Telenor Group – Corporate Responsibility at home and abroad

Mai Oldgard, Vice President, Group Corporate Responsibility
Telenor Group today

Our approach to CR

Case 1:
Mobile communication as Enabler

Case 2:
Safe user experiences

Case 3:
Climate change

Case 4:
Responsible Business Practices

Case 5:
Telecommunications in emergencies
One of the world’s major mobile operators

- 155 years in telecommunications
- Nordic, Central and Eastern Europe, Asia
- 120 million consolidated mobile subscriptions
- 33,000 employees
- 31.67 per cent ownership in VimpelCom Ltd. operating in 20 countries
Corruption Perception Index* for countries where Telenor is present (2010)

- Denmark: CPI rank 1 (9,3)
- Norway: CPI rank 10 (8,6)
- Malaysia: CPI rank 56 (4,4)
- Thailand: CPI rank 78 (3,5)
- India: CPI rank 87 (3,3)
- Ukraine: CPI rank 124 (2,4)
- Pakistan: CPI rank 143 (2,3)
- Russia: CPI rank 154 (2,1)
- Sweden: CPI rank 4 (9,2)
- Hungary: CPI rank 50 (4,7)
- Montenegro: CPI rank 69 (3,7)
- Serbia: CPI rank 78 (3,5)
- Bangladesh: CPI rank 134 (2,4)

* Source: Transparency International
Human Development Index*(HDI) for countries where Telenor is present (2010)

<table>
<thead>
<tr>
<th>Country</th>
<th>HDI Rank</th>
<th>HDI Value</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norway</td>
<td>1</td>
<td>0.938</td>
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<tr>
<td>Denmark</td>
<td>19</td>
<td>0.866</td>
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<tr>
<td>Montenegro</td>
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<td>CPI rank 49</td>
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<tr>
<td>Serbia</td>
<td>60</td>
<td>0.735</td>
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<tr>
<td>Ukraine</td>
<td>69</td>
<td>0.710</td>
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<tr>
<td>India</td>
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<td>Russia</td>
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<tr>
<td>Thailand</td>
<td>92</td>
<td>0.654</td>
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<tr>
<td>Pakistan</td>
<td>125</td>
<td>0.490</td>
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</table>

* Source: UNDP
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From philanthropy to strategic CR

“Creating Shared Value is integral to a company's profitability and competitive position. It leverages the unique resources and expertise of the company to create economic value by creating social value.”

“The cell phone is the single most transformative technology for development”  
- Professor Jeffrey Sachs, Columbia University

A 10 pp increase in Internet penetration creates:
- 3-10% productivity increase
- 1% increase in new business creation

An increase of 10 mobile phones per 100 people boosts GDP growth by 1.2 pp

Source: Telenor/Deloitte/Boston Consulting Group
Business integrated CR in the Telenor Group

Shared value
Telenor & Society

Ensure responsible business practices across the organisation
Extend the benefits of mobile telecommunications

Safe
Provide safe services and safe user experiences

Climate
Contribute to reducing climate change

Enable
Positively impact underserved groups through telecommunications

Governance
Environment
Social
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Maximising the enabling effect of communication - examples

**Mobile healthcare for Roma in Serbia**
- 60,000 visits in 2010 to ~6000 families
- Enabling health mediators to serve Roma communities better

**1677 Farmer Information Superhighway in Thailand**
- Information and news to farmers by SMS, MMS, voice
- 200,000 subscribers, 160 agriculturists sharing knowledge

**Empowering women in India**
- Uninor Hand in Hand project empowers women citizen information centre entrepreneurs
- Campaign to bridge digital gender gap
Contributing to growth and development -
mFinance could reach 2 billion unbanked...

- Over 2.5B adults (~72%) in developing world are unbanked
- Almost 2.5B people in developing world have mobile phones
- Up to 2B unbanked mobile phone users
- Potentially two billion unbanked mobile users could be served through MFS

Source: Telenor//Boston Consulting Group
Contributing to growth and development - mFinance could reach 2 billion unbanked...

New BCG study on mobile financial services (MFS) in five Telenor Group markets finds:

- MFS could serve **351M** in countries studied by 2020
- MSF may **reduce financial exclusion** by **5-20%** by 2020
- Impact on GDP can range from **0.3% - 5%**
- Can have a significant **social impact**

Source: Telenor//Boston Consulting Group
Easypaisa in Pakistan conducts 1.5m transactions each week, accessible to 22m customers

Easypaisa services

• Utility Bill Payment
• Money Transfer
• Mobile Top-Up
• Donations
• International remittance
• Salary disbursement
• Micro loan repayment

“In Pakistan, the biggest financial network is not a bank, but a unit of Telenor, the Norwegian mobile phone operator”.

The New York Times December 2010
mHealth offers potential answers to global health challenges

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Technology and solutions</th>
</tr>
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<tbody>
<tr>
<td>Aging population</td>
<td><strong>Mobile handset:</strong></td>
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<tr>
<td>Chronic diseases</td>
<td>• SMS, voice and video-based services</td>
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<tr>
<td>Financial pressures</td>
<td>• Smartphone applications</td>
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<tr>
<td>Manpower pressures</td>
<td><strong>Devices with embedded SIM:</strong></td>
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<tr>
<td>Costly treatments</td>
<td>• Monitoring devices, sensors</td>
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<tr>
<td>Infectious diseases</td>
<td>• Pill boxes</td>
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<tr>
<td>High child mortality</td>
<td><strong>Devices with wireless connection:</strong></td>
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<tr>
<td>Scarce medications</td>
<td>• Devices/sensors transmitting data</td>
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<tr>
<td>Shortage of health care professionals</td>
<td>• Applications on mobile phone</td>
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<td></td>
<td><strong>Data storage:</strong></td>
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<tr>
<td></td>
<td>• Patient portals (user data)</td>
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<tr>
<td></td>
<td>• Medical records</td>
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</table>
Overview - Mobile health in the Telenor Group

**Nordic**
- Norway – Remote monitoring and alarm system pilot for elderly and disabled
- Sweden – geriatric care alarm system

**Central and Eastern Europe**
- Hungary – M-health package
  - Blood sugar and blood pressure monitoring
  - Pilots on remote assistance
- Montenegro – phone service for instant help for the elderly
- Serbia – better health for Serbia’s Roma people

**Asia**
- Bangladesh and Pakistan – Hotline for first-line health response
- Bangladesh – maternal health SMS service
- India – maternal and infant health info voice service
- Thailand – mobile disease surveillance and reporting system
Example: Bangladesh – SMS service for women and children

- Bangladesh has around 4000 persons per doctor (Norway: 246 people per doctor*) - many rural communities have no doctors
- Only 21%** of Bangladeshi women receive the recommended 4 antenatal care visits
- Grameenphone participating in USAID-led “mobiles for health” pilot

**Project components**
- Deliver critical life-saving health messages; educating expectant/new mothers on e.g. hand washing, breast feeding, signs of diseases
- Users receive regular SMSes and voice recordings (IVR) - combined with outreach by clinics and community health workers
- Agreement signed in May 2011, planned project launch during Q4

*Den norske legeforeningen, 2003
**BDHS, 2007
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Providing safer user experiences - examples

**Campaign in Norway against digital bullying**
- 150 schools in scope
- 40,000 students visited
- Red Cross partnership

**Child Sexual Abuse Filter in Nordics, Montenegro, and Bangladesh**
- In cooperation with INTERPOL and GSMA's Mobile Alliance against child sexual abuse content
- Prevents access to child sexual abuse material from ISP/mobile broadband
- Goal is to implement filter in all BUs
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Reducing our impact and contributing to sustainable growth

Environment Management System in all BUs
- EMS implemented in all business units in line with ISO 14001
- Several BUs are applying for ISO 14001 certification

130,000 mobile phones recycled in Hungary
- Similar recycling programmes are in place in 8 BUs
- A total of more than 225,000 phones recycled across Group
- Our goal is to implement mobile recycling in all BUs

Community power pilot in rural Bangladesh
- Telenor Group, University of Oslo & Grameenphone partnership
- Win-win concept – GP uses solar power for base station, while surplus is distributed to village
- Provides energy to ~140 families
Our approach to CR

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Responsible business practices
- Across the organisation and in our supply chain

- Codes of Conduct – based on international human rights frameworks and conventions
- Group-wide Supplier Conduct Principles, monitoring, follow-up and awareness raising
- Principle of achieving continuous improvements

Supply chain follow-up

- More than 2000 inspections (ranging from simple visits to comprehensive audits)
- 1/3 of our Suppliers have signed legally binding contracts
- Workshops and training
Understanding our human rights impacts

- Telecommunications can facilitate enjoyment of basic human rights – e.g. freedom of expression and association.
- However, all technology carry a potential for abuses – ICT can be subject to censorship, unwarranted surveillance.
- ICT companies must respect national laws to operate – challenges are greatest where local laws contravene human rights standards.

Our Responsibilities
- UN Human Rights and Business’ “Protect, Respect, and Remedy” framework – used as basis.
- Core principles of respecting human rights – avoiding complicity in abuses.
- Mapping impacts across the value chain to understand potential human rights risks.
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Mobile communication in emergencies

- Telecommunications can enable people to get help faster in emergencies
- Critical to disseminate news and updates during a crisis
- ICT greatly facilitates distribution of emergency relief following after a natural disaster – necessary for coordination of efforts and inter-agency communication
- Dependency on ICT – a critical infrastructure in a crisis, yet that is when ICT infrastructure is most under pressure/vulnerable
Telenor contributions in emergencies in our markets

DTAC contributes to Thai flood victims 2010
- Worst flood in decades hit Thailand in 2010
- Telenor Group contributed 1 m baht, in addition to DTAC relief
- DTAC set up local food centre to serve as 24-hour emergency food supply in heavily affected areas; gave away prepaid phone cards and offered free-of-charge credit value to affected customers

Telenor Pakistan among largest contributors to flood victims
- Telenor Pakistan was the largest non-state donor to flood victims in Pakistan
- MOU with Red Cross Red Crescent in Pakistan included comprehensive telecoms package
- Volunteer efforts and employee donation matching
thank you