
SUSTAINABILITY REPORT

2015



Sustainability at Telenor

Telenor is committed to maximizing the benefits and outreach of digital communication through ethical and responsible business conduct. In doing so, we create long-term shared value that empowers everyone to improve their lives, build societies and secure a better future for all.

HIGHLIGHTS 2015

Mechanisms to
**prevent access to
illegal child sexual
abuse material**
in place for 189 million
customers

**7,900 supply chain
inspections**
80% carried out
unannounced

**27% reduction in
CO₂ emissions**
per end customer
over last four years

Collaboration with
UNICEF in 6 markets
promoting child rights

**25% reduction in
energy consumption**
per end customer
over last four years

Introduction of
**Human Rights
Due Diligence**
process completed in
all business units

Taking roots in governance principles and values, sustainability is not only an integral part of the corporate culture, but a key element of the business strategy.

Mobile and digital communication are reshaping the horizon of individual and collective opportunities. At Telenor, sustainability is the manifestation of our intent to capitalize on this ubiquity and contribute to social, economic and environmental progress in the markets we operate. Taking roots in governance principles and values, sustainability is not only an integral part of the corporate culture, but a key element of the business strategy. The corporate vision 'empower societies' is both a clear direction and call for action that guides sustainability strategy wherever we operate.

Performing business practices ethically and responsibly is fundamental to Telenor's sustainability agenda. We therefore strive to ensure that the right set of governance and ethical values are in place company-wide, that we listen to and engage with our stakeholders openly and trustingly, that we understand and manage the risk of potential social and environmental effects of our business, and that we respect human and labour rights. Also important to our agenda is the socio-economically vital communication infrastructure and investment that we bring to societies. And with these fundamentals in place, we focus on introducing innovative services and programmes that help people improve their lives.

Our work is also an enabler for the achievement of UN Sustainable

Development Goals, which Telenor supports. We believe that a connected future can open access to knowledge, opportunities and vital services for all. Whether it's children in Norway learning how to be safe when online, citizens in mountainous Bulgaria benefiting from connectivity despite hazardous weather conditions, girls in rural Pakistan receiving education stipends through mobile banking, or women employees in Myanmar benefiting from Telenor's global 6 months paid maternity leave starting 2016 – we endeavour to positively impact the lives we touch. This opportunity however does not come without risks. Telenor recognizes both the risks and opportunities that shape our potential to create long-term shared value. Central to understanding and responding to the evolving nature of these risks and opportunities is reflection and improvement, which is why listening to and engaging with our stakeholders is very important to us.

About the Report

The Sustainability report is one of the many mediums through which Telenor delivers on its commitment to transparency, openness and disclosure with respect to performance. The topics highlighted in the report have been articulated through a materiality assessment based on the Global Reporting Initiative G4 (GRI G4) principles, and embody issues which are deemed most important to both Telenor and its stakeholders. The scope of the report covers

the range of 'medium and high' rated material social, economic and environmental related progress of the organisation. The content covers Sustainability at Telenor Group's 13 worldwide operations as well as other businesses. Detail on Telenor's 2015 Materiality Assessment can be viewed at www.telenor.com/sustainability/reporting/scope-and-principles.

This report is also an integral part of the reporting requirements mandated by the Norwegian Accounting Act §3-3c, a description of which can be found in the BOD report page 25 in the annual report. Additionally, DNV GL was commissioned to carry out an independent review of the Sustainability Report, in particular to assess the accuracy of claims. DNV GL's independent review can be found on the web site www.telenor.com/sustainability/reporting/our-performance.

Responsible Business Practices

Performing business practices ethically and responsibly is fundamental to Telenor's sustainability agenda. This involves ensuring the right framework for governance, ethics, anti-corruption and transparency, undertaking social and environmental responsibility and respecting human rights & labour rights.

Corporate Governance

At a Glance: Telenor Group's corporate governance principles and practices define a framework of rules and procedures of the way business is governed and controlled in all subsidiaries directly or indirectly controlled by Telenor ASA. In companies not directly or indirectly controlled by Telenor ASA, board members nominated by Telenor shall actively promote adoption of relevant governing documents and Telenor is continuously working on how to achieve such goals in these companies.

Telenor's corporate values represent an important foundation for articulating and implementing the governance framework, and the Telenor ASA Board of Directors (the Board) maintains a strong focus on implementing high ethical standards across the Group. Telenor works continuously to improve its governance regime and will in 2016 continue a revision and improvement of Telenor's ownership principles and governance of subsidiaries directly or indirectly controlled and companies not directly or indirectly controlled by Telenor ASA going forward.

Information on Telenor's principles and practices for corporate governance and the Code of Conduct, which are used as a platform to integrate material sustainability issues into our business strategies, daily operations and relationship with stakeholders, can be read at www.telenor.com/about-us/corporate-governance and in Telenor's Report on Corporate Governance 2015.

Ethics & Anti-Corruption Policy & Actions

Telenor's commitment to integrity and transparency is clearly stated in the Code of Conduct, which is the guardian of integrity within the Telenor Way and defines the standards by which we conduct business and ourselves. Telenor also endorses the ten principles of the UN Global Compact (UNGC), which present clear standards of business ethics. As a member of the UNGC, we report annually on progress in embedding our ethical culture in all parts of our organisation.

Telenor is firmly opposed to corruption in all forms and is committed to doing business in accordance with the highest ethical standards. Corruption includes bribery and trading in influence. Any corrupt activity – either in public or private sector (between private parties) – is prohibited. It is prohibited to offer, give, ask for, accept or receive any form of bribe, including facilitation payments. Telenor's zero tolerance on corruption and ethical standards are set out in our Code of Conduct, Group Anti-Corruption Policy and other governing documents, which are implemented in all subsidiaries directly or indirectly controlled by Telenor ASA. Telenor Group Anti-Corruption Policy states that Telenor shall actively attempt to ensure that corruption does not occur in Telenor's business activities through an adequate and risk-based Anti-Corruption Programme. The programme includes several elements working together: proportionate procedures; top level commitment; risk assessment; integrity due diligence; communication and training; monitoring and review; and enforcement and sanctions. The Group Anti-Corruption Policy and the effectiveness of the Anti-Corruption Programme are assessed and revised on a regular basis, with the aim of continuous improvement and alignment with prevailing international standards.

Telenor's Governance framework clearly defines roles and responsibility for implementation of the Anti-Corruption Policy, both at Group and local business unit level. The Anti-Corruption Programme works together with Telenor's Ethics & Compliance function, which is an important component of Telenor's governance, risk management and internal control systems. The Ethics and Sustainability Committee of the Board additionally supports the Board in fulfilling its responsibilities. A description of Telenor's Anti-Corruption Programme and the Ethics & Compliance function is publicly available on our web site www.telenor.com/about-us/corporate-governance/ethics-compliance and www.telenor.com/about-us/corporate-governance/anti-corruption.

Status & Ambition

Continuous Improvement Initiatives:

Telenor strives to continuously improve its work on ethics and anti-corruption and to identify development opportunities and areas for improvement. Following an external benchmark carried out by Deloitte in 2014 and internal surveys carried out in 2015, the setup of a new Ethics & Compliance function was mandated by the Board in June 2015. Group Ethics & Compliance reports functionally directly to the Ethics & Sustainability Committee. Administrative reporting is to the Head of Corporate Affairs & General Counsel. The other important change is that Ethics & Compliance Officers in the larger business units are full time dedicated resources and that they report functionally to Group Ethics & Compliance. The objective is to ensure centralized group-wide governance. In smaller business units, Ethics & Compliance Advisors are part time functions. Going forward, the Ethics & Compliance function will focus on implementation of the new Ethics & Compliance organisation, the new Hotline and awareness activities, including new global online learning on Code of

A night-time photograph of a busy city street, likely in an Asian metropolis. The street is filled with cars and buses, their headlights and taillights creating a dense stream of light. The buildings lining the street are brightly lit, with various signs and advertisements visible. The overall atmosphere is one of a vibrant, bustling urban environment.

Telenor is firmly opposed to corruption in all forms and is committed to doing business in accordance with the highest ethical standards.

Conduct. The function will also take part in development of training and communication plans as well as exploring increased transparency on incidents for organisational learning.

In 2015, the Board also initiated an external maturity review of Telenor Group's Anti-Corruption Programme which was conducted by PwC and finalized by year-end 2015. The review shows that Telenor has a mature Anti-Corruption Programme and a strong framework. It is clearly communicated and understood in the organization that Telenor does not accept any form of corruption. PwC also identifies areas for improvement, including a need for stronger monitoring and implementation of the Anti-Corruption Programme in the business units. The review will provide input and contribute to the ongoing development of the Anti-Corruption Programme going forward in 2016, which will be subject to follow-up both by the Board and Group Executive Management. This improvement process will also benefit from a second

review initiated by the Board in 2015, where PwC shall assess Telenor's governance in fully and partly owned companies with the aim of identifying areas of improvement.

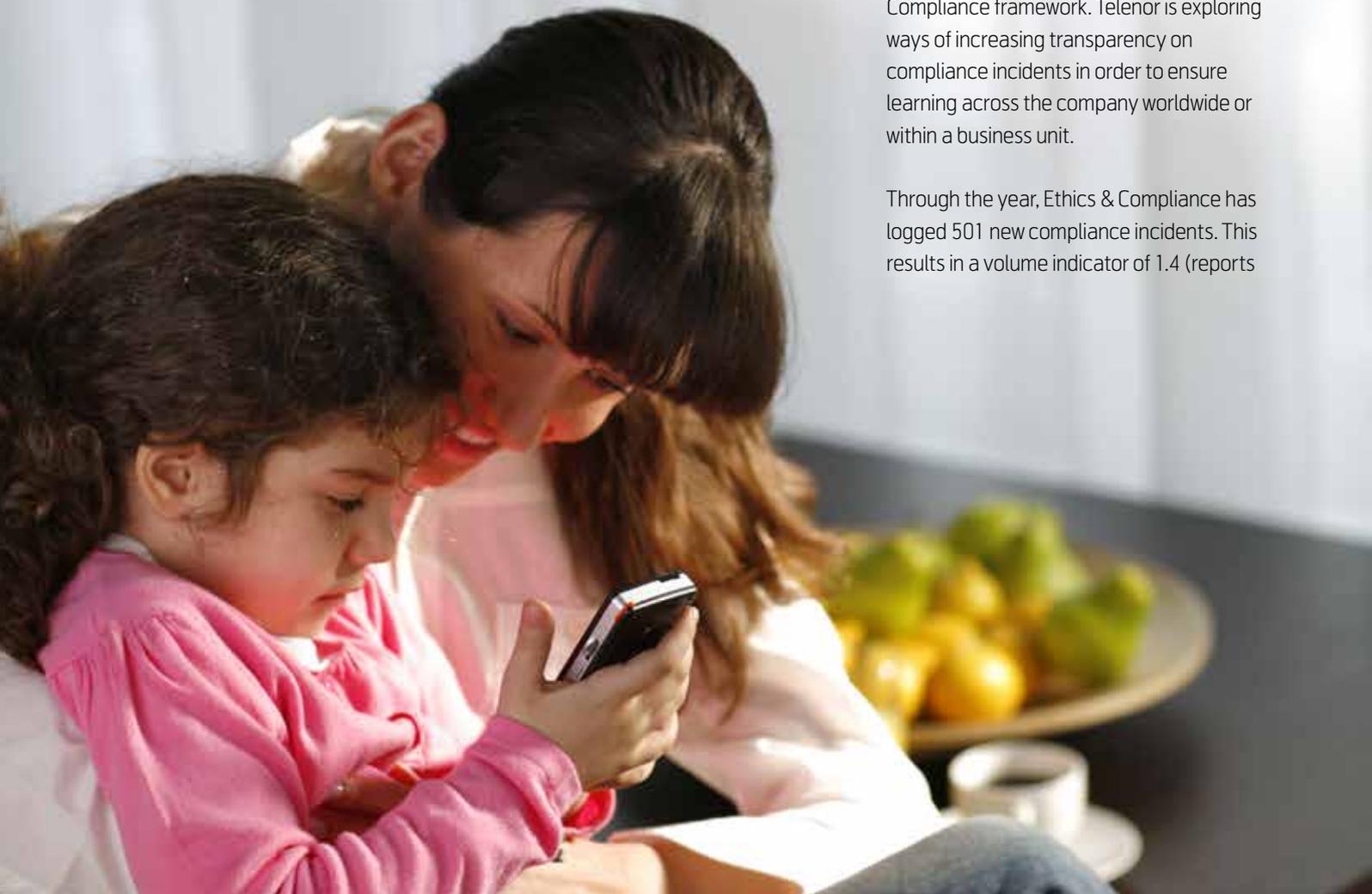
In Telenor, we all have a personal responsibility to act with integrity and speak up if we become aware of potential breaches. Leaders have a particular responsibility to act as good role models and to build a safe, trustful and transparent culture in their teams. Managing breaches of the Code of Conduct and Governing Documents is an important pillar of Telenor's ethics and compliance work. Employee confidence in reporting incidents is central to ensuring an ethical corporate culture. A new web based Ethics & Compliance Hotline has been established, which was launched on 27 January 2016. The Hotline is a confidential channel where anyone can ask questions and raise concerns about possible breaches of Telenor's Code of Conduct, including relevant laws, regulations and governing documents. The report intake of the new Hotline is operated by a

professional vendor called Navex Global while investigations are still handled by Ethics & Compliance Officers in Telenor. The purpose has been to strengthen the confidence and professionalise the handling of the Hotline, and this is in line with recognized international practice. All employees, suppliers and other stakeholders are encouraged to Speak Up through the Hotline.

Telenor is part of the Telecom Integrity Initiative launched in 2015, which is supported by Transparency International. Telenor became a member of the Conference Board Compliance Council in 2015, a network where Compliance executives exchange experiences, access relevant research and expertise, and gain insights into new developments.

During 2015, the reporting mechanism for compliance incidents has been actively used on both local and Group level, and compliance incidents are handled and concluded in accordance with the requirements of the global Ethics & Compliance framework. Telenor is exploring ways of increasing transparency on compliance incidents in order to ensure learning across the company worldwide or within a business unit.

Through the year, Ethics & Compliance has logged 501 new compliance incidents. This results in a volume indicator of 1.4 (reports



received annually per 100 employees), which is in line with industry median of 1.3 issued by Navex Global Benchmark in 2015. Reporting volume development in recent years has been 506 (2012), 620 (2013), 394 (2014) and 501 (2015).

In 2015, a total of 492 compliance incidents were concluded and closed. The three largest categories among the closed compliance incidents were Theft & Embezzlement (246 incidents), Working Conditions including harassment and discrimination (38 incidents) and Personal Data & Privacy (24 incidents). Disciplinary sanctions were implemented in 55 per cent of the closed compliance incidents.

Strengthening Culture of Zero Tolerance:

Telenor's anti-corruption training activities for employees range from on-boarding and online learning programmes to dilemma-training and town halls. The Anti-Corruption Handbook, which is a practical guide to help all employees understand Telenor's values and the formal anti-corruption policy, was revised in 2015. The guide is a downloadable web-App publicly available on Telenor.com. The guidelines shall help each employee to make the right decisions. The Handbook cannot provide answers to every situation and dilemma that our employees may face and our employees are strongly encouraged to seek advice when in doubt.

The Code of Conduct must be signed by all employees upon joining the company. From

2016 onwards, Code of Conduct is signed annually within the HR management system (Workday). A new global Code of Conduct online learning has been launched in Feb 2016 and revised mandatory online learning on anti-corruption will also be launched during the year. This will be in addition to a Board Handbook and a revised training programme for employees nominated as board members in companies where Telenor has ownership.

Integrity is a vital part of Telenor's business. Telenor's management is committed to sending clear, unambiguous and regular messages to all staff and business partners that corruption and bribery are unacceptable. Telenor's governing documents set one single standard which shall govern all business activities, regardless of where such activities take place. Nevertheless, some markets in which we operate are emerging economies with potentially complex and sensitive political and social contexts, including markets associated with high corruption risks. This creates challenges that require robust, targeted measures to mitigate such risks. All Telenor business units have a responsibility to conduct regular risk assessments and risk-based reviews of their anti-corruption procedures and implement remediating measures to mitigate risks. Telenor is focused on continuous improvement of risk management processes and will in 2016 initiate the roll out and implementation of an enterprise-wide risk management system to improve assessment, monitoring and reporting of risks.

We recognize that our business partners, whether new investments, partners, agents, consultants, contractors or suppliers, will be associated with Telenor and due care shall be exercised to the selection and use of business partners to ensure compliance with Telenor's ethical standards. A continued focus in 2015 has been Telenor's procedures for risk-based integrity due diligence (IDD) of business partners. Revised mandatory requirements and procedures for IDD were launched in 2015, and implementation of

these on Group and local level will be a continued priority in 2016.

VimpelCom: Telenor holds a 33.05 per cent economic stake in VimpelCom Ltd. ("VimpelCom"). This minority stake is included as an associated company in Telenor's financial reporting. In 2015, VimpelCom's financial results contributed a loss of NOK 1.7 billion to Telenor's financial results which includes NOK 2.4 billion for Telenor's share of provision recognized by VimpelCom for investigation related to Uzbekistan. In addition, Telenor recognized an impairment loss of NOK 5.5 billion based on the market value of VimpelCom shares pursuant to Group's announcement of its decision to divest its shareholding in VimpelCom.

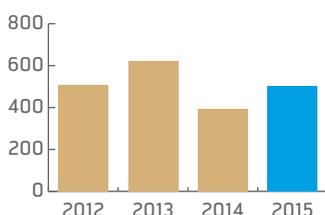
Since 2013, Telenor's economic and voting interest has remained unchanged at 33.05 per cent and 43 per cent respectively. VimpelCom has gradually contributed less to the value of Telenor Group, and the value of Telenor's core operations have increased rapidly. The market value of the VimpelCom shares represents approximately 8 per cent of Telenor's market capitalization as of 31 December 2015. Since its entrance, Telenor Group has invested a total of NOK 15 billion in VimpelCom and has received a total of NOK 20 billion in dividends. The market value of Telenor's ownership stake in VimpelCom is approximately NOK 16.7 billion as of 31 December 2015.

On 5 October 2015, Telenor Group announced its intention to divest all its shares in VimpelCom. Telenor Group will explore options to divest its shares in VimpelCom, and will seek to find the best solution for Telenor and its shareholders. A timeframe for divestment has not been set.

On 12 March 2014, VimpelCom announced that it is under investigation by both the U.S. Securities and Exchange Commission ("SEC") and Dutch authorities related to its operations in Uzbekistan, including relations with Takilant. On 18 March 2014, VimpelCom reported that it is also under investigation by

COMPLIANCE REPORTING VOLUME

Number of incidents



the U.S. Department of Justice (“DoJ”) related to the same issues. VimpelCom further reported that there can be no assurance that the investigations will not be broader in scope than they currently appear, or that new investigations will not be commenced in these or other jurisdictions, or that there will not be litigation commenced against VimpelCom.

On 3 November 2015, VimpelCom announced that it will make a provision of USD 900 million in their third quarter financial statements for a resolution of the investigations into VimpelCom’s business in Uzbekistan and prior dealings with Takilant.

On 18 February 2016, VimpelCom, US and Dutch authorities announced that VimpelCom Ltd and VimpelCom’s Uzbek subsidiary Unitel LLC (VimpelCom) had entered into global foreign bribery resolutions with US and Dutch authorities after investigations relating to VimpelCom’s business in Uzbekistan and prior dealings with Takilant Ltd. VimpelCom admitted to bribery and violation of books and records rules and will as part of the settlement agreements pay an aggregate of USD 795 million in fines and disgorgements to US and Dutch authorities, and retain an independent corporate monitor for at least three years. The relevant settlement agreements have been approved by the authorities. The fines are within the provision that VimpelCom has previously made for this purpose.

As a minority shareholder, Telenor has fully cooperated as a witness with the authorities’ investigations into VimpelCom. Corruption is unacceptable and it is very serious that VimpelCom has admitted to violations of the US Foreign Corruption Practices Act and relevant Dutch Laws.

The international investigation of VimpelCom Ltd. has raised questions around Telenor’s corporate governance principles and mechanisms for minority stakes.

On 5 November 2015, the Board engaged

Deloitte Advokatfirma AS (Deloitte) to perform a review of Telenor’s handling and oversight of the minority ownership in VimpelCom. The review will focus on Telenor’s handling of its ownership in VimpelCom which covers the Telenor nominees on the VimpelCom Supervisory Board and Telenor’s follow-up as a shareholder. In addition the review will cover actions and decisions by Telenor nominees and Telenor employees in relation to VimpelCom’s investment in Uzbekistan. The review will assess facts and identify learning points for future governance and organization of Telenor’s ownerships. This would cover both the formal governance structure and the practical handling of the ownerships. The review will cover the period from 2005. The key findings of the review will be made public. Telenor temporarily relieved two executives and two former Telenor nominees to the VimpelCom Supervisory Board of their responsibilities while the review is ongoing.

Telenor provides information relating to the VimpelCom investigations on the website www.telenor.com/media/in-focus/vimpelcom-ltd/vimpelcom-investigation. Further information on the formation of VimpelCom together with historical background is publicly available on the website www.telenor.com/media/in-focus/vimpelcom-ltd.

Transparency & Stakeholder Engagement Policy & Actions

The principles of transparency at Telenor are part of the corporate governance framework and implemented within company operations. We believe good corporate governance involves openness, trustful disclosure and engagement between all internal and external stakeholders. At Telenor, transparency on sustainability issues is a proactive rather than reactive strategy. We strive to communicate the sustainability risks and opportunities we embrace in our diverse geographical operations, and more importantly, how we manage them. We also recognize the

In 2015, Telenor published reports on authority requests and how we handle these requests

intrinsic value of engaging with the full range of our stakeholders. Such interactions help us improve our performance and deliver value in line with stakeholder expectations.

Status & Ambition

Disclosure through Reporting: In order to ensure structured, transparent and relevant reporting of sustainability performance, Telenor Group reports to various external organizations including UNGC, GRI and CDP. Many of our business units also report locally on their sustainability performance, which can be found on www.telenor.com/sustainability/reporting.

In 2015, Telenor published reports on authority requests and how we handle these requests. We published the ‘Authority Requests for Access to Electronic Communication - Legal Overview’ and the ‘Authority Requests for Access to Electronic Communication - Country Data’. These reports aim to give our stakeholders an overview of the laws which compel us to give government authorities access to customer communications, and where possible to disclose, the role we play in managing these requests.

Our annual reporting of progress against the ID Guiding Principles additionally assimilates examples and case studies relating to our work in human rights. Telenor also collaborated with the Institute for Business & Human Rights to publish a case study on mobile network shutdowns. The study examines the impact of shutdowns on human rights in Pakistan, focuses on the efforts of Telenor Pakistan to use dialogue

as a tool for reducing shutdown frequency and scope, and presents recommendations for both operators and governments. For details see www.ihrb.org/publications/reports/digital-dangers-case-study-pakistan.html.

Telenor's practices in the dimensions of anti-corruption programmes, organisational transparency and country-by-country reporting were recognized by Transparency International's report on 'Transparency in Corporate Reporting: Assessing the world's largest telecommunications companies 2015'. Telenor scored over 50 per cent in all three dimensions, and ranked second on the overall index amongst 35 companies.

Dialogue & Engagement Initiatives: Telenor uses the GRI G4 based materiality assessment process to involve a range of external and internal stakeholders help identify social, economic and environmental topics that matter most both to them and our business. The scope of this year's assessment and engagement process can be found here: www.telenor.com/sustainability/reporting/scope-and-principles.

In 2015, periodic disclosure went hand in hand with stakeholder engagement initiatives. On 12 May, an Investor Relations Sustainability Seminar was organized in London where Telenor Group updated the audience on how sustainability guides its business practices across all markets. Investors and analysts as well as representatives from various organizations, such as NGOs, media, industry organizations and governmental bodies, attended the seminar. An interactive Q&A session followed presentations on Telenor's operations in Myanmar and Bulgaria, new transparency reporting, and a special session on human rights, privacy and freedom of expression. The session webinar has been viewed many times since May.

In July, Telenor co-hosted the Oslo Education Summit along with a group of eight NGOs. The ability of technology and

internet access to reach a wider audience and provide information as well as education, was highlighted during the Summit. The event was well attended by both Norwegian and international subject stakeholders, including the Secretary-General of the United Nations and the Prime Minister of Pakistan.

Looking Forward: Telenor is exploring other effective mediums and tools of stakeholder engagement and transparent reporting, which could place us in an even better position to inform stakeholders on environmental, social and governance impacts, risks and opportunities. Telenor will also focus on communicating quantifiable indicators that capture its role in creating local impact and help empower societies.

Labour Rights & Standards Policy & Actions

Telenor is committed to respecting labour rights principles as laid down in UN Global Compact and ILO's fundamental conventions. These principles relate to respecting the rights to freedom of association and collective bargaining, the elimination of forced labour, child labour and discrimination in the work place, and are reflected in Telenor's Code of Conduct, Group People Policy and Supplier Conduct Principles.

Telenor believes in empowering employees through management dialogue with employees or their recognized employee representatives. By utilizing the employees' experience and insight to influence working conditions and contribute to sustainable business growth, we also aim to empower the societies in which we operate. Throughout Telenor Group we are promoting partnerships based on good and trusting dialogue, e.g. in relation to acknowledged unions or through local cooperation bodies such as People Council.

Maintaining a positive working environment and a culture that nurtures occupational health, safety and personnel security (OHS&S) is important at Telenor.

The OHS&S approach covers employees as well as contractors, vendors and suppliers. We believe that the OHS&S of employees is vital to our business and makes a difference in employee engagement, thereby increasing productivity, e.g. by reducing absenteeism and thus reducing costs. The company works across all of its business units to maintain and improve the identification of and readiness to respond to safety and personnel security risks.

At Telenor, attracting and retaining the best talent through training and development opportunities as well as career prospects is fundamental to continued competitiveness and growth. We also strive for diversity, inclusion and equal employment opportunities in accordance with the People Policy.

Status and Ambition

Empowering Employees through Trustful Dialogue Initiatives: Telenor has in 2015 renegotiated its global agreement with UNI Global Union. The agreement underlines both parties' commitment to addressing employee issues across Telenor's operations in a spirit of cooperation and dialogue, and during 2015 we have continued our dialogue and information exchange on fundamental labour rights.

Approximately
36% of Telenor's
total workforce
comprises of women

In 2015 Telenor Works Council – Europe (TWC-E) has held two meetings, where European employee representatives met with the Telenor Group Management. The objective is to enhance information exchange and discussions in relation to transnational issues. Telenor has aimed at

nurturing a good dialogue with the TWC-E representatives.

Additionally, Telenor has reinforced its commitment to further develop employee involvement in operations throughout the Group. Many of Telenor's operations in Europe and Asia are providing for employee involvement through dialogue between management and recognized employee representatives, e.g. in relation to acknowledged unions or through People Council as a local cooperation body. In July 2015 Telenor Pakistan established a People Council with meetings on a monthly basis. Telenor Hungary has also established a similar local cooperation body, 'My Voice'.

DiGi in Malaysia had its first year of operation of the collective agreement with DiGi union, as a sustainable platform for dialogue and negotiations. In Bangladesh, Grameenphone is awaiting a decision by the Labour Appellate Tribunal, in a case filed by employees of Grameenphone related to union registration. Further, new labour rules were launched in Bangladesh towards the end of 2015, and their application to private mobile companies needs to be clarified.

Occupational Health, Safety and Personnel Security Performance: In 2015, the Sickness Absence Rate (SAR) for the entire Telenor Group was 1.44 per cent. This number is reported with the acknowledgement of variations in reported data based on different local national procedures and regulations related to

sickness reporting. In 2015, more than 21,000 employees and in-house contractors attended Health Safety Security & Environment (HSSE) related awareness training sessions. There were no work-related employee or in-house contractor fatalities reported in Telenor Group for 2015, however efforts continue to mitigate the risk of any future fatalities. Telenor will continue to work with its partners and vendors to monitor and implement health and safety measures and provide them with proactive support in OHS&S matters.

Creating a Diverse Talent Pool: Telenor aims to foster a diverse and dynamic workforce at all levels of the organization, be it nationality, gender or competencies. Gender diversity initiatives in 2015 ranged from the introduction of a six-month paid maternity leave policy for women employees as a minimum standard globally, to trainee programmes and women leadership programme in selected business units. Disability inclusion remained on the agenda with 5 business units running the Open Mind Programme, which provides training opportunities to persons with disabilities at the workplace. Integration of skilled personnel with migrant backgrounds also continued in Norway. At year-end, Telenor Group employed around 38,000 people across its 13 markets (the number of employees is the total number of full-time and part-time employees). About 30 per cent of the employees in Telenor ASA have an international background. In Telenor Group, about 36 per cent of our employees are women (based on 35,000 employees). The percentage of women in top managerial positions in Telenor Group is 22 per cent. For details refer to BOD report page 25 in the annual report.

Future Ambitions: Going forward, we will aim to further develop employee involvement throughout Telenor Group, utilizing the employees' experiences and insight, as part of ensuring decent work conditions. Striving for greater gender diversity on all levels, we have set targets to reach 25 per cent female representation in top management positions

in 2016, and 30 per cent by 2020. In addition, the company's top leaders are measured on strengthening the women leadership pipeline. Telenor has also reinforced its requirements to ensure balanced representation among candidates for top leader positions. Moreover, there is also a global ambition to launch Open Mind Programme for people with disabilities in all Telenor markets by the end of 2019. Telenor will continue to invest in programmes and initiatives to promote gender balance and diversity in the workplace and in the societies where we operate.

Supply Chain Sustainability Policy & Actions

Telenor strives for high standards on sustainability and continuous improvement in its operations throughout the supply chain. Telenor's Supplier Conduct Principles (SCP) are based on internationally recognized standards, including requirements on human rights, health and safety, labour rights, environment and anti-corruption, and it is mandatory for all Telenor contracting parties to agree to these principles.

Telenor's approach to supply chain sustainability is to legally oblige the supplier to uphold responsible business practice, monitor compliance to Telenor's requirements and build capacity among suppliers. Partnership and cooperation with suppliers is vital to achieving the responsible supply chain agenda. We are an active member of the Joint Audit Cooperation (JAC), Child Labour Platform and the Supply Chain

People with disabilities provided on-job training opportunities in



5 markets

61 global

supplier sustainability audits

accessed through participation in Joint Audit Cooperation



Advisory Group of the UN Global Compact, as well as the Global e-Sustainability Initiative (GeSI).

Status and Ambition

The supply chain responsibility focus in 2015 remained on mitigation of supply chain risk, capacity building and monitoring compliance to Telenor's requirements on responsible business conduct.

Mitigating Supply Chain Risk: All suppliers and parties having a direct contractual relationship with Telenor must comply with Telenor's Supplier Conduct Principles (SCP). An Agreement on Responsible Business Conduct (ABC) legally obliges the supplier to comply with the SCP and certain requirements set out in the ABC Agreement. By year end 2015, a total number of 20,636 Agreements on Responsible Business Conduct were signed.

Monitoring Compliance: Telenor carries out inspections in order to monitor compliance to the requirements on responsible business conduct. In 2015, Telenor carried out more than 7,900 supplier inspections (ranging

from simple site visits to more comprehensive inspections or audits) across the Group. 80 per cent of the inspections were carried out unannounced.

Approximately 630 major non-conformities were identified during the inspections. All major non-conformities are followed up with mitigation plans and processes on closing of the non-conformities.

Through participation in the Joint Audit Cooperation (JAC) together with other telecommunications operators (10 members in 2015), Telenor gained access to the results of 61 sustainability audits of global suppliers in 2015. Telenor executed eight of these audits of global suppliers on behalf of JAC in 2015. After carrying out an audit, a Corrective Action Plan (CAP) listing all findings is agreed upon between the auditee and the auditor.

Telenor has experienced findings of underage labour (15–18 years) and child labour (12–14 years) in the network rollout in Myanmar, where the minimum age is 18 years for potentially hazardous work. In 2015, 13 cases of child labour and 33 cases

Approx **32,000**
hours of
supply
chain
capacity
building



of underage labour were found and mitigated in Myanmar.

Prioritizing transparency, our reporting on fatalities this year goes beyond tier 1 of the supply chain. In 2015 unfortunately, 4 people in tier 1 and another 14 in tier 2 and tier 3 lost their lives. 72 per cent of these fatalities were caused by road accidents while the rest relate to working on site. These numbers are based on what has been reported by suppliers to Telenor. Regular reporting procedures were followed and all incidents were handled immediately and individually with mitigating actions. Risk



re-assessment and plans for preventing similar incidents are already underway.

Building Capacity: The business units arranged various capacity building initiatives in 2015. Telenor India and Grameenphone arranged sustainability conferences where public officials, industry leaders and sustainability professionals gathered to discuss topics such as: health & safety, anti-corruption, sustainability requirements as well as green telecom, women empowerment and diversity. Some business units have also worked in industry and cross industry collaborations to synergize efforts in capacity building.

Looking Ahead: Inspections, audits, capacity building and long term risk reduction will continue to fare high on Telenor's responsible supply chain agenda. In 2016, inspection and audit activities will continue at least at the same level compared to 2015. Further, we will in 2016 secure a thorough risk assessment of the supply chain in all business units and also improve efforts in capacity building, which we see as the most effective means to long term risk reduction.

Human Rights Policy & Actions

Telenor Group is committed to respect international human rights. This is reflected in our Code of Conduct, Supplier Conduct Principles, and policies and manuals which are applicable Group-wide. The requirements that apply to our operations draw on international frameworks like the UN Global Compact's ten principles and the UN Guiding Principles on Business and Human Rights.

Making respect for human rights come alive across our operations in thirteen markets is both rewarding and challenging. We see how access to mobile and internet can help support the fulfilment of many rights. For example, we work to support the right to health by providing important information to expecting mothers in Thailand, and through mobile birth registration in Pakistan. At the

same time we are concerned that human rights challenges remain many in the markets we operate, and unfortunately we experience some challenges more frequently. We recognize that our services can be misused and negatively impact human rights, be it through digital bullying or network shutdowns.

Against this backdrop our work focuses on conducting human rights due diligence activities across our markets, continuously improve our employee involvement efforts (see section Labour Rights & Standards), seek ways to respect privacy and freedom of expression (see section Privacy & Data Security), be vigilant and mitigate human rights risks in our supply chain (see section Supply Chain Sustainability), and work to implement rights respecting operations when entering new markets.

Status & Ambition

Throughout 2015 we have continued on the journey to better understand actual and potential human rights risks we face in our markets. Although there is extensive international guidance available, and we have clear requirements and tools in place, handling human rights challenges in practice requires more than that. We have learned this year that collaboration, discussion of dilemmas, and seeking solutions together with others is critical – be it with our colleagues, industry peers or other stakeholders.

Implementing companywide Human Rights Due Diligence: As communicated in last year's report, we have worked with all our business units to implement human rights due diligence. During 2015 the final business units completed their first round and we worked with them to discuss findings and lessons learnt. One of the key outcomes across markets was that the due diligence process was an important but challenging first step and that cross-functional collaboration was key. We need to continue working on training and awareness across areas of expertise, and therefore in 2015, human rights discussions were part of

several workshops at both management and expert level.

Addressing Key Risks through Collaboration: Within privacy & freedom of expression, we stepped up our efforts to strengthen not only our routines, but also their implementation (see section Privacy & Data Security). When it comes to handling requests from authorities for access to data and networks, we encountered several challenging incidents. We experienced the importance and value of discussing such issues with peers, and continued to engage in the Telecommunications Industry Dialogue on Freedom of Expression and Privacy (ID), and found our collaboration with the Global Network Initiative (GNI) valuable.

Throughout 2015
Telenor continued
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human rights risks
we face in our
markets

Sharing and being Transparent on Respecting Human Rights: Transparency and reporting was in focus throughout the year. We recognize the importance of communicating around some of the key challenges we face, and in May 2015 published a new website on privacy; www.telenor.com/privacy and our first transparency reporting www.telenor.com/sustainability/responsible-business/privacy-and-data-protection/handling-access-requests-from-authorities. This complements our annual reporting on progress against the ID Guiding Principles www.telenor.com/sustainability/

[responsible-business/human-rights/mitigate/telenors-status-on-industry-dialogue-guiding-principles.](#)

We also sought to continue transparency relating to our sustainable business efforts in Myanmar, and in the IR seminar in London gave an update on our activities, including information on findings of child labour and approach to land rights when rolling out the network. We also gave an update on sustainable business activities in Bulgaria and our approach to privacy & freedom of expression. Refer to section 'Transparency & Stakeholder Engagement' for details.

Looking Ahead: Our priorities going forward include revisiting the overall Group human rights due diligence, taking into account the input from business unit level activities in 2015. We will also continue to work with business units to take their due diligence further. We see that challenges to privacy & freedom of expression continue and in some markets are becoming more complex. The need to continue our work both internally and together with stakeholders will therefore remain on the agenda.

Privacy & Data Security

Policy & Actions

Respect for the rights to privacy and freedom of expression is important for how we run our business. While telecommunications generally contributes to freedom of expression, on some occasions, authorities may have a legitimate need to require telecommunications companies to comply with requests that limit privacy or free communication. Strict policies govern Telenor's approach in responding to such requests, whereby we seek to limit the risk of illegitimate restrictions on privacy or freedom of expression imposed by way of our networks. Telenor believes in increasing transparency and introducing safeguards against potential abuse and will continue to take an active part in the industry dialogue with the authorities on surveillance and access to our customers' data.

While customers across the globe expect real-time, relevant and individualised services, they are also looking at how their privacy is safeguarded, irrespective of technologies, business models and data flows. Telenor's position on privacy is clear. We are open about how we collect and use personal data, committed to using personal data to provide better and more relevant services, and thorough in keeping personal data safe and secure.

Strict policies govern Telenor's approach in responding to challenging authority requests for data or networks, which could run the risk of illegitimate restrictions on privacy or freedom of expression

Telenor established a new security strategy in 2015 which supports the privacy-related objective to protect both Telenor employee and customer data. We want to ensure that we can follow the rapid development in technology and services by early involvement of security in business processes and strategic activities. We aim to ensure a strong level of protection in terms of confidentiality, integrity and availability of services and data.

Even though national requirements vary throughout our operations, Telenor strives to be transparent about how personal information is handled. This we feel is the best approach to ensure the trust of our customers and employees.

Status and Ambition

In 2015, Telenor gave its commitment to the GSMA Mobile Connect Privacy Principles. The principles establish a privacy baseline that applies to all parties that provide Mobile Connect-branded identity services.

A Value-driven approach to Privacy: An internal project to strengthen Telenor's position on privacy was concluded in 2015, which addressed both how we handle existing customer data and how we design our products going forward. Telenor has decided to take a customer value driven approach to privacy. We strongly believe that our customers should get as much value as possible when they share their data with us. Therefore, whenever we process data on our customers' behalf, we strive to add value to the current experience and deliver more personalized and relevant services.

Building Internal Capacity: In 2015, Telenor conducted extensive training and reviews of the privacy practices throughout Telenor Group. Training has focused on implementing the new and stronger processes for handling of requests from authorities, which includes clear escalation criteria. The reviews of our business units have covered routines and processes for privacy, authority requests and information management. In addition, Telenor also produced a collection of new internal guidelines and tools to assist privacy and commercial professionals in their daily work relating to privacy matters.

Ensuring Data Security in all Business Units: The Telenor Group Security Policy and manuals were updated in 2015 with the objective of strengthening Group involvement in strategic operational decisions at the business unit level. Incident management and reporting, updating local and global risk picture, and sharing best practices have been the document's focus areas.

The business security organization in Telenor has been strengthened over the last

year with several experts anchored at a strategic level. The expertise covers areas of security in telecom networks, IT, fraud management and physical security.

We have seen a significant increase in the reporting of security challenges and incidents from business units during 2015, which has been enabled through the introduction of a global security incident and risk management function. Furthermore, a security risk profile for Telenor has been established during 2015, through an expert assessment of key security risks across Telenor business units and from external sources. The main finding in Telenor's security risks picture is that we have an increasing risk level, in particular within cyber security, and this is addressed in the Telenor Security Strategy.

Looking Ahead: Across our markets we are seeing governments and regulators taking new steps to strengthen privacy regulation and to introduce new measures that directly or indirectly affect our ability to manage our customers' data. This trend is expected to continue and Telenor will also step up its focused work on privacy, freedom of expression and security to meet both regulatory requirements and the expectations of customers.

As Internet of Things (IoT) is now starting to mature, security challenges are expected in future. Connected units are no longer isolated from public access, and it needs to be easy for end-users to safely connect further sensors or units to their current solutions. Telenor will continue to adapt to these challenges and provide secure solutions related to IoT.

Climate Change & Environment

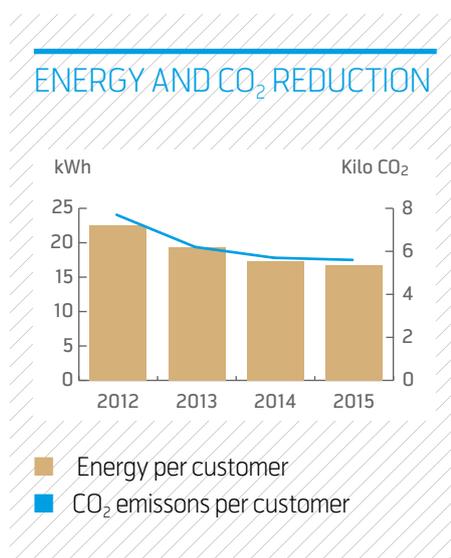
Policy & Actions

Telenor is committed to minimize its environmental impact. Our business units operate with the policy of making all reasonable efforts to minimize use of natural resources including energy, water and raw materials.

Climate change is one of the most complex challenges facing people, businesses and governments. Climate related risks include potential damages to vital infrastructure and utilities through the impact of more extreme weather events. At the same time our technology and smart services have the potential to cut global carbon emissions, reduce resource intensity, stimulate economic growth and deliver substantial social benefits. Telenor engages with the industry and partners to embrace these opportunities.

The mobile industry will risk continued growth in its total energy consumption and carbon footprint as mobile operators continue to increase their coverage, acquire more customers and develop more mobile broadband services due to market needs. Telenor's key focus is therefore to stabilise energy consumption by improving the energy efficiency of its networks, as these represent around 80 per cent of the total energy consumption.

Our Asian markets are very different from our European markets – both in our carbon footprint and the type of energy that we use for our network operations. In Asia, the business case for the use of solar panels instead of diesel generators has improved as costs have fallen. All business units are mandated to choose cost-efficient energy-efficiency initiatives: network swaps, the sourcing of energy-efficient technologies,



Our CO₂ emissions per end customer have over the last four years dropped by approx. 27%

infrastructure-sharing and more energy-efficient data centres and buildings. Moving towards 'Ultra-efficient site infrastructure solutions' is one of the most important focus areas in our Network 2020 strategy, and we are working on business unit specific execution plans in this domain.

We also focus on other environmental aspects such as waste management and hazardous substances in equipment purchased. The growing demand for ICT products and devices, and their increasingly short lifespans, has resulted in e-waste becoming one of the fastest growing waste streams globally. In this regard, all business units are mandated to secure sustainable waste management. All electronic waste is to be reused, recycled or safely disposed and all business units are to ensure that these processes are conducted according to internationally recognised standards and regulations.

Status and Ambition

For the second year in a row, CDP ranked Telenor Group on their global top ranking climate list for 2015. Telenor was the only Norwegian company and the only Nordic telco on CDP's so called A List – out of a global total of 113 companies in all industry sectors.

An Eye on Energy Consumption: In 2015, total energy consumption in Telenor Group was approximately 3,400 GWh. Our energy consumption per end customer has over the last four years dropped by approximately 25 per cent. The associated emission of greenhouse gases in Telenor Group is

estimated to a total of 1.1 million tonnes of CO₂ when using location based electricity emission factors for the indirect scope 2 emission, and 1.3 million tonnes of CO₂ when using market based electricity emission factor for indirect scope 2 emissions. Our CO₂ emissions per end customer have over the last four years dropped by approximately 27 per cent.

Sustainable Environment Practices: Close to 31 per cent of our procurement processes with a contract value greater than USD 250,000 used a specified set of sustainability criteria in 2015. In addition, more than 190,000 meetings were carried out in Telenor's global organisation using video conferencing and virtual meeting solutions instead of actual travel. In 2015, Environmental Management Systems (EMS) in line with ISO 14001 were followed up in all business units with the exception of Telenor Myanmar, where EMS implementation will commence in 2016. Five Telenor business units – Telenor Bulgaria, Telenor Serbia, Telenor Hungary, Digi and Telenor India – are certified according to ISO 14001. The revised ISO 14001:2015 standard will be implemented in the coming years.

Encouraging Alternate Energy Solutions:

In 2015, Telenor Pakistan partnered up its mobile banking solution Easypaisa with the Pakistani energy service company Roshan Energy, to launch a first of its kind solar home solution for marginalized poor communities living in off grid areas. On the other hand, Grameenphone installed more than 400 solar power solutions at their off-grid base stations – adding to a total of more than 1,000 solar powered base stations in Bangladesh. Digi is currently testing hybrid hydrogen fuel cell technology to provide clean energy for their base stations.

Responsible E-waste Initiatives: Mobile handset recycling initiatives have been ongoing for several years in nine business units: Telenor Hungary, Telenor Serbia, Telenor Montenegro, Digi in Malaysia, dtac in Thailand, Telenor Sweden, Telenor Denmark, Telenor Norway and Telenor Bulgaria. In Thailand, dtac collected 980,000 pieces of customer owned mobile phones and batteries for reuse or recycling. Across Telenor, a total of more than 1.1 million mobile handsets and mobile batteries were collected and recycled in an appropriate way.

Looking Forward: Telenor's key climate measure will be to stabilize energy consumption in its networks while increasing market footprint, since network operations represent around 90 per cent of our total CO₂ emissions.

Child Online Safety

Policy & Actions

At Telenor we continue to see robust data growth in all our markets. A significant part of this growth is generated by young people who are the keenest explorers of the online world. Whereas there is much to admire in the boldness with which young people take up new technologies and social networking services – it is equally clear that the risk of children becoming victims of exploitation, bullying, abuse, fraud or exposure to unsuitable content, remains high. Children benefit from access to connectivity in so many ways and they deserve to have stimulating content developed specifically for them. However they should also receive meaningful education in how to avoid the dangers. And if they have had an untoward experience, they should have somewhere to turn to other than their parents.



Status and Ambition

During 2015, all Telenor Group business units worked to improve online safety for children within five defined areas: Educational outreach to schools, access to toll-free helplines, access to parental controls and good reporting mechanisms, and firm measures to prevent child sexual abuse from being distributed through Telenor's networks. Progress was made in all areas.

Supporting Child Helplines: Building on our contacts with Child Helpline International (CHI), Telenor provided support to the CHI Asian Regional Consultation in an effort to educate helpline staff to be better able to assist children who have had a negative online experience. We also supported the expansion of the child helpline in Dhaka, Bangladesh, offering the service to children in many other areas beyond that sprawling city.

The Norwegian helpline Kors på halsen (Cross your Heart), which has partnered with Telenor Norway over many years, has seen an increase in traffic to their channels following the move to include younger children, particularly from 11 and 12 year olds. Many came forward with regrets they harboured with respect to their own online behaviour.

Localizing Safe Internet Awareness

Content: Two Telenor Group operations in Asia issued local versions of a Telenor Guidebook on how to talk to kids about the internet. The guidebook is intended as a starting point for newly digital families to discuss how to include internet into their children's lives in a safe and enriching way. UNICEF has been the local publishing partner in both Malaysia and Bangladesh.

Both Grameenphone and UNICEF in Bangladesh undertook nationwide distribution efforts and quickly extended the book's outreach to more than 450 schools and thousands of teachers and families. Similar efforts – through outreach to

communities and Safe Internet workshops are underway across Malaysia in partnership with CyberSAFE Malaysia and UNICEF Malaysia. At year-end 2015, the book was available in four languages, English, Bengali, Bahasa Malaysia and Mandarin and it is now online for all to download. It will be published in more Telenor countries during 2016.

Building Capacity for Cyber Safety: Telenor India continued the WebWise campaign in 2015 and significantly expanded efforts to reach 22,000 children. Central to the WebWise programme are ambassadors at Telenor India, who meet with the young, encourage teachers and parents to better understand the behaviour and needs of young internet users, and help them address the topic of child online safety together with the children.

During 2015, Norway's biggest school tour against cyberbullying – Use Your Head – reached an important milestone. 200,000 Norwegian pupils have now received training in how to stop bullying. A survey of Norwegian teachers present at the trainings reveals that 100 per cent believed Use Your Head was useful for pupils, while 96 per cent believed that Use Your Head presentations can prevent instances of online bullying. In 2015, Use Your Head was relaunched with updated modules for secondary school pupils and a separate, brand new talk directed at 6th and 7th graders.

Understanding Cyber Space Experiences of Children & the Young:

Digi, together with CyberSecurity Malaysia and the Malaysian Ministry of Education, released the results of the second nationwide CyberSAFE in Schools 2015 Survey. The National Survey Report 2015 gathered feedback from more than 18,000 schoolchildren from 216 secondary schools in all 14 states of Malaysia over a period of seven months. The purpose of this year's survey was to identify school children's experience with existing and new categories of online risk as well as their capacity to protect and recover from these negative experiences. The

Together with partners, Telenor continues to contribute and grow digital life-skills and resilience of children and young people in our markets.

comprehensive report was able to document encouraging developments in cyber-safety awareness and growing digital resiliency among Malaysian schoolchildren.

In Norway, a survey carried out by Opinion on behalf of Telenor showed that 11 and 12 year olds are very active on social media, and one in three children had received hurtful messages online or via their mobile.

Looking Forward: At Telenor, we will continue to strengthen our efforts with child online safety in 2016. We remain particularly concerned that the younger generations of Asia, who are going online ever more frequently, are not receiving the attention and support they deserve. Institutional capacity and parental awareness are still lacking in many geographies. By engaging with our national and global partners, UNICEF prominent among them, we will continue to put child online safety on the agenda and contribute to grow the digital life-skills and resilience of children and young people.

Mobile Phones & Health Policy & Actions

Scientists and researchers continue to investigate the possibility that electromagnetic fields (EMFs) generated by mobile technology could have detrimental health effects. Numerous independent scientific and public health authority reviews have been issued and the

consensus position, according to the World Health Organization, is that current international recommendations incorporate large safety factors and are protective of the health of people everywhere.

As mobile phones and connectivity become ever more ubiquitous there are voices that continue to argue that too little is known about the possible health effects of mobile use and about living within close proximity to mobile infrastructure. Others again are convinced that EMFs are the source to a number of health complaints.

At Telenor we are respectful of anyone coming forward with concerns for their health or that of their families. We have confidence in, and refer to, the World Health Organisation, which has stated that: 'To date, no adverse health effects have been

established as being caused by mobile phone use'.

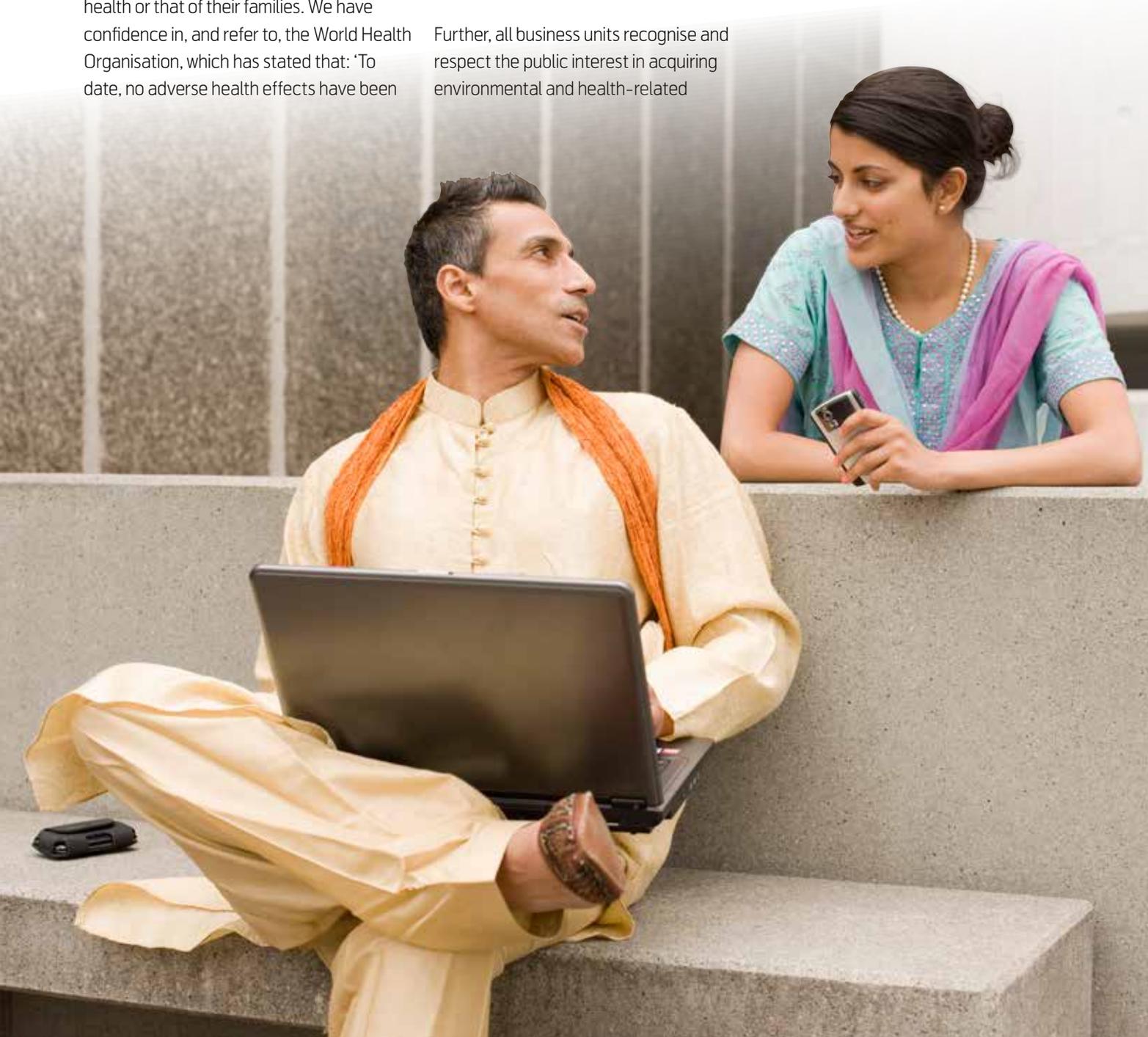
At Telenor we are supportive of serious research efforts to establish whether there may be health effects of exposure to EMF from mobile phones and infrastructure.

Status and Ambition

All business units work in accordance with the guidelines provided by national regulations and the International Commission on Non-Ionizing Radiation Protection (ICNIRP). These guidelines represent the basis for all our planning, installation work and safety measures at antenna sites.

Further, all business units recognise and respect the public interest in acquiring environmental and health-related

information about electromagnetic fields and strive to provide stakeholders with accurate and relevant information relating to installations, services and products.



Vital for Society

Telenor strives to be a reliable company, providing critical communication infrastructure and investing for the long-term in the markets it operates in. Relevant material topics reported this year include Telenor's economic contribution to society, digital access & outreach and service reliability.

Economic Contribution to Society

Policy & Actions

Mobile communication and digital services are vital engines of economic development and growth, and facilitate the modernization of both private and public services. Telenor's economic contribution to the societies we operate in includes both the vital services that empower customers and businesses, and the more indirect, "multiplier effect" that our business has on the activities of construction, vendors, franchises, and retailers. Mobile communication creates a vibrant ecosystem of large and small businesses that employs millions in our markets. In a more restricted sense, our direct economic contribution consists of paying taxes, investing long-term in digital infrastructure, and recruiting skilled and dedicated employees. Such direct, economic contributions play a vital part in empowering society as a whole.

Status & Ambition

A long-term Investor, Tax payer and Employer: Telenor is committed to turn investment into optimal value for owners and customers. We believe that investment helps national economies sustain an acceptable current account balance, and sustain a modern infrastructure for tomorrow's economic growth. The rollout of mobile networks will be one of the main catalysts for further digitalization and modernization in many years to come. Telenor invests long-term in physical infrastructure that enables new markets to leap into the digital age. In 2015, our investment ratio (capital expenditure to revenue) of 20 per cent compared well with the global industry average of 19 per cent.

Telenor is committed to operate in accordance with laws and regulations by reporting and paying taxes at the legally obliged level (see notes 13 and 33 in the Financial Report for details). We believe that a good tax system with universal tax collection is vital to support services such as public education and healthcare.

Telenor continued to advise governments to meet deficits with predictable and balanced measures, and to share the burden evenly

across a broad tax base. In 2015, some Asian governments took efforts to reduce specific tax burdens on mobile operators, most notably in Thailand. However, several governments sustained excessive taxation of mobile and other selected industries, in a targeted and non-predictable way. Hungary, Pakistan and Bangladesh particularly levied high sector taxes, over those taxes paid by other industries in these countries – thereby curbing investments and growth opportunities in those industries that witness extra tax burden. In accordance with our tax position, Telenor joined the industry association GSMA in vocal, international calls for more predictable and universal taxation in Pakistan and Bangladesh.

Telenor is committed to attract local employees that are highly skilled, and remunerates them considerably above the wage average in our markets in Asia and Central-Eastern Europe. Many of our markets struggle with a general trend of 'brain-drain', where Telenor and the digital industry serve as an important pathway of employment after higher education. Our close to 38,000 employees are key in developing national resources of knowledge and skills.

Direct Economic Contribution: Put together, our direct economic contribution in terms of taxes and fees, investments, wages and social benefits amount to a high proportion of revenue. In 2015 Telenor can look back at approximately NOK 23 billion paid in total taxes, fees and fiscal levies for the preceding tax year (2014), and we contributed NOK 25.7 billion in capital expenditure, and paid NOK 12.4 billion in wages and social benefits for employees, adding up to an annual direct contribution of approximately NOK 61 billion. Adding NOK 35 billion in purchases of goods and services, Telenor left a direct and indirect contribution of approximately NOK 96 billion to the national economies in our 13 markets,

Telenor's economic contribution includes both the vital services that empower customers and businesses, and the more indirect, "multiplier effect" on the activities of construction, vendors, franchises and retailers.

Benefits of connectivity are only realized when people are able to use services. At Telenor, improving digital awareness and skills go hand in hand with access provision.



i.e. a contribution more than twice as high as the EBITDA of the Group.

The following table specifies the most important elements of Telenor's economic contribution country-by-country. It includes our revenues, EBITDA, capital expenditure, the corporate income taxes for 2015 and number of employees. Please note that the table does not specify all taxes, and fiscal levies – only the Corporate Income Tax (CIT) is included. The table also excludes employee wages, social contributions and other personnel costs.

Digital Access & Outreach

Telenor Group aims to enable the digital transformation of societies we serve by extending internet connectivity to as many people as possible. Today, many of the unconnected are in emerging Asia, but there are also unconnected pockets of people in Europe and the Nordic region. The mobile phone has become a catalyst for change and growth – for individuals and for society at large. Bringing the benefits of digital access and outreach to all is therefore one

of Telenor's key objectives.

Status & Ambition

As of 2015, Telenor has rolled out the 4G mobile technology standard in 7 countries and 3G in 12 countries, with more countries on the roadmap. By 2016, nearly all of our markets will have 3G or 4G. All of our operations have also rolled out or are evaluating Wi-Fi offerings. In our mature markets we are adding network capacity to sustain and improve the mobile data user experience as networks become congested.

While coverage and superior networks are critical to ensuring access in under or unserved areas, the benefits of connectivity are only realized when people are able to use the services. Improving digital awareness and skills therefore go hand in hand with access provision.

Reaching out for Digital Literacy: Telenor India is reaching out to rural and semi urban areas to educate youth, women and children about the usage and benefits of internet in their daily lives. In 2015, Telenor India

opened more than 270 Grahak Shiksha Kendras (Customer Education Centres) in its Retail Stores that aim at educating the masses on internet.

Telenor Myanmar also established more than 40 digital literacy centres, named TML lighthouses, with the objective to provide smart phone and computer-based literacy training and online education to communities in rural areas. The establishment includes training entrepreneurs to become sustainable social enterprises in rural areas. TML has an ambition to have 100 lighthouses by end of 2016.

Including Senior Citizens in the Digital Age:

Telenor Norway in collaboration with Red Cross has reached out to senior citizens to provide education in mobile and internet technology. More than 500 courses have been conducted with more than 8,000 elderly participants.

Addressing the Gender Gap in Access: The gender gap in access to mobile and ICTs can

COUNTRY-BY-COUNTRY DATA

2015	Revenues	EBITDA	Capex	Profit before taxes	Corporate income tax (CIT)	Employees total per 31.12
All figures in NOK millions						
Norway	32 514	10 104	7 384	4 842	1 569	6 047
Sweden	14 538	4 973	1 320	3 434	555	2 050
Denmark	5 738	518	831	(2 463)	(92)	2 213
Hungary	4 456	1 421	316	799	91	1 316
Bulgaria	2 926	1 234	525	699	54	2 100
Serbia	3 199	1 089	707	709	160	1 415
Montenegro	469	172	71	119	22	310
Thailand	20 578	6 626	4 774	1 979	375	4 841
Malaysia	14 302	6 418	1 888	4 957	1 209	2 095
Bangladesh	10 881	5 888	1 996	3 700	1 576	5 544
Pakistan	7 637	3 142	1 443	1 993	443	5 405
India	5 589	(132)	1 046	(1 424)	0	3 825
Myanmar	4 689	1 904	3 382	819	7	500

place women at a disadvantage to enjoy digital benefits. Telenor India has been running Project Sampark since August 2014 with a pilot in Uttar Pradesh. The project works on a twin SIM concept in which the owner of the first SIM must be a woman in order for the second SIM owner to reap certain benefits. So far the pilot has shown good results with 40,000 customers, 50 per cent being women. The project will be expanded in 2016.

Providing Access to Content: Telenor and the Wikimedia Foundation continued their partnership in 2015, building on the commitment to bring Wikipedia to Telenor customers free of data charges. The partnership also encourages creation of articles on Wikipedia in local language for our markets. Telenor has made the internet encyclopedia Wikipedia free in many markets, namely Serbia, Montenegro, Myanmar, Thailand and Bangladesh.

In Pakistan, Free Basics was launched in partnership with Facebook to offer free basic internet services to the masses, which was well received.

Service Reliability

At Telenor, reliability of service in all operating areas is key to delivering on our promise to the customer. We believe in

strengthening the relationship with our current customers, and turning them into promoters of our services. And to be loved by customers, we need to have a strong customer understanding, be a truly caring organization, deliver valued services and products, and offer a superior touch point experience. We also believe that the infrastructure we provide is vital for helping customers' connect and keep safe especially during times of disaster. Service reliability is therefore an important area of consideration.

Network Availability during Natural

Disasters: In March 2015 heavy snow caused hazardous challenges in Bulgaria, whereby a record number of towns and villages lost power, and some people were also left stranded. Unlike other operators, Telenor Bulgaria's service during these testing times remained active, helping people stay in touch with the outside world. This was possible in part due to planned network resilience and reliability initiatives in place.

In 2015 there were five extreme weather events in Norway and Telenor demonstrated that preparedness functioned significantly better during these events than during the violent extreme weather Dagmar in 2011.

Telenor Norway has since Dagmar increased

reserve power capacity at its installations, enhanced battery backup on several base stations and acquired high-tech mobile trailers ready to cater for communication in crisis areas. Telenor Norway also has mobile generators which can supply electricity to communication equipment in serious power failures. In addition, the company runs emergency drills and maintains a dialogue with relevant authorities about robustness and emergency response.

Flooding in Asia during July-August affected millions in Bangladesh, India, Pakistan and Myanmar. Our operations in Myanmar were directly impacted on a network level, and Telenor Myanmar worked closely with tower companies and local relief authorities to ensure cellular network coverage and site recovery in the face of worsening flood conditions.

In a separate incident of intense flash flooding in Upper Chitral area of Pakistan, Telenor Pakistan's network helped connect stranded locals in a time when damaged bridges and road infrastructure rendered the area inaccessible for days.

Many of Telenor's business units, especially the ones operating in disaster prone areas have sound backup plans and redundancy options to ensure service reliability under challenging circumstances.



Innovating for Shared Value

At Telenor, we strive to introduce innovative uses of digital communication to improve people's lives. Relevant material topics reported this year include innovative services & programmes, low carbon solutions and researching for shared value.

Innovative Services & Programmes

Telenor supports world leaders in their commitment to reach the new UN Sustainable Development Goals. We are confident that communication and mobile technologies can be successfully applied to secure better health, quality education, reduced inequalities and better protection of our shared environment. As part of the 'tell everyone' campaign, Telenor has spread the news of the UN Sustainable Development Goals to nearly 87 million customers via SMS, reached minimum 14 million via Social Media, and spread knowledge to about 38,000 employees. During the kick-off event labelled '2015 GLOBAL CITIZEN FESTIVAL' in Central Park N.Y.C. Telenor Group took the stage with additional leading advocates in the private sector, over a dozen world leaders, prominent activists and other special guests – to create awareness of the Global Goals.

Harnessing the power of mobile for sustainable development, there are different ways through which innovation at Telenor helps improve lives.

Status & Ambition

Leveraging Mobiles & Partnerships to benefit the Underserved: In 2015 Telenor and UNICEF continued building on their partnership to leverage the reach and capability of connectivity for children's survival and development. During 2015 Telenor and UNICEF collaborated on promoting child rights and Safe Internet in Bangladesh, Thailand, Malaysia, Hungary and Serbia.

With good results so far, Telenor Pakistan, UNICEF and local authorities continued a pilot project in the provinces of Sindh and Punjab to augment birth registration rates using cellular technology. A baseline comparison of the pilot areas has shown an increase in registration rates from under 30 per cent via conventional registration during the same period in 2014, to above 90 per cent during the pilot phase.

In Thailand, dtac, UNICEF and the Ministry of Health kept pace with their efforts to provide users with free mobile information services to promote healthy mothers and children. The mobile phone is used as a tool to convey life-saving information to expecting and new mothers. The service had more than 112,000 subscribers till November 2015.

Work also continued on enabling the social inclusion of Roma population in Serbia

through health outreach services in collaboration with UNICEF and local authorities.

Online Schools for Remote Communities:

In 2015 Grameenphone expanded the online school project where teachers conduct class from a distant location using video conferencing technology. Five additional online schools were established in different remote locations of the country. With this expansion, a total of ten online schools now provide quality education to close to 700 financially disadvantaged students.

Empowering farmers through Agri-based services:

In 2015, dtac continued the Rak Ban Kerd project *1677 Farmer Information Superhighway in Thailand focusing on providing agricultural data to farmers. The project also offers advice on agricultural techniques, capacity-building and support in obtaining standards and certifications.

Mobile Financial Solution to promote Girls' Education:

Telenor Easypaisa in Pakistan is providing educational stipend disbursement services for the Sindh Education Reform Programme (SERP). The stipend is offered to more than 400,000 girls studying in classes 6 through 10, and is designed to address gender disparity in education attainment. Easypaisa provides a convenient and efficient solution in the form of Over The Counter (OTC) and ATM Cards to stipend beneficiaries, as well as a cost saving solution to SERP.

Extending Life and Health Insurance Services:

Telenor Group is offering life and health insurance to customers in many of its markets. In 2015, Telenor India launched Telenor Suraksha with the aim to provide life insurance to low and middle-income customers. The initiative has been a success with more than 6 million customers insured as of December 2015. Grameenphone's Nirvoy Life Insurance has more than 5

Telenor supports world leaders in their commitment to reach the new UN Sustainable Development Goals.

At Telenor, we strive to introduce innovative uses of digital communication to improve people's lives.



million customers of which more than 1.5m new customers were added in 2015. The objective of the service is to serve as a mass loyalty product in addition to offering Grameenphone customers a social safety-net. And Easypaisa's first mass market health insurance Sehat Sahara reached 100,000 subscriptions in 2015.

Low Carbon Solutions

Policy & Actions

Technology and smart services have the potential to impact global carbon emissions. Our industry is well positioned to make the world more sustainable by connecting sensor-based data with analytical capacity to improve people's lives and increase resource efficiency in diverse areas such as smart homes, smart cities, smart energy or smart mobility. Telenor is therefore searching for new innovative ideas using the Internet of Things (IoT) to help businesses become more efficient and people's lives smarter.

Telenor welcomes the historic climate agreement reached in December 2015 in Paris, where 195 countries pledged to join forces on climate action and undertake efforts in cutting their emissions, with the common goal of keeping the global

temperature rise below 2 degrees Celsius in this century.

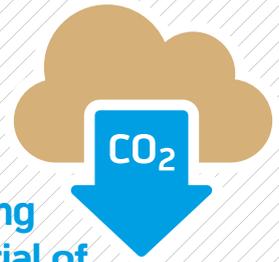
Status & Ambition

ICT carbon emissions' reduction & the SMARTer 2030 report: The SMARTer 2030 report identifies a number of sectors where the enabling potential of ICT can deliver significant carbon emissions reduction - up to 20 per cent by 2030 and close to ten times the industry's own direct emissions. This places ICT as one of the key instruments for the achievement of the commitments undertaken in Paris and the implementation of related national action plans.

Raising Awareness Amongst Communities:

Telenor Norway in 2015 partnered up with ZERO, the Norway-based independent not-for-profit foundation, to raise awareness about business opportunities related to use of our climate friendly technology. The company also visited 200 municipalities with the message of Smart Kommune (Smart Municipality) with the main focus areas being education, health as well as buildings, roads etc.

Positioning the Internet of Things: Telenor Connexion the dedicated Internet of Things



Enabling potential of ICT can deliver significant carbon emissions reduction - nearly 10 times the industry's own direct emissions

GESI SMARTER 2030 report



company within Telenor, designs and operates connected business (IoT) solutions for the global market. The company has a strong position internationally within IoT (Telenor is number 8 in the world) and a unique position in Sweden with eight out of ten subscriptions in the market. In 2015, Telenor Group passed 6.5 million connected devices globally on its IoT platforms.

Looking forward, Telenor will continue to engage with the industry and partners to embrace opportunities related to ICT sector's role in a low-carbon transition. Further, Telenor will seek new business opportunities using IoT to help businesses become more efficient and people's lives smarter.

Researching for Shared Value

In Telenor, research is key in helping the company gain insights and competencies to become a data driven software organization. This ambition also has a sustainability dimension. Research in using big data – the information flow from digital communications analysis – has the potential of providing important insights that can help tackle socio-economic challenges, such as the early identification and prevention of diseases.

Telenor partnered to undertake a first-of-its-kind study using Big Data to map and predict dengue virus spread in Pakistan.

Deploying Big Data to fight Dengue Virus

Spread: In 2015, collaborative research was undertaken by Telenor and the Harvard TH Chan School of Public Health, Oxford University, U.S. Center for Disease Control, and University of Peshawar, to study the 'Impact of human mobility on the emergence of dengue epidemics in Pakistan'. The breakthrough study looks at the use of big data in the prediction of epidemic spreading of dengue fever and offers more accurate models for prediction. Such models could provide a tool to health professionals and authorities in many countries, preparing them for a better response to address and prevent the spread of dengue - the fastest-growing tropical disease and now a leading cause of death among children in some Asian countries.

The project clearly demonstrates the power of mobile phones to help predict disease spread. Telenor will continue to bring valuable tools and insights in its markets to address pressing sustainability issues in future.

Fornebu, 15 March 2016


Gunn Wærsted
Chair


Jon Erik Reinhardtsen
Board member

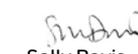

Regi Aalstad
Board member


Marit Vaagen
Board member


Per Gunnar Salomonsen
Board member

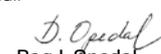

Dr. Burkhard Bergmann
Board member


Ase Selfjord
Board member


Sally Davis
Board member


Harald Stavn
Board member


Frank Dangeard
Deputy Chair


Dag J. Opedal
Board member


Sigve Brekke
President & CEO

Telenor Group's Operations

Telenor

NORWAY

Telenor is the country's leading telecommunications operator.

Telenor

SWEDEN

Telenor is the third largest mobile operator in Sweden.

Telenor

DENMARK

Telenor is the second largest mobile operator in Denmark.

Telenor

HUNGARY

Telenor is the second largest mobile operator in Hungary.

Telenor

SERBIA

Telenor is the largest mobile operator in Serbia.

Telenor

MONTENEGRO

Telenor is the largest mobile operator in Montenegro.

Telenor

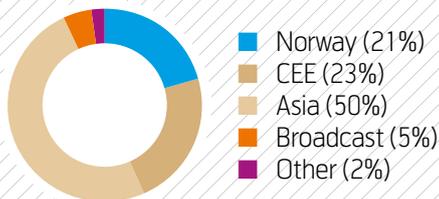
BULGARIA

Telenor is the second largest operator in Bulgaria.



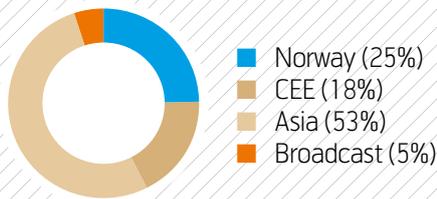
REVENUE PER REGION

In per cent



EBITDA PER REGION

In per cent



Telenor
PAKISTAN

Telenor is the second largest mobile operator in Pakistan.

Telenor
MYANMAR

License signed in February 2014 and services launched 8 months later. Ambitions to become market leader.

Telenor
INDIA

Telenor India launched its services in 2009. It has operations in six Indian telecom circles and won licenses for a seventh circle in 2014.

dtac
THAILAND

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

Grameenphone
BANGLADESH

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

Digi
MALAYSIA

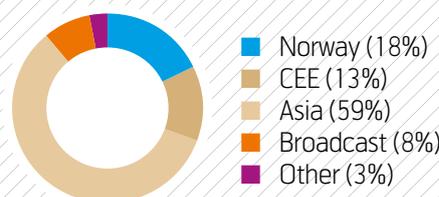
Digi is the third largest mobile operator in Malaysia. Digi is listed on Bursa Malaysia.

VimpelCom
Telenor Group holds an economic stake of 33 per cent in VimpelCom Ltd. with more than 200 million customers in 14 markets (Q4 2015).

The Telenor Group is listed on the Oslo Stock Exchange

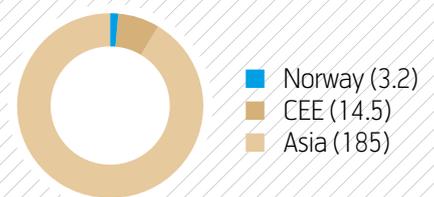
CAPEX EXCL. LICENCE PER REGION

In per cent



SUBSCRIBERS PER REGION

In millions





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