



2010-12

TELENOR HUNGARY

SUSTAINABILITY report



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ceo introduction

Dear Reader,

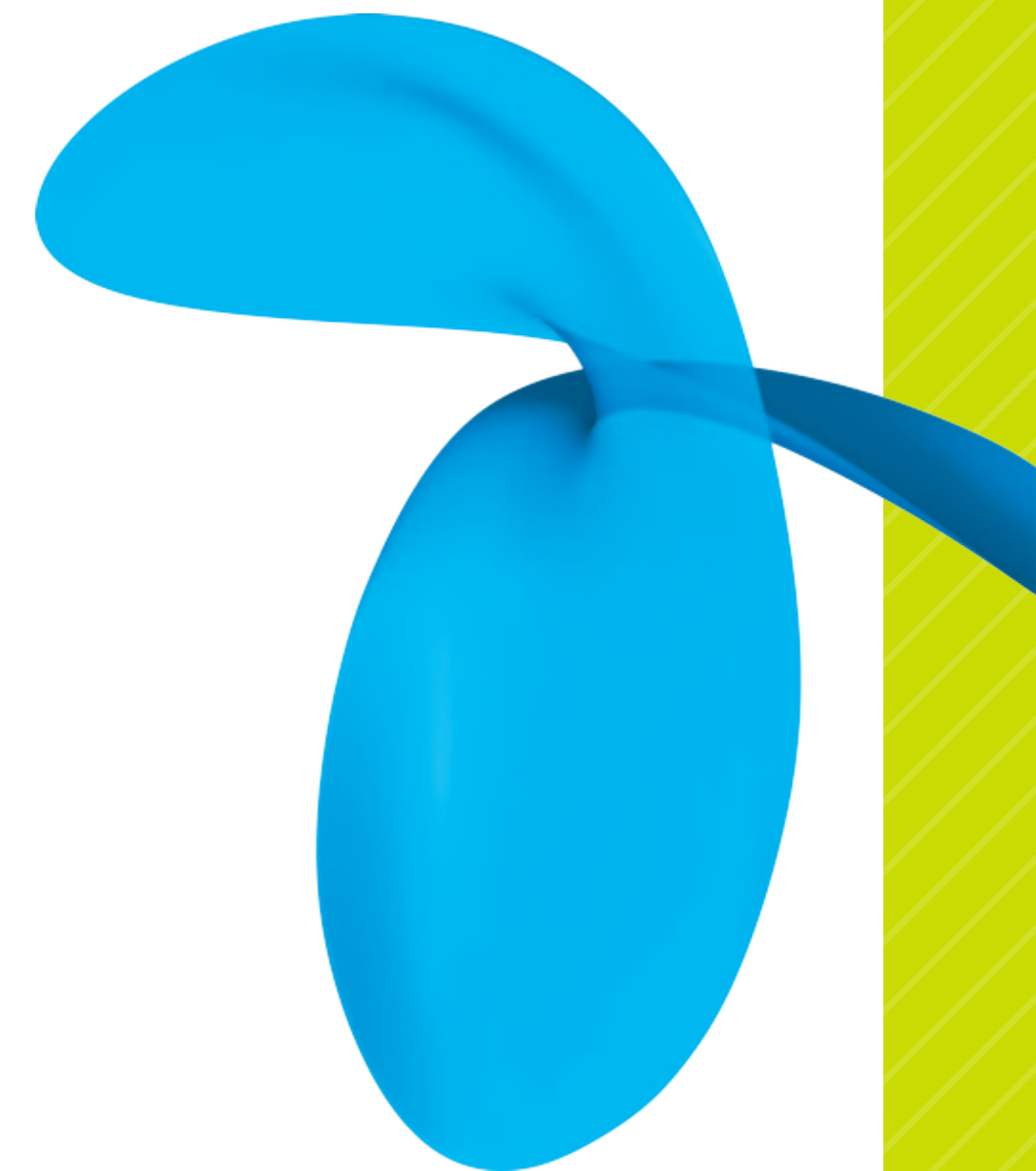
In the current report we provide an overview of Telenor Hungary's Corporate Responsibility efforts in the 2010 to 2012 period.

First, I would like to stress that we are happy and proud that we improved our customers' quality of life with innovative new services and contributed to Hungary's economic and social growth in this period despite the ongoing economic downturn and met our strategic goal to operate as a responsible company in business, social and environmental terms.

At Telenor, we believe that the adoption and increasing speed of mobile internet as well as the development and spread of smartphones change our lives profoundly. These trends bring about fundamental, positive changes in work, education, administration and entertainment. Telenor wants to support and accelerate this transition, develop the fastest and best quality mobile internet network in Hungary, promote the adoption of smartphones, provide innovative services to improve the quality of life of its customers and enable them to make the most of all these opportunities.

We want to make the internet available to all because we believe that internet access improves quality of life and contributes to economic growth. Nevertheless, we know that we also have to help and protect children against the threats of the internet because they cannot protect themselves. Furthermore, we also have to support internet newbies to make the most of the opportunities offered by the web. We have launched several projects in recent years to further these goals.

I would like to stress that we are happy and proud that we improved our customers' quality of life with innovative new services and contributed to Hungary's economic and social growth.



We are committed to make a positive impact in the society that we are part of. We seek to contribute to social change through our services, expertise and tools and our volunteers' efforts. Since 2011, we have been making special effort to fight corruption, one of the largest business challenges in Hungary. We have been actively cooperating with Transparency International and launched several projects to combat corruption and promote ethical business practices. In Telenor Hungary our people are a key asset, and therefore we all participate in some of the initiatives where we contribute to society.

Beyond all these initiatives, our company continues to be a responsible employer, comply with the most stringent environmental requirements and set an example for others to follow. As environmentally conscious operation is a key priority for us, we aim to make our environmentally friendly headquarters even greener and reduce our network carbon emissions.

I am proud that our business goals and CR goals overlap and we conduct most of our CR activities leveraging our services and expertise. It also fills me with pride that all of our employees continuously do their best to create real value for consumers and the society as a whole and, through this, make Telenor a widely respected and recognized player of Hungary's economy.

Let me use this opportunity to thank our colleagues and partners for identifying with our goals and way of working and actively contributing to the efforts of the past three years. I hope that next year I will be able to share even more and better CR initiatives with you.



Christopher Laska
CEO

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ABOUT THE REPORT

This report presents the impacts and results of Telenor Hungary Ltd.'s (hereinafter referred to as "Telenor") corporate sustainability and responsibility efforts in the period between 1 January 2010 and 31 December 2012. Our company has provided an overview of its economic, social and environmental sustainability activities in reports based on the Global Reporting Initiative (GRI) on two previous occasions (in 2008 and 2009). Telenor prepared both reports at a self-declared "B" application level.

This report presents our activities based on third generation GRI guidelines (GRI G3.1) at a self-declared "B" application level. Data included in this report is comparable with that published in previous reports. We now cover some 39 economic, social and environmental indices, thereby exceeding the volume of data and information included in Telenor reports published in 2008 and 2009.

The GRI is the most commonly accepted and used global framework for producing corporate sustainability and responsibility reports. For more information, please visit the website of the Global Reporting Initiative, including guidelines in Hungarian, at: www.globalreporting.org

This report aims to provide an overview of all Telenor activities related to corporate sustainability and responsibility. Special consideration has been given in compiling the report to the completeness of information, and the accuracy and reliability of data, while we have also taken special care to make data comparable and demonstrate sustainability in context.

The report is based on Telenor's annual reports and internal data systems, in addition to relying on our internal policies. The reliability of data and information has been ensured by expert and management reviews. The report has not been audited by a third party. For environmental reasons this report is available only in electronic format on our website.

The report is about Telenor's own activities only. It does not cover points of sales operated by our partners. The report does not cover our former subsidiaries, including NETREKÉSZ Ltd and STEP AHEAD Ltd, which ceased operation in 2010 and 2011 respectively, as neither had any activities with a major social or environmental impact. The report covers activities performed in Hungary over a three-year period.

You can find information about Telenor Group's (officially Telenor ASA, our parent company) sustainability performance on the following link:
<http://www.telenor.com/sustainability/reporting/>

The acronyms used in the report are explained in the chapter entitled 'Acronyms'.

Please address any questions and comments you may have related to the report to our CR Expert.
Gábor Vécsei – Senior Corporate Responsibility Expert
gvecsei@telenor.hu

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company profile



company profile

3.1. Telenor Hungary

A member of the global Telenor Group, Telenor Hungary, is a leading provider of mobile voice and broadband services in Hungary. The company entered the Hungarian mobile communications market under the name Pannon GSM in 1994 and has been operating under the Telenor name since 18 May 2010.

Employing 1,141 members of staff, at the end of 2012 Telenor Hungary had 3,521,000 subscribers and enjoyed a 31.78% market share in terms of number of active sim cards. The company is 100% owned by the Norwegian Telenor Group.

The company is 100% owned by Telenor Group of Norway.

- Telenor Mobil Communications AS 74.96%
- NYE Telenor Mobile Communications III AS 0.03%
- TLNR Hungary Távközlési Kft. 25.01%

The Norway-based Telenor Group is one of the world's largest mobile operators and a leading global provider of telecommunications, data and media communications services. By 2012 it had mobile operations in 11 countries in Scandinavia, Central Eastern Europe and Asia with almost 160 million mobile subscribers, annual sales revenue amounting to NOK 101.7 billion and some 33,000 employees.

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IFRS-based financial figures

	2010	2011	2012
Sales (HUF million)	165,166	160,302	157,929
EBITDA (HUF million)	60,294	54,894	50,835
EBITDA rate (%)	36.5	34.2	32.2
EBIT (HUF million)	33,269	26,078	35,420
CAPEX (HUF million)*	8,913	15,043	11,503
ARPU index (HUF)	3,734	3,647	3,662

*Excluding the value of spectrum investments

Self-owned points of sale

	2010	2011	2012
	7	10	9

By 2012 Telenor had mobile operations in 11 countries in Scandinavia, Central Eastern Europe and Asia with almost 160 million mobile subscribers, annual sales revenue amounting to NOK 101.7 billion and some 33,000 employees.



The company reported sales of over HUF 165 billion in 2010, over HUF 160 billion in 2011 and over HUF 158 billion in 2012. Operating profit was over HUF 33 billion, over HUF 26 billion and over HUF 35 billion in the same years, respectively.

With the economic crisis reshaping both macroeconomic and business environments, Telenor and the telecommunications sector as a whole have had major challenges to face in recent years. External factors had an unfavourable impact on sales during the reporting period. Telenor Hungary was burdened with the sector specific telecommunication tax in the given period, with this extra tax amounting to HUF 9.9 billion in 2010, HUF 9.5 billion in 2011 and HUF 14.2 billion in 2012. Revenues lost mainly due to mobile termination interconnect fee (MTR) regulation and the gradual reduction of retail roaming prices by the EU were only partially offset by higher revenues from subscribers.

Operating profit was down due to large-scale network modernisation in 2010 and 2011, but with a strong focus on cost control and the depreciation of network assets back to normal profitability improved in 2012 compared to the two previous years. CAPEX increased significantly in 2011 as a result of network modernisation expenses. The company received no major state subsidies during the reporting period.

Telenor's results may be attributed to the parent company's 150 years of know-how and experience in the telecommunications industry and a strong commitment to innovation. We do not use technology simply for the sake of it; for us it is important how technology and innovation can improve people's lives both economically and socially. We believe that mobile communications can be both a catalyst for economic growth and a key contributor to social inclusion.



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3.2. Governing bodies

The principal governing body of Telenor Hungary is the General Meeting of Shareholders, while operational management is overseen by the five-strong Board of Directors. Shareholders appoint non-executive directors to the Board who are employees of the company. The Board of Directors is supervised by the Supervisory Board elected by the shareholders. One member of the Supervisory Board is elected by the company's employees, thereby enabling them to take part in supervising the company's activities.

Members of the Board of Directors:*

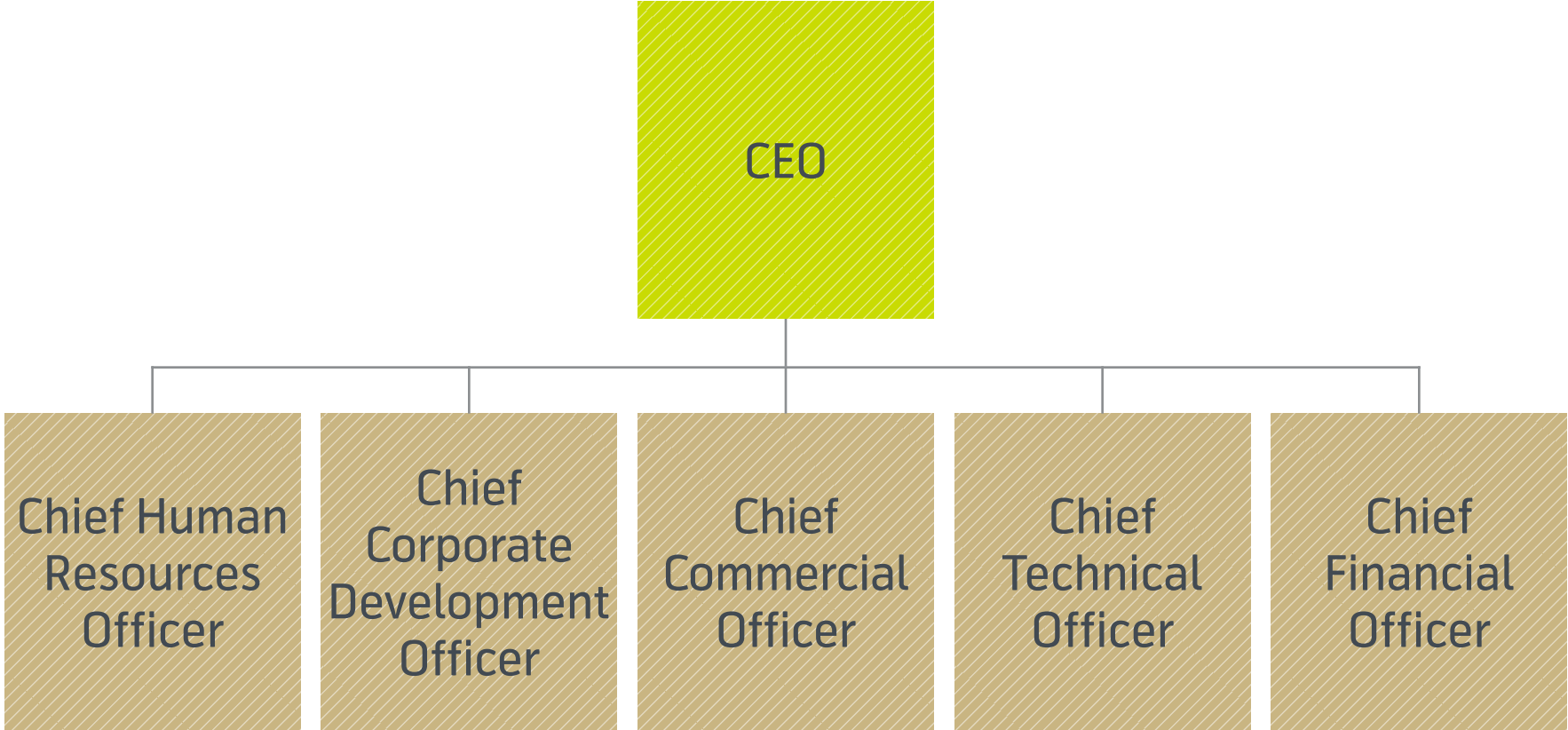
- Kjell Morten Johnsen
- Ingrid Riddervold Lorange
- Ronny Bakke Nævdal
- Lars-Åke Norling
- Knut Giske

Members of the Supervisory Board:*

- Roland Szalai
- Asbjørn Michelet Bakke
- Gunn Ringøe

* status as of 31 December 2012

The work organisation and day-to-day operation of Telenor Hungary are managed by the CEO in accordance with the resolutions of the General Meeting of Shareholders and the Board of Directors. The CEO is an employee of the Telenor Group and not a member of the Board of Directors. On 18 January 2011 Anders Jensen was replaced by Christopher Laska as CEO of Telenor Hungary.



3.3. Corporate strategy

Our aim is to provide our customers with the broadest possible range of products and the highest quality services to deliver a no-compromise mobile experience. We are committed to offering products and services that satisfy the needs of our customers and enable them to live a connected lifestyle using voice and data services, enjoy faster access to information and a richer entertainment and media experience. Whether making mobile calls or accessing the Internet, we help our customers create value and perform activities useful for society and future generations.

To achieve these aims, we launched our revamped strategy in 2012 built on the following key pillars:

Customer centricity

To support our sustainable business performance we focus our resources on creating a truly valuable experience for customers.

Our aim is to provide our customers with the broadest possible range of products and the highest quality services to deliver a no-compromise mobile experience.

Whether making mobile calls or accessing the Internet, we help our customers create value and perform activities useful for society and future generations.

Smart operation

To support our sustainable business operation we seek to maximise synergies, support cross-functional development initiatives, develop lean processes and ensure the world-class quality of our procurement processes.

Winning mindset

It is essential that we have a clear understanding of our aims and objectives, and fight to achieve them with determination and persistence.

Managing the business environment

To achieve our aims and objectives it is essential that Telenor acts as a responsible company towards our stakeholders, collaborates efficiently with the government and business communities and sets an example for other business players to follow in the fields of ethical business conduct and the fight against corruption.

3.4. Products and services

Leveraging the potential of mobile communications, it is Telenor's aim to provide our customers with products and services that allow them to stay connected and whose innovative nature also contributes to sustainable development. Upon establishment in 1994 the company brought a new dimension and introduced competition to a Hungarian communications landscape still dominated by landline services, offering our customers the experience of freedom. In response to new customer needs and changing environmental and social challenges we have continuously enhanced and expanded our range of mobile telecommunications services.

Voice services

Telenor Hungary provides mobile voice services to satisfy all customer needs. Tariff plans and special offers are often bundled with attractively priced handsets ranging from entry-level models to high-end smartphones.

Data services

The key benefit of mobile Internet is unlimited freedom. Anytime anywhere Internet access plays an increasingly important role in our customers' lives. Ongoing network development, higher bandwidths and increasing mobile Internet coverage enable more and more customers to use HiperNet, the fastest service in our mobile Internet portfolio, offering a maximum nominal download speed of 86 Mbps on customers' mobile phones, computers and tablets.



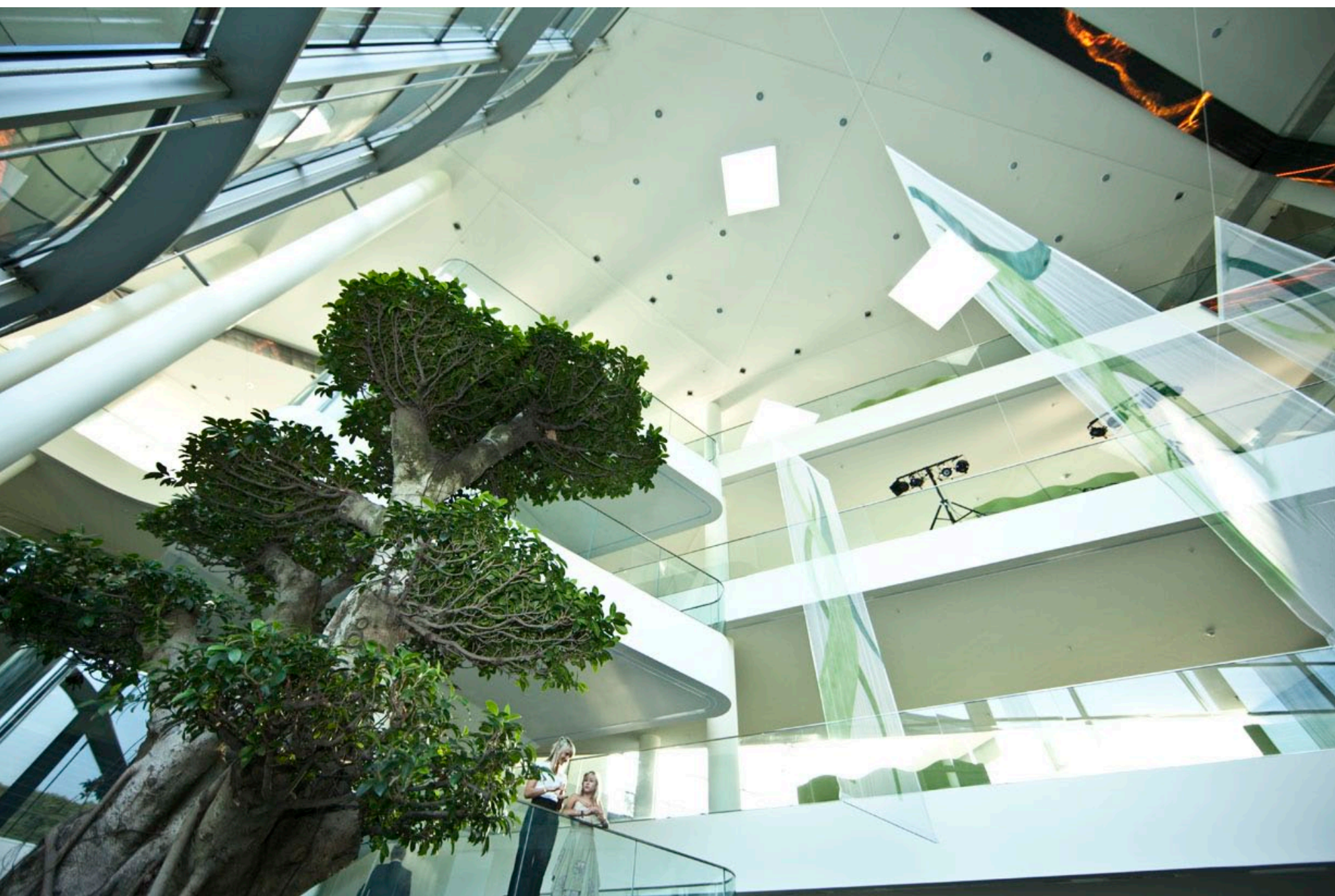
Leveraging the potential of mobile communications, it is Telenor's aim to provide our customers with products and services that allow them to stay connected and whose innovative nature also contributes to sustainable development.

This service is capable of fully replacing landline Internet. At the same time we are continuously expanding the range of innovations available to our subscribers. Our new content services have revolutionised online music consumption and enable users to access music from a legal source. Mobile radio services offer anytime anywhere access to entertaining content. Business customers can make their lives easier with, amongst other solutions, cloud computing.

Industry applications

Industry applications are playing an increasingly important role in mobile communications. They enable machine-to-machine (M2M) communication, in other words, transmit data not only between people but also between machines, supporting processes in healthcare, education, remote management, agriculture and simplifying activities such as smart metering.

For more information on our services please visit:
<http://www.telenor.hu/en>



3.5. Awards and recognitions

Customer service excellence

In 2010 Telenor won a special award for the Most Patient Telephone Customer Service in ClientFirst Consulting Kft.'s customer service competition. In 2011 customers unanimously voted Telenor the best telecommunications company in the Personal Customer Service category, while large corporations ranked Telenor second in the same survey. Customer interviews and test purchases conducted by ClientFirst revealed that Telenor staff is well-prepared to serve both existing and new customers. The survey praised the company for striving to build customer relationships through credible information, personalised service, a high level of attention and by creating a pleasant atmosphere.

Telenor House

Introducing Scandinavian working culture to Hungary, Telenor House, one of Hungary's state-of-the-art and greenest office buildings has won many professional accolades in recent years, setting an example also for other Hungarian companies. In 2011 it won the Award for Excellence in Hungarian Property Development and the Construction Industry Award. Following recognition at home in Hungary, in 2012 FIABCI, the world's largest international real estate association, acknowledged the outstanding quality of the building with second place in the International FIABCI Prix d'Excellence, raising one of Hungary's greenest office buildings to the elite league of international architecture.

Customers unanimously voted Telenor the best telecommunications company in the Personal Customer Service category.





Business solutions

In 2012, Telenor’s Webiroda (Weboffice) service was selected as one of the best cloud services in Europe, winning the EuroCloud Award. The business cloud solution ranked first in the category “Best Case Study – Commercial Sector”. The winning case study presented how the Webiroda service provides the Origami Group with a cost-effective cloud service solution tailored to the company’s specific IT needs.

Awards and recognitions of Telenor Hungary

Most Patient Customer Service Award	2010
Excellence in Customer Service Award	2011
Construction Industry Award	2011
Award of Excellence in Hungarian Property Development	2012
FIABCI Prix d’Excellence, second place	2012
EuroCloud Award, “Best Case Study – Commercial Sector”,	2012

In response to new customer needs and changing environmental and social challenges we have continuously enhanced and expanded our range of mobile telecommunications services.

our responsibility



our responsibility

4.1. CR strategy

Telenor made major changes to its corporate social responsibility strategy in 2010. As part of these changes inefficient sponsorship activities based primarily on cash donations were discontinued.

We have since focused our CR efforts on continuously and measurably improving our operational efficiency and on enhancing our sustainability through products and services. The first goal was supported by our network modernisation project, which seeks to reduce our CO₂ emissions; initiatives to promote the use of green energy, and the implementation of our management systems. To further the second goal, we have developed mobile communications solutions that can be used to support disadvantaged social groups. By enabling our customers to save energy through the use of our services, we can positively impact the environment to a much greater extent than Telenor itself could ever hope to achieve.

The protection of children is also a critical component of our CR strategy. Our technology is used by children at an increasingly young age and, besides the undoubted benefits, this also raises a number of important awareness and safety issues. For this reason Telenor decided to develop and implement a long-term programme for promoting the safe use of the Internet and mobile phones by children.

4.2. Stakeholders

Telenor has a wide range of stakeholders. Our stakeholder relationships are highly diverse in nature and the impact of stakeholder groups on Telenor or vice versa can also vary in degree and quality. To ensure our long-term sustainability it is essential to develop co-operation with all stakeholder groups, based on the principle of mutual understanding, and continuously strengthen this co-operation through our activities.

Telenor's stakeholders are members of all groups that have an impact on the company's operation and/or are affected by the company's activities. Telenor needs to develop a thorough understanding of the needs and requirements of all stakeholder groups, and consider these aspects in the course of corporate decision making.

We are confident that responsible corporate governance requires openness towards and trust-based co-operation with all stakeholder groups. Telenor's stakeholder groups include, but are not limited to, shareholders, the General Meeting, the Board of Directors and group-level senior management, employees, customers, suppliers, creditors, public authorities, resellers, NGOs, industry organisations, competitors, the media, municipalities, the natural environment and future generations.

We've focused our CR efforts on continuously and measurably improving our operational efficiency and on enhancing our sustainability through products and services.

corporate governance



*dr. Márk Erdélyi – Legal and Assurance Director
Ellen-Katrine Thrap-Meyer – Ethics and Compliance
Officer, Telenor Group*



5.1. The Telenor way

Comprising our governing documents (management guidelines, policies and manuals), processes, vision, values and management expectations, the Telenor way is at the heart of our corporate governance, business management and daily operation. The Telenor way is the framework defining the building blocks of our corporate culture that helps us provide consistently high quality services to customers and partners across the Group. It also expresses our belief that responsible corporate governance is an essential prerequisite to creating value, and maintaining credibility and profitability.

Corporate governance defines the framework of rules and procedures by which the Telenor Group governs and controls its business. Good corporate governance is about establishing a sound platform for such a framework and applying our values to create value for Telenor stakeholders. In order to secure strong and sustainable corporate governance it is important that we ensure good and healthy business practices, reliable financial reporting and compliance with legislation and regulations across the Telenor Group. The Telenor Group has created governance documents setting out the principles for how business should be conducted. These apply to all Telenor units.

5.2. Business ethics and compliance

Both Telenor Hungary and its Norwegian parent company are traditionally and deeply committed to transparency and ethical corporate conduct. Our company conducts business with a firm focus on these principles and staff perform in line with this commitment in all functional areas.

Telenor Hungary has a compliance and ethics function headed by the Ethics & Compliance Officer. This function assists the CEO and the Board of Directors in ensuring that the Code of Conduct sets appropriate standards, and is implemented and enforced. During 2012 the Telenor Group strengthened the mission and mandate of the ethics and compliance function across all its business units. It specified how compliance incidents are to be handled in a consistent, high-quality manner.

The Group Manual Ethics & Compliance contains clear investigation procedures and an outline of disciplinary procedures, the parties responsible for appropriate action and a promise that disciplinary actions will be fair and proportionate. Employees who become aware of any kind of infringement are encouraged to report this to their superior or the Local or Group Ethics & Compliance Officer. Failure to do so is in itself a breach of Telenor's Code of Conduct. Telenor maintains a compliance hotline throughout the Group. Incidents can be reported via this hotline in the official local language by phone, e-mail or postal service on a 24/7 basis. Reported incidents are handled confidentially. Telenor does not allow reprisals of any kind against those who report infringements or suspicions of infringement in good faith.

Both Telenor Hungary and its Norwegian parent company are traditionally and deeply committed to transparency and ethical corporate conduct.

5.3. Code of Conduct

Telenor's Code of Conduct is a vital part of the Telenor way framework and describes how we shall conduct our business. The Code of Conduct presents overarching guidelines for employees to follow. It provides a basis for proper decision making. The vision and corporate values are included in the Code of Conduct. The Code of Conduct is consistent with company policies and procedures, and includes management's responsibility to explain and enforce the Code of Conduct. It also contains a method for anonymous or confidential reporting and non-retaliation for reporting through the compliance hotline.

All employees in the Telenor Group shall receive, read and understand the standards included in Telenor's Code of Conduct, which employees shall then attest in writing. First and foremost, all employees and partners acting on behalf of Telenor are obliged to comply with the standards set down in the Code of Conduct.

The Ethics & Sustainability Committee of the Telenor ASA Board of Directors shall oversee, assess and follow up that the organisations' leadership is creating an ethical atmosphere in the workplace in accordance with the Code of Conduct and accompanying governing documents.

It is the responsibility of unit-level local management to implement the Code of Conduct. Local management, supported by the Ethics & Compliance function, is responsible for sanctioning any breach of the Code of Conduct, Telenor's Governing Documents and relevant laws and regulations.

To access Telenor's Code of Conduct please click on the link below:
http://www.telenor.hu/upload/letoltes/Code_of_conduct_EN_Telenor_Hungary.pdf

5.4. Anti-corruption strategy

Telenor is firmly opposed to all forms of corruption. For Telenor anti-corruption is not only a legal obligation but an ethical standpoint. Corruption is a threat to business and society in all countries. It undermines legitimate business activities and distorts competition. It ruins reputations and exposes individuals to risks. Telenor has zero tolerance for corruption and is committed to doing business in accordance with the highest ethical standards.

Telenor makes a special effort to regularly and appropriately evaluate and mitigate corruption risks. To further this end we conduct a corruption risk assessment on our employee base every year. During this assessment a series of questions are used to assess employees' understanding of relevant Telenor requirements and their practical application. Once results have been evaluated, results workshops are held where these are jointly discussed, issues highlighted and recommendations for improvement made.

Our Anti-Corruption Handbook provides guidance to all employees to help them do their jobs in line with Telenor values and formal anti-corruption rules.

Telenor is firmly opposed to all forms of corruption. For Telenor anti-corruption is not only a legal obligation but an ethical standpoint.

5.5. Partnership with Transparency International Hungary

Our compliance processes ensure that we carry out our business in accordance with the principles of ethical business conduct. At the same time Telenor seeks to apply the same principles to our business partners and members of our supply chain. We do, however, know the business environment well and understand that many small enterprises find it difficult to recognise corruption and risks, and assess how critical these situations can be.

In response to this Telenor decided to promote the principles of corporate transparency, ethical business conduct and the importance of their practical application as key focus areas of our corporate social responsibility programme. We selected two target groups: small and medium-sized enterprises (SMEs) and young people, whose choice of values and decisions need to be supported in an appropriate way.

To further this end, in May 2012 Telenor signed a long-term strategic partnership agreement with Transparency International Hungary. Telenor was the first Hungarian mobile operator to join Transparency International Hungary's Corporate Supporters Forum, whose members are expressly committed to transparent and ethical operation.

Telenor partnered with Transparency International Hungary to jointly develop anti-corruption solutions for Hungarian SMEs. We want to help SMEs identify corruption risks and find ways to address these. We seek to share the principles and practical experience stemming from Telenor's international background with Hungarian companies. The Hungarian business sector has performed poorly in most recent global corruption surveys. Companies need to take responsibility and join forces to fight corruption and enhance Hungary's competitiveness.

We want to support these efforts and set a model to promote the broad adoption of ethical corporate behaviour.

Leveraging the unique skills of Transparency International Hungary and the broad-based experience of Telenor, we have developed detailed e-learning material to help Hungarian SMEs to enforce the core principles of ethical conduct in their daily business.

This e-learning material is available free of charge at the following link:

<http://elearning.transparency.hu/telenoraken/en/quiz>

Supported by Transparency International Hungary, in 2012 Telenor established the Telenor Ethical Company Award. The award aims to recognise the commitment of Hungarian companies to ethical business behaviour, highlight Hungarian best practices and set an example for the business community to follow.



Supported by Transparency International Hungary, in 2012 Telenor established the Telenor Ethical Company Award.



Of the applications submitted the expert panel selected Arkon Zrt.'s programme as the winner in 2012. The company, which runs the website ingatlan.com, considers the establishment of an ethical real estate market as its mission. To further this end Arkon Zrt. created an online marketplace which is not only efficient but also encourages the ethical conduct of real estate market players.

One of the most spectacular joint actions of Telenor and Transparency International was the interactive 'Átláccó' Labyrinth set up in the Aréna shopping mall in December 2012. Visitors could learn through various games about the risks of corruption using mobile communications and could obtain help on how to make the right decision in corruption-related dilemmas. They were asked to make decisions in a number of common daily corruption situations and could only find their way out of the labyrinth if they gave the right answers. The youngest visitors were entertained with tales told by Telenor volunteers and could participate in a drawing competition. The labyrinth, set up on World Anti-Corruption Day, attracted more than 1,700 visitors.

In November 2012 the National Society of Student and Youth Journalists Media Network brought 50 student journalists to Telenor House in Törökbálint to attend a press conference, where representatives of Telenor and Transparency International Hungary called the attention of would-be media workers to the importance of the fight against corruption and ethical business conduct. Guest speaker Péter Uj talked about the importance of journalists' independence, loyalty to their own values and convictions. At the event we announced the Telenor Ethical Student Journalist Special Award to be presented to the winner at the National Society of Student and Youth Journalists' 20th National Youth Press Festival in May.

5.6. HSSE

Implementing an Occupational Health, Safety, Security and Environment (HSSE) system was a major task for every Telenor company, including Telenor Hungary, in 2010.

The HSSE system includes an Environmental Management System (EMS) and an Occupational Health and Safety Management System (OHSAS), which aim to reduce our environmental impact and consolidate our health and safety commitment.

In compliance with the requirements of the applied international standards, we have established, maintained and improved our management systems that support the setting and implementation of our environmental and occupational health and safety goals.

We have identified the processes required for the EMS and the OHSAS, their sequence and interrelations, as well as the criteria and methods necessary to ensure the successful operation and control of these systems. The implementation and maintenance of the environmental management system is the responsibility

Representatives of Telenor and Transparency International Hungary called the attention of would-be media workers to the importance of the fight against corruption and ethical business conduct.



of the EMS Manager, while that of the occupational health and safety management system is the responsibility of the OHSAS Manager. The processes of management systems are approved by the CEO.

EMS was audited and awarded an ISO 14001 certificate by the independent certifying body, SGS Hungary, in December 2010. In January 2011 the Telenor Group commissioned Pricewaterhouse-Coopers (PwC) as an independent consultant to audit the entire HSSE system. PwC found the system compliant with the standard.

You can find further information about this topic in chapters 8.3. and 10.3.

5.7. Co-operation with the authorities

In the reporting period Telenor played an active role in commenting on draft legislation and implementing frequent changes to the legal framework. During the years 2010 to 2012 the company contributed to shaping the sector, commenting on a number of industry regulations and getting actively involved in the consultation process. Telenor was consulted on major professional issues through representative bodies and co-operated on a number of occasions with the National Media and Communications Authority (NMHH). Amongst other projects, we were involved in preparing documentation for international discussions on cross-border spectrum use. Telenor is a politically neutral company. We neither support any political party nor are we endorsed by any political figure or organisation. Telenor regularly co-operates with Hungarian industry bodies (IVSZ, HÉT, HTE) in communications-related matters and keeps track of emerging new and amended European legislation.

In 2011 Telenor played a key role in formulating operators' position on amendments to the Act on Electronic Communications (Eht).

This was important because Eht constitutes the basic law for the industry.

In 2011 Telenor's representatives attended several public forums organised by the authorities to discuss the EGSM tender. The same year saw a new decree on frequency fees, introducing fee payment based on the size of the frequency band used in several parts of the spectrum used by Telenor, as a result of which network development no longer imposes an extra frequency fee burden on operators. Telenor played a key role in drafting the amendments. In 2012 the profitability of communications companies was heavily affected by the minute-based telephone tax and the utility tax. In 2010 the government introduced a 6.5% crisis tax on the sector, which hurt both results and investment. In 2012 the government replaced this temporary tax with a permanent, minute-based tax, further impacting profitability.

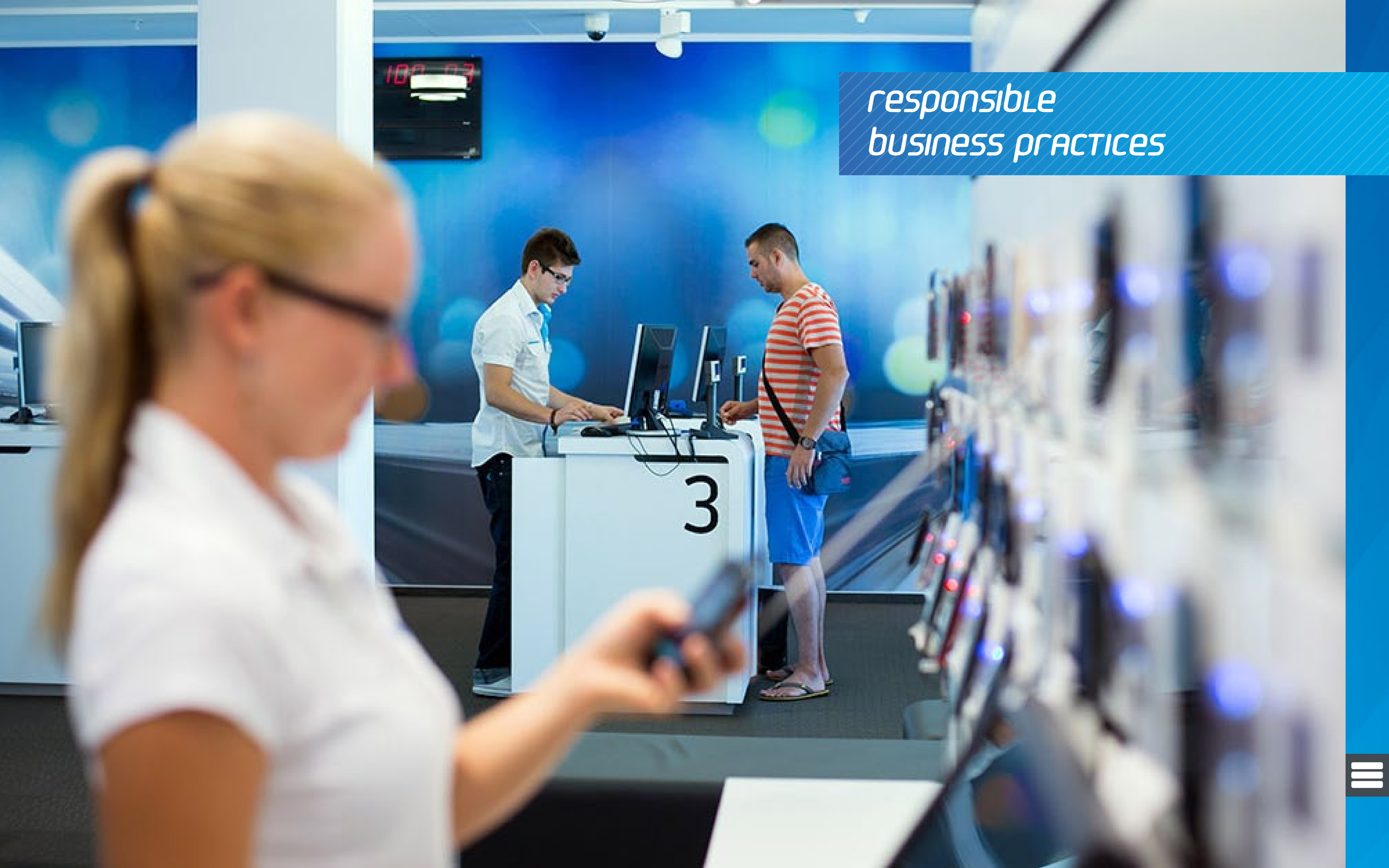
5.8. Membership of organisations

During the reporting period Telenor Hungary was a member of the following organisations:

- American Chamber of Commerce in Hungary
- GSM Association
- Hungarian Association of IT Companies (IVSZ)
- Communications Reconciliation Council (HÉT)
- Science Association for Communications and IT (HTE)
- Hungarian Business Leaders Forum
- Transparency International Hungary – Corporate Supporters Forum

Telenor regularly co-operates with Hungarian industry bodies (IVSZ, HÉT, HTE) in communications-related matters and keeps track of emerging new and amended European legislation.

*responsible
business practices*



responsible business practices

6.1. Our customers

Consumers: The consumer segment is a highly diverse group of customers. It includes cost-sensitive young customers, cost-conscious senior customers using predominantly voice services as well as active adults with a higher disposable income and more sophisticated needs being more open to using services. We are continuously striving to understand the needs and expectations of all our identified customer segments and develop our strategy accordingly.

Large corporate customers: The large corporate customer segment is considered to be companies employing more than 250 people. Meeting the expectations of these customers often requires a high level of flexibility and creativity. We have been meeting this challenge successfully and consistently earning good scores from this customer group for many years.

SME customers: It is particularly important for small and medium-sized enterprises (SMEs) to control and optimise their costs (including mobile telecommunications costs). Furthermore, they require personalised customer service, contact and an immediate, flexible response to any questions they may raise. Feedback from our SME customers is positive every year.

SOHO customers: Micro businesses with 5 to 9 employees have highly diverse needs and expectations. Stable and reliable availability and standard of service are vital as these can mean


make-or-break for their business. We have successfully satisfied the needs of this diverse target group.

Customer satisfaction

Customer satisfaction is a top priority for Telenor. We believe that, in the long run, only satisfied customers will become our fans and recommend our products and services to others. In this way, we can ensure more and more people get to experience what it really means to be a Telenor customer and to enjoy the daily benefits of our constantly upgraded services. Our company regularly measures customer satisfaction in both retail and business customer segments.

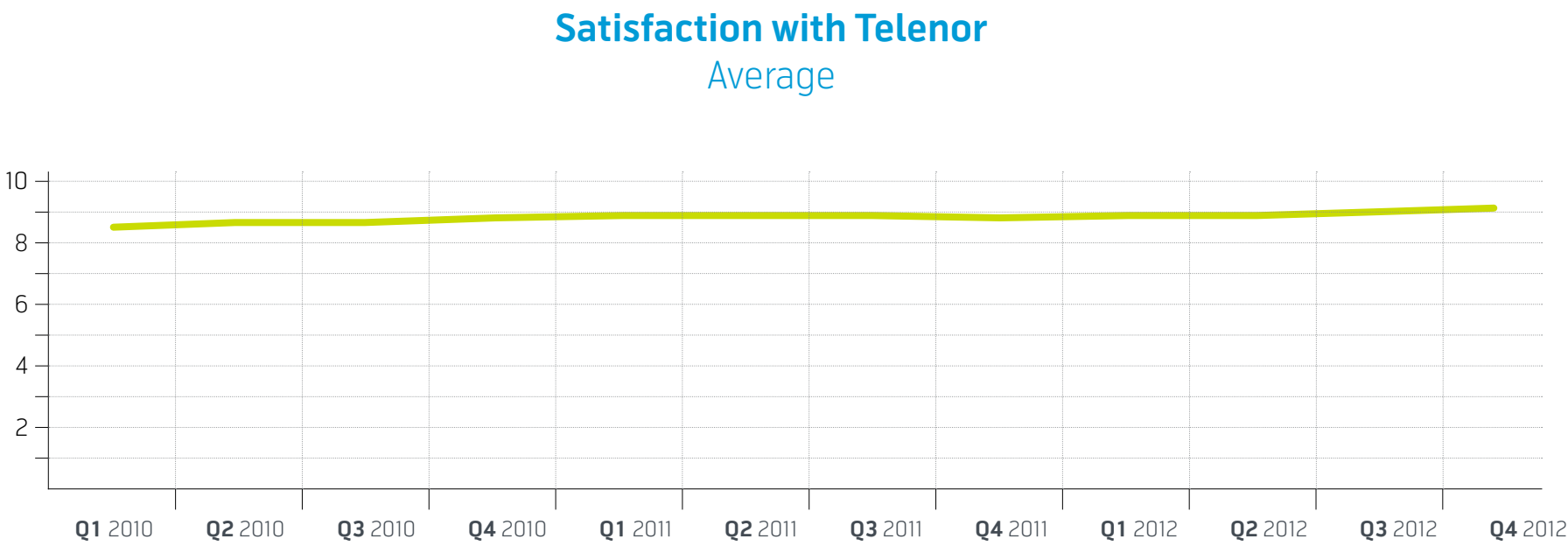
In the retail customer segment we continuously monitor overall satisfaction with our services. Between 2010 and 2012 we conducted nearly 10,000 interviews with retail customers (aged 15 to 49) to assess their satisfaction.

We can proudly say that our efforts are noticed and appreciated by our customers who every quarter consistently award us an average score of around 9 on a scale of 1 to 10 (where 10 represents “extremely satisfied”).



Customer satisfaction is a top priority for Telenor. We believe that, in the long run, only satisfied customers will become our fans and recommend our products and services to others.

Results of retail customer satisfaction surveys
(2010 to 2012)



■ All in all how satisfied are you with the service provided by the OPERATOR?
Please rate your satisfaction on a scale from 1 to 10 where 1 means “extremely dissatisfied” and 10 means “extremely satisfied”. You can express the degree of your satisfaction with interim scores.

Source: Ipsos Tracking Base: Telenor customers aged 15 to 49

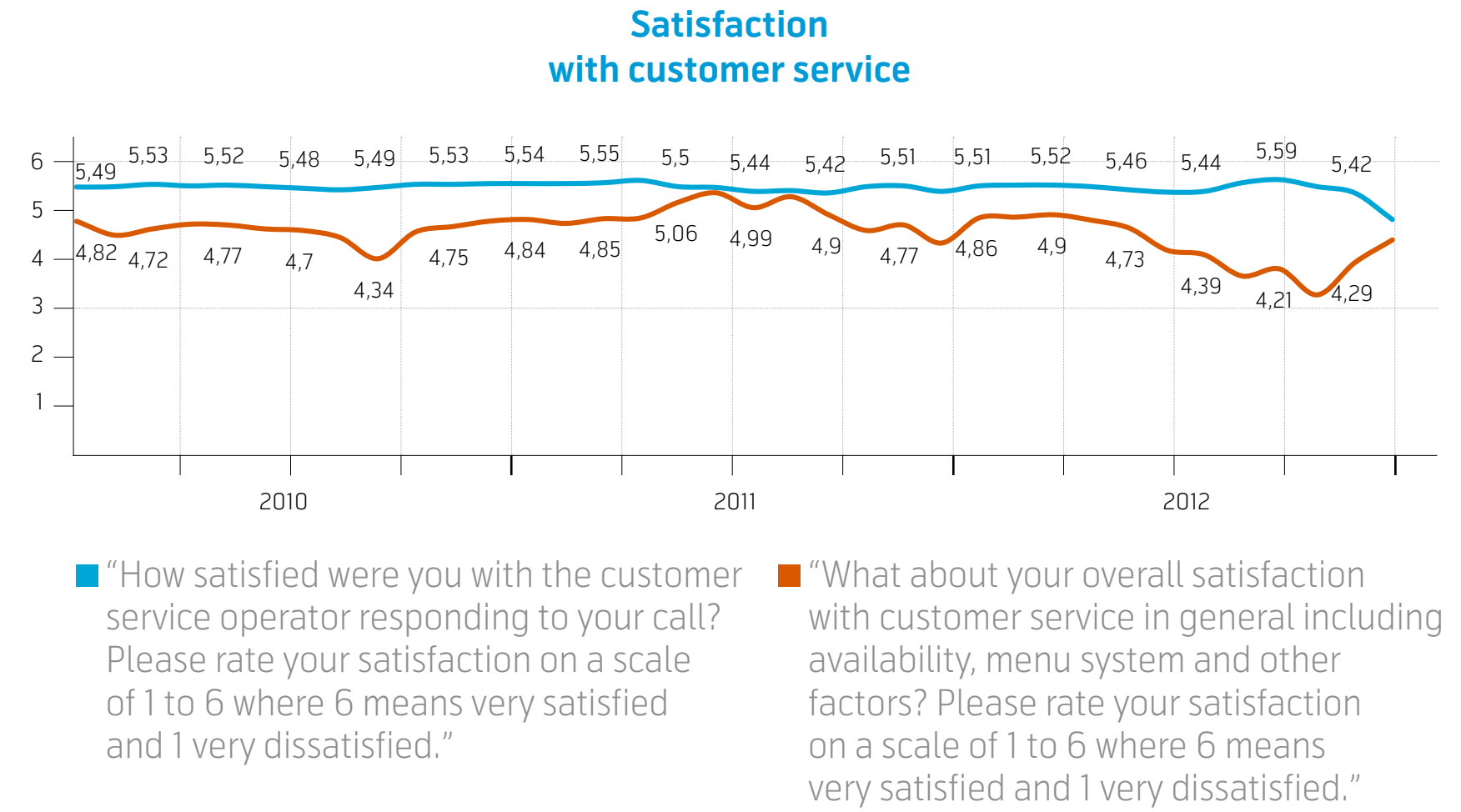
Results of satisfaction surveys conducted among
the various business customer segments (on a scale of 1 to 5)

	2010	2011	2012
Large corporate customers	4.0	4.0	4.0
SME customers	4.1	4.1	4.1
SOHO customers	4.1	4.0	4.1

Source: Business Customer Satisfaction Analysis 2012 | Bell Research

To get clear and measurable feedback from customers on customer service, we also conducted satisfaction surveys in the reporting period in our IVR system.

On the basis of these results, we can proudly say that Telenor has maintained the excellent quality of our customer service and our customers’ high levels of satisfaction over the past three years.



In the retail customer segment we continuously monitor overall satisfaction with our services. Between 2010 and 2012 we conducted nearly 10,000 interviews with retail customers (aged 15 to 49) to assess their satisfaction. Our average score is consistently close to 9.



Customer First Day

Devoting a day to customer centricity has become a tradition for Telenor Hungary over the past three years. On Customer First Day, staff working in non-customer facing positions team up and meet existing and potential customers at busier points in Budapest and other major cities. This event aims to take all Telenor employees one step closer to recognising and understanding customer needs and opinions.

6.2. Responsible marketing

In the course of our marketing activities, Telenor complies with effective legal regulations while taking fully into account the market environment, as well as feedback on our activities from consumers and the competent authorities. Telenor is committed to providing our existing and prospective customers with clear and accurate information on the available services and the terms and conditions of their use, since only well-informed customers will become long-term promoters of Telenor. To ensure appropriate information supply to customers, Telenor continuously assesses compliance with consumer protection and other legal requirements in all areas of our marketing activities from planning services through to their implementation. Telenor makes effort to convey our messages to consumers through all channels thereby ensuring they are appropriately informed.

Telenor's marketing activities are regulated principally by Act CLV of 1997 on consumer protection; Act XLVII of 2008 on the basic terms and limitations of commercial advertising activities; Act LVII of 1996 on the prohibition of unfair and restrictive market practices, and Act C of 2003 on electronic communications. In accordance with the effective legal regulations, marketing communication activities are overseen by a number of authorities including the National Media and Communications Authority (NMHH), the National Consumer Protection Authority and the National Competition Authority (GVH). As part of their regulatory activities these authorities request data from Telenor both on a regular and on an ad hoc basis. These organisations initiate inspections not only based on consumer reports but also within their own scope of competence. Between 2010 and 2012 the authorities requested data from Telenor in several hundred cases. However, in the 3 years of the reporting period a major fine in excess of HUF 1 million was imposed on Telenor in 4 cases (twice by the National Consumer Protection Authority and on one

Telenor is committed to providing our existing and prospective customers with clear and accurate information on the available services and the terms and conditions of their use, since only well-informed customers will become long-term promoters of Telenor.

This event aims to take all Telenor employees one step closer to understanding customer needs and opinions.



occasion each by NMHH and GVH). We should however mention that Telenor successfully appealed a previous fine, as a result of which a high fine imposed by and already paid to NMHH was reimbursed.

Consumer protection was centred on three major themes in 2010 - 2011. Although procedures related to personal customer services resulted in high fines being imposed, these did resolve legal interpretation issues and provide guidance for the whole industry. In a number of further cases smaller fines were imposed related to delays in complaint management due to human errors and inaccurate information supply. We have also co-operated closely with the Consumer Protection Authority and settled a public-interest lawsuit related to a fee on invoice payment. As a result of this settlement we are now actively involved in educating customers, and have upgraded customer service content on our website, added examples and videos to illustrate content to ensure ease of understanding and improved our IVR system.

In addition to responsible information supply, we also consider it important to integrate support for social values into our marketing activities. In line with this principle, the djuice myLife growth and discount programme was launched in 2010 (2010 - 2011). This programme aimed to enable young people to live a rich life integrating culture, social activities, successful learning and active involvement in public-interest activities. In 2011 a career choice event and a publication titled Employment Market Guide were added to the programme.

In addition to responsible information supply, we also consider it important to integrate support for social values into our marketing activities.

6.3. Data protection

Telenor manages data in compliance with the effective legal regulations, principally Act CXII of 2011 on the right of personal data protection and freedom of information (hereinafter referred to as “Infotv”) and Act C of 2003 on electronic communications (hereinafter referred to as “Eht”). In line with our legal obligations, Telenor outlines the regulations for managing subscribers’ personal data in our General Terms and Conditions and our internal Privacy Policy. In compliance with the pertinent legal regulations Telenor prepares reports on all statutory data management activities for the records of the National Authority for Data Protection and Freedom of Information as specified by the Infotv. As part of the audits checking the security of Telenor’s billing system the management of certain personal subscriber data is regularly verified by Matrix Tanúsító Kft. as an independent certifying partner.

146 data protection incidents were reported, in 62 of which Telenor was found responsible for improper data management. In 2012 we saw a reduction in the number of data protection complaints, which was already low in relation to the size of our 3.5 million customer base. This we can attribute to the continuous improvements made to our data management practice. The number of complaints has, however, declined markedly, which we can attribute to the continuous improvements made to our data management practice.

	2010	2011	2012
Data protection incidents reported	46	65	35
Complaints found justified	18	33	11
Complaints reported by an external party found justified	18	29	11
Complaints reported by an authority found justified	2	1	1
Number of data leakage incidents	0	3	5
Number of data theft incidents	0	3	1
Number of data loss incidents	0	1	0

To manage data security risks in a structured and efficient manner, Telenor complies with the ISO27001 standard and works continuously to protect not only customer data but also sensitive corporate data from potential attacks and abuse.

6.4. Procurement

For Telenor it is not enough in itself that we do everything in our power to enhance our CR activities; we also expect our partners to comply with these same principles. Our aim is to establish a supply chain which adheres to the requirements of business ethics and operates sustainably.

The selection of critical suppliers is preceded by an in-depth evaluation to ensure candidates comply with legal regulations and ethical standards, and that they share our core values.

All suppliers sign a written statement to accept the principles for enforcing responsible business conduct. Requirements for our business suppliers are outlined in the Supplier Conduct Principles and the General Procurement Principles.

These documents are also used to check partners’ compliance with ethical standards through various audits and inspections.

Every year Telenor has around 50 suppliers complete our Self-Assessment Questionnaire for Telenor Suppliers, in which companies need to evaluate their operation and performance on the basis of their own judgement according to the criteria defined in the documents above. These questionnaires also help us identify high-risk suppliers. During the reporting period Telenor completed 64 ad hoc supplier audits involving site inspections, interviews and document reviews to check suppliers’ compliance with corporate governance, employment and environmental requirements.

The selection of critical suppliers is preceded by an in-depth evaluation to ensure candidates comply with legal regulations and ethical standards, and that they share our core values.



Number of ad hoc supplier audits

	2010	2011	2012
Number of audits	26	21	17

The reduction in the number of audits was due to personnel changes. Given that transparent and ethical operation is one of our core values, we have set ourselves the target for 2014 of increasing the number of companies we audit.

Besides compliance with ethical standards, the use of environmental sustainability criteria in our procurement processes is also reflected in our new sustainable sourcing system introduced in 2010, which aims to promote the procurement of equipment, tools and services that help us maintain our low environmental impact. The sustainable sourcing system is linked to both our Environmental Management System and our HSSE system.

Besides compliance with ethical standards, the use of environmental sustainability criteria in our procurement processes is also reflected in our new sustainable sourcing system introduced in 2010.

INFOCOMMUNICATIONS TECHNOLOGY

to serve society



INFOCOMMUNICATIONS TECHNOLOGY

to serve society

7.1. Internet security (Safe)

Besides the countless opportunities they afford, the Internet and new online technologies also pose a threat, especially to young people. Realising this, Telenor Hungary resolved to raise users' security awareness and to combat and block access to harmful content. We offer a number of free services to protect children from harmful online content. We limit access to premium-rate services and adult content, and enable users to disable the viewing of unauthorised content on mobile phones.

In 2012 we collaborated with MediaSmart Hungary in developing the Digital World resource for educating young schoolchildren in safe and careful Internet use. The Digital World initiative aims to enable the youngest Internet users to manage the flood of Internet content, develop critical thinking skills, and know and understand the unwritten rules of the Internet. The educational

resource developed for children in the lower grades of primary school includes 14 chapters. The chapters on mobile phone use, mobile content consumption and safe Internet use were prepared by expert Telenor staff. Telenor volunteers with a teaching degree held a number of demonstration classes to convey the message to young schoolchildren.

To develop digital literacy you need both appropriate educational resources and well-prepared and enthusiastic teachers. As such, the Digital World programme will integrate new components in the future to support dedicated teachers committed to digital technology.

In 2012 children and parents visiting the Children's Day event at Városliget could meet Telenor staff in the Safe Internet tent, where they could pick up useful tips and advice on safe Internet use, Internet-enabled devices and smartphones. At the two-day event Telenor staff raised parents' and children's awareness of the dangers through a variety of games. The quiz on safe Internet use proved a great success with visitors, with more than 1,300 people completing the questionnaire in the course of the weekend.

We partnered with the National Police Headquarters (ORFK) and the National Media and Communications Authority (NMHH) to take joint action and prevent the distribution of child pornography on the Internet. Under a partnership agreement signed in December 2011, Telenor's Internet network has been blocking websites with child sexual abuse content based on a blacklist provided by ORFK and Interpol since 1 January 2012. If a user wants to open a blocked website, his/her browser will display a 'Stop' page with the information that access to the website was denied due to illegal content.

The agreement is a major milestone in the fight against illegal and harmful online content and is in line with the values of the European Union.



Signing the agreement on blocking websites with paedophile content

Christopher Laska, CEO, Telenor Hungary; Annamária Szalai, president, NMHH;

Attila Petőfi, Director-general for criminal, ORFK

"Telenor Norway was the first mobile operator worldwide to take technical action to prevent users from viewing pages showing pedophile content. I am pleased that Telenor Hungary was the first Hungarian mobile operator to join this international initiative. In addition to promoting the fast adoption of mobile Internet, we also encourage safe and responsible Internet use", said Christopher Laska, CEO.



7.2. Social innovation (Enable)

With technology being accessible to an ever increasing number of people, Telenor Hungary set out to use the opportunities this presents for the greater benefit of society. We seek to develop solutions to help mitigate social problems and make people's daily lives easier. At the same time, we place great emphasis on making a broader part of society more aware of the new prospects created by technology innovation and how innovation can be used to address social issues.

We have developed various applications in this spirit of social innovation.

The ADDODA smartphone app developed in 2011 together with Hungary's five largest aid organisations was initially aimed at making giving in-kind donations easier. In 2012 it was upgraded to include more content, such as blood donation sites, information

on how to make 1% tax contributions to NGOs and a function for making cash donations.

The S.O.S. Help app enables users to send a message to family members or friends if they are in trouble and need help. Once activated, the app sends location data and a preset short message to preselected phone numbers and e-mail addresses while also emitting a beeping sound to alert passers-by. This app is available as a free download.

The KétKerék cycle route planner app aims to make cyclists' lives easier and popularise cycling as a healthy and environmentally friendly means of transport. In addition to route planning, it also saves and stores routes and features social media functions for sharing, browsing and downloading them.

The KétKerék cycle route planner app aims to make cyclists' lives easier and popularise cycling as a healthy and environmentally friendly means of transport.



Besides these apps, we run several donation lines and helplines, to help those in need and enabling our customers to help quickly, simply yet efficiently. The ADHAT donation line collects donations for various NGOs. We have dedicated donation lines for select national NGOs, such as Hungarian Baptist Aid, Caritas Hungarica, Hungarian Interchurch Aid, the Hungarian Maltese Charity Service, the No Child Should Go Hungry Foundation, the WWF Hungary Foundation and the UNICEF National Committee/Hungary. Telenor Hungary also offers free calls to certain public-interest phone numbers, such as the counselling helpline of the Blue Line Child Crisis Foundation and missing children's hotline Eltűnt Gyermek Segélyvonala.

Mobile technology in healthcare – mHealth

The telecommunications industry is well-positioned today to play a central role in the evolution of mobile healthcare. Mobile communications can take over many tasks to allow doctors and nurses to focus on what is the most important: healing people. It can support the collection and storage of information (measurement results, X-ray images) and doctors' work (patient monitoring, remote monitoring, consultation with peers).

Under its mHealth pilot project implemented between May 2011 and January 2012, Telenor equipped five hospitals in Szabolcs-Szatmár-Bereg county with mHealth-based blood pressure and blood glucose measuring devices to enable more effective and higher quality patient care and prevent unnecessary hospital admissions. Telenor provided 480 Medistance blood pressure and blood glucose measuring devices used for 50,000 measurements during the project. Both patients and hospitals saved significant amounts with remote monitoring, and continuous medical control increased patients' sense of security.



The reporting period also saw us organise numerous awareness-raising and educational events

Telenor's Android Workshops aimed to present the opportunities created by new technology and smartphones to the user community, and encourage and inspire people to use these opportunities and develop apps themselves. At the Android Workshop Education event we highlighted how apps can support skills development, understanding course materials and learning languages. At the Android Workshop Planet event, experts and NGOs introduced apps for leading a more responsible lifestyle. Speakers from WWF Hungary and Telenor also explained the role of mobile communications in sustainable growth and the success of public-benefit organisations.

Telenor's Android Workshops aimed to present the opportunities created by new technology and smartphones to the user community.





The Telenor Future Research Symposiums launched in 2011 aim to present solutions that progress in mobile communications will make an integral part of our everyday lives. These events focused on subjects such as the revolutionary impact technology has had on education and healthcare.

We have also placed great emphasis on supporting female entrepreneurs for whom technology can offer valuable assistance in balancing family and career. To this end, in 2011 we launched a forum for female entrepreneurs where participants could learn about the latest technology innovations and obtain practical life management advice. Partnering with the Foundation for Small Enterprise Economic Development (SEED) and NESsT we launched two tenders for female entrepreneurs with the winners of the competitions receiving smartphones, communication support and advice on how to grow their businesses.

We have also placed great emphasis on supporting female entrepreneurs.



responsible employment

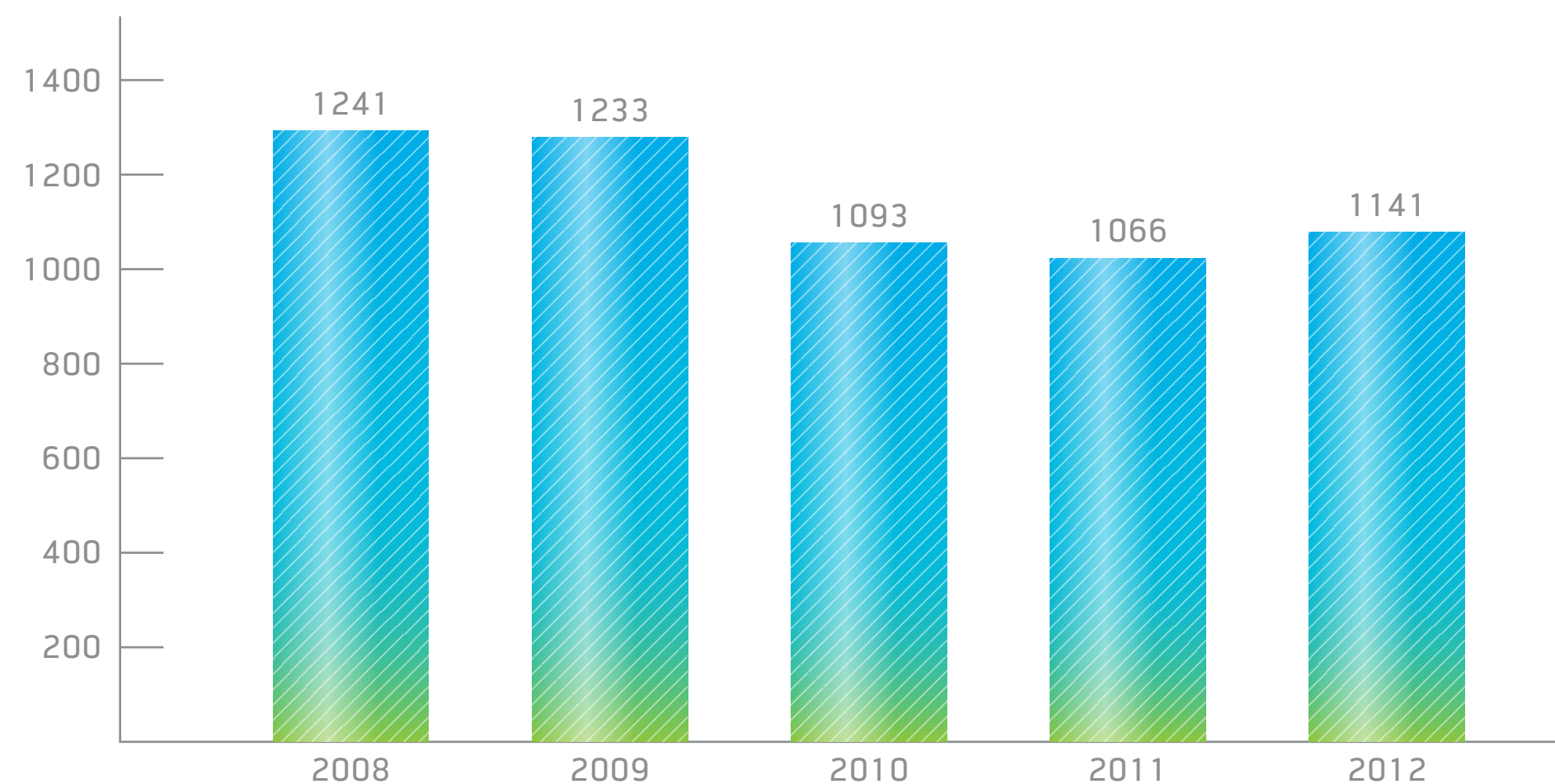
Zsuzsanna Jónás Gábor
Specialist,
Internal Services Group

8.1. Employment data

Employee headcount and age composition

Driven primarily by market trends, new business opportunities and organisational effectiveness, Telenor's headcount has consistently ranged between 1,000 and 1,300.

**Headcount statistics
between 2008 and 2012**



In 2012 Telenor employed a staff of 1,141 with one in four employees (26%) aged below 30, over half (56%) aged 30 to 39, while nearly one in five (18%) were above 40. Average age (34) was relatively low, which may be explained partly by the nature of the industry and partly by company history.

The collaboration of different age groups, however, offers countless benefits with fresh graduates being integrated into a well-established corporate culture while senior employees contribute invaluable experience to results.

Telenor also uses leased staff and student workers to support its temporary staffing needs. The number of external staff at any one time is usually between 150 and 200. When leased staff work in customer-facing positions, we place great emphasis on setting the same quality expectations for them as for our internal employees. We hire coaches to help leased staff maintain their professional skills with the latter also being enrolled in specialist training courses. Best performers can go on to join Telenor as internal employees.

Although the average age of leased staff, just as that of internal employees, is rising, it was still below 30 in 2012.

Ratio of foreign employees

Job creation, job safety and long-term workforce management are key values for Telenor which contribute to economic growth. Telenor supports local needs with a local workforce. This approach, however, does not discourage the international movement of staff. As a member of the Telenor Group, Telenor Hungary is an active participant in the group's international mobility programme. Talented employees with an entrepreneurial spirit at any level of the organisation can apply for jobs advertised in the programme.

The collaboration of different age groups offers countless benefits with fresh graduates being integrated into a well-established corporate culture while senior employees contribute invaluable experience to results.

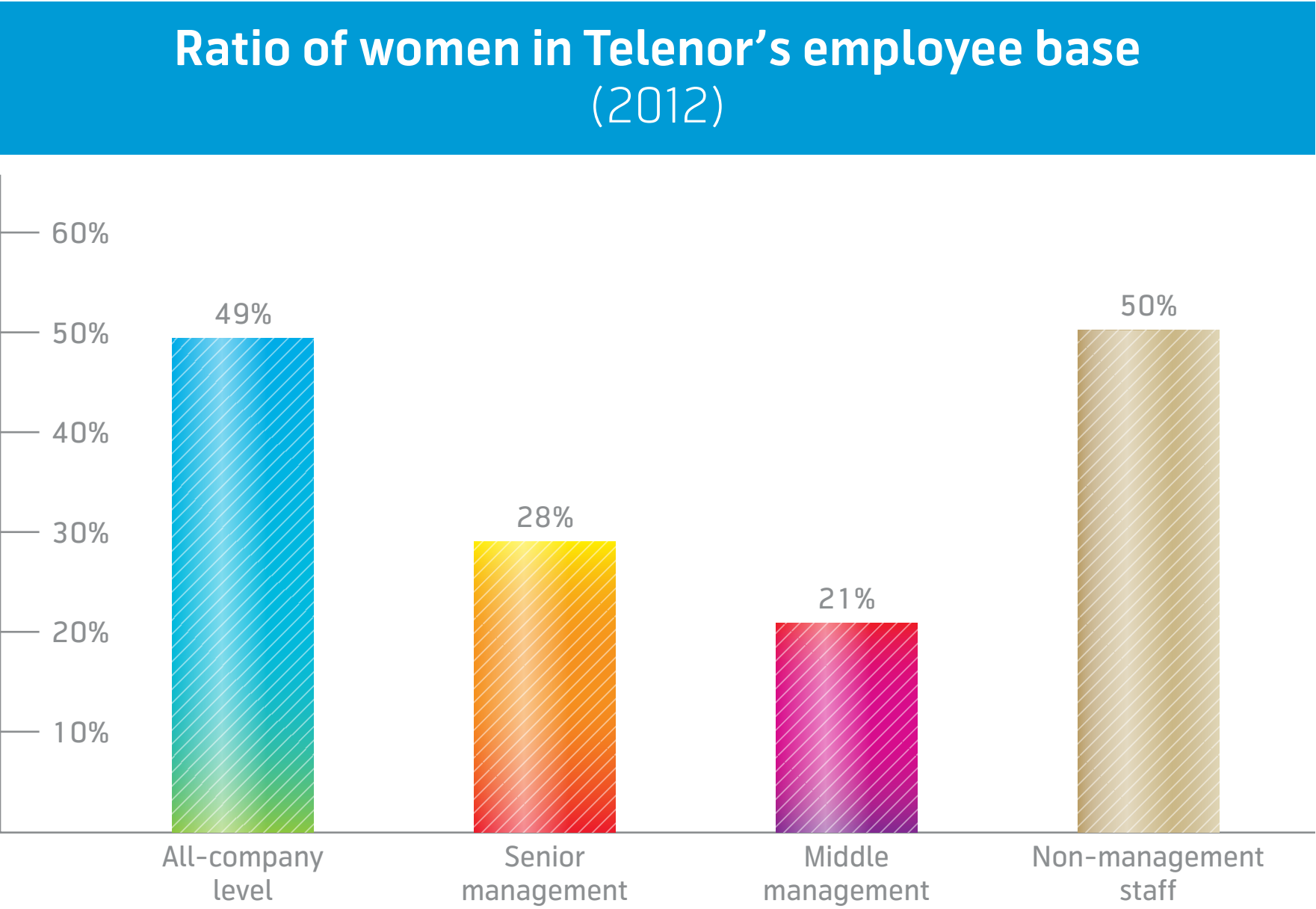
Both as a source and target organisation, Telenor works to expand the mobility programme, an initiative that promotes knowledge sharing and cultural diversity within the group.

Traditionally 99% of Telenor Hungary’s employees are of Hungarian nationality. The ratio of foreign employees is higher solely in senior management. At the same time more than ten of our Hungarian employees work abroad at other subsidiaries of the Telenor Group. Participating in international projects, cross-border co-operation and knowledge sharing are however, an integral part of the daily work of most experts and managers.

Gender ratios

There is a balanced ratio of men and women in the active employee base. The ratio of women in management positions, however, does not follow this pattern. At senior management level only slightly more than one in four strategic positions is filled by a woman. At Department Head level this ratio is even lower, the reason for this being that technical degree programmes at universities, which are essential for Telenor, traditionally attract a low ration of women. Telenor’s headcount composition reflects education and employment market trends. Women are present in the highest numbers in personal and telephone customer services, as well as in support positions where the middle management layer is thin.

Supporting the return to work of employees with young children is a priority in Telenor’s human resources policy. While employees are on maternity leave Telenor signs a fixed-term employment contract with their replacement, meaning they can return from maternity leave (GYES or GYED) smoothly.



Corporate values, organisational culture and Telenor’s Code of Conduct guarantee equal opportunities for employees. Our experts in charge of organisational development regularly evaluate options to improve female career management at Telenor. Part-time employment, teleworking and flexible working hours, which are all more viable options in our new office building, enable mothers with young children to return to work earlier and balance their workplace and family obligations more easily.

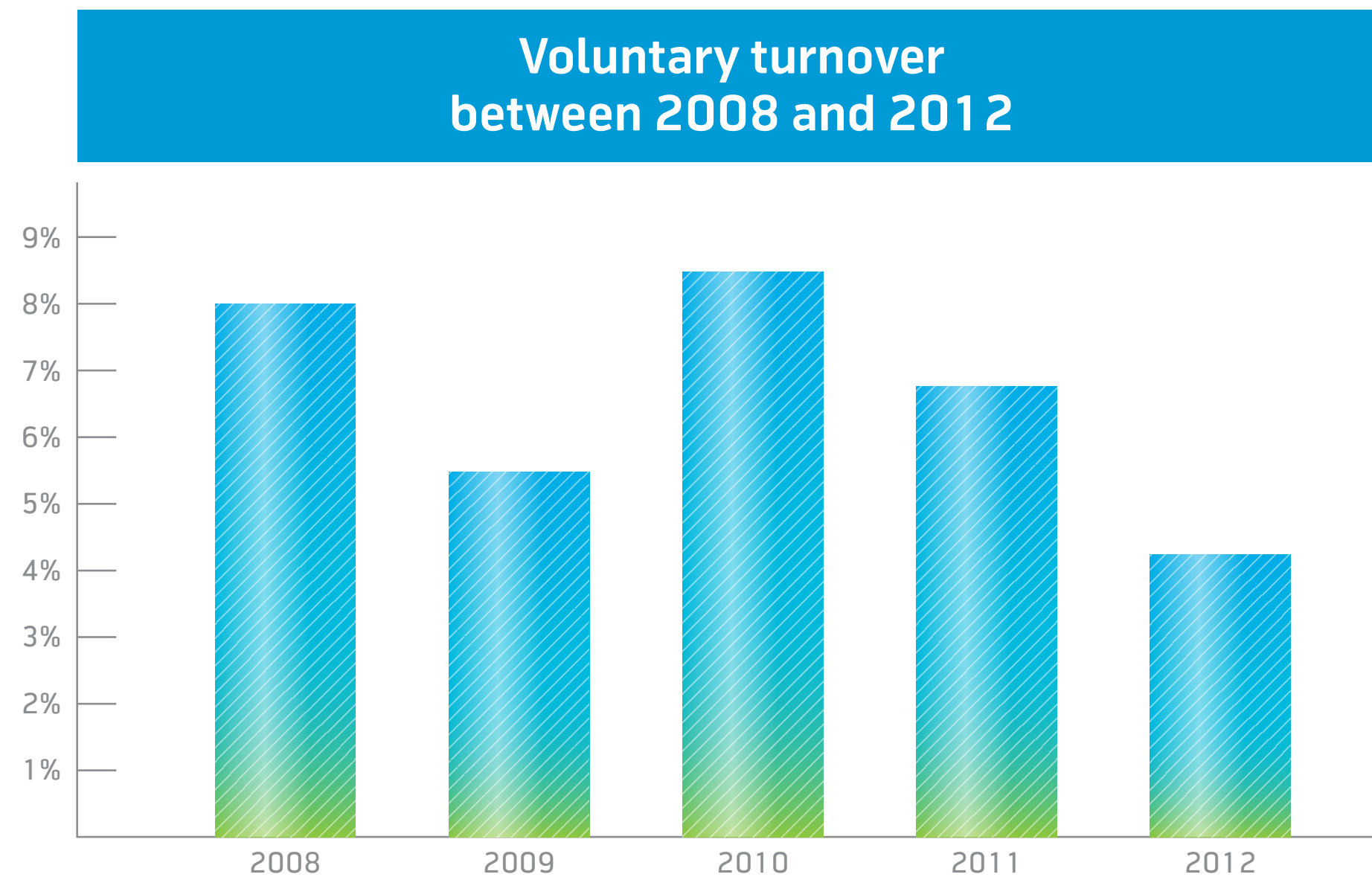
As a result of our efforts, in 2012 we could welcome 30 such employees back from maternity leave on a part-time basis. Telenor employees work on average 12 days a year from home, for which the company provides mobile Internet access.

Both as a source and target organisation, Telenor works to expand the mobility programme, an initiative that promotes knowledge sharing and cultural diversity within the group.

Corporate values, organisational culture and Telenor’s Code of Conduct guarantee equal opportunities for employees.

Staff turnover

Voluntary staff turnover in the past 5 years stood at around 6%, which may be considered a healthy level for a company with commercial and customer service activities. This may partly be attributed to the fact that Telenor enjoyed stable results and showed a clear vision in the Hungarian telecommunications sector.



Salary policy

Telenor has a multi-tier salary system. Jobs are evaluated in our salary system based on the responsibility associated with them and employment market demand. With the basic salary established in this way, every employee is then part of a corporate bonus system, the level of which is determined by the job they perform. The bonus system rewards both individual as well as overall company performance with a bonus, providing an attractive compensation to top performers.

Our salary policy is reviewed annually in light of the latest communications and IT industry trends. We aim to provide a competitive compensation package to attract the best talent in the industry to Telenor.

Benefits

Telenor's salary policy is complemented with a benefits package that differentiates us from other employment market players. Unlike fashionable "cafeteria systems", our employees have no fixed limits and they do not have to make choices or distribute their limits among a number of components. We make all benefit components fully available to all employees and it is up to them whether they take advantage of them.

Our system of benefits was created based on the principles of diversity, equality, attractiveness and self-reliance.

The system is indeed extremely diverse, containing more than 20 different types of benefits. It promotes equal opportunities because everyone enjoys the benefits under the same terms and conditions, and unlike other companies we make no distinctions according to position or salary level. Our system is attractive because it offers employees benefits to a combined value of over HUF 1 million, should they take advantage of all the components. It also promotes self-reliance insofar as many benefits require an employee contribution which encourages employees, for example, to save for their retirement or healthcare needs, or invest part of their salary in Telenor shares.

We aim to provide a competitive compensation package to attract the best talent in the industry to Telenor.

The bonus system rewards both individual as well as overall company performance with a bonus, providing an attractive compensation to top performers.

Benefits			
Benefit components*	Telenor contribution (HUF)	Employee matching contribution (HUF)	Total (HUF)
Mobile phone	40,000	0	40,000
Employee tariff plan	96,000	0	96,000
Mobile Internet	97,000	0	97,000
SZÉP Card	165,000	0	165,000
Health insurance and health fund	120,000	120,000	240,000
Sports card	33,000	33,000	66,000
Voluntary pension fund	120,000	120,000	240,000
Employee share programme	60,000	240,000	300,000
Life and accident insurance	30,000	0	30,000
Contribution to glasses	18,000	0	18,000
Total	779,000	513,000	1,292,000

* Further benefits include 6 discount-rate tariffs for family members; unlimited use of facilities available at Telenor House (gym, football pitch and volleyball courts, table tennis and table foosball tables, and sauna); advance on salaries; use of Telenor bus shuttle service between the HQ and Budapest; support with commuting expenses; company discounts at partners; free fruit, coffee and tea; attendance at corporate events; funeral contribution, and paid special leave.

Work-life balance

Our way of working and workplace environment are both driven by flexibility and we are committed to using forward-looking solutions. This means that Telenor accepts and respects the individuality and personality of our employees and enables them to shape their working conditions in a free and flexible way. The underlying technology is available. As a mobile broadband operator, Telenor has the infrastructure required to provide our

employees with anytime anywhere access to the Internet, e-mail and documents. In this way, they need to commute less, face less travel-related stress and can use the time thereby released for their private lives and families.

We regularly arrange events for the entire organisation to maintain a good atmosphere and spend time together in an informal setting. Outdoor summer activities, the elegant Christmas party, the Family Day and the Santa Party for families with small children all provide a memorable experience for our employees and their loved ones.

8.2. Training, career, performance evaluation

Growth opportunities at Telenor

As part of its Norwegian company culture, Telenor does its best to offer its employees opportunities for continuous skills development. At Telenor, everybody is responsible for his/her own career development supported by the company through the performance management process, as well as various training, development and talent management programmes.

The individual functions are given great freedom in organising training courses. A substantial training budget is allocated per employee for team-building, coaching or specific skills development as assessment by employees’ superiors would indicate necessary. Upon launching new products and services, key users are thoroughly trained and they subsequently share their skills with their direct colleagues. The induction of new employees requiring longer training is provided by professional mentors and internal trainers. Upon implementing organizational changes affecting all employees, all information channels are used to deliver presentations, e-learning materials and group discussions to help colleagues understand changes.

As part of its Norwegian company culture, Telenor does its best to offer its employees opportunities for continuous skills development.

New employees are introduced to company’s operation, mission and values at on-boarding training courses. As part of this, they get familiar with Telenor’s Code of Conduct through an e-learning material.

Management career

Selection criteria for managers involved in strategic decisions include professional competence and compliance with Telenor’s standards of behaviour. Managers are required to comply with Telenor’s core values, its Code of Conduct and Telenor Group management standards.

Management skills courses play a central role in our training programme.

Management development programmes in the reporting period

In 2010, management development programmes organized in Hungary were centred around 3 major themes: innovation, employee empowerment and change management. The training courses featuring speakers and trainers from the Swedish School of Economics were attended by all Directors and Heads of Offices. In addition, 10 to 12 managers were also enrolled in management development programmes provided by the Telenor Group.

In 2011, we focused on “management self-identity” as the main theme. After an introductory training of a few days, middle and senior managers participated in small-group supervisory training. Furthermore, Telenor conducted a sociometric survey and network analysis to strengthen the management community, introduce the basics of network-aware and network-centric thinking and improve collaboration. We also participated in global management development programmes in 2011.

In the same year, we partnered with US consulting company Winning Mind to reinforce positive and efficient management skills in our managers in a period of hardship. Under the programme, personalized feedback was provided to each middle and senior manager to help them improve their management skills in a targeted way.

After a break of two years, the training of lower-level managers was resumed in 2011. Our Team Leaders are enrolled in basic-level management courses and in small-group trainings on selected topics.

In 2012, our management training focused on performance management. Department-level managers discussed their performance management methods assisted by supervisors. They identified areas of improvement for which targeted skills development programmes were prepared.

That year again, Telenor participated in global development programmes of the Telenor Group. 10 to 12 managers were enrolled in an international management development training including three modules.

We continued basic training for Team Leaders using the action learning and team coaching methodologies.

Figures included in the following tables are approximate based on the average number of training participants.

2010		
Category	Number of participants	Average hours of training
Directors	20	82
Middle managers	50	78

Management skills courses play a central role in our training programme.

Selection criteria for managers involved in strategic decisions include professional competence and compliance with Telenor’s standards of behaviour.

2011

Category	Number of participants	Average hours of training
Directors	20	106
Middle managers	50	102
Team Leaders	70	48

2012

Category	Number of participants	Average hours of training
Directors	20	14
Middle managers	50	30
Team Leaders	50	32



Talent management programmes

Talent management programmes are for top performers with a potential to fill a higher or more responsible position in the future. Participants can select training courses from the annual draft programme based on their personal development plan. Of the 15 listed themes the most popular ones were coaching, communication skills and various self-knowledge programmes. Themes were covered by one- or two-day small-group training courses.

Talent management programmes

Category	Number of participants	Average hours of training
2011	20	20
2012	30	40

Employee performance evaluation

Performance evaluation and career planning are managed through the Telenor Development and Performance (TDP) process. Performance evaluation is a mandatory exercise within the Telenor Group for every internal employee on a quarterly basis. TDP dialogues for internal employees had a 100% participation rate in the reporting period.

The first step of the annual process is an evaluation meeting during which the employee and his/her direct superior analyse his/her business and personal goals and progress against the development plan created to support the accomplishment of these goals. At the same meeting, goals for the next period are identified.

The next step of the TDP process is the management-level Review Meeting where the management team reviews their teams' per-



formance, discusses employees’ future potentials, possible career paths and next steps. At the meeting best performers and under-performers are identified. Employees are nominated for talent programmes at the Review Meetings. Progress against the goals and the development plan is evaluated by the employee and their superior at a meeting every quarter to keep track of performance.

Employee Engagement Survey

As a member of the Telenor Group, Telenor Hungary conducts an annual Employee Engagement Survey (EES). Survey results serve as valuable feedback to management in setting development directions to improve business results and working conditions.

The EES supports internal development by evaluating the key drivers of employee engagement. All Telenor employees participate in the survey in order to obtain the most objective view of the current situation. Survey results are processed in the action planning phase which, by increasing employee engagement, will have a positive impact on the company’s business results.

The EES process runs at two levels:

- employees provide feedback on their own unit and the company as a whole, on the basis of which the EES score or Unit Index is calculated
- employees evaluate their managers, the result being used to calculate the latter’s Leadership Index.

The EES enables employees to evaluate their superiors’ performance while providing managers with feedback on their skills development needs.

Recent years’ results have shown that we are on the right track. Employee engagement levels have risen year on year and the

participation rate was also up 5% in the reporting period. Ultimately, we aim to achieve 100% participation.

Results of Telenor Employee Engagement Survey			
	2010	2011	2012
EES index	71%	81%	82%
Participation	90%	96%	95%

8.3. Healthy working environment and work safety

The good health and safe working environment of employees is a key priority for Telenor Hungary. Continuous development in this field is supported by an occupational health and safety management system based on the MSZ 28001:2008 (BS OHSAS 18001:2007) standard.



Recent years’ results of the Telenor Employee Engagement Survey have shown that we are on the right track.



The table below shows the number of days spent on sick-leave due to work-related accidents.

Number of days spent on sick-leave because of a work accident			
	2010	2011	2012
HQ	139	36	36
East	0	0	0
West	0	0	0
Total	139	36	36

Employees can use the services of two private clinics if they are sick or feel unwell. At Telenor House they can consult both an occupational health specialist and a General Practitioner. Health services have prevention as their primary focus. All employees can request free anti-flu vaccinations and we also contribute to the costs of employees’ glasses.

At Telenor House attention to ergonomic aspects as well as recreational facilities for team building and personal use is afforded great priority. Besides the grill patio, in 2011 we built a new football pitch and volleyball court, which all contribute to a healthy and pleasant working environment. Flexible working hours mean employees can do sport even during office hours. The principles of a healthy diet were a fundamental requirement in preparing the menu for our canteen and café. Smoking is prohibited in the building; employees can only smoke in designated outdoor smoking areas.

Home Office Day

To promote our flexible and employee-friendly working culture, in



Working occasionally from home has benefits for both employees and employers, as well as for the environment.

2012 we organised a Home Office Day together with Microsoft to encourage as many, primarily white-collar, Hungarian employers as possible to enable as many employees as possible to work from home on this one day.

Using modern working tools, mobile phones, laptops and mobile Internet you can work at home as efficiently and comfortably as in the office. Working occasionally from home has benefits for both employees and employers, as well as for the environment. More freedom in time management allows employees to schedule their tasks according to individual preferences; working in a calm home environment can improve efficiency and strengthen employee loyalty; working from home can save on travel costs, reduce emissions and mitigate environmental impacts.

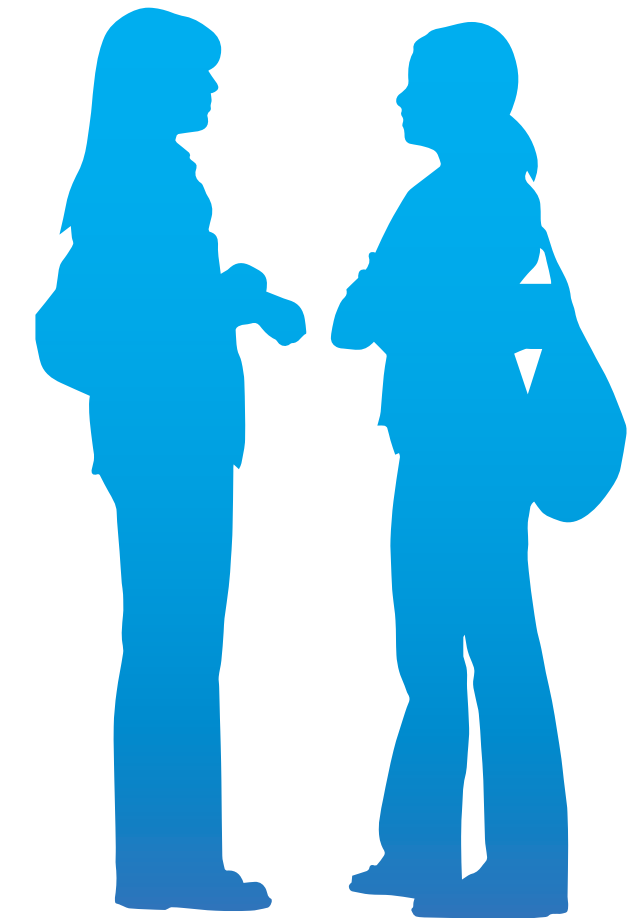


This initiative proved highly successful with Telenor Hungary and Microsoft being joined by more than 10,000 employees from a further 113 companies. Participants included KPMG, Kinnarps, WWF Hungary, Greenpeace, Hungarian Red Cross, Shell Hungary and Magyar Telekom. 47% of Telenor's employees worked from home on 21 April 2012.

Education and awareness

We are continuously striving to raise employees' health and safety awareness. Employees can access occupational health and safety pages on the internal company portal and they are enrolled in mandatory fire, and health and safety courses concluding with a test every year. In addition, hundreds of employees participate in awareness raising programmes every year.

We pay particular attention to ensuring employees receive first aid training to help them acquire skills that can potentially save lives in critical situations. In 2010 employees were offered short, practice-oriented first aid courses led by a paramedic. The 3 first aid sessions were attended by more than 90 employees with some participating in more than one session. In the course of the programme they could learn how to respond if somebody loses consciousness or suffers a fire injury or an electric shock. The series of programmes was repeated in 2011, this time with more than a hundred colleagues taking part. This course focused on providing the very latest practical skills to manage accidents and medical emergencies that may occur at the workplace or in employees' private lives. The course material was developed in light of lessons learnt from past accidents at Telenor House or elsewhere within the organisation, and the results of our annual risk assessments.



We are continuously striving to raise employees' health and safety awareness.

The practical session was centred on defibrillator skills; first aid for injuries suffered from slipping, falling or stumbling; first aid for electric shock; things to do if somebody loses consciousness, and resuscitation skills. During the session participants practiced first aid on each other and on first aid dummies.

In 2011 we organised a practical session on ergonomics attended by 75 employees. During the programme a musculoskeletal specialist demonstrated how to use working tools (laptop and holder, mouse, etc.), chairs and adjustable tables properly and gave personalised advice and recommendations to participants. At the end of the course participants were rejuvenated with a massage.

In 2012 our occupational health and safety programme focused on prevention with several health screenings offered on-site. A melanoma screening provided by a dermatologist was attended by 29 people, while the cardiovascular screening option attracted 45 people. At a demonstration held by Szent Márton Paediatric Emergency Medical Service, 20 employees acquired basic child first aid skills, took a closer look at a children's ambulance and learnt more about ambulance services.

We have been organising voluntary blood donation events together with the Hungarian Red Cross for a considerable number of years.

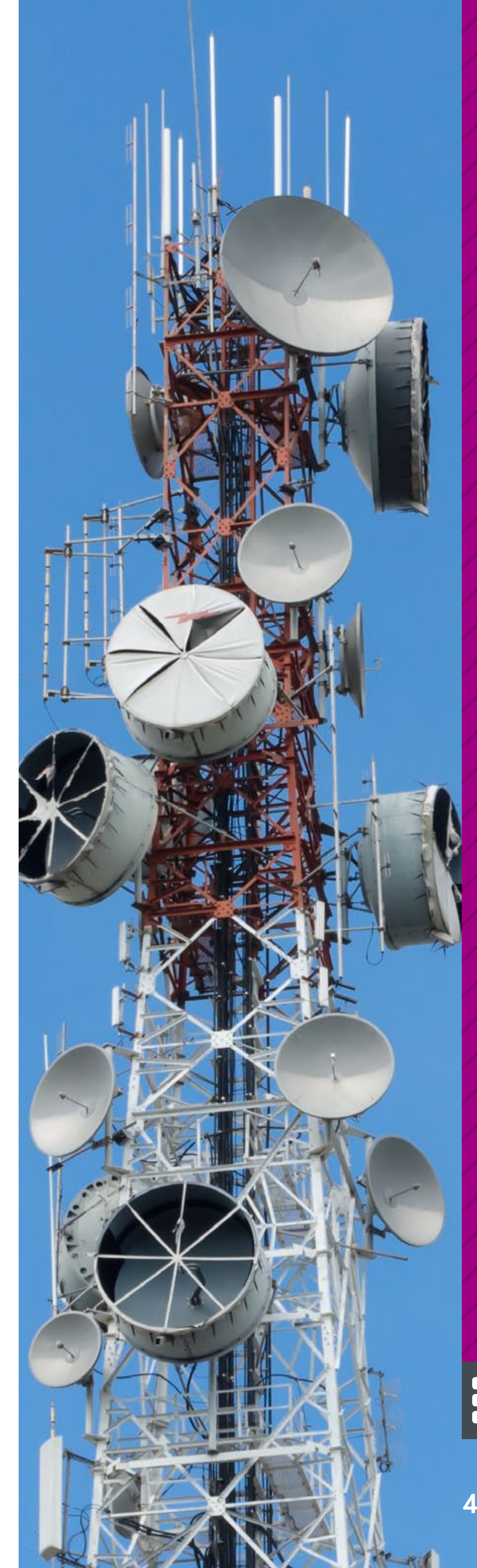
Base station safety

Since 1999 Telenor (Pannon) has been conducting systematic occupational safety reviews at our network's base stations on a 5-year cycle in accordance with the provisions of Hungary's Occupational Health and Safety Act. This activity has a twofold objective. Firstly, it aims to guarantee appropriate and safe working conditions for employees and subcontractor staff working at antennas and other equipment installed at high altitudes. Secondly, it

seeks to ensure the safety of people living in the vicinity of base stations and passers-by, protecting them from injuries caused by falling objects. Within the framework of these reviews specialists closely inspect bases stations' structural components; check the availability and condition of safety kits, and repair any irregularities identified. Furthermore, it is the responsibility of every contractor and operator partner of Telenor to report any irregularity detected at base stations so that we can take action to restore safe operating conditions.

We provide industrial climbing training to employees whose jobs involve occasional work done at high altitudes near antennas. They are equipped with the best quality industrial climbing and protection gear, undergo regular medical check-ups and refresher courses and repeat examinations to maintain their skills. Our engineers take special care in designing and building base stations to position antennas and make them accessible in such a way that neither employees nor unsuspecting visitors would come to any harm.

Most certainly, all these measures have ensured that in recent years no such incidents have occurred in Telenor Hungary's network resulting from the improper design or poor condition of base stations, or the lack of staff competence or equipment.



community involvement

*Dorottya Gál,
Telenor volunteer,
'Tedd Oda!' Day*



community involvement

9.1. Donations

Helplines

As a mobile operator we are committed to using our own tools and technologies to help those in need and mitigate the impact of disasters. Our helpline campaigns promote joint social action providing customers with an opportunity to make donations in a fast and convenient way. As a result, support can be delivered to those in need in the shortest possible time.

2010 and 2011 saw several major disaster campaigns that were managed with the involvement of Telenor's helpline. During such campaigns we co-operate with competitors and make sure that all help calls and SMS messages are accepted on the 1749 donation line irrespective of the network used. In the event of such disasters our costs are, of course, not reimbursed.

2010 - Earthquake in Haiti

→ HUF 80.5 million → UNICEF → water cleansing tablets → 1,609,796 hectolitres of clean water for victims

2010 - Floods in Hungary

→ HUF 6.3 million + 2.5 million matched funds under Telenor's Smile Day program → Hungarian Red Cross → flood victims

2010 - Red sludge disaster in Kolontár and Devecser

→ HUF 6.9 million + HUF 2 million matched funds → Hungarian Red Cross → victims in Kolontár and Devecser

2011 - Earthquake in Japan

→ HUF 8.5 million → Interchurch Aid → reconstruction of school building in Japan

In-kind donations

Environmental protection is also a priority for Telenor. We not only seek to reduce our environmental impact but also make every effort to recycle our used assets. Telenor usually donates items which are no longer used but still in good condition to NGOs that in turn distribute them to those in need.

When we left our former office building in Budaörs, we donated 6,500 pieces of furniture to Hungarian Reformed Church Aid. This donation package included highly diverse items from tables and chairs to microwave ovens to a total value of over HUF 39 million. In 2012 we refurbished our total store network. The old furniture was donated to those in need.

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Christmas charity

Over the years it has become a tradition for Telenor to launch donation programmes in the Christmas season.

The seventh event in our Telenor Android Workshop series was organised during the Christmas season in December 2011. The programme included a donation initiative with workshop participants bringing gifts with them to the event. By the end of the day they had put 250 games, plush toys and items of clothing into a giant gift box. The donations raised were then taken to underprivileged children in Törökbálint by the Helping Hand Service (Segítő Kéz Szolgálat).



In 2011 the first Telenor Bake Sale was organised at Telenor House in Törökbálint, where employees sold home-made cakes to one another. The amount raised by the Cake Fair was transferred to the Szent Márton Paediatric Emergency Medical Service Foundation, an organisation which has been sponsored by Telenor for 11 years. The Foundation used the funds matched by Telenor to purchase a much needed on-board blood gas analyser now in service in one of their ambulances.

Encouraged by this great success Telenor held a Bake Sale again in 2012. This time Telenor employees raised funds for the Csalogány Foundation, an organisation supporting children with mental disabilities. The amount was used to buy development tools and recreational equipment. In 2012 some colleagues also made personal visits taking donations to 50 children living in a home supported by the Foundation.

Telenor makes a point of leveraging its corporate strength to make the most of our charity programmes. Rather than simply donating the money, we leverage our partners and purchasing power to get better pricing and increase the impact of the funds raised. For instance, by reaching out to Samsung, one of our main suppliers, we were able to provide much more equipment than the foundation would have been able to purchase on their own.

	2011	2012
Supported organisation	Szent Márton Paediatric Emergency Medical Service Foundation	Csalogány Foundation
Funds raised	HUF 600,000	HUF 465,000
Amount matched by Telenor	HUF 1,400,000	HUF 465,000



Teddy Bear Toss

In 2010 and 2011 we repeated a special charity action started in 2009 involving the Hungarian national ice hockey team. The initiative called Teddy Bear Toss comes from North America and aims to support children in need. In 2010 4,451 toys were collected, while in 2011 the audience tossed some 6,870 toys onto the ice after the Hungarian team scored its first goal in the match against Spain in the Division I World Championship on 22 April. The toys were personally taken by members of the Hungarian national ice hockey team to children in Bethesda Children’s Hospital, Esze Tamás Children’s Home and the Children’s Home of the Municipality of Budapest in Templom utca.

Number of plush toys collected

2010	4,451
2011	6,870

Hégető Honorka Foundation

We are a main sponsor of the Foundation established by RTL Klub in memory of Honorka Hégető, one of their reporters who sadly lost her life at a young age. Honorka Hégető had been dealing with the issues of social sustainability and equal opportunities, and made a number of television films and interviews about people living in hardship and suffering from social inequalities. Honorka Hégető fought for the underprivileged and the disadvantaged throughout her life and set an example for us all to follow. Through our sponsorship of the Foundation Telenor seeks to support television journalists and creative communities devoting their careers to addressing major social challenges.

9.2. Corporate volunteer programmes

As a responsible company we naturally strive to play an active role in our communities. As part of this commitment we organised the ‘Tedd Oda!’ Day event in Törökbálint in 2012, a major voluntary action where participating colleagues worked to make the area surrounding their workplace a better place to live. To assess the needs of local communities and make appropriate preparations, the event was planned together with the local municipality and NGOs with volunteers of the Foundation for Democratic Youth (DIA) also being consulted. The programme attracted more than 500 colleagues and introduced them to the experience of volunteering.



As a responsible company we naturally strive to play an active role in our communities. The programme attracted more than 500 colleagues and introduced them to the experience of volunteering.



"At Telenor we feel responsible for the environment and especially our direct environment where we work day to day. It is therefore very important for us to engage in physical work to make the town a better and friendlier place to live and work, and to benefit the local community, our employees and the children attending local schools. I hope we set a good example to follow and encourage other companies to do something for the environment and their surrounding area", said Christopher Laska, CEO of Telenor Hungary.

The programme offered a wide choice of volunteer activities. One group renovated and repainted the fences of several local kindergartens and schools, repaired playgrounds and cleaned nearly 30 bus stops. Another group of Telenor volunteers cleaned the cycle and walking paths leading to Telenor House.

The programme offered a wide choice of volunteer activities.

Christopher Laska, CEO,
'Tedd Oda!' Day



Telenor House also hosted events during the 'Tedd Oda!' Day. Telenor volunteers used exciting games to educate 100 pupils from the Bálint Márton and Zimándy Ignác Primary Schools. The children were given an insight into the digital world and mobile telecommunications, tested the latest smartphones and tablets, and took part in a quiz game on environmental consciousness with valuable prizes to be won.



Completing the environmental consciousness questionnaire at Telenor House, 'Tedd Oda!' Day

Through the ADDODA app Telenor staff donated books, foreign language textbooks, children's clothes, toys, non-perishable food and musical instruments for the Hungarian Red Cross to distribute to needy families.

Besides centralised activities we also supported employees' volunteering initiatives. In December 2011 we gave Christmas gifts to and organised a special Christmas event for underprivileged children living in Törökbálint. The programme was organised at Telenor House in partnership with the Helping Hand Family Support Service (Segítő Kéz Szolgálat). Colleagues placed personal gifts under the Christmas tree that were then presented to the children at a special Christmas event. A group of Telenor staff performed a play which they had written. The Christmas event for disadvantaged children living in the surrounding area of Telenor was a memorable experience for all involved.

To promote employee initiatives and encourage other companies to take action, Telenor used the lessons learnt from The 'Tedd Oda!' Day to prepare a document providing useful guidance for the organisation of corporate volunteering events.



9.3. NGO partnership

Telenor has traditionally enjoyed good relations with the NGO sector. Besides financial sponsorship and support, we regularly participate in non-governmental initiatives and provide NGOs with opportunities for co-operation.

In 2008 Telenor joined “Romaster”, the equal opportunities initiative of the Hungarian Business Leaders Forum (HBLF) and IBM Hungary to support higher education studies for talented young Roma people. In addition to providing funds for education, companies also assign volunteer mentors to young people providing them with professional and personal support. Participating companies may also offer internships to students to give them an insight into corporate operation and culture, a valuable input for their future integration into the employment market.



It is equally important for Telenor staff to become familiar with students’ backgrounds, living conditions and culture as this facilitates the creation of a diverse and inclusive workplace environment. Telenor currently supports two students, thereby contributing to equal opportunities in higher education.

In 2010 Telenor sponsored the SOS Children’s Village Big Boat Yacht Race where nearly 180 children could experience the joy of sailing thanks to the exemplary partnership between sponsors and the sailing community.

In the same year we invited 150 children and young people from the SOS Children’s Village to a Christmas event. After the chance to ice skate and enjoy a concert, the children had lunch at the Mikulásgyár followed by a stroll in the Forest of Angels and the festively decorated downtown of Budapest.

The Twilight Party, which was organised for young people, offered the opportunity to give blood voluntarily for the Hungarian Red Cross. We have been supporting the Szent Márton Paediatric Emergency Medical Service by paying their mobile communications costs since 2003.

Telenor joined WWF’s Lynx Protection Programme in 2012, supplying SIM cards for the collars of the lynx tracking system implemented under the programme. The mobile technology-based system provides valuable information to specialists working to save the species. Telenor will continue to use its mobile communications solutions to support WWF’s fund raising campaigns.

* For more information about partnerships please read the relevant chapters.

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environmental responsibility



environmental responsibility

10.1. Environmental strategy

Respect for the environment is an important core value for Telenor. We aim to reduce our environmental impact and strengthen people's environmental consciousness also through our products and services. We continuously strive to keep our environmental impact to the minimum, using as few natural resources as possible and reducing our waste emissions.

Our environmental strategy is centred on energy efficiency, renewable energy resources, employee engagement and efforts to harness the opportunities of mobile communications.



10.2. Telenor's key environmental impacts

Telenor has identified the following among our processes which have the highest environmental impact:

- installing and operating base stations (using natural resources, electricity and paper consumption, air pollution, electronic waste, hazardous waste and electromagnetic radiation)
- running an office building and doing office work (using natural resources, electricity consumption, air pollution, electronic waste)
- running a vehicle fleet (using natural resources, electricity consumption, air pollution)
- selling mobile phones - collecting used handsets (electronic waste, hazardous waste and rare metals)

10.3. Environmental management system (EMS)

To monitor and track progress in environmental protection both inside and outside the organisation, Telenor's management has implemented and maintains an environmental management system (EMS) in accordance with the MSZ EN ISO 14001:2005 standard, and takes responsibility for its efficient operation and continuous improvement.

The EMS aims to reduce the company's environmental impact, prevent pollution, support the setting and achievement of environmental and financial goals, and build trust with partners, suppliers and other external stakeholders.

Our environmental strategy is centred around energy efficiency, renewable energy resources, employee engagement and efforts to harness the opportunities of mobile communications.

To maintain and continuously improve the EMS, Telenor has set up an EMS team involving all relevant functions. The EMS team meets on a quarterly basis and is headed by the EMS Manager.

The EMS is audited on an annual basis to evaluate whether it is in line with legal regulations and the company’s Environmental Policy. The annual audit plan is compiled in such a way as to ensure every area with a potentially major environmental impact is audited by qualified and authorised internal staff. The internal audit shall then be followed by an external audit certifying the compliant operation of the EMS.

All costs incurred by environmental actions and investments (HUF thousand)			
	2010	2011	2012
Cost of third-party services related to environmental management	0	0	480
Third-party certification of EMS	930	360	360
Other environmental spending	18,500	1,910	2,160
Fines for the breach of environmental laws and regulations	0	0	0

10.4. Environmental Policy

The company’s efforts to protect the environment in the reporting period have been based on the Environmental Policy we adopted in 2010. In this document Telenor identifies our environmental goals and commitment, and specifies the principles supporting our ongoing efforts to reduce our environmental impact, comply with legal regulations and pursue continuous development to meet the requirements of the most stringent standards.

10.5. Environmental goals and their achievement

In 2010 the EMS Manager and the managers of other relevant functions developed guidelines for the following year’s environmental goals taking into account the Environmental Policy, legal and other regulations, stakeholders’ needs, major environmental impacts and cost-efficiency considerations. Every year the achievement of these goals is evaluated and new goals are identified with special respect to the reduction of carbon emissions.

Our company aims to reduce relative carbon emissions by 40% in the period 2008 to 2017. In addition to reducing our use of natural resources and waste production; promoting waste sorting; using innovative environmentally friendly and energy conscious technologies, such as heat pumps, solar cells and intelligent building control, at our sites; giving preference to environmental development and investment projects, and integrating environmental principles into our supplier chain, we also strive to make energy saving solutions available to our consumers. To further this goal, we work to develop and sell environmentally friendly products, services and mobile telecommunications solutions that enable our customers to reduce their carbon emissions and energy consumption.

Our company aims to reduce relative carbon emissions by 40% in the period 2008 to 2017.

The EMS is audited on an annual basis to evaluate whether it is in line with legal regulations and the company’s Environmental Policy.



10.6. Energy consumption and CO₂ emissions

Telenor’s operation generates high CO₂ emissions with our network accounting for most of our energy consumption and CO₂ emissions. To reduce our emissions significantly, we launched a network modernisation project in 2010 where, by the end of the year, we had gradually replaced our old network equipment. In this way we improved our data transmission capabilities, enhanced service quality and achieved major energy savings. In addition, the equipment removed from our network as part of this modernisation process was resold for reuse or recycled by waste management companies. As a result, we increased the lifecycle of more than 5,000 network components by ensuring their continued operation in the telecom networks of a number of underdeveloped countries.



Weight of directly/indirectly emitted and other greenhouse gases (tons of CO ₂)			
	2010	2011	2012
Network	19,300	15,186	17,646
Buildings	2,059	1,855	1,906
Flights	135	242	231
Vehicles	1,364	1,204	1,222
Total	22,858	18,487	21,005

Electricity consumption: Indirect energy consumption by primary source of energy (GJ)			
	2010	2011	2012
Electricity – Buildings	17,407	17,748	18,679
Electricity – Network	197,800	200,635	194,072
Heating and cooling	738	476	480
Total	215,945	218,859	213,232

Direct energy consumption by primary source of energy (GJ)			
	2010	2011	2012
Natural gas	5,211	3,088	3,021
Diesel oil	17,127	15,219	15,426
Petrol	666	491	510
Total	23,004	18,798	18,957

To reduce our emissions significantly, we launched a network modernization project in 2010.

Indirect energy: cost saving initiatives

- Installation of more energy efficient 3G equipment during network upgrades
- Software-based capacity expansion instead of hardware-based expansion (AMR HR)
- Decommissioning of underutilised redundant equipment at base stations
- Total network swap to install more state-of-the-art and energy efficient equipment
- Fine-tuning of building control systems at the HQ in Törökbalint
- Energy audit at base stations with high power consumption and RAN network base stations (global project “Energy Efficient Network”)
- Replacement of old air-conditioning equipment with energy efficient free cooling systems at rural switches



10.7. Radiation

Telenor feels responsible for the health and safety of our customers, employees and the communities living in our service areas. As such, we always comply fully with Hungarian and international regulations specifying safe exposure limits to electromagnetic fields (e.g. WHO safety limits and warnings) and internal Telenor Group policies (Telenor Guideline on RF Emission Control of Cellular Radio Sites) when installing new base stations. We also provide objective guidance to stakeholders on the potential impact of radiation.

In practice, this means that our experts make calculations upon designing every base station and identify the expected electromagnetic field strength in the operation area of the given site. If a base station uses several technologies or frequencies or it is shared by more operators, the combined impact of all sources of radiation is considered. Calculations are repeated if the configuration or any other technical parameter of the base station is changed.

Our engineers take special care in designing and building base stations to position antennas to get maximum coverage from the least energy consumption, thereby both reducing the already small health risks and energy consumption. If the lessor of a particular site requires, we have our designs evaluated in advance by an accredited institution or third party. If necessary, radiobiology measurements are subsequently undertaken at operational base stations to verify that electromagnetic field strength is always within safety limits.

Telenor feels responsible for the health and safety of our customers, employees and the communities living in our service areas.



10.8. Installing masts and antennas

In selecting sites for buildings, structures and equipment, Telenor and our subcontractors seek to reduce visual impact to the minimum. Besides complying with legal regulations, Telenor makes every effort to ensure that the visual appearance and other effects of our new base stations will not trigger a negative response from local residents. Wherever possible, we prefer to use existing tall structures, such as chimneys, water towers, silos, church towers and cable masts, to install antennas. We regularly hold community forums, consult affected municipalities, chief architects and radiobiology experts. We seek to “camouflage” base stations, hide antennas or add community friendly secondary functions to them, for example, to use them as lookout towers. In many cases though, this approach may significantly hinder the installation of new base stations, especially in urban environments. We often share sites, that is, we use existing base stations of other operations or let them use our sites to avoid the unnecessary proliferation of towers.

10.9. Improving environmental consciousness

Telenor launched several energy saving initiatives to promote environmental consciousness among our customers. In 2011 the “Kétkerék” Android app, which provides cycle route planning services to encourage users to travel by bike rather than by car, was a great success.

Environmentally friendly and energy conscious apps provided the focus for one of our regular Android workshop events. Under our Eco Ambassador programme Telenor’s djuice brand assigned staff to deliver presentations and hold workshops on sustainable growth and waste management to students at six secondary schools. The programme aimed to make interested young people Eco Ambassadors in educating their local communities.



Telenor launched several energy saving initiatives to promote environmental consciousness among our customers.

10.10. Telenor House

The headquarters of Telenor Hungary, Telenor House in Törökbalint, is one of Hungary’s state-of-the-art. When designing Telenor House, we strived to be environmentally conscious and innovative everywhere possible.

The heating and cooling system of Telenor House is based on geothermal heat pumps and 180 heat probes drilled a hundred metres down into the ground. The heat exchanger unit for the ventilation system reduces energy waste, while 168 square metres of solar cells generate more than 60% of the energy required to produce hot water for people working in the building. A number of building functions are controlled by a computer-aided intelligent central management system. Green power and state-of-the-art building control systems enable Telenor House to save nearly 145,000 cubic metres of gas and 92,500 kWh of electricity, thereby significantly reducing its ecological footprint.

There is a multi-purpose pond on the premises. This is more than just aesthetically pleasing, with the water provided for use by the fire department and used to cool our server park, thereby further reducing our energy needs.

10.11. Travel and transportation

Telenor seeks to use environmentally friendly telecommunications solutions as an alternative to travel in order to reduce traffic and petrol consumption. We make every effort to prevent or reduce harmful emissions, as well as emissions caused by transport and business travel.

Weight of greenhouse gases emitted			
	2010	2011	2012
Ground level (tons of CO ₂)	1,364	1,204	1,222
Air (tons of CO ₂)	135	242	231
Total	1,499	1,446	1,453

To save time and energy, our office building offers employees several options to use our technology hold their meetings and conference calls on-site. Telenor House has seven meetings rooms with teleconferencing facilities and one meeting room with videoconferencing capability.

10.12. Waste management

Telenor is committed to reducing the use of natural resources and supports the recycling of tools and materials. Within our own scope of activities Telenor ensures sustainable waste management and ensures our suppliers and contractual partners follow environmental standards in line with our own.

Telenor sorts hazardous waste in line with relevant Hungarian legal regulations. Telenor House also has its own waste sorting system. To support recycling, the following six types of waste generated by our services and business workflows are sorted:

- paper waste,
- glass,
- plastic waste (PET),
- metal,
- electronic waste,
- batteries.

The headquarters of Telenor Hungary, Telenor House in Törökbálint, is one of Hungary’s state-of-the-art and most environmentally friendly office buildings.

Total waste						
	2010		2011		2012	
	Σ	%	Σ	%	Σ	%
Paper	131,311	100	121,614	100	48,070	95.69
Plastic packaging waste	900.9	100	97	100	1,320	100
Glass packaging waste	778.7	100	2,375	100	680	100
Communal waste	266,000	50.38	193,000	64.36	265,000	53.58
Electronic waste (IT + telco)	77,000	100	72,000	100	230,000	100
Lead batteries	57,452		70,797		196,036	
Waste water	15,025		16,103		17,956	
Hazardous waste					186,2	

Σ - Total volume (kg/m³) % - Ratio of recycling (%)

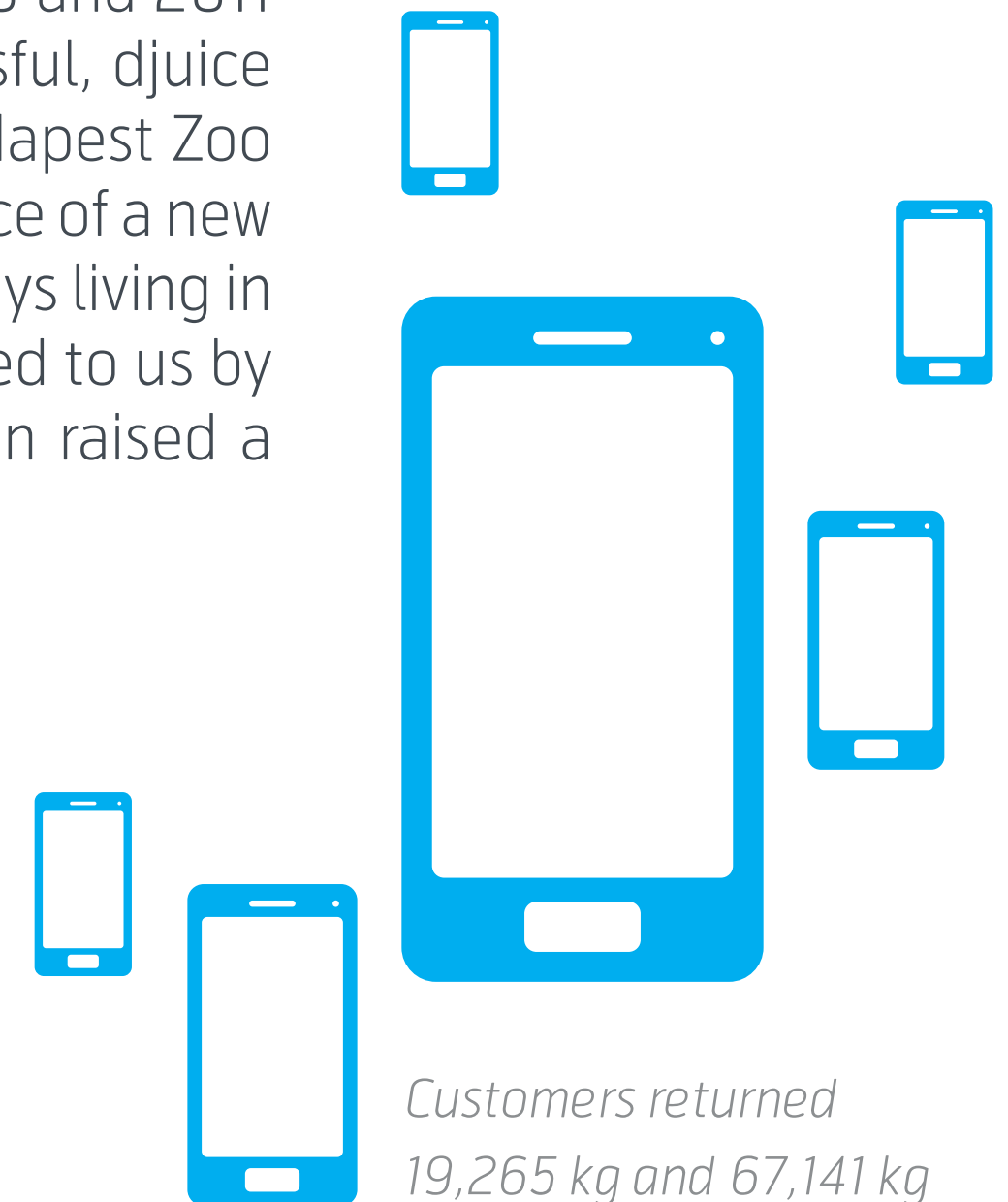


10.13. Recycling mobile phones

In 2004 Telenor was the first Hungarian operator to launch a campaign to collect and recycle mobile phones. Mobile telephones are 95% made of recyclable materials which can be extracted and processed. Their hazardous waste content can all be sorted and reused for the manufacturing of new products. The materials posing the highest environmental hazard are lead in old phones' printed circuits and mercury used in LCD displays. Microphones and other small components may contain other hazardous heavy metals, which, if not properly recycled, can leak into the environment and trigger harmful processes.

Customers returned 19,265 kg and 67,141 kg of recyclable handsets to us during our recycling campaigns in 2010 and 2011 respectively. To make the initiative even more successful, djuice launched a handset exchange campaign with the Budapest Zoo in the spring of 2012. djuice gave HUF 5,000 off the price of a new handset and contributed a portion of banana to monkeys living in the Budapest zoo for every used mobile phone returned to us by customers under the special campaign. The campaign raised a total of 4.5 tons of bananas.

Mobile telephones are 95% made of recyclable materials which can be extracted and processed.



Customers returned 19,265 kg and 67,141 kg of recyclable handsets to us during our recycling campaigns in 2010 and 2011 respectively.

10.14. Paper consumption

Telenor sorts waste and supports electronic document management to reduce our paper consumption and environmental impact. We are striving to be a paperless office; we do not print the majority of our documents and even if we do so we use recycled paper.

Paper (kg)			
	2010*	2011	2012
HQ copy paper A/4	124,960	180,000	162,960
Shop copy paper	77,400	84,000	148,360

* Ordered from May 2010



As part of our strategy to ensure excellent service quality and environmental consciousness, we implemented e-billing in 2009. Customers using this service can access their bills in a fast and convenient paperless way. This is an environmentally friendly solution which eliminates printing and the distribution of postal bills to customers. As a result, every customer subscribing to e-billing helps preserve the environment.

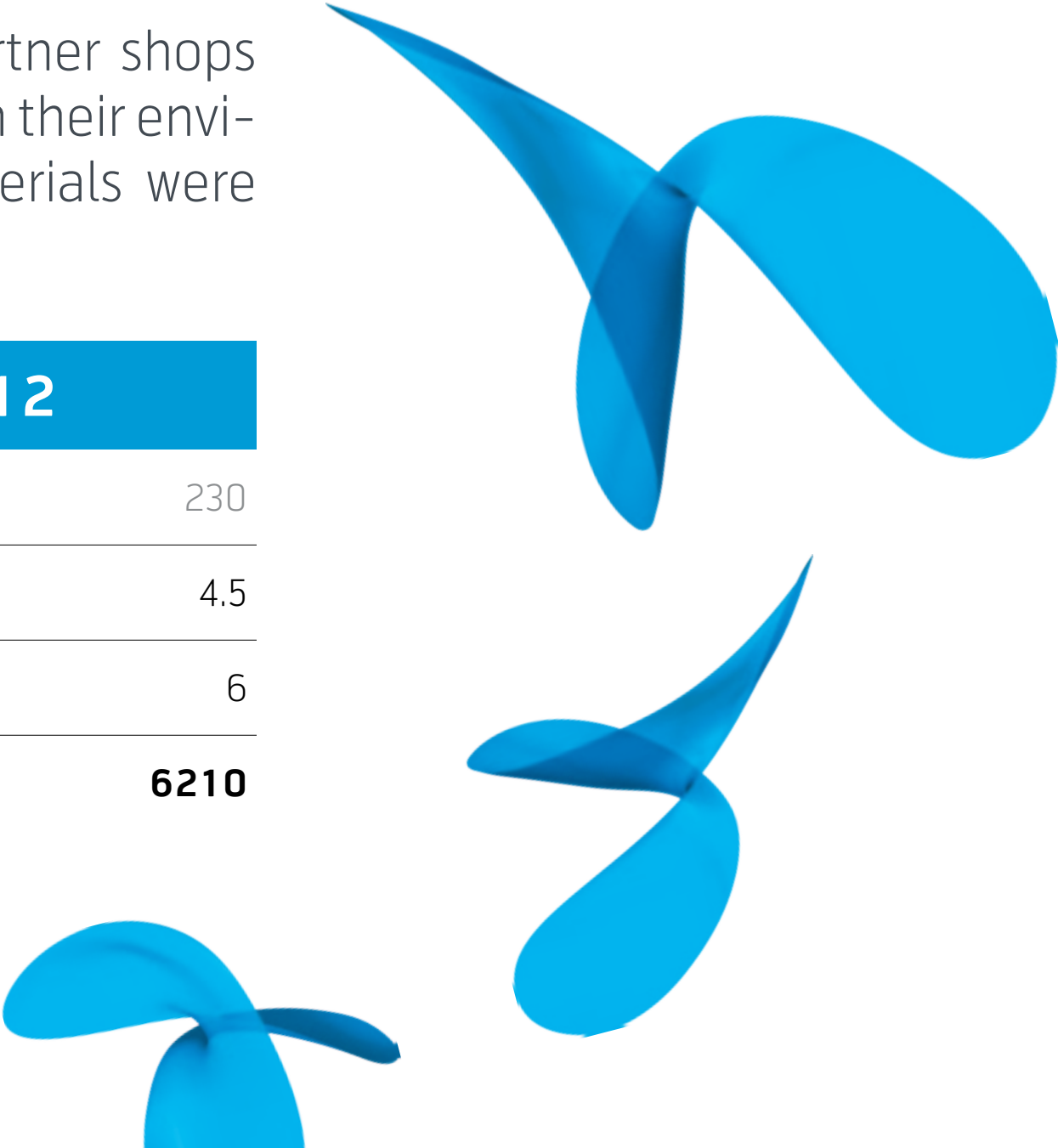
We run regular promotions, offering customers newly subscribing to the service credit on their accounts, to encourage customers to use e-billing.

The environmental benefit of e-billing		
Years	Growth	Weight of paper saved
2011		3,993
2012	291.22%	11,628.4
Total (kg)		15,621.4

In the reporting period both our own shops and partner shops were redesigned which resulted in a major reduction in their environmental impact. Old paper-based marketing materials were replaced with LCD screens.

Number of A1 -sized posters saved in 2012	
Number of redesigned shops	230
Number of posters used per campaign	4.5
Number of campaigns per year	6
Total	6210

Telenor sorts waste and supports electronic document management to reduce our paper consumption and environmental impact.





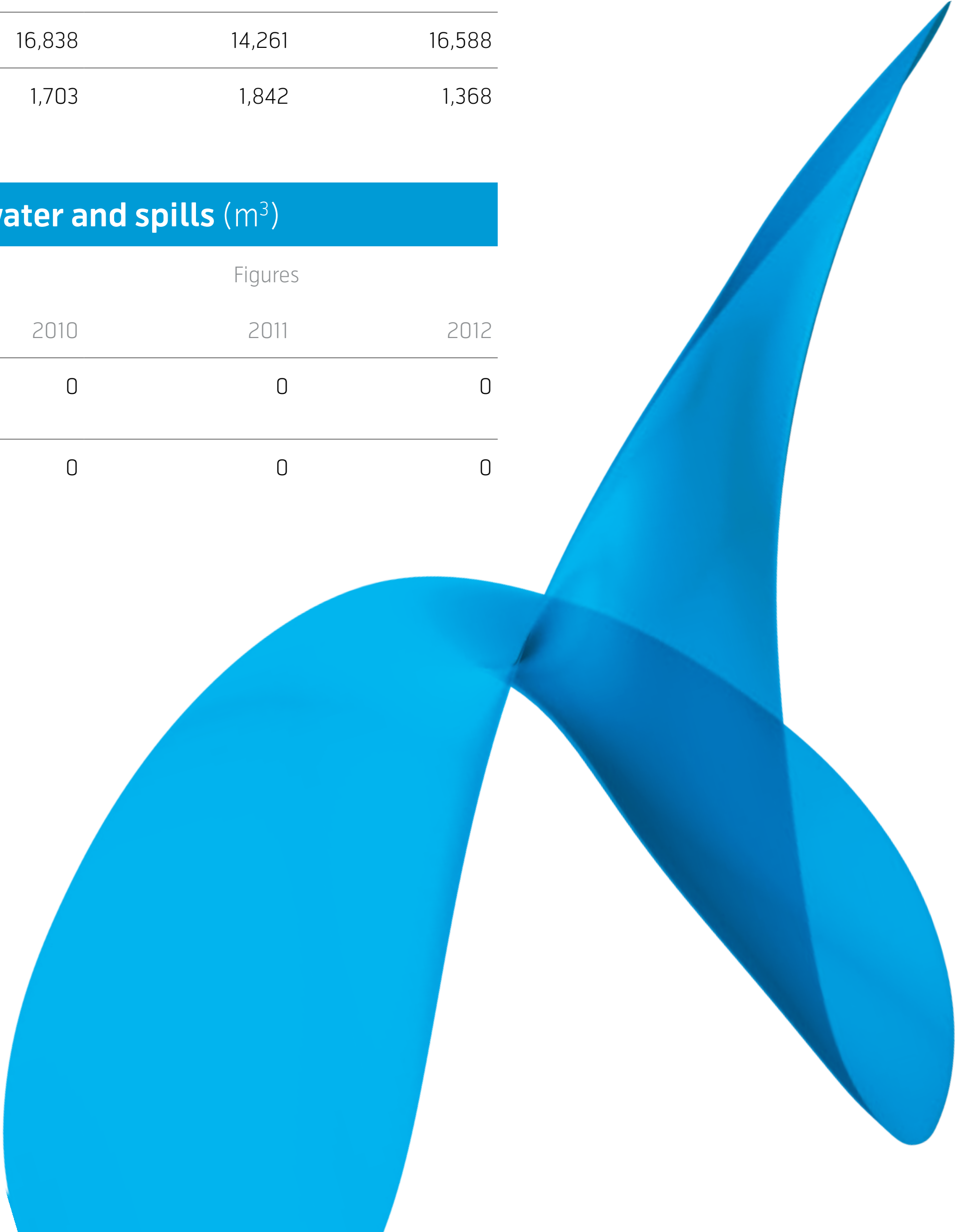
10.15. Water usage

EN8 water consumption (m³)

	Figures		
	2010	2011	2012
HQ	16,838	14,261	16,588
Shops	1,703	1,842	1,368

Recycled water and spills (m³)

	Figures		
	2010	2011	2012
Recycled water volume	0	0	0
Major spills	0	0	0



GRI content index by standard and supplementary indicators

The following table helps you find and understand information related to the individual GRI indicators. Inpreparing the report we sought to ensure we fully comply with GRI principles and evaluate the completeness of information in a credible way. Using the legend for the table you can check the completeness of the information provided for the individual indicators.

Indicator	Adequacy of the answer to the indicator	Chapter
1. Strategy and analysis		
1.1. Statement from the most senior decision-maker of the organization.	●	1. CEO introduction
1.2. Description of key impacts, risks, and opportunities.	●	1. CEO introduction
2. Organizational profile		
2.1. Name of the organization.	●	3.1. Telenor Hungary
2.2. Primary brands, products, and/or services.	●	3.4. Products, services
2.3. Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	●	3.1. Telenor Hungary 3.2. Governing bodies
2.4. Location of organization's headquarters.	●	3.1. Telenor Hungary
2.5. Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	●	3.1. Telenor Hungary
2.6. Nature of ownership and legal form.	●	3.1. Telenor Hungary
2.7. Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	●	6.1. Our customers
2.8. Scale of the reporting organization.	●	3.1. Telenor Hungary
2.9. Significant changes during the reporting period regarding size, structure, or ownership.	●	3.1. Telenor Hungary 3.2. Governing bodies
2.10. Awards received in the reporting period.	●	3.5. Awards and recognitions

Legend

answered

partly answered

no data

not relevant

Core indicator

Supplementary indicator

Indicator	Adequacy of the answer to the indicator	Chapter
3. Report parameters		
Report profile		
3.1.	Reporting period (e.g., fiscal/calendar year) for information provided.	2. About the report
3.2.	Date of most recent previous report (if any).	2. About the report
3.3.	Reporting cycle (annual, biennial, etc.)	2. About the report
3.4.	Contact point for questions regarding the report or its contents.	2. About the report
Report scope and boundary		
3.5.	Process for defining report content.	2. About the report
3.6.	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	2. About the report
3.7.	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	2. About the report
3.8.	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	2. About the report
3.9.	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	2. About the report
3.10.	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g.,mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	2. About the report
3.11.	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	2. About the report
3.12.	Table identifying the location of the Standard Disclosures in the report.	2. About the report
Assurance		
3.13.	Policy and current practice with regard to seeking external assurance for the report.	2. About the report

Legend

answered

partly answered

no data

not relevant

Core indicator

Supplementary indicator



Indicator		Adequacy of the answer to the indicator	Chapter
4. Governance, commitment and engagement			
Governance			
4.1.	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	●	3.2. Governing bodies
4.2.	Indicate whether the Chair of the highest governance body is also an executive officer.	●	3.2. Governing bodies
4.3.	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	●	3.2. Governing bodies
4.4.	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	●	3.2. Governing bodies
4.5.	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	●	8.1. Employment data
4.6.	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	●	5.1. The Telenor way 5.2. Business ethics and compliance
4.7.	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	●	8.2. Training, career, performance evaluation
4.8.	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	●	5.3. Code of Conduct 5.4. Anti-corruption strategy 5.6. HSSE
4.9.	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	●	5.2. Business ethics and compliance 5.6. HSSE 8.3. Healthy working environment and work safety 10.3. Environmental management system (EMS)
4.10.	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	●	8.2. Training, career, performance evaluation
Commitment to external initiatives			
4.11.	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	●	5.6. HSSE 8.3. Healthy working environment and work safety 10.3. Environmental management system (EMS)

Legend

answered	●
partly answered	◐
no data	●
not relevant	◌
Core indicator	
Supplementary indicator	

Indicator		Adequacy of the answer to the indicator	Chapter
4.12.	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	<div></div>	5.8. Membership of organisations, supported initiatives
4.13.	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: <ul style="list-style-type: none">• Has positions in governance bodies;• Participates in projects or committees;• Provides substantive funding beyond routine membership dues; or• Views membership as strategic.	<div></div>	5.8. Membership of organisations, supported initiatives
Stakeholder engagement			
4.14.	List of stakeholder groups engaged by the organization.	<div></div>	4.2. Our stakeholders
4.15.	Basis for identification and selection of stakeholders with whom to engage.	<div></div>	4.1. CR strategy 4.2. Our stakeholders 5.1. The Telenor way
4.16.	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	<div></div>	4.1. CR strategy 5.6. HSSE 5.7. Cooperation with the authorities 6.1. Our customers 8.2. Training, career, performance evaluation 9.3. NGO partnership 10.8. Installing masts and antennas
4.17.	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	<div></div>	5.7. Cooperation with the authorities 6.1. Our customers 10.8. Installing masts and antennas

Indicator		Adequacy of the answer to the indicator			Chapter
		2010	2011	2012	
5. Economic performance indicators					
Economic performance					
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	<div></div>	<div></div>	<div></div>	3.1. Telenor Hungary
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	<div></div>	<div></div>	<div></div>	–
EC3	Coverage of the organization's defined benefit plan obligations.	<div></div>	<div></div>	<div></div>	–

Legend

answered	<div></div>
partly answered	<div></div>
no data	<div></div>
not relevant	<div></div>
Core indicator	
Supplementary indicator	<div></div>

Indicator		Adequacy of the answer to the indicator			Chapter
		2010	2011	2012	
EC4	Significant financial assistance received from government.	<div></div>	<div></div>	<div></div>	3.1. Telenor Hungary
Market presence					
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	<div></div>	<div></div>	<div></div>	–
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	<div></div>	<div></div>	<div></div>	–
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	<div></div>	<div></div>	<div></div>	8.1. Employment data
Indirect economic impacts					
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	<div></div>	<div></div>	<div></div>	3.1. Telenor Hungary
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	<div></div>	<div></div>	<div></div>	4.1. CR strategy
6. Environmental performance indicators					
Materials					
EN1	Materials used by weight or volume.	<div></div>	<div></div>	<div></div>	10.14. Paper consumption
EN2	Percentage of materials used that are recycled input materials.	<div></div>	<div></div>	<div></div>	–
Energy					
EN3	Direct energy consumption by primary energy source.	<div></div>	<div></div>	<div></div>	10.6. Energy consumption
EN4	Indirect energy consumption by primary source.	<div></div>	<div></div>	<div></div>	10.6. Energy consumption
EN5	Energy saved due to conservation and efficiency improvements.	<div></div>	<div></div>	<div></div>	10.6. Energy consumption
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	<div></div>	<div></div>	<div></div>	–
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	<div></div>	<div></div>	<div></div>	10.6. Energy consumption
Water					
EN8	Total water withdrawal by source.	<div></div>	<div></div>	<div></div>	10.15. Water usage
EN9	Water sources significantly affected by withdrawal of water.	<div></div>	<div></div>	<div></div>	–

Legend

answered	●
partly answered	◐
no data	●
not relevant	◉

Core indicator

Supplementary indicator

Indicator		Adequacy of the answer to the indicator			Chapter
		2010	2011	2012	
EN10	Percentage and total volume of water recycled and reused.				10.15. Water usage
Biodiversity					
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.				–
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.				–
EN13	Habitats protected or restored.				–
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.				–
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.				–
Gaseous and liquid waste and emissions					
EN16	Total direct and indirect greenhouse gas emissions by weight.				10.6. Energy consumption and CO ₂ emissions
EN17	Other relevant indirect greenhouse gas emissions by weight.				10.6. Energy consumption and CO ₂ emissions
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.				10.6. Energy consumption and CO ₂ emissions
EN19	Emissions of ozone-depleting substances by weight.				–
EN20	NOx, SOx, and other significant air emissions by type and weight.				–
EN21	Total water discharge by quality and destination.				10.12. Waste management
EN22	Total weight of waste by type and disposal method.				10.12. Waste management
EN23	Total number and volume of significant spills.				10.15. Water usage
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.				–
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.				–

Legend

answered

partly answered

no data

not relevant

Core indicator

Supplementary indicator



Indicator		Adequacy of the answer to the indicator			Chapter
		2010	2011	2012	
Products and services					
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	●	●	●	10.14. Paper consumption
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	●	●	●	10.13. Recycling mobile phones
Compliance					
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	●	●	●	10.1. Environmental strategy
Transport					
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	●	●	●	1.11. Travel and transportation
Overall					
EN30	Total environmental protection expenditures and investments by type.	◐	◐	◐	10.1. Environmental strategy
7. Labor practices and decent work performance indicators					
Employment					
LA1	Total workforce by employment type, employment contract, and region.	◐	◐	●	8.1. Employment data
LA2	Total number and rate of employee turnover by age group, gender, and region.	●	●	●	8.1. Employment data
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	●	●	●	8.1. Employment data
Labor/management relations					
LA4	Percentage of employees covered by collective bargaining agreements.	◌	◌	◌	–
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	●	●	●	–
Occupational health and safety					
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	●	●	●	8.3. Healthy working environment and work safety

Legend

answered

partly answered

no data

not relevant

Core indicator

Supplementary indicator

Indicator		Adequacy of the answer to the indicator			Chapter
		2010	2011	2012	
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	●	●	●	8.3. Healthy working environment and work safety
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	◐	◐	◐	8.3. Healthy working environment and work safety
LA9	Health and safety topics covered in formal agreements with trade unions.	◌	◌	◌	–
Training and education					
LA10	Average hours of training per year per employee by employee category.	◐	◐	◐	8.2. Training, career, performance evaluation
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	◐	◐	◐	8.2. Training, career, performance evaluation
LA12	Percentage of employees receiving regular performance and career development reviews.	●	●	●	8.2. Training, career, performance evaluation
Diversity and equal opportunity					
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	◐	◐	●	8.1. Employment data
LA14	Ratio of basic salary of men to women by employee category.	●	●	●	–
8. Human rights performance indicators					
Investment and procurement practices					
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	●	●	●	6.3. Procurement
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	●	●	●	6.3. Procurement
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	◐	◐	◐	3.3. Code of Conduct
Non-discrimination					
HR4	Total number of incidents of discrimination and actions taken.	◌	◌	◌	–

Legend

answered	●
partly answered	◐
no data	●
not relevant	◌
Core indicator	
Supplementary indicator	

Indicator		Adequacy of the answer to the indicator			Chapter
		2010	2011	2012	
Freedom of association and collective bargaining					
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.				-
Child labour					
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.				-
Forced and compulsory labor					
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.				-
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.				-
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.				-
9. Society performance indicators					
Community					
S01	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.				10.8. Installing masts and antennas
Corruption					
S02	Percentage and total number of business units analyzed for risks related to corruption.				6.3. Procurement
S03	Percentage of employees trained in organization's anti-corruption policies and procedures.				1.4. Anti-corruption strategy
S04	Actions taken in response to incidents of corruption.				-
Public policy					
S05	Public policy positions and participation in public policy development and lobbying.				5.7. Co-operation with the authorities
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.				5.7. Co-operation with the authorities

Legend

answered	●
partly answered	●
no data	●
not relevant	●

Core indicator

Supplementary indicator

Indicator		Adequacy of the answer to the indicator			Chapter
		2010	2011	2012	
Anti-competitive behaviour					
S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.				6.2. Responsible marketing
Compliance					
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.				6.2. Responsible marketing
10. Product responsibility performance indicators					
Customer health and safety					
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.				–
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.				6.2. Responsible marketing
Product and service labeling					
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.				–
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.				6.2. Responsible marketing
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.				6.1. Our customers
Marketing communication					
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.				–
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.				6.2. Responsible marketing
Customer privacy					
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.				6.3. Data protection
Compliance					
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.				6.2. Responsible marketing

Legend

answered	
partly answered	
no data	
not relevant	
Core indicator	
Supplementary indicator	

Indicator		Adequacy of the answer to the indicator			Chapter
		2010	2011	2012	
11. Telecommunications-specific indicators					
Internal operation					
Investments					
I01	Capital investment in telecommunication network infrastructure broken down by country/region.	●	●	●	–
I02	Net costs for service providers under the Universal Service Obligation when extending service to geographic locations and low-income groups, which are not profitable. Describe relevant legislative and regulatory mechanisms.	●	●	●	–
Health and safety					
I03	Practices to ensure health and safety of field personnel involved in the installation, operation and maintenance of masts, base stations, laying cables and other outside plant. Related health and safety issues include working at heights, electric shock, exposure to EMF and radio frequency fields, and exposure to hazardous chemicals.	●	●	●	10.8. Installing masts and antennas
I04	Compliance with ICNIRP (International Commission on Non-Ionising Radiation Protection) standards on exposure to radiofrequency (RF) emissions from handsets	●	●	●	–
I05	Compliance with ICNIRP (International Commission on Non-Ionising Radiation Protection) guidelines on exposure to radiofrequency (RF) emissions from base stations.	●	●	●	10.8. Installing masts and antennas
I06	Policies and practices with respect to Specific Absorption Rate (SAR) of handsets.	●	●	●	–
Infrastructure					
I07	Policies and practices on the siting of masts and transmission sites including stakeholder consultation, site sharing, and initiatives to reduce visual impacts. Describe approach to evaluate consultations and quantify where possible.	●	●	●	10.8. Installing masts and antennas
I08	Number and percentage of stand-alone sites, shared sites, and sites on existing structures.	◐	◐	◐	10.8. Installing masts and antennas
Providing access					
Access to telecommunication products and services					
PA1	Polices and practices to enable the deployment of telecommunications infrastructure and access to telecommunications products and services in remote and low population density areas. Include an explanation of business models applied.	●	●	●	–
PA2	Policies and practices to overcome barriers for access and use of telecommunication products and services including: language, culture, illiteracy, and lack of education, income, disabilities, and age. Include an explanation of business models applied.	●	●	●	–

Legend

answered



partly answered



no data



not relevant



Core indicator

Supplementary indicator



Indicator		Adequacy of the answer to the indicator			Chapter
		2010	2011	2012	
PA3	Policies and practices to ensure availability and reliability of telecommunications products and services and quantify, where possible, for specified time periods and locations of down time.	●	●	●	–
PA4	Quantify the level of availability of telecommunications products and services in areas where the organisation operates. Examples include: customer numbers/market share, addressable market, percentage of population covered, percentage of land covered.	●	●	●	–
PA5	Number and types of telecommunication products and services provided to and used by low and no income sectors of the population. Provide definitions selected. Include explanation of approach to pricing, illustrated with examples such as price per minute of dialogue/bit of data transfer in various remote, poor or low population density areas.	●	●	●	–
PA6	Programmes to provide and maintain telecommunication products and services in emergency situations and for disaster relief.	●	●	●	–
Access to content					
PA7	Polices and practices to manage human rights issues relating to access and use of telecommunications products and services.	●	●	●	5.7. Co-operation with the authorities
Customer Relationship					
PA8	Policies and practices to publicly communicate on EMF related issues. Include information provides at points of sales material.	●	●	●	10.8. Installing masts and antennas
PA9	Total amount invested in programmes and activities in electromagnetic field research. Include description of programmes currently contributed to and funded by the reporting organisation.	●	●	●	–
PA10	Initiatives to ensure clarity of charges and tariffs.	●	●	●	–
PA11	Initiatives to inform customers about product features and applications that will promote responsible, efficient, cost effective, and environmentally preferable use.	●	●	●	–

Legend


answered	●
partly answered	●
no data	●
not relevant	⚡

Core indicator	
Supplementary indicator	



Indicator		Adequacy of the answer to the indicator			Chapter
		2010	2011	2012	
Technology applications					
Ressource efficiency					
TA1	Provide examples of the resource efficiency of telecommunication products and services delivered.	●	●	●	10.14. Paper consumption
TA2	Provide examples of telecommunication products, services and applications that have the potential to replace physical objects (e.g. a telephone book by a database on the web or travel by videoconferencing)	●	●	●	3.5. Awards and recognitions 10.14. Paper consumption
TA3	Disclose any measures of transport and/or resource changes of customer use of the telecommunication products and services listed above. Provide some indication of scale, market size, or potential savings.	◐	◐	◐	10.14. Paper consumption
TA4	Disclose any estimates of the rebound effect (indirect consequences) of customer use of the products and services listed above, and lessons learned for future development. This may include social consequences as well as environmental.	●	●	●	-
TA5	Description of practices relating to intellectual property rights and open source technologies.	●	●	●	-

GRI compliance level of the report

		Compared to 2002	C	C+	B	B+	A	A+
Mandatory	Self-declaration							
Optional	Independent verification			Third-party certification		Third-party certification		Third-party certification
	GRI verification							

Legend

answered	●
partly answered	◐
no data	●
not relevant	◌
Core indicator	
Supplementary indicator	



Chapter	Acronym	Full name
About the report	GRI	Global Reporting Initiative
Company profile	EBITDA	Earnings before interest, taxes, depreciation and amortization
	EBIT	Earnings before interest and taxes
	CAPEX	Capital expenditure
	ARPU	Average revenue per user/unit
	IFRS	International Financial Reporting Standards
Our responsibility	CR	Corporate Responsibility
Corporate governance	OHSAS	Occupational Health and Safety Management System
	IVSZ	Informatikai, Távközlési és Elektronikai Vállalkozások Szövetsége (Hungarian Association of IT Companies)
	HÉT	Hírközlési Érdekegyeztető Tanács (Communications Reconciliation Council)
	EHT	Elektronikus hírközlési törvény (Act on Electronic Communications)
	HTE	Hírközlési és Informatikai Tudományos Egyesület (Science Association for Communications and IT)
Responsible business management	SME	Small and medium-sized enterprise
	IVR	Interactive Voice Response
	HSSE	Health, Safety, Security and Environment
Infocommunications technology for the benefit of the society	ORFK	Országos Rendőr-főkapitányság (National Policy Headquarters)
	NMHH	Nemzeti Média- és Hírközlési Hatóság (National Media and Communications Authority)
	UNICEF	United Nations International Children’s Emergency Fund

Chapter	Acronym	Full name
Community involvement	SMS	Short Message Service
	DIA	Demokratikus Ifjúságért Alapítvány (Foundation for Democratic Youth)
	HBLF	Hungarian Business Leaders Forum
	IBM	International Business Machines (company)
Responsible employment	WWF	World Wide Fund for Nature
	TDP	Telenor Development and Performance
	EES	Employee Engagement Survey
Environmental responsibility	EMS	Environmental Management System
	CO ₂	Carbon-dioxide
	GJ	Gigajoule
	LED	Light-emitting diode
	WHO	World Health Organization
	RF	Radio frequency
	kWh	kilowatt hour
	PET	Polyethylene terephthalate
	PE	Polyethylene foil
	LCD	Liquid-crystal display
	HQ	High quality

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