by other JAC companies. In total, Telenor Group companies undertook 2,235 field inspections during the year.

The enabling role of mobile

The mobile phone provides unparalleled reach and improves quality of life for people everywhere. Just as we strive to mitigate any negative impacts across our activities, we are also committed to maximising the positives. We do this through our Enable initiatives. In Serbia we have seen how essential information is successfully disseminated to women in Roma communities through the work of mediators equipped with connected laptops and mobile phones from Telenor.

In December 2012, Telenor Group and dtac partnered with UNICEF Thailand to promote children's rights using mobile phone technology. Targeting underserved women and their children, dtac and UNICEF will distribute vital information to ensure more robust health and greater safety for pregnant women and young mothers. The partnership will also reach out to children not properly registered at birth, children who fall outside the safety net provided by society. I look forward to following the progress of this work.

Responsible investment

In 2012, Telenor took further steps to engage with VimpelCom Ltd, a company in which we hold a minority interest. Through the channels available to us, we have explored ways of supporting VimpelCom as it develops its own sustainability agenda. We have established a positive dialogue in response to concerns raised on anti-corruption and on privacy and freedom of expression as they relate to human rights across markets in Central Asia. We will continue this dialogue during 2013.

Our focus on business ethics and sustainability is critical to maintaining the trust of the societies in which we operate.

It is our aim in this report to be open about the challenges we encountered as well as the achievements we made during 2012. It is my hope that you will enjoy reading this year's Telenor Group Sustainability Report.



ABOUT THIS

REPORT



At Telenor we report on the risks and opportunities most important to Telenor’s long-term value-creation potential, and cover topics that are strategically important to Telenor and our stakeholders.

Telenor reports on sustainability in our Annual Report, in our Sustainability Report and in our web-based reporting with further details on initiatives and results. This report aims to provide an overview of the most material sustainability information in an easily downloadable and readable format.

Telenor Group’s goal is to create shared value for the company and for the societies where the company operates. Through a business-integrated approach, Telenor’s strategic corporate responsibility work is focused on extending the benefits of communications technology to reach underserved groups, providing safe user experiences and minimising our environmental impact.

➔ [READ MORE](#)

Click here to find out more about Telenor’s materiality assessment and reporting principles.



THE TELENOR WAY

TELENOR'S POSITION

Across all our different markets, Telenor is perceived through the behaviours of our more than 30,000 employees. To ensure a common way of interacting with customers and stakeholders, a strong, unifying corporate culture is key. At Telenor we take a holistic perspective of the different elements that define our culture. Together they form the Telenor Way.

The Telenor Way encompasses our governing documents (Code of Conduct, Group Policies and Manuals) as well as our Vision, Values and Leadership Expectations. Every decision we make as employees or managers should be consistent with those standards. Three key messages are contained in the Telenor Way.

Customer focus

Our vision and values are about putting the customer first. Customers should experience that they are our first priority whenever they use our products and services. To be successful in delivering that experience we must believe in and live in a customer-centric environment.

Only by living our vision and values will we ensure real customer satisfaction – and thereby ensure profitable business in the long term.

Empowering leadership

We believe that our employees deliver the best customer experience when they are engaged. We are also confident that our people will be more engaged with a leadership focused on empowerment.

Telenor will maintain consistent, accurate and non-discriminatory employment policies in accordance with applicable legislation and good corporate governance. Recognition and fair compensation and a healthy work-life balance will contribute to attracting, motivating and retaining the right people who can deliver sustainable growth for our company.

Dialogue with our people and their representatives is essential to our efforts to support and nurture a sustainable working environment characterised by high levels of job satisfaction. We believe that an open and inclusive environment also contributes to continued sustainable business growth in the Telenor companies.

Strong on ethics

Our unambiguous Code of Conduct spells out our business ethics and defines the core principles and ethical standards by which we create value in our company. This is the code that we live by – our commitment to respect the communities and the environment in which we carry out all our work. When we adhere to the standards defined in the Code of Conduct, it improves our overall performance and helps us act responsibly. It also reduces unnecessary exposure to risks.

THE TELENOR WAY

CHALLENGES

Striking the right balance between meeting short-term targets and ensuring that activities contribute to a sustainable future in the longer term can be a challenge.

The Telenor Way is our main tool for finding that balance. It clearly articulates the values that we all share. Any success that we achieve as a company will reflect these values.



Employee Engagement Index reached 75% at Group Level in 2012

Our people have very different backgrounds. Not all interaction will be frictionless. However, as employees of Telenor Group, our people take on an important responsibility. In all dialogue with stakeholders we will be respectful of local environments as well as the communities and cultures we work in. As a company we take on a commitment to continue to impress upon our people what it means to join the Telenor Group.

2012 STATUS

In 2012 the Telenor Way has been a driving force in the process of making our operations truly customer-centric. This effort has been based on our business strategy and has served to make our vision and values even more relevant. In our business units a series of initiatives has been introduced to bring our employees closer to our customers and make them better equipped to understand their needs. In 2012 these activities were extended to also include our Group Staff Units. During 2012 and 2013 all our people will be given the opportunity to interact directly with customers and reflect on how our values can be leveraged to further improve the customer experience.

In 2012, to further strengthen leadership at Telenor Group, we introduced the Employee Engagement Index (EEI) as a strategic non-financial KPI. We believe that truly engaged employees are a result of an empowering leadership living the Telenor Way. In 2012 the index at Group level was 75%, an increase of 1% compared to the previous year. In 2012 we also implemented a fully aligned performance and development process (TDP) across the Group.

In order to strengthen awareness and conduct meaningful business ethics training of our people, we have further developed and updated our portfolio of e-learning programmes. All employees now have access to six interactive training modules on anti-corruption, 18 ethical dilemmas presented as part of e-learning and a mandatory introduction to our Code of Conduct. We have also strengthened our portfolio of on-boarding tools and training.

STRATEGIC AMBITIONS

All our people will be familiar with the Telenor Way. They will receive relevant and timely training and be given the opportunity to engage with their colleagues to ensure that we share the same understanding of how our values translate into actions.

The Telenor Way serves as the anchor for all decision-making at Telenor Group. Across a large and diverse company, with cultural as well as geographic diversity, the Telenor Way shall continue to be developed as our key to value-based business.

EMPLOYEE INVOLVEMENT



Telenor is promoting employee involvement within the Group by strengthening the framework of industrial relations. Telenor will seek to build cooperation models with employee representatives in all business units.

In addition, a global agreement has been established with UNI Global Union, formally signed in early 2013.



ETHICS AND

ANTI-CORRUPTION

TELENOR'S POSITION

Telenor endorses the ten principles of the United Nations Global Compact (UNGC), which present clear standards for business ethics. As a member of the UNGC, we report annually on our progress on embedding our anti-corruption culture in all parts of our organisation. This is an essential part of our overall goal of building a sustainable business.

Telenor Group's commitment to integrity and transparency is clearly stated in our Code of Conduct; owned and approved by the Board of Directors. This is a document that is signed by all employees upon joining the company, and re-signed whenever substantial updates are made.

Our Code of Conduct was introduced in 2003. It clearly states that, whereas failure to perform can be excused, we can never compromise on our integrity. This is how we conduct business at Telenor and is the way we shall create value for our customers, investors, staff and anyone benefiting from the services we provide.

Anyone acting on behalf of a Telenor Group company should comply with all applicable laws and regulations. Should there be conflict between such laws and the standards set out in the Code of Conduct, the highest standard consistent with applicable laws shall be applied. If a potential conflict with the Code of Conduct is brought to our attention, we have an obligation to act. Failure to do so will in itself constitute a breach of the Code of Conduct.

If a compliance issue emerges, line managers and the Ethics & Compliance Officers are there to assist. There is a hotline for fast response and incidents may be reported in full confidentiality. Telenor does not allow reprisals of any kind against those reporting in good faith.

Corruption risks constitute a serious threat to our business environment and to the societies in which we operate. Corruption causes unfair competition and involves added risk and a range of negative impacts, including the risk of our own people being prosecuted.

We work systematically to uncover any non-compliance and pursue a risk-based approach, focusing specifically on areas where international indicators highlight specific risks and where we have ourselves previously identified risks.

The Board of Directors carries the responsibility of taking such action as it considers appropriate to investigate any suspected violations/breaches of applicable laws and Telenor's Code of Conduct. If a violation has in fact occurred, Telenor will take such disciplinary or preventive actions as it deems appropriate.



ETHICS AND

ANTI-CORRUPTION

CHALLENGES

Telenor Group is a multinational company with operations in very different markets. Some of these markets rank high on Transparency International's Corruption Perception Index. We have developed a robust ethical platform at Telenor Group. However, we can never rule out the risk that ethical blind spots may exist. There may be gaps between the behaviours we foster and adhere to, and the behaviours displayed by individuals acting on our behalf.

We are firmly committed to encouraging and fostering ethical behaviours. Geographical and cultural diversity is important. Subtle ways in which our ethics are bounded should be incorporated. If we identify any "ethical sinkholes" we must act swiftly and firmly to address specific issues, but we must also continue to build and promote ethical values within identified challenge areas. These values need to be communicated to and anchored with key individuals and we must also find ways to make them "stick". This will be our highest priority and our preferred way of addressing any unacceptable behaviour.

2012 STATUS

During 2012 we have strengthened the mission and mandate of the compliance function across our business units. The aim of this effort has been to harmonise further the process of anchoring the Code of Conduct and other business ethics activities throughout the Group. This includes more detailed requirements with respect to the role and responsibility of our Ethics & Compliance Officers. We have also detailed how compliance incidents, including but not limited to conduct of investigations and guidelines for disciplinary actions, are to be handled in a uniform, high-quality manner. In this way we ensure that incidents of non-compliance are met with equal measures across the Group.

A revised Anti-Corruption Policy was implemented in 2012. To aid in implementation, Telenor has also developed an anti-corruption handbook. This handbook is intended as a practical tool to help Telenor employees to understand and live our values and follow Telenor Group's formal rules relating to anti-corruption.

During 2012 we also focused on anti-corruption across our supply chains. We integrated anti-corruption measures in the day-to-day business assurance

work by highlighting the issue at our regular sustainability inspections. We also developed practical guidance documents and checklists on preventive corruption work and conducted separate training for our business units.

STRATEGIC AMBITIONS

We will continue to promote a robust and open business culture and nurture behaviours and business practices in accordance with the Telenor Way framework during 2013. We will take this effort further by improved monitoring of the implementation of the Code of Conduct and by implementing our upgraded requirements to the Ethics & Compliance Function, formalised in the Group Manual Ethics & Compliance and other Group governing documents. We will also improve the systematic support and follow-up of our local Ethics & Compliance functions.

In 2013 we will continue our efforts to embed and monitor the progress of the Telenor Group Anti-Corruption Programme. The main focus will be on monitoring the implementation of the revised Anti-Corruption Policy. Furthermore, we will ensure communication of our new Anti-Corruption Handbook within the Telenor Group.

COMPETITION AUTHORITY INVESTIGATION



In late 2012, the EFTA Surveillance Authority (ESA) and the Norwegian Competition Authority initiated an investigation into Telenor Norge AS and Telenor ASA regarding possible abuse of dominant market position and/or possible anti-competitive practices.

This investigation is ongoing and there is no official estimate as to when a conclusion will be reached. In its role as the leading telecoms provider for Norway, Telenor does anticipate additional attention from authorities. Telenor will cooperate in order to ensure a fair and competitive marketplace.

→ READ MORE

Click here for a full description of Corporate Governance at Telenor and details relating to Telenor Group's compliance with the Norwegian Code of Conduct.



 HUMAN RIGHTS

TELENOR'S POSITION

The Telenor Group believes that telecommunications enables the exchange of ideas and access to information, and serves as a vital tool in times of crisis or in the interest of public safety. At the same time, we recognise that our business may have a negative impact on human rights, for example, through misuse of telecommunications by governments.

Telenor Group is committed to respecting human rights, and this topic has long served as a fundamental part of the company's Code of Conduct and Supply Chain Principles. Since the launch of the United Nation's Guiding Principles on Business and Human Rights in 2011, the focus on human rights and business in general, as well as in the telecoms sector, has increased.

Telenor Group works continuously to remain aware of potential human rights risk areas, apply mitigating actions and maintain an active dialogue with relevant stakeholders.

CHALLENGES

As a global company, Telenor acknowledges that we do face human rights challenges in markets where we operate.

Telecommunications plays an important role in enabling citizens to exchange ideas and express opinions. One type of challenge we face is on occasions when governments must address societal needs, such as national security, requiring telecommunications companies to comply with requests that may affect privacy and freedom of expression. In these instances, Telenor believes that active engagement with stakeholders is important in addressing how these issues are handled, verified and reported.

Telenor Group sees it as positive that there is now an international focus on human rights issues, particularly in Central Asian countries where the company is invested through its minority position in VimpelCom Ltd. Telenor believes that cooperation within the telecoms industry at large and dialogue with governments and NGOs will strengthen our ability to ensure respect for human rights and will be a part of making a positive impact.

TELECOMMUNICATIONS INDUSTRY DIALOGUE ON FREEDOM OF EXPRESSION AND PRIVACY



A number of telecommunications operators and vendors have come together to address the issues of privacy and freedom of expression as they relate to the telecommunications sector through an Industry Dialogue. The companies are also engaging with stakeholders including other telecoms providers, NGOs, civil society organisations and government officials, to gather their input and raise interest on this issue.

The Dialogue is guided by the "Guiding Principles on Business and Human Rights" from the United Nations and explores the interaction and boundaries between a government's duty to protect human rights and the corporate responsibility of telecoms providers to respect human rights in relation to privacy and freedom of expression.



HUMAN

RIGHTS

2012 STATUS

Human rights is an issue that Telenor has long focused on, with even greater attention in 2012. During the year, Telenor continued to play a part in the “Telecommunications Industry Dialogue on Freedom of Express and Privacy”. The company also strengthened its internal human-rights-related efforts, including an in-depth analysis of the privacy and freedom of expression situation in its business units, as well as a focus on labour rights and continuous supply chain work. Telenor also commissioned a pre-investment human rights due diligence in Myanmar, and used its role as an investor in VimpelCom Ltd to raise human rights issues at the VimpelCom Ltd Annual General Meeting, held in December 2012.

During 2012 we have revisited and continued working on improving our internal routines for handling and escalating government requests that may affect privacy and freedom of expression. We will continue this work in 2013.

STRATEGIC AMBITIONS

Telenor considers itself to be a growth company and will therefore continue to be present in developing countries where it may be faced with human-rights-related risks. The company believes that it has a responsibility to seek to understand the human rights risks in its markets, identify mitigating actions, implement these actions and actively work with key stakeholders on how to respect human rights in its business.

In 2013 Telenor will continue its work on human rights due diligence, improving internal processes, as well as continue to seek industry-wide solutions together with our peers.

DATA PROTECTION AND PRIVACY



All customer data shall be managed with utmost confidentiality, in accordance with strict standards, so as to prevent any unauthorized access.

We realize that in order to succeed with establishment of new services and maintenance of our operations, we need confidence and trust from our customers, employees, authorities and other stakeholders. Data privacy and protection of personal data is paramount to earn this trust.

→ [READ MORE](#)

Click here to read more about Telenor Data Protection and Privacy.

→ [Click here to read more about Telenor Corporate Responsibility](#)

HUMAN RIGHTS PRINCIPLES



Telenor is committed to respecting human rights as set out in the [UN Guiding Principles on Business and Human Rights](#), the [OECD Guidelines for Multinational Enterprises, Children’s Rights and Business Principles](#), the [UN Global Compact Ten Principles](#). These principles, along with Telenor’s Code of Conduct, Policies, [Supplier Conduct Principles](#) and [Vision & Values](#), provide the Telenor Group with a common approach to how we treat each other, how we serve our customers, how we run our business and what we believe our role to be in the societies where we operate.

Telenor Group’s Human Rights Principles were designed to bring together our commitment to respect human rights stated in various governing documents, and to state clearly how we approach this in the operational context of government requests.

→ [READ MORE](#)

Click here to read more about Telenor Human Rights Principles.



ENABLING SERVICES



TELENOR'S POSITION

The mobile phone is increasingly serving as a tool for improving people's lives. Telenor believes that the mobile phone can help stimulate economic and societal development, bringing banking services to the unbanked, health-care services to even the most remote, and education to the masses. Bringing the benefits of mobile communication to a wider audience is one of Telenor's key objectives. This is what Telenor calls "Enable".

CHALLENGES

In order for Telenor to develop new services that are useful to and trusted by the end-users, it requires the support of reputable partners, such as NGOs and international organisations, who can help ensure that the services meet the actual needs of people in that society, and that they are implemented professionally.

Telenor also faces challenges regarding the implementation of services in its markets, and has found that initially running the service as a pilot project is a useful way of uncovering the challenges before actual implementation. A pilot project is a way to verify that the initiative will have the intended impact and fulfils Telenor's goal of being a sustainable initiative in the long term.

CASE STUDY

FARMER INFORMATION SUPERHIGHWAY

Telenor-owned dtac in Thailand runs a project called *1677 Farmer Information Superhighway, aimed at empowering farmers through access to essential agricultural information from their mobile phones. Three categories of information are available to the farmers: Rice and Grain, Fruit and Vegetable, and Cattle, Livestock and Fishery. At first the project included SMS information only, but has since evolved into MMS, videos over 3G, mobile phone apps and a mobile marketplace.



"After I got information from *1677, I started using bio fertiliser instead of chemical fertiliser. The outcome is the cost of fertiliser has been reduced from 15,000 baht to only 4,700 baht for me, and I have increased my product from 85 bags of jasmine rice to 115 bags, and sticky rice from 50 bags to 60 bags," said Ms Rungnabha Yodmai, 36 years old.

Since its inception, the Farmer Information Superhighway project has increased its number of partners from three to more than 40 partners from state agencies and business organisations. The number of service subscribers has increased from 40,000 and will soon reach 200,000. dtac's target for 2013 is to reach 250,000 subscribers.



ENABLING SERVICES

2012 STATUS

In 2012, Telenor Group continued its work on Enable projects in Serbia, connecting the Roma population, along with its efforts to bank the unbanked in Pakistan through Easypaisa. At the year end, Telenor company dtac signed a Memorandum of Understanding with UNICEF Thailand, to work together to provide information services for mothers and children – both birth registration and children’s rights.

Telenor Group also focused on mobile health and its potential societal impact, through a joint study with Boston Consulting Group.

STRATEGIC AMBITIONS

Telenor Group’s Enable strategy focuses on using its core services to make a positive impact. With the support of experienced partners, Telenor aims to create new opportunities for all of the societies where it operates. In 2013, Telenor aims to continue expanding the reach of its Enable initiatives.

CASE STUDIES

MHEALTH PARTNERSHIP SUPPORTS MOTHER AND INFANT HEALTH



Grameenphone (GP) has joined an innovative new coalition to improve mother and infant health through a voice and text messaging service. The main objective of the programme is to achieve the United Nation’s Millennium Development Goal of reducing maternal and child mortality.

The service is targeted towards expectant mothers, new mothers with infants and their family members. The programme aspires to reach more than 2 million mothers by 2015.

AGRICULTURE COMMODITY TRADE (ACT)



Telenor Pakistan’s ACT project uses mobile technology to share agricultural information. This programme benefits Pakistan’s agricultural industry at large, and particularly the small-time farmers (with less than 12 acres of land) who make up 85% of the farming community.

Through this project, the farmers receive SMS alerts or automated calls with information on livestock/agriculture best practices and market prices on specific crops and markets. A total of 4,000 farmers participated in the ACT project during the pilot phase, with a total of 350,000 messages distributed.

Due to the success of this pilot project, Telenor Pakistan was approached by USAID and local government to officially launch the service. Initially, the project will focus on a group of potato and peach farmers, who are selling to Pepsi Co., for the company’s Lay’s potato chips line. Telenor Pakistan’s Easypaisa service will be integrated as the means for the transactions between Pepsi Co. and the farmers. Telenor Pakistan will continue to send information to the farmers via SMS and automated calls. This particular project will continue throughout 2013.

[→ READ MORE](#)

Click here to find out more about Telenor’s Enable projects.



SAFE

SERVICES

TELENOR'S POSITION

The power and reach of the Internet is enriching the lives of children across all parts of the world today. On different levels, the online universe offers huge benefits for children and young adults everywhere. It is, however, a universe that also carries risks and threats, and as a company closely involved with the Internet value chain, Telenor Group shares a responsibility to ensure that those threats are managed and addressed in such a way as to allow the benefits to outweigh the threats.

CHALLENGES

To ensure that children are able to benefit from the wealth of information, engagement and sharing that the Internet can deliver it is essential to strive to enable safer navigation of the online environment. The usefulness of online learning tools will be significantly limited if parents and teachers are not confident that these resources can be accessed safely by children. The Internet is also a fast-changing place, and the responses we prepare to the problems of today might not be adequate to meet the challenges of the future.

SAFER INTERNET EXPERIENCE FOR MALAYSIAN CHILDREN



Malaysian operator DiGi also strengthened its efforts to deliver a safer Internet experience for children during 2012. With key support from the Malaysian Ministry of Education, CyberSecurity Malaysia, and the NGO Childline Malaysia, the DiGi CyberSAFE Programme aims to educate participants on how to protect themselves against online threats and cybercrime by equipping them with the right tools to enjoy a secure Internet experience. A total of 4,194 students and 832 teachers from 272 schools were visited, and at the 14 Community Broadband Centres that DiGi operates an additional 1,729 people from rural, underserved communities also took part in the training.

As a leader in the fight for a safer digital environment, DiGi was invited as the only private ICT sector partner to the UNICEF-UN Global Compact Malaysia launch of the Children's Rights and Business Principles, a global initiative that Telenor Group has been supporting since its inception.



4,194
students



832
teachers



272
schools



SAFE

SERVICES

2012 STATUS

Together with 24 other ICT companies, Telenor Group joined the future-facing ICT Coalition for a Safer Internet for Children and Young People in 2012. The ICT Coalition Principles focus on developing innovative ways of enhancing online safety and encouraging responsible use of the Internet and Internet access devices, empowering parents and carers to engage with and help protect their children. Equally important is providing easily accessible, clear and transparent information about online safety and behaviour and raising awareness of how – and to whom – to report abuse and concerns.

A multi-stakeholder platform will ensure that industry signatories can get feedback from a wide range of stakeholders, including children’s advocates and national representatives.

In response to a call for action from the European Commission, Telenor joined with other leading players in the European ICT industry by committing to take positive action to make the Internet a better place for children. Coalition members worked together to put in place proportionate, pragmatic solutions to real problems, focusing on simple and robust reporting tools for users, age-appropriate privacy settings, wider use of content classification, wider availability and use of parental controls and effective takedown of child-abuse material. Coalition members are to deliver these solutions within set deadlines, and during 2012, Telenor’s European operations have all committed resources to ensure that we respond by putting in place timely and relevant measures.

RESPONSIBLE USE OF THE INTERNET IN MONTENEGRO



In 2012, Telenor Montenegro took further steps to educate Montenegrin children and youth in responsible use of the Internet. Teaming up with the Montenegrin Ministry for Information Society and Telecommunications and with support from the Ministry of Education and Sports, Telenor Montenegro reached out to five elementary schools. Twenty Safe Internet Ambassadors then embarked on a peer-training programme, and during the year around a thousand

peers in five towns held a total of 40 workshops on safe Internet use. After the successful implementation of this pilot, Telenor has now committed to launch a two-year effort called “Conquer Internet, Surf Wisely” and aims to reach out to four times as many people than in the pilot year.

➔ [READ MORE](#)

Click here to find out more about Telenor’s Safe projects.



SAFE

SERVICES

STRATEGIC AMBITIONS

Sophisticated, Internet-enabled mobile devices are found increasingly often in the hands of children and young adults. As a provider of Internet connectivity across a range of different markets, we want to engage with relevant stakeholders and partners in wider society, and participate in nurturing a more resilient and safer generation of young users. As members of two industry coalitions on online safety we have committed to deliver concrete solutions that will offer better protection for children across our European markets. In 2012 we also commissioned the Boston Consulting Group to prepare a report that outlines challenges as they manifest themselves across all our different markets. This work will be completed in the first quarter of 2013. Based on the findings from this work, Telenor Group companies will seek to engage with stakeholders to build greater awareness of the risks children are facing, and also to suggest ways of interacting with young users. Already we have acquired much

helpful information about how to interact with children from successful outreach programmes in Norway, Malaysia, Sweden and Montenegro, and it will be our aim to leverage synergies to launch similar initiatives at more Telenor business units. Key priorities will still be on preventing digital bullying and to build greater resilience among young people.

At Telenor Group we acknowledge that some people have concerns relating to electromagnetic fields (EMF) and possible health risks. Across all our operations we adhere strictly the international and national guidelines on safety in relation to exposure to EMF. We also support and monitor independent research into the long-term effects of mobile phone use. We are committed to engaging with concerned stakeholders and communicating in a transparent manner to anyone seeking more information about any of our installations.

TELENOR SWEDEN'S ECPAT-TEAM

In addition to blocking websites with child sexual abuse content, Telenor Sweden has taken a stand against sexual abuse of children through a partnership with ECPAT (End Child Prostitution, Child Pornography and Trafficking in Children for Sexual Purposes). The partnership aims to prevent child sex trafficking in existing and new products and services, and to raise awareness. A team of Telenor employees are able to use two working hours every month and are engaged in work to raise awareness among Telenor Sweden's employees, customers and suppliers.

THE HEALTH AND ELECTROMAGNETIC FIELDS NETWORK (HEMF)

In 2012 Telenor Group revived its specialist community on electromagnetic fields (EMF), bringing together resources that will assess and evaluate developments relating to research, regulation and stakeholder engagement. This group is called the Health and Electromagnetic Fields Network (HEMF). Dedicated resources all business units respond to stakeholders requesting EMF-related information.

[→ READ MORE](#)

Click here to find out more about Telenor's Safe projects.

OCCUPATIONAL HEALTH, SAFETY AND SECURITY



TELENOR'S POSITION

Telenor Group focuses on maintaining a positive working environment and a culture that nurtures occupational health, safety and security (OHS&S). The company works across all of its business units to maintain and improve its readiness for security and safety risks.

We believe that the health, safety and wellbeing of our employees are vital to our business and make a difference in employee engagement and productivity, e.g. by reducing absenteeism, and thus saving costs.

Telenor's OHS&S approach covers its employees, as well as contractors, vendors and suppliers. The company also works with partners and vendors to monitor and implement health and safety measures and provides them with proactive support in OHS&S matters (see section on Supply Chain Sustainability).

CHALLENGES

Telenor faces a range of OHS&S-related challenges in the markets where it operates. Traffic-related incidents remain a challenge, and Telenor has also seen some increase in violent crime, political instability, economic uncertainty and instability in some markets. The company has also noted some threats to its retail shops and other facilities in some of our markets in Asia as mobile devices have increasingly become a target item for theft.





OCCUPATIONAL

HEALTH, SAFETY AND SECURITY

2012 STATUS

Health, Safety, Security and Environment (HSSE) awareness and training has been a priority in 2012 and approximately 34,700 employees and in-house contractors attended awareness training.

Telenor had no work-related fatalities among employees during 2012. However, in our supply chain (see section on Supply Chain Sustainability), two work-related fatalities were reported by in-house contractors. The victims were security guards working at our base station sites. In addition, as many as five employees of Telenor’s first-line suppliers lost their lives during work for Telenor; three of these as a result of road-traffic accidents and another two lost their lives during violent attacks or robberies. All of these relate to the general security situation in Pakistan.

For the whole Group, the Lost-Time Injury Frequency (LTIF) for Telenor in 2012 was 0.30 injuries per million worked hours.

STRATEGIC AMBITIONS

Telenor will continue to focus on OHS&S and to identify potential risk areas the company faces. In 2010, all Telenor business units implemented a systematic approach to OHS&S in accordance with OHSAS 18001, an internationally recognised standard. Since then and going forward, the company will continue to improve and integrate OHS&S in its day-to-day business through ongoing training and audits.

Telenor will also continue Group-wide activities in 2013 to increase cooperation and share knowledge and experience between the business units. Telenor will continue its crisis management work, best practice sharing between business units, and training and development work – with the overall ambition of becoming the industry leader in OHS&S. The Telenor Group’s target for LTIF for 2013 is 0.35 and the target for Sickness Absence Rate is to be below 1.9.

	2009	2010	2011	2012	2012 Target
Lost-Time Injury Frequency (LTIF) ¹	0.86	0.45	0.45	0.30	0.44
Sickness Absence Rate ²	2.3	2.0	1.85	2.0	1.9
Fatalities Employees	2	1	0	0	0

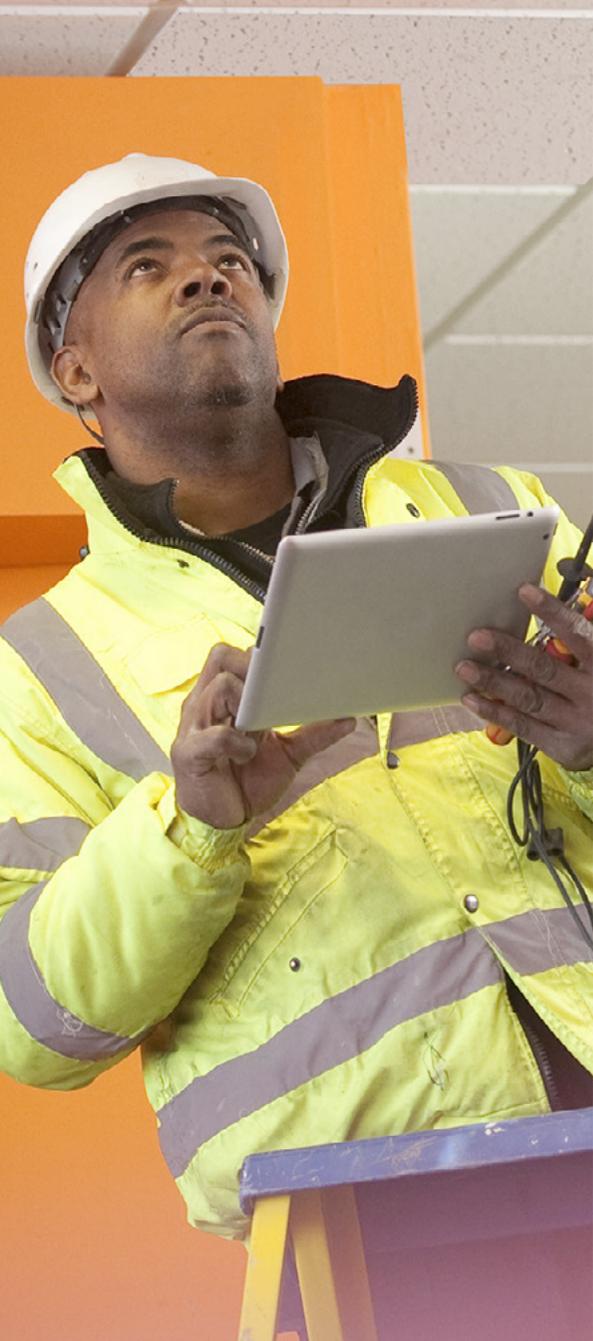
HSSE Training and Awareness	2010	2011	2012
Completed awareness training sessions employees and in-house contractors	36,395	28,592	34,698

1. The Lost-Time Injury Frequency (LTIF) is defined as the number of lost-time injuries per million worked hours.
2. The Sickness Absence Rate measures absence from work due to health issues (other than injuries) for Telenor employees as a percentage of possible working time.



SUPPLY CHAIN

SUSTAINABILITY



TELENOR'S POSITION

Telenor strives for high standards and continuous improvement in our own operations and throughout the entire supply chain. It is increasingly important for international businesses to be vigilant and systematic in their efforts to engage with their supply chains to ensure responsible business conduct.

Telenor's Board of Directors has adopted a set of Supplier Conduct Principles (SCP) for all contracting parties of Telenor. The SCP is based on internationally recognised standards and includes human rights, health and safety, labour rights, environment and anti-corruption. This agreement also gives Telenor the right to conduct sustainability audits and inspections.

CHALLENGES

The formal supply chain framework and contractual regimes of any large business clearly state that forced labour and child labour are not tolerated. However, good supply chain engagement goes beyond this statement. Building capacity and reinforcing the understanding of employee health & safety, labour rights and environmental management among suppliers is time-consuming work. Improvement of supply chain sustainability in the operations can only be achieved through good cooperation with the supplier, and the goal of continuous improvement must always remain in focus.

2012 STATUS

Telenor continued to work proactively and systematically within the area of supply chain sustainability in 2012. In 2012, Telenor focused on mitigation of supply chain risk, anti-corruption work in the supply chain and HSSE training and awareness.

By the end of 2012, Telenor had signed 15,246 agreements on responsible business conduct (ABCs), constituting 93% of our suppliers.

During 2012, Telenor carried out 2,230 supplier inspections across the Group. To date, Telenor has carried out 8,128 sustainability inspections covering more than 50% of all Telenor's suppliers.

During the year, approximately 34,700 Telenor employees and in-house contractors attended HSSE awareness programmes across the Group (see Occupational Health, Safety & Security). In addition, a total of 950 HSSE training sessions for suppliers were completed during 2012. Further, approximately 42,000 supplier employees have completed Telenor's e-learning programme "People First".



In 2012, Telenor joined an audit cooperation of European telecommunications operators, the Joint Audit Cooperation (JAC). Telenor executed five sustainability audits on behalf of JAC in 2012, and the JAC members executed a total of 35 sustainability audits of global suppliers in 2012 – the results of these audits are shared among the members. Telenor is also a member of Global e-Sustainability Initiative (GeSi), a proactive driver of ICT sustainability.



SUPPLY CHAIN

SUSTAINABILITY

STRATEGIC AMBITIONS

Telenor’s ambition is to be a market leader in supply chain sustainability and to make an impact in the local markets through its sustainability efforts.

Telenor works to have a consistent focus on supply chain sustainability at all levels. The company’s focus on continuous improvement is a long-term activity. Telenor will continue to focus on inspections and audits as well as capacity building and training for suppliers. For 2013 our ambition is to conduct 1,840 inspections and audits, including global supplier audits.

Telenor believes that decent working conditions, respect for human rights and the environment, as well as willingness to improve standards amongst our suppliers is the only viable route forward.

	2009	2010	2011	2012
Number of suppliers covered by an agreement on responsible business conduct in % of total suppliers ³	15%	70%	87%	93%
Systematic SCP risk reduction during the year based on supplier SAQ ⁴	80%	94%	88%	90%
Sustainability inspections and audits	1,419	2,082	2,397	2,230
Number of HSSE training sessions for suppliers	610	982	1,165	950
Fatalities in the supply chain ⁵	6	2	13	7

3. Average total number of applicable suppliers is approximately 15,400.

4. The Supply Chain SCP Risk indicator (SCSR) gives an indication of the SCP risk level in the supply chain, based on a global supplier Self-Assessment Questionnaire (SAQ) conducted at the end of every year. The SCSR is reduced during the subsequent year, based on verification of concrete risk elimination at suppliers – and the target every year has been to reduce this number by 80% during the subsequent year. In strict terms, the SCSR is the percentage of suppliers that have one or more risk factors classified as HIGH, based on the results of the annual SAQ.

5. Of these 7 fatalities, 2 were in-house contractors and 5 were first-line suppliers. Apart from 3 traffic accidents (also in Pakistan), the rest occurred as part of robberies or terrorist activity in Pakistan. Refer also to the section on Occupational Health, Safety & Security.

INTERNATIONAL COOPERATION

Telenor participates actively in various international organisations in the field of supply chain sustainability. We believe it is important to find common solutions to challenges in this field and to share best practices. Telenor is a member of the Global e-Sustainability Initiative (GeSi) and the Joint Audit Cooperation (JAC).

In 2012, we chaired a task force on anti-corruption in the UN Global Compact. In addition, we participated in Transparency International’s working group working on guiding documents on anti-corruption in the supply chain in Norway.

➔ [READ MORE](#)

Click here to find out more about Telenor’s People First Programme.



CLIMATE AND

ENVIRONMENT

TELENOR'S POSITION

Telenor is committed to minimising its environmental impact, and makes all reasonable efforts to reduce the use of resources, such as energy, water and raw materials. This includes adhering to local regulations and internationally recognised environmental and energy-efficiency standards across the Group.

Telenor Group will experience continued growth in its total energy consumption and carbon footprint as the company continues to develop more energy-demanding mobile broadband services. Telenor's main focus is to improve the efficiency of its networks, as this represents more than 80% of Telenor's total energy consumption.

Our key environmental focus related to procurement processes is to purchase more energy-efficient equipment, resulting in reduced CO₂ emissions. But we also have focus on other environmental aspects like waste management and hazardous substances in purchased equipment.

Telenor Group requires that a Sustainability Criteria Checklist is used during the procurement process. The Sustainability Criteria Checklist requests the sourcing team to consider involving local environment experts in the procurement process as well as to check out possible suppliers for issues relating to their

sustainability, such as their environmental management system, energy efficiency, waste management and hazardous substances. We report on the proportion of all signed contracts above a total value of USD 250,000 – where a specified set of sustainability criteria during the procurement process has been checked out.

CHALLENGES

In terms of climate-related regulatory risks, Telenor may face higher operational costs related to carbon taxes, rising energy prices and internationally binding agreements. However, the risk for the mobile industry is moderate due to low direct carbon emissions from its operations.

Climate-related physical risks include extreme weather conditions and higher sea levels. These types of event may cause disruptions or catastrophic damage to infrastructure, such as network base stations and electrical power lines. Telenor's Asian operations are exposed to risks related to infrastructure, including threats of flooding, tropical cyclones and rising sea levels. Telenor's Nordic operations face risk to infrastructure due to increased frequency of storms and more extreme winter weather conditions.

Electronic waste contains toxic materials that may present health hazards and run the risk of environmental damage

Telenor's Key Environment Focus



Improve efficiency of Telenor networks



Ensure responsible handling of e-waste



Helping customers reduce their CO₂ emissions

through land contamination or water and air pollution. It is important for Telenor to reuse and recycle network equipment and to ensure that these processes are conducted according to internationally recognised standards and regulations.

Increasing the collection of mobile phones and batteries for recycling from customers is a challenge – especially in our Asian operations. In these countries it is more typical that the mobile phones are being reused and recycled on a private basis instead of being collected and counted in our system.



CLIMATE AND ENVIRONMENT

2012 STATUS

In order to reduce Telenor Group’s CO₂ emissions, the key climate ambition is to improve the energy efficiency of all business units – such as network modernisation and integration of energy requirements in procurement processes. In 2012, total energy consumption in Telenor Group increased by 9% up to a total of 3,349 GWh. The associated emissions of greenhouse gases in Telenor Group increased by 2.6% up to a total of 1.147 million tonnes of CO₂.

Telenor Serbia has demonstrated that their network renovation process during 2010-11 has resulted in energy savings in 2012 of an average of 37% per radio carrier compared to 2010.

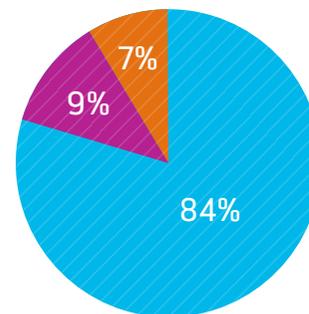
In 2011-12, Telenor Group Asian operations carried out a large-scale installation of conventional Free Cooling Units (FCU) to replace air-conditioners in base station cooling. Approximately 16,000 FCUs have been installed in India, Pakistan, Bangladesh, Thailand and Malaysia, with an estimated annual saving of 135 GWh of electricity and a saving of 106,000 tonnes of CO₂ and USD 18.5 million in operational costs.

In 2012, Telenor took part in a new ICT industry report that provided analysis of how smart use of communication technology in many parts of society can contribute to

a 16.5% reduction in global greenhouse gas by 2020. For example, in 2012 the city of Oslo adopted a smart lighting solution to control the city’s 80,000 street lights. This will reduce the city’s wasted electricity and save up to 50% in their annual budget. Another example is Telenor’s internal focus on smart meetings; in 2012 more than 100,000 meetings were carried out in Telenor’s global organisation using video conferencing and virtual meeting solutions instead of actual travel. In 2012, the Dow Jones Sustainability Indexes ranked Telenor Group with the highest score for the reported climate strategy reached by a company in the mobile telecommunications sector.

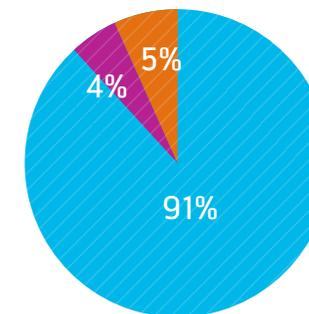
In 2012, the Carbon Disclosure Project once again ranked Telenor Group among the top ten global telecoms companies with the best carbon disclosure scores. Telenor Group was also ranked among the top scorers within the telecommunications sector in the Nordic region.

All Telenor business units have established and implemented environmental management systems based on the ISO 14001 standard. Telenor Serbia achieved certification according to ISO 14001 in 2012. DiGi in Malaysia, Telenor Hungary and Uninor in India have already been certified.



Energy Use 2012 (%)

- Network
- Buildings
- Travel



CO₂ Emissions 2012 (%)

- Network
- Buildings
- Travel

	2009	2010	2011	2012*
Total CO ₂ Emissions – All business units [†]	0.823	1.083	1.118	1.147
Direct CO ₂ Emissions (Scope 1) – All business units [†]	0.176	0.345	0.283	0.342
Indirect CO ₂ Emissions (Scope 2) – All business units [†]	0.556	0.714	0.816	0.787
Other Indirect CO ₂ Emissions (Scope 3) – All business units [†]	0.091	0.024	0.019	0.018
Total CO ₂ Emissions – All business units excluding India [†]	0.797	0.735	0.700	0.738
Carbon Efficiency – CO ₂ Emissions/Revenues – All business units excluding India [†]	0.055	0.047	0.041	0.044
Energy Efficiency – Energy Use/Revenue – All business units excluding India [†]	162	156	136	151
Total Energy Use – All business units (GWh)	2,775	3,301	3,063	3,349
Total Energy Use – All business units excluding India (GWh)	2,336	2,422	2,321	2,541
Sustainability criteria used in procurement processes (%)	n/a	n/a	34%	56%

[†] million tonnes

[‡] million tonnes/billion USD

*The International Energy Agency (IEA) has changed its methodology for estimating country-specific indicators for CO₂ emissions related to electricity production.



CLIMATE AND ENVIRONMENT

2012 STATUS (CONTINUED)

The successful mobile network swap in Norway during 2011–12 produced 1,250 tonnes in excess used equipment from 9,500 base stations and resulted in sales through second-hand dealers of NOK 29 million.

Mobile recycling initiatives have been established in eight business units: Telenor Hungary, Telenor Serbia, Telenor Montenegro, DiGi in Malaysia, dtac in Thailand, Telenor Sweden, Telenor Denmark and Telenor Norway. During 2012, a total of 322,973 mobile handsets and mobile batteries were collected and recycled in an appropriate way.

STRATEGIC AMBITIONS

Telenor Group’s ambition is to stabilise the network energy consumption by 2015. Telenor business units have undertaken cost- and energy-efficiency initiatives, such as network swaps, sourcing of energy-efficient technologies, infrastructure sharing, more energy-efficient data centres and energy measures related to buildings. The increased use of renewable energy sources should also contribute to the reduction of Telenor’s carbon footprint.

Telenor sees significant opportunities in helping our customers to reduce the CO₂ emissions and energy costs of their operations. In 2012, Telenor took part in a new ICT industry report, SMARTer 2020, which provided analysis of how smart use of communication technology in many parts of society can contribute to a 16.5% reduction in global emissions of greenhouse gases by 2020. The report demonstrates the increasingly important role of ICT in working towards the prevention of global warming due to the emission of dangerous greenhouse gases. Video conferences, smart building management, cloud computing and smart electrical grids are all examples of ICT solutions that contribute to reduced CO₂ emissions.

Telenor Group’s ambition for electronic waste is to implement complete recycling programmes in all business units and annually collect customer mobile phones and batteries for reuse or recycling in appropriate markets.

SUCCESSFUL RECYCLING: TELENOR NORWAY’S RADIO ACCESS NETWORK SWAP



In November 2010, Telenor partnered with Trade Wings to launch a Reuse, Resale, and Recycling Programme with the objective of minimising the waste associated with network equipment upgrades. Over the last two years, Telenor has replaced 9,500 base stations at 6,500 sites across Norway and has generated a strong return on investment as measured by a diverse set of KPIs, including costs avoided through material reuse, revenue associated with resale and recycling efforts, and environmental sustainability (landfill avoidance, avoided CO₂ emissions from lower new equipment manufacturing, etc.).

The programme is in its final stages and is expected to be complete by June 2013. All of the material has been processed, and the first half of 2013 will focus on the resale/recycling of the last of the equipment. To date, the project has generated NOK 29 million in revenues (NOK 26.8 million from resale and NOK 2.2 million from recycling of equipment).

The programme has received several awards, including an InfoWorld Green 15 award and recognition as one of the Top 100 Global Supply Chain projects.

	2009	2010	2011	2012
Customer mobile phones and batteries collected for recycling or reuse (thousand units)	117	265	304	323
Water use (thousand cubic metres)	819	627	662	717
Municipal waste generation (tonnes)	3,604	2,928	2,645	3,011
Municipal waste recycled (%)	51%	52%	38%	37%
Electronic waste generated (tonnes)	n/a	1,752	4,264	4,211
Electronic waste recycled/reused	n/a	70%	72%	73%



STAKEHOLDER ENGAGEMENT AND REPORTING PRINCIPLES

TELENOR'S POSITION

Measuring the economic, social and environmental performance of Telenor Group is key to understanding the impact of our operations, to driving continuous improvement and maintaining a transparent dialogue with stakeholders. Telenor Group is committed to the disclosure of transparent and high-quality data on social and environmental performance, focusing on material issues and communicating its progress. By so doing, Telenor aims to ensure a clear link between its business strategy and its social and environmental performance indicators and activities.

Telenor Group strives to continuously improve its communication with stakeholders. This includes bilateral and other forms of dialogue with stakeholders, and our regular reporting on our social and environmental performance.

CHALLENGES

Telenor is facing growing attention and interest from our stakeholders on sustainability reporting. This tells us that we need to keep improving our social and environmental reporting to ensure that our stakeholders have easy access to the information they are looking for.

We are committed to disclosing relevant information on issues material to our business and sector. However, we are often

also asked to track and report on a range of issues where our business has limited impact, but which might be vital to other sectors. To give investors and stakeholders the best possible information and assist them in their decision-making, we strive to maintain our focus on disclosing relevant data and seek to identify the most appropriate channels and platforms for meaningful stakeholder dialogue.

2012 STATUS

In 2012, Telenor focused on improvement of the data quality of our non-financial reporting through further development of our reporting guidelines, internal audits in several business units and external assurance of key data.

Telenor increased the focus on social and environmental performance in the Annual Report 2012, in addition to reporting on sustainability efforts and challenges in the Telenor Group Sustainability Report and the web-based reporting on telenor.com.

Telenor Group was ranked among the top performers within the telecoms sector in 2012 by several sustainability rankings, including the Dow Jones Sustainability Indexes, the Carbon Disclosure Project, FTSE4good and Global 100. Our performance and results on international rankings gives us a useful benchmark.

STRATEGIC AMBITIONS

Telenor's ambition is to serve stakeholders with relevant and reliable non-financial information and to inform our stakeholders of the risks, challenges and opportunities the company experiences.

Telenor aims to report on the risks and opportunities most important to Telenor's long-term value-creation potential, and cover topics that are strategically important to Telenor and its stakeholders. Telenor bases its reporting on the materiality assessment conducted in 2011-2012, and the company will review its materiality assessment in 2013, to ensure a continued focus on issues that are relevant to Telenor's strategy and of high importance to stakeholders.

Telenor's ambition is to continue its efforts to improve the quality of its non-financial reporting system through training of key people, as well as conducting internal audits and external assurance of the reporting process and data.

- ➔ **READ MORE**
Click here to view key sustainability information in Telenor Annual Report.
- ➔ Click here to find out further information on CR-initiatives.
- ➔ Click here to find out more about Telenor's CR reporting scope and principles.

STAKEHOLDER ENGAGEMENT AND REPORTING PRINCIPLES

External Reporting

Telenor Group reports to various external organisations – following the guidance of international frameworks – to ensure structured, transparent and relevant reporting of sustainability performance.



THE UNITED NATIONS GLOBAL COMPACT

Telenor submits information to the UN in line with ten globally accepted principles – in connection with human rights, labour, environment and anti-corruption. By participating in the Global Compact, Telenor has undertaken to incorporate the UN Global Compact (UNGC) principles into our everyday operations. Telenor Group reports to UNGC at an advanced reporting level.

[→ READ MORE](#)
Click here to see Telenor’s latest Communication of Progress.



GLOBAL REPORTING INITIATIVE

Global Reporting Initiative Telenor Group reports its non-financial performance based on the internationally accepted framework of the Global Reporting Initiative (GRI). Telenor gathers and publishes sustainability information following the G3 (Third Generation Sustainability Reporting) framework of the GRI. According to our self-assessment, the application level of our Sustainability Report according to the GRI standards was “B” in 2011.

[→ READ MORE](#)
Click here to download Telenor’s latest GRI report.



CARBON DISCLOSURE PROJECT

Along with 4,500 other companies around the world, Telenor reports annually to the Carbon Disclosure Project (CDP) on its performance related to climate change. CDP is an internationally accepted framework that urges organisations to measure and disclose their greenhouse gas emissions and climate change strategies in one shared format. In 2012, Telenor was listed as one of the top ten telecommunications companies on carbon disclosure.



THE DOW JONES SUSTAINABILITY INDEXES

DJSI ranks companies worldwide based on their performance, according to economic, environmental and social criteria. For the 11th year in a row, Telenor Group has been named one of the top performers on the Dow Jones Sustainability Indexes, the Dow Jones Sustainability Index World and Dow Jones Sustainability Index Europe. Only the top 10 percent of companies in a sector are included in the indexes and thus recommended to sustainability-oriented investors and fund managers as top investments.



EXTERNAL

VERIFICATION

INDEPENDENT ASSURANCE REPORT
TO THE MANAGEMENT OF TELENOR ASA

Scope of Engagement

We have been engaged by the management of Telenor ASA to perform an independent assurance of the Telenor Group (“Telenor”) 2012 Sustainability Report for all sections with heading “2012 Status” (“the Report”).

Reporting Criteria

As a basis for the assurance engagement, we have used relevant criteria in the sustainability reporting guidelines of the Global Reporting Initiative (GRI G3.1). We consider these reporting criteria to be relevant and appropriate to review the Report.

The management’s responsibility

The management’s responsibility Telenor’s management is responsible for the non-financial reporting. It is also responsible for selecting the information, collecting the data for presentation and preparing the Report.

The auditors’ responsibility

Our task is to issue an independent assurance statement on the “2012 Status” in Telenor’s 2012 Sustainability Report on the basis of the engagement outlined above.

Assurance standard used and level of assurance

We have performed the assurance engagement in accordance with the ISAE 3000, “Assurance engagements other than audits or reviews of historical financial information”. The standard requires that we plan and execute

procedures in order to obtain limited assurance that the “2012 Status” in the Report is, in all material respects, an accurate and adequate representation with respect to sustainability, business operations and events during 2012. The procedures performed in order to obtain limited assurance aim to verify the plausibility of information and probe less deeply than those performed for assurance engagements aimed at obtaining reasonable assurance.

Assurance procedures for the Sustainability Report

Our assurance of the Report has been planned and performed in accordance with ISAE 3000 (limited assurance). The standard requires that we plan and execute procedures in order to obtain limited assurance on the Report.

Our review of the Report has involved the following activities:

- Interviewed representative from Telenor’s wider management group to gain an understanding of their approach to managing social, ethical and environmental issues that are covered in the Report
- Reviewed documentation of Telenor’s processes for collecting and consolidating non-financial data
- Recalculated on a test basis data presented in the tables in the Report

- Traced selected data to relevant sources of information in the Telenor consolidation system, and other relevant systems
- Reviewed conversion factors in relation to their sources, relevance and accuracy
- Obtained and considered evidence to support the qualitative assertions and claims made in the Report
- Evaluated the overall presentation of the Report, including the consistency of the information, based on the above-mentioned criteria

We believe that our procedures provide us with an appropriate basis to conclude with a limited level of assurance for the Telenor 2012 Sustainability Report for all sections with heading “2012 Status”.

Conclusion

On the basis of our procedures aimed at obtaining limited assurance, nothing has come to our attention that causes us to believe that the information in the Report does not comply with the above mentioned reporting criteria.



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Member of the Norwegian Institute of Public Accountants

Oslo, 20 March 2013
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