



Telenor Sweden 2012 –
CSR and Sustainability Report

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Preface from CEO

What is a Sustainable Company?

A sustainable company takes responsibility for its business and the impact the business has in the community. It's about several aspects of sustainability: economic, environmental and socially. This year's report - which we call CSR and Sustainability Report - reports how we worked with CSR (Corporate Social Responsibility) and Sustainability in 2012.

Telenor is an international company with operations in eleven countries and one of the world's highest rated telecom companies on the Dow Jones Sustainability Index. So sustainability is a part of everyday life to us. We are at the same time in an industry that highly affects community development and where expectations of good services are constantly increasing.

In Sweden the mobile data traffic exploded in 2012 when more and more people began to use advanced handsets so called "Smartphones". Telenor's study on children's mobile habits in 2012 showed that 63 % of children aged 4 to 11 years had access to a smartphone and thus access to the internet. This situation is not always easy to deal with in the family. It is in this area Telenor focused its social responsibility. Here are a few examples from the report that I hope you'll find worth reading:

- Together with thirty other international companies, Telenor Group has started "The coalition to make the internet a better place for kids"
- 80 new internet ambassadors in grade 8 were trained by our school project Surf Academy
- All parents whose children have started school in the municipality of Karlskrona was invited to lectures on the internet with the Police and Surfa Lugnt
- Our internal ECPAT team has held eight lectures on the fight against sexual abuse of children
- Open Mind is Telenor's job training program for people with disabilities. In 2012, four people participated in the program.
- 89,822 old mobile phones were handed in for recycling to Telenor last year. Since 2007 we have recycled over 380,000 mobile phones because our customers care about the environment.



Lars-Åke Norling
CEO Telenor Sverige AB

Telenor Group has been ranked among the top telecom operators in the Dow Jones Sustainability Index for the past 11 years.

The 2012 report ranks Telenor Group as the top telecom company in several areas, including Occupational Health & Safety and Supply Chain Sustainability.



Reading Instructions:

In this report “Telenor” or “Telenor Sweden” in this report refer to the Swedish business involving the brands Telenor, Bredbandsbolaget, Glocalnet, Canal Digital Cable TV, Ownit and OpenUniverse.

Results from the staff survey 2012 covers Telenor Sweden.

In this report “Telenor Group” refers to the global business headquartered in Oslo.

This report can be downloaded as a pdf at:

<http://www.telenor.se/privat/om-telenor/csr/index.html>

Facts about Telenor

Telenor Sweden is a full service telecommunications provider whose network covers 99 percent of the country’s population. Telenor Sweden has over 2 million customers, an annual turnover of 12.3 billion (2012) and approximately 2,000 employees. Read more: www.telenor.se

Telenor Group is an international provider of communication services in telecommunications, data and media. In addition to mobile operations in 11 markets in the Nordic region, Central and Eastern Europe and Asia, the Group has 43 percent share in VimpelCom Ltd. with operations in 18 markets. Telenor Group is one of the world’s largest mobile operators with 148 million mobile subscriptions in the consolidated operations (Q4 2012), an annual turnover of 102 billion Norwegian crowns (2012) and about 30,000 employees. Telenor is listed on the Oslo Stock Exchange (TEL). Read more: www.telenor.com

Telenor’s Sustainability Work Internationally

Telenor Group wants to maximize the benefits of telecom services, adding value to society and to contribute to a sustainable development. Three areas are in focus:

Enable - to enable greater welfare for vulnerable groups through innovative telecom services

Safe - to create safe and secure services

Climate - to counter the climate change and reduce own greenhouse gas emissions and promoting sustainable growth

For more information see

www.telenor.com/en/corporate-responsibility

Telenor Group reports according to the Global Reporting Initiative (GRI) framework to the following external organisations

- Dow Jones Sustainability Index (DJSI)
- The Carbon Disclosure Project (CDP)
- The UN Global Compact (Annual Communication of Progress)

Learn more about reporting on: www.telenor.com/en/corporate-responsibility/reporting/

68 % of our employees think that Telenor is a company that takes a clear social responsibility.

Employee Survey 2012



What is Sustainability and CSR for Telenor?

Social responsibility is another term for CSR which stands for Corporate Social Responsibility. CSR means that companies voluntarily accept a certain responsibility in society that goes beyond the legal requirements. This may involve for example environment considerations, care about employees or social contributions.

Telenor's ambition is to be a sustainable company, financially as well as environmentally and socially. Our business shall constantly improve. We expect our suppliers to have the same attitude.

We want to be a responsible and sustainable company for several reasons. We are convinced that it gives us more satisfied customers and prouder employees while contributing to building a better society.

CSR Strategy Telenor Sweden

Telenor's primary responsibility is to help people communicate wherever they are, and to maximize the benefits of the services we provide.

A responsible approach shall characterize everything we do. Our Code of Conduct tells how we create value for our shareholders, customers and the surrounding community in a respectful manner.

Our Focus Areas

Inspired by our values Make it easy, Keep promises, Be inspiring, Be respectful, we are committed to:

Minimizing Our Environmental Impact

Although our services contribute to the environment they also affect emissions and waste. We focus on reducing energy consumption in our base stations, and manage the recycling of mobile phones in a responsible manner.

Increase Child Safety

Children are using mobile phones and the internet at younger and younger ages. We develop services to help children and their parents manage both cost and content. We cooperate with the National Police and ECPAT against child pornography and trafficking. Telenor and Bredbandsbolaget are also members of Surfa Lugnt. In 2011 we started the school project Telenor Surf Academy.

Acting Springboard for People with Disabilities

Through Telenor's own work training program Open Mind, we offer job training for people with disabilities. We want to take responsibility and act as support for this group when entering the labor market. This benefits us as a company, the people involved and society. <http://www.telenor.se/privat/om-telenor/csr/index.html>

In 2012 Telenor won the magazine Mobil's prize Guldmobilen in the category "Mobile Operator of the Year: Reader's Choice", where the winner is voted for by the magazine's own readers.

Bredbandsbolaget received first prize for Sweden's most satisfied customers according to Svenskt Kvalitetsindex (SKI).



Focusing on the Customer

Telenor's Customer Service

Telenor's ambition is to have the best customer service in the business. In 2012 we developed our digital customer service channels, both online and on mobile phones, to always be where our customers are. In our continued effort to improve, we also ask our customers for feedback on what we do well and what we can do better. Customer opinions are extremely valuable and are implemented in the company through a well-established process.

Bredbandsexperten, our IT support available for everybody has been running since 2009. We see a growing need for IT support at home regardless of the technology involved. We believe that more people would be able to take advantage of the digital society if they felt there was IT support available. Therefore, we have supported the idea of tax deductions for IT-support ("RIT").

Member of Telekområdgivarna

Telenor is a member of Telekområdgivarna (formerly "KTIB") which is a business association for consumer counseling. Telekområdgivarna provide independent advice to consumers and compile such complaints which the customer can't solve directly with the operator.

In 2012 complaints in the business increased slightly. Complaints about broadband speed have increased while complaints relating to distance contracts declined sharply. Together with Telekområdgivarna Telenor is working with self-regulation to reduce the number of customers who are dissatisfied.

Telenor has also participated in a successful partnership between Telekområdgivarna, other major operators and Enforcement Service to reduce young people's problems with mobile debts. During the first half of 2012 the number of cases at Enforcement Service was reduced by 30 %.

Etiska Rådet för Betalitetjänster (ERB)

Telenor is a member of the ERB ("ethics committee for premium rate services") and follow the guidelines that the business voluntarily undertakes towards the consumers. ERB in turn places requirements on providers of content services. In 2012 the ERB decided on 17 providers who violated the rules.

Consumers Surveys

Svenskt Kvalitetsindex has asked how Telenor fit the "image of being an operator acting responsibly" (socially, economically and environmentally). An index of 65 answered YES, compared to 67 last year. Telenor is also seen as the most affordable provider among private customers. For the fourth consecutive year Bredbandsbolaget has according to Svenskt Kvalitetsindex the business's best customer service (2009-2012), and for the second consecutive year it has Sweden's most satisfied broadband customers (2011-2012). Bredbandsbolaget also had the most satisfied customers with digital TV in 2012. Analyses from SKI are based on thorough interviews where a large number of consumers had their say on everything from customer service to product offerings.



In 2012 Telenor Group implemented a new company-wide Corporate Responsibility Policy, Anti-Corruption Policy and Supply Chain Sustainability Policy.

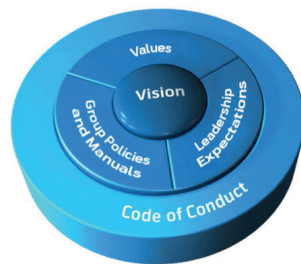


How We Work

Ethics in Everyday Life - The Telenor Way

Telenor Way is our compass for how to act and cooperate within the organization to achieve our vision and to create a strong culture that is critical to our success in our business. Telenor Way will govern how we act internally to our employees and externally with our customers and contain:

- Telenor's global internal values:
Make it easy, keep promises, be inspiring and be respectful
- Our policies and guidelines
- Our **Code of Conduct**
- Our leadership expectations



Human Rights and Anti-corruption

Respect for human rights is integrated into our group's governing documents, Code of Conduct, Supplier Conduct Principles and policies. Our Code of Conduct is based on the UN Declaration on Human Rights and the ILO core conventions. Human rights are also addressed by several of our existing structures. Through our Business Assurance process risk assessments and audits of the supply chain are carried out, Telenor Way spread our vision and values throughout the organization.

Telenor Group is also actively involved in international initiatives such as The Industry Dialogue on Privacy and Freedom of Expression, a joint effort by some 10 telecom operators and suppliers to develop principles and tools for managing privacy and freedom of expression. Along with 29 other companies Telenor Group is also elected to the UN Body on Supply Chain Sustainability.

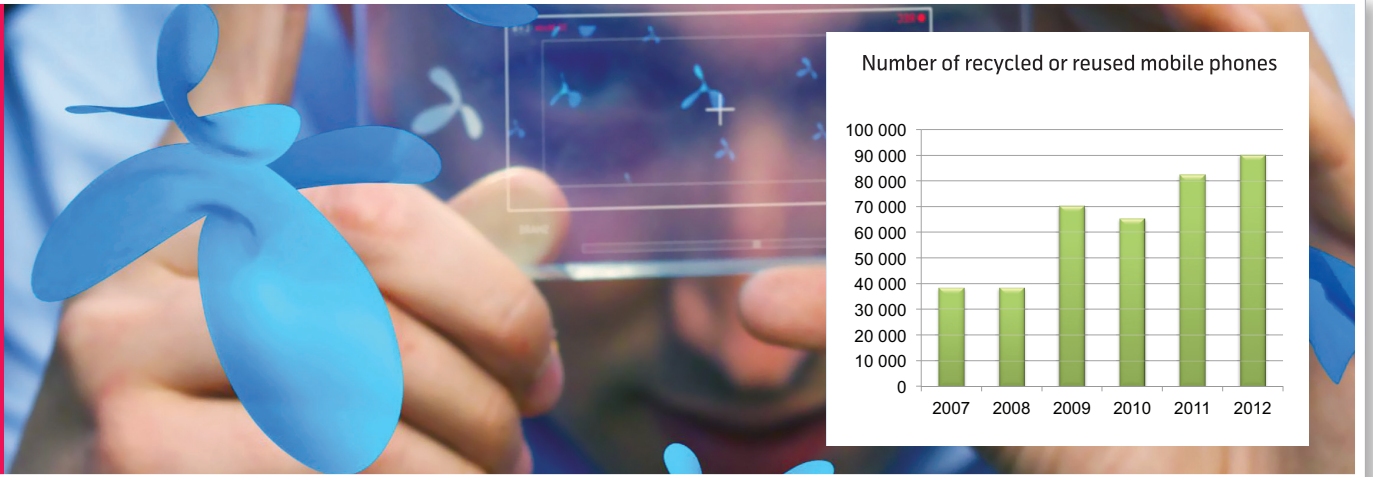
Telenor's view on integrity and transparency is made clear in our Code of Conduct, signed by all employees at the company. In 2012 an anti-corruption policy was implemented in the Telenor Group. The policy governs how our employees shall act in order not to be guilty of corruption or bribery.

HSSE - Health, Safety, Security and Environment

Telenor works according to OHSAS 18001 in health and safety and ISO 14001 for the environment. Our HSSE work is based on owner requirements, customer requirements, legislation, and employee engagement. During 2012 we've worked with educating all employees in a group-wide material around HSSE called - People First.

*78 % of our employees think that Telenor takes responsibility for the environment in terms of both energy efficiency and recycling of mobile phones.
Employee Survey 2012.*

Employee Survey 2012.



OHSAS

Telenor has in 2012 continued its efforts to increase safety for employees and customers in our stores. We also encourage employees to become blood donors and as an employee you can donate blood during working hours. Telenor's absence was an average of 2.1 percent for 2012 against 2.74 percent for 2011.

HSSE with External Suppliers

Our procurement procedures include that the Supplier Code of Conduct and supplier agreement ABC (HSSE guidelines) should always be signed for all new agreements and renegotiation of agreements. For suppliers with ongoing agreements the ABC is sent out for signature. We also monitor our suppliers within the framework of Telenor's work with Business Assurance; in 2012 30 supplier audits were performed.

We annually send out a survey to selected suppliers to see how they work with sustainability. The survey responses from 2011 identified a number of suppliers that needed to develop areas within HSSE. These actions have been addressed and the survey that went out in 2012 shows that our suppliers are getting better at working with these issues.

Our Environmental Work

We at Telenor have for many years worked with the environment and we want to do what we can to contribute to a sustainable society. We do this by continually developing and simplifying environmentally efficient communications solutions, but also by conserving resources and take care of our waste in the best possible way.

Environment Policy as part of Corporate Responsibility Policy

Telenor has a group-wide policy for Corporate Responsibility where the environment is an important part. In our efforts to systematically reduce Telenor Sweden's environmental impact the following focus areas are highlighted:

- greenhouse emissions and energy consumption
- sorting and recycling
- eco-efficient procurement and purchasing

Environmental Criteria in the Procurement Process

When investing and selecting suppliers environmental aspects shall be taken into account in order to reduce usage of materials and resources and environmental criteria is an integral part of Telenor's procurement process. In larger projects it must be clear that these environmental issues have been handled.

Disposal, Recycling and Reuse

Since 2007 we have in collaboration with Naturskyddsforeningen (the Swedish Society for Nature Conservation "SSNC") collected over 380,000 mobile phones. As a customer you can hand in your old mobile phone in our stores and in return receive a voucher of SEK 250 to buy accessories. In 2012 89,822 used mobiles were collected and sent for recycling or resale.

SSNC receives a sum for each phone that is handed in to store. It is important for us to contribute to the safe handling of electronic waste. The mobile phones are sent to a company that both recycles and restores phones which can then be sold again. The share of mobile phones recycled each year is about 20 %. About 80 % are restored and sold again. By using a global agreement we can be sure that the company has been audited by Telenor's global internal auditors.



"I think it is a good way to enter the job market. The best part was that it was not a make-believe job, I got to do real work, take responsibility and I had real demands on me. I got constant confirmation that the job I was doing was important."

-Participant Open Mind



Through our membership in El-Kretsen we ensure that our products are disposed of and recycled in a proper way. Our internal electronics waste is handled by different companies. For many of our purchased products they are later returned to the suppliers. At our offices we strive to follow municipal sanitation regulation from the local conditions in each city. Through our membership of the FTI (formerly REPA) we ensure that used packaging is collected and recycled.

Earth Hour

For some years now we've been supporting WWF in connection with Earth Hour. In 2012 we offered a free SMS reminder about Earth Hour to all who signed up on the WWF website. We also encouraged our colleagues to commitment through articles, blogs and other internal information. During the Earth Hour we turned off our office lightings wherever possible.

Year 2013

In 2013 our ambitions are to further reduce our carbon footprint and develop our program for recycling, reusing and waste management and also increase the knowledge on substances and materials in the products we sell, rent or otherwise pass on to customer.

Our Social Contribution to Society

Telenor Open Mind

In Sweden unemployment among people with disabilities is about twice as high. Without experience your chances of getting a job is reduced, and without a job you get no experience. We want to help break this vicious cycle and by being open to differences we believe we will be a better employer. Telenor Open Mind is a job training program for people with different types of disabilities. We offer job training up to a year, giving participants the opportunity to increase their experience and expertise.

The idea for the program for people with disabilities is originally from Telenor in Norway where Open Mind has been running for over 17 years.

In Sweden Telenor Open Mind has been around since 2007 and since then we have been providing people with various types of disabilities job training in different areas of our business. Participants in the program have been of different ages, with different backgrounds and different experiences. Since the beginning 24 people have job trained with us and eight of these have gone on to employment at Telenor, one has gone on to employment at another company. We have had participants in job training at our offices in Stockholm, Karlskrona, Malmö and Umeå, and also in our Telenor Stores.

In 2012 four people participated in the program. For 2013 we aim to continue to spread the program to our Telenor Stores around the country.

“63 % of children aged 4 to 11 years had access to a smartphone and thus access to the internet. This situation is not always easy to deal with in the family. It is within this area Telenor has focused its social responsibility.”

From the report Barnens mobila vanor.



Child Safety

Advanced communication tools come with responsibility for both the user and the operator. This is particularly important when it comes to younger users. Swedish children and adolescents spend a lot of time online and many are constantly connected via their smart phones. We also know that the usage starts at a younger and younger age. According to statistics from .SE (Svenskarna och internet 2012), 50 percent of all 3-year-olds have at some time used the internet. The Internet offers huge possibilities for children and young people, but there are also pitfalls.

We have therefore chosen to develop secure services for the mobile and the web. We have developed a special children's subscription with balance limit, barring of payment services and positioning. Should the money run out, the child can still always call home and ask for refills. For broadband we offer a security package that protects against spam, viruses, and spyware as well as a special program for parental control. On our websites, we also provide sound advice to parents, developed by experts in children's and young people's use of the internet.

CEO Coalition to make the Internet a better place for kids

In response to a call for action from the European Commission, Telenor Group has joined forces with a number of world-leading ICT companies and formed the CEO Coalition to make the Internet a better place for kids. Members of the coalition have agreed on five action points: simple reporting tool for users, privacy settings, content ratings, parental controls, and removal of pages containing child pornography. Telenor Sweden is committed to delivering solutions in 2013. We have a number of solutions in place through existing collaborations, but we are working today to make sure to implement relevant actions.

Children's Mobile Habits

During the fall of 2012 we conducted a survey on children's mobile habits together with TNS/Sifo. We hope that the survey will help us increase our understanding of consumer habits and strengthen our efforts to promote children and young people's safety online.

To be able to do more in this area we have established partnerships with a range of stakeholders:

Surfa Lugnt

In 2010 Telenor and Bredbandsbolaget became members of the association Surfa Lugnt, and we are also represented on the board. Surfa Lugnt coordinates a national initiative to raise adults' knowledge of children and young people's everyday life on the internet, an initiative which is also supported by the Swedish government. The purpose is to affirm the positive things that are in young people's lives online such as commitment, communication and knowledge sharing, while at the same time giving parents and other adults more knowledge to handle the pitfalls on the internet, such as cyber bullying and privacy issues. During 2012 we offered our employees lectures with Surfa Lugnt's experts.

Together with Surfa Lugnt, Karlskrona municipality and police Telenor runs the project "Barn, Mobilen, Internet" in Karlskrona. During the fall of 2012 we held a lecture for parents of children who started in class 1. We also use Surf Lugnt's experts in our school project Telenor Surf Academy.

surfaLugnt.se

82 % of our employees think that Telenor is safeguarding children and young people's security when using mobile phones and the internet.

Employee Survey 2012.



Telenors ECPAT-team 2012

ECPAT

Telenor takes an active stance against child sex trafficking and has therefore chosen to work with ECPAT (End Child Prostitution, Child Pornography and Trafficking in Children for Sexual Purposes). The collaboration is governed by a contract in which Telenor takes special responsibility for preventing child sex trafficking in our products and services. For example, we integrated ECPAT's work place rules in our own guidelines regarding travel and computing. We also contribute financially to ECPAT hotline, where the public can anonymously report suspicions of child pornography, trafficking of children for sexual purposes and child sex tourism.

As an employee of Telenor you have the opportunity to engage in these issues by joining our ECPAT team. The team is responsible for ensuring that new employees receive knowledge about the cooperation with ECPAT and also to continuously communicate information to employees and management.

Telenor and Bredbandsbolaget also cooperate with the National Police in order to prevent access to, and distribution of, material on the internet that depicts sexual abuse of children. We do this by blocking the URLs police declared as illegal. The blockage is called a DNS blocking, which means that the address can't be reached. Thousands of attempts are blocked each day.



MOT BARNSEXHANDEL

In 2012 Bredbandsbolaget's employees won the After Work Gaming League (AWGL). They chose to donate the prize money to ECPAT.

Red Cross

2010 we supported the Red Cross Youth in the development of the mobile chat Jourhavande kompis. Jourhavande kompis turns to children and young people up to 25 years of age who need someone to talk to. Apart from the production of a new mobile chat we also contributed to the development of the existing computer chat. In 2012 the mobile chat was used 547 times and the computer chat 2,643 times. The computer chat has now become more popular than the traditional hotline for Jourhavande kompis.

020-222444
JOURHAVANDE
KOMPIS.SE!

In spring 2012 the Red Cross ran a digital campaign for family reunions. We contributed to this by donating 10 SEK for every sharing of one of the Red Cross photos on Facebook, Twitter or Pinterest. The campaign resulted in 20,000 SEK to the Red Cross work for family reunions in conflict- and disaster-affected countries.

We have also contributed to promotion of the Red Cross activities through newsletters and magazine.

“Our students have all this knowledge that we are not always so good at helping them to bring out, so I believe that the project where students and teachers once in a while change places are invaluable.”

Teacher from Surf Academy days.



Telenor Surf Academy – Trading Places in School

Telenor Surf Academy is a school project where students are trained as “internet ambassadors” to become teachers for their teachers. The point is that there is a gap between those who are born into the digital society and the generation of parents and teachers who do not feel as comfortable with the mobile phone and the internet. With the Surf Academy we want to help reduce the gap between youth and adults and create an understanding of the internet’s many benefits and role in the knowledge society as well as to create awareness and dialogue about the risks that exist.

Students from eighth grade are invited to a training day where they get the chance to sharpen their skills through expert instruction in among other things social media, source criticism and copyright. They then return to their schools as “internet ambassadors” to teach their teachers as well as classmates and parents. A side benefit of the project is that many of the teachers trained by their students at the same time feel that they get an insight into what the students are doing online, and that it is a boost for the students to teach something they know a lot about.

In 2012 we’ve had three training days where about 80 students were trained as internet ambassadors, and since the beginning in 2011, about 150 students from some 15 municipalities have participated in Telenor Surf Academy. Our ambition is to inspire innovation in schools by continuing to spread Telenor Academy in Sweden. Through our commitment we hope to contribute to an increased interest in IT in schools, and to build bridges between teachers and students.



Local Community Involvement

As one of Karlskrona’s largest employer, Telenor has in 2012 contributed to safety cooperation such as the project “Barn-Mobilien-Internet” mobile phone expenses for Night Walking associations and magazine MediaBoom made by people with disabilities in Karlskrona.

Review

Telenor was reviewed by the organization Fair Trade Center in 2012. The review covered the four major telecom operators in the Swedish market and resulted in the report “Dålig mottagning i mobildjungeln.” The report especially calls on the business to make it easier for the conscious consumer, e.g. by making it easy to hand in old mobile phones, increase the sharpness of codes of conduct and to do more supplier inspections and also check further back in the supply chain.

We welcome these kinds of reviews of our sustainability work and appreciate the suggestions on improvements that were given in the report. We have learned from the criticism and already corrected some of the improvement suggestions. Despite the generally critical report our collection of old mobile phones in stores and our incentives for longer usage of mobile phones, are pointed out as initiatives that rise above the crowd. We are also recognized as the only operator with a formal partnership with ECPAT. This is of course pleasant for us.

In Conclusion

In last year's report we wrote that for 2012 we would strive to further increase employee awareness of our CSR work. Through our employee survey we can conclude that internal awareness of CSR has increased since 2011. We also had the goal of increasing the number of participants in our job training program Open Mind. Because of major reorganizations this became a challenge and the number of participants in 2012 was the same as 2011. A third ambition was to continue spreading our school project Telenor Surf Academy in Sweden, this we have done by carrying out training days for students from Sölvesborg, Bromölla, Lund, Norrköping and Stockholm.

In 2013 our ambition is to further increase internal awareness of our sustainability work and also to continue spreading the school project Surf Academy. For Open Mind we retain our ambition to bring in four people in 2013 and are committed to continue to spread the program to our Telenor Stores around the country. On the environmental side our ambitions are to further reduce our carbon footprint and develop our program for recycling, reusing and waste management and also increase the knowledge on substances and materials in the products we sell, rent or otherwise pass on to customer.

We welcome feedback on this report and on how Telenor is perceived as a responsible company.



Telenor's Sustainability Team: From left Stefan Stålgårde, Supplier Assurance, Magdalena Aspengren, Sustainability coordinator and Environment Manager, Elin Andersson, Sustainability Communicator, Johnny Gylling, CSR coordinator

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