telenor
group

SUSTAINABILITY
REPORT
2018

CONTENT

In December 2018, Telenor gathered 16 exceptional young talents from an estimated 5,000 applicants in eight countries to the Telenor Youth Forum in Oslo

STATEMENT FROM THE CEO

CONNECTING THE MANY, NOT JUST THE FEW.

Whether you're a rice farmer in Myanmar, a high school kid in Pakistan or a senior citizen in Norway, being connected is critical in our everyday lives. Communities, businesses and societies are more open and intertwined today than at any point in the past. We're exchanging ideas, products and services online. For decades, Telenor has been working towards the ambition to bring connectivity for the many, not just the few.

We are committed to responsible business conduct and driven by the ambition of empowering societies. That's why sustainability is an integrated part of how we do business.

We fully support the UN Global Compact Principles, and together with our customers and partners we are well positioned to help deliver on the UN Sustainable Development Goals. We've chosen to focus particularly on SDG 10, "Reduced Inequalities". It is one of the global goals that is trending in the wrong direction and needs more attention.

SDG 10 is ingrained in our global business strategy, the way we provide access to services that foster inclusion and empowerment, and strive to influence and raise working and operating standards in the markets we serve. Our people and our culture are instrumental in safeguarding the responsible and sustainable business we're committed to — both in our own operations and in our supply chain.

Sigve Brekke, President & CEO
Telenor Group

SUMMARY OF THE YEAR

RESPONSIBLE BUSINESS

Responsible business and sustainability is an integral part of Telenor's business strategy. It is about how we do business.

SOLAR ENERGY

By year-end 2018, Telenor has installed solar energy solutions for 2,500 base stations in our Asian operations and is planning to roll-out solar technology to another 1,150 base stations in 2019.
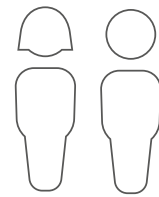
DIVERSE WORKFORCE

Telenor Group employed close to 21,000 people as of year-end 2018 of which 37% are women and we have 28% of senior leaders are women.

CHILD ONLINE SAFETY

During 2018, training on how to be safer online has been delivered to 860,000 children resulting in a total of 2.2 million children and young people over recent years.

MOBILE BIRTH REGISTRATION

In Pakistan, more than 4,200 designated government facilitators have been trained to use Telenor's mobile-based birth registration solution – and by year end 2018, more than 580,000 children have been registered in five districts of Pakistan.
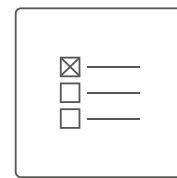
SUPPLY CHAIN SUSTAINABILITY

Telenor carried out 3,500 supplier inspections resulting in 450 major nonconformities. In addition, the business units carried out more than 20,000 man-hours of capacity-building among our suppliers.

REDUCED INEQUALITIES

We are committed to all UN Sustainable Development Goals and believe we in particular have an opportunity through our business to advance SDG 10 on Reduced Inequalities.
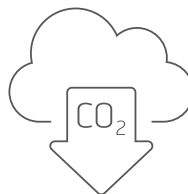
CLIMATE FOOTPRINT

In 2018, Telenor's CO_2 emissions per end customer increased by around 17% due to the significant increase in data traffic volume – still only 6.5 kg of CO_2 per customer for full year of 2018.
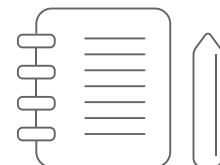
ETHICS AND COMPLIANCE

In 2018, Telenor logged 558 incoming compliance reports – where 70% of these compliance incidents came through the Integrity Hotline and 37% of the total reports were submitted anonymously.

SUSTAINABILITY AT TELENOR

Responsible business conduct

Telenor Group connects its 173 million customers to what matters most. Connecting the world has been Telenor's domain for more than 160 years and we currently operate across Scandinavia and Asia. Telenor is committed to maintain a responsible business conduct as part of our business strategy.

Our business environment will in the coming years become increasingly complex as the world around us becomes digitalized and the demand for connectivity proliferates. We are experiencing increased stakeholder expectations for business to eliminate negative impacts and advance sustainability goals, which is also reflected in consumer behaviour and the changing legislative landscape. We see this as an opportunity to further strengthen our relationship with our stakeholders, continue to build trust and successfully drive our business forward in a responsible and sustainable manner.

Some of the markets in which Telenor operates are emerging economies with potentially complex and sensitive political and social contexts. We face challenges that involve ethnic and religious conflicts in many societies. Our business spans across cultural, political and physical borders, where risks of human rights abuses do exist.

At Telenor we are convinced that more equality in the world is good for our business and for the people we serve. We remain committed to raising standards across our operations and to provide greater communications access and empower societies wherever we are.

Telenor will contribute to the economic, environmental and social development in the countries in which it operates, acting with accountability, transparency and focus on security. Telenor will continue to actively engage stakeholders to raise sustainable industry practices and fair competition rules, based on a strong ethical foundation.

Responsible business conduct is about mitigating Telenor's most critical business environment risks, seizing the opportunity to generate positive long-term value and meeting stakeholder expectations. Strengthening awareness, accountability and transparency are key to securing our licence to operate and ensure ethical and responsible business practices.

Strategic focus on reducing inequalities

Telenor was built on a belief in connecting the many, not just the few.

Responsible business and sustainability is an integral part of Telenor's business strategy. It is about how we do business. We are committed to all UN Sustainable Development Goals and believe we in particular have an opportunity through our business to advance SDG 10 on Reduced Inequalities.

SDG 10 Reduced inequalities is key in order to achieve other goals, but is also one of the global goals that is trending in the wrong direction and needs more attention.

SDG 10 is embedded in our global business strategy; in the way we provide access to services that foster inclusion and empowerment, and strive to influence and raise working conditions and operating standards wherever we are present.

Access to services means: digital inclusion (extending affordable connectivity, building digital skills and resilience, stimulating digital identity projects), financial inclusion (enabling people with mobile phones to use their devices to pay, save, build credit history and buy insurance), health and education (making available life-enhancing services), and making available big data/machine learning/AI solutions to further enhance and personalize services.

Furthermore, we will raise standards for our employees and in our supply chain. This will cover areas such as: Health & safety, working conditions, human rights, anti-corruption, but also global parental leave policies, gender and diversity policies.

Telenor has set ambitious targets to help advance SDG 10 by 2020: enabling 7 million mobile birth registrations in Asia, providing online safety training for

4 million children and delivering 100,000 hours of training for employees working in the supply chain.

To achieve impact and to scale our sustainability efforts we are engaging with two international partners with a special focus on SDG 10. These partnerships will be activated in countries where both parties are present:

- **UNICEF** - has a robust commitment to leverage mobile technology and operates a strong innovation unit. Main target audiences are children, mothers and, young people.
- **Plan International** — has a wide network of local partners in Asian markets. ICT is a key element of their strategy and they focus mainly on girls.

Norwegian Minister of International Development Nikolai Astrup, Anne-Birgitte Albrectsen, CEO of Plan International, and Sigve Brekke, Telenor Group President & CEO met in New York in September 2018 during the United Nations General Assembly, to discuss the importance of partnerships and digitalising development to reach the SDGs and create shared value.

About the report

Telenor publishes this Sustainability Report in accordance with reporting requirements mandated by the Norwegian Accounting Act §3-3c, which requires large enterprises to account for what the company is doing to integrate respect for human rights, labour rights and social issues, the environment and anti-corruption into their business strategies, daily operations and relationship with stakeholders. The report shall at a minimum contain information on policies, principles, procedures and standards the company uses to integrate the above considerations.

In addition to these requirements of the Norwegian Accounting Act, Telenor's Sustainability Report includes other material issues in line with stakeholder expectations as well as Oslo Stock Exchange's guidance on the reporting of corporate responsibility. These material issues in the report have been identified through a materiality assessment based on the Consolidated Set of GRI Sustainability Reporting Standards, and we have included issues which are

deemed to be most important to both Telenor and its stakeholders. Details on Telenor's materiality assessment can be viewed at www.telenor.com/sustainability/reporting/scope-and-principles.

DNV GL has been 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 at the end of this report.

On 21 March 2018, Telenor announced the signing of an agreement to sell its assets in Central and Eastern Europe (CEE) to PPF Group. The transaction included Telenor's wholly-owned mobile operations in Hungary, Bulgaria, Montenegro and Serbia and the technology service provider Telenor Common Operation. The transaction required necessary regulatory approval and the transaction was completed on 31 July 2018. Hence, Telenor's sustainability report for 2018 does not include performance data from our previous CEE operations.

RESPONSIBLE BUSINESS AT TELENOR

Corporate governance

Telenor Group's corporate governance principles and practices define a framework of rules and procedures for the way business is governed and controlled in all Telenor business units. Each business unit adopts the relevant governing documents. The governance framework is used as a platform to integrate material sustainability issues into its business strategies, daily operations and relationship with stakeholders.

Telenor's corporate values and ethical standards represent an important foundation for articulating and implementing the governance framework. Telenor's commitment to integrity and transparency is clearly stated in Telenor's Code of Conduct – which is owned and approved by the Board, and must be signed by all employees.

Telenor works continuously to improve its governance regime. In 2018, Telenor has conducted a thorough revision of its Code of Conduct to reflect the evolving risks that Telenor faces. In addition Telenor has initiated a process to improve its policy framework related to business partner risk.

The Sustainability and Compliance Committee (the "Committee" or "SCC") is a preparatory committee of the Board of Directors of Telenor ASA (the "Board") that supports the Board in fulfilling the Board's responsibilities with respect to addressing sustainability and compliance issues. In its work, the Committee is guided by international conventions and recommendations, the Telenor Code of Conduct, and policies and manuals relevant to the scope of the SCC. The Committee also supports the Board in fulfilling its responsibilities to specifically address climate & environment, human rights, labour standards, and anti-corruption.

More information on Telenor's principles and practices for corporate governance can be read in Telenor's Report on Corporate Governance in the Annual Report of 2018 and at www.telenor.com/about-us/corporate-governance.

Reporting and stakeholder engagement

Telenor believes good corporate governance involves accountability, responsibility, transparency, fairness and effective engagement between all internal and external stakeholders.

Telenor's commitment to integrity and transparency is clearly stated in Telenor's Code of Conduct. The Code of Conduct is owned and approved by the Board, and must be signed by all employees.

The principles of transparency at Telenor are part of the corporate governance framework and are implemented within company operations. Transparency and openness around sustainability-related dilemmas and challenges will help the company drive continuous improvement based on an active dialogue with stakeholders.

Reporting

Expectations related to sustainability reporting from major stakeholders continue to increase. Telenor firmly believes that reporting will contribute to open discussions and to building knowledge to help address challenging issues. In order to ensure structured, transparent and relevant reporting of sustainability performance, Telenor Group reports to various external organisations including UN Global Compact, the international reporting standard GRI, and CDP regarding climate change disclosure.

Telenor uses a - materiality assessment process, based on the Consolidated Set of GRI Sustainability Reporting Standards, to involve a range of external and internal stakeholders to help identify social, economic and environmental topics that matter most both to them and Telenor's business. The scope of the current materiality assessment and engagement process can be found here: www.telenor.com/sustainability/reporting/scope-and-principles.

In 2018, both Telenor Group and many of Telenor's business units reported locally on their sustainability performance, which can be found at www.telenor.com/sustainability/reporting.

Telenor continues to focus on human rights transparency and reporting, including issuing an updated Authority Request access report and reporting on alignment with the guiding principles from the Telecommunications Industry Dialogue on Freedom of Expression and Privacy (ID).

The new reports for 2018 will be available here www.telenor.com/sustainability/ responsible-business/privacy-and-data-protection/handling-access-requests-from-authorities.

Telenor's annual Communication on Progress to the UN Global Compact qualifies for the Advanced Level. The global climate reporting organisation CDP (formerly Carbon Disclosure Project) has for 2018 rated Telenor Group in their reporting category B (the third highest level) which is down one scoring level from last year. Telenor is the telecom company headquartered in Scandinavia with the highest CDP score - demonstrating good climate management.

Stakeholder engagement

As part of Telenor's strategic focus on responsible business conduct, the company will actively engage its stakeholders and continue strengthening its relations as a long-term owner and business partner, true to its commitments, values and the purpose of empowering societies. The company applies business standards that may be higher than what is decreed by law in its respective markets.

Selected stakeholder engagement events focused on sustainability in 2018:

In September, Telenor Group's President and CEO Sigve Brekke attended the UN General Assembly in New York to present Telenor's commitment to the Sustainable Development Goals (SDGs) and to discuss how our industry can contribute to Digital inclusion, Financial inclusion,

Big data for social good and how Telenor has focused on SDG 10 Reduced Inequalities with a two-pronged approach on access to services and raising local standards.

In March, Telenor in Myanmar held its 5th annual sustainability briefing since 2014. At this session; the Telenor Myanmar CEO Lars Erik Tellmann expressed the company's commitment to be open and transparent on our business, challenges, and how we face key issues. Telenor also presented its new Digital Myanmar report, which includes a series of recommendations to help develop a competitive digital economy. The report can be downloaded here: www.telenor.com/the-journey-to-a-digital-myanmar.

In October, Telenor Group's President and CEO Sigve Brekke joined a group of Nordic-based CEOs to announce a joint initiative in an effort to accelerate the realisation of the UN Sustainable Development Goals (SDGs). Representatives from the group presented their shared ambitions to Norwegian Prime Minister Erna Solberg during the 70th Nordic Council session in Oslo. Sigve Brekke stated that "technology creates new opportunities to solve massive challenges connected to health, education and inequality. Businesses and the public sector play a key role in facilitating positive impact on society — that's why we need close and constructive collaboration across sectors and industries".

The Rohingya situation in Myanmar continued to be high on the international agenda in 2018. Telenor Group is committed to respect human rights, and has on several occasions expressed that we view with grave concern the findings of the Independent International Fact-Finding Mission on Myanmar, and support the call to immediately implement the recommendations in the previously released Final Report of the Advisory

REALISING DIGITAL MYANMAR
Leapfrogging to an inclusive digital economy

In 2018, Telenor presented its new Digital Myanmar report, which includes a series of recommendations to help develop a competitive digital economy in Myanmar.

Commission on Rakhine State. Telenor has also expressed these concerns to Myanmar authorities.

The Telenor Youth Forum is a global platform that is built upon the idea of engaging bright young minds to reduce inequalities and the forum is driven in collaboration with the Nobel Peace Center. In December 2018, Telenor gathered 16 exceptional young talents from an estimated 5,000 applicants in eight countries to the Telenor Youth Forum in Oslo. The participants worked in teams to develop solutions aimed to reduce inequalities within global health. These health-related challenges are to optimise agriculture, ensure clean water, reduce the rise of non-communicable diseases and support a growing elderly population.

In 2019, Telenor will continue its stakeholder engagement as part of our effort to promote responsible business conduct and advance sustainability:

• Arrange meetings and broader communication activities to engage

with investors and relevant stakeholders in the company's current sustainability challenges and opportunities.
• Demonstrate how Telenor can empower societies through its business impacts and how we contribute to the UN Sustainable Development Goal of Reduced Inequalities.

Code of Conduct

The Telenor Code of Conduct is owned and approved by the Group Board of Directors. The Code of Conduct embodies our commitment to high ethical standards. We strive to be a trusted partner – to our customers, shareholders and colleagues, and to the communities where we operate. Our business depends on this trust and we are committed to conducting our business in a responsible, ethical and lawful manner.

The Code is applicable to all Telenor employees, board members and hired personnel. This year the Code was strengthened to reflect the evolving standards and obligations within our business environments and the risks that Telenor is facing. Clear guidance was included to make Code requirements more easily accessible and easy to follow. The Code was also made available on digital platforms and all devices, with links and drill-down functionalities which provide immediate access to Telenor's governing document framework.

In late 2018, the Group Chief Compliance Officer began reporting administratively to the Chief Corporate Affairs Officer, while continuing to report functionally to the Group President and CEO. The Group Chief Compliance Officer heads the group-wide Compliance function and supports the President and CEO as well as the Group Board to ensure that the Code sets the appropriate standards, and that these standards are implemented and enforced. Starting in 2018, the Chief Compliance Officer is also responsible for

the Anti-Corruption Programme and the Third Party Risk Policy.

The Chief Compliance Officer meets at least quarterly with the Sustainability & Compliance Committee of the Board. The Sustainability and Compliance Committee of the Board supports the Board in fulfilling its responsibilities with respect to ensuring that Telenor builds and maintains an effective ethics and compliance programme, maximizes the inherent benefits of such a programme, and consistently promotes a culture that demands ethical business conduct and compliance with the Code of Conduct, our policies and procedures, and responsible business practices.

Correspondingly, the Telenor Business Unit Head of Compliance reports directly to the Business Unit CEO. The Business Unit Head of Compliance also reports regularly to the Business Unit Board of Directors on compliance matters.

In order to ensure alignment of strategy, prioritization and implementation of compliance and governance related matters, the Business Unit Heads of Compliance have dotted functional reporting to the Group Chief Compliance Officer. This year, we have worked to establish a network of Heads of Compliance across the Group in order to share best practice. Next year, we will further develop and strengthen the network in order to create stronger synergies and cooperation.

Ethics and Anti-Corruption Programme
Policy and actions
Telenor has zero tolerance for corruption. Our ethical standards promote proper business practices and reflect relevant laws, regulations and internationally recognized standards. These standards are set out in our Code of Conduct, the Group Policy on Anti-Corruption, Group Policy on Third Party Risk, and other guidance and governing documents. These stand-

ards are implemented in all subsidiaries directly or indirectly controlled by Telenor ASA, and where we are not a controlling owner we require these companies to comply with an ethical standard which is in line with Telenor's own, and to operate within a risk based governance and compliance framework.

The Anti-Corruption Programme is part of Telenor's Governance model which clearly defines roles and responsibility for the implementation of Telenor's Anti-Corruption Compliance Programme and the integration of ethics and anti-corruption considerations into all business activities. Our global network of Heads of Compliance, consisting of business unit policy managers or experts appointed by local policy owners, contributes to best practice-sharing across the Group.

Status and ambition
Telenor seeks to work with partners who share our commitment to ethics and compliance. In 2018, we prioritized strengthening our processes to do background checking and monitor business partners including suppliers and vendors. Telenor's integrity due diligence process enables us to identify and mitigate compliance risks related not only to anti-corruption, but other important compliance areas. In 2019 we will focus on the implementation of a Group wide third party vetting and monitoring process through a specially designed digital platform.

We will not make gifts, donations or otherwise support political parties or individual politicians.

A description of Telenor's Anti-Corruption Programme and the Ethics and Compliance function is publicly available on the web sites: www.telenor.com/about-us/corporate-governance/ethics-compliance and www.telenor.com/about-us/corporate-governance/anti-corruption.

Intergrity Hotline and internal investigations

In Telenor, each employee has a personal responsibility to act with integrity and speak up if they 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.

To encourage individuals such as employees, suppliers and other stakeholders to voice their concerns, Telenor has established a global external reporting hotline and website (Integrity Hotline).

The Integrity 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 complainant can follow the status of the incident reported, and establish a confidential dialogue with Telenor's Investigation team through this channel.

In late 2018, an Integrity Hotline awareness campaign was launched which will cover all business units in the first half of 2019. The purpose of the interactive campaign is to build trust and increase awareness and knowledge of the whistle blower channel, including information on how cases are handled and of the employees' rights and duties. The purpose is also to increase understanding of which cases should be reported in the Integrity Hotline, and which should be addressed elsewhere.

The Integrity Hotline is also made available to external parties and available on the web site: secure.ethicspoint.eu/domain/media/en/gui/102575/index.html.

As of 2018, Integrity Hotline management, fact finding and investigation of compliance cases are handled by Group Internal Audit & Investigation whereas resolutions which include both disciplinary and corrective actions are handled by the Compliance function. Investigated cases are reported to the Risk and Audit Committee by the Head of Group Internal Audit and Investigation. Regular reporting in this area is also provided to the Business Unit`s Board of Directors. The new organisational model established in early 2018 has helped ensure independence in how matters are handled. Reports that are brought to Group Investigations via e-mail or personal contact are logged in the system.

In 2018, Telenor logged
558 incoming compliance reports – where 70% of these compliance incidents came through the Integrity Hotline and 37% of the total reports were submitted anonymously.

The Integrity Hotline, new case management system and investigation working methodology were revitalized in 2018 and have enabled stronger global oversight for Telenor. Group Investigation uses a methodology based on Association of Certified Fraud Examiners' framework, which is the internationally recognized "gold standard" for corporate investigations. Group Investigation ensures that all employees and their rights are protected during the entire

investigation process. Group Internal Audit and Investigation is independent from the business to ensure objectivity and facts-only based reporting.

It is generally viewed as a sign of openness and trust that employees and other stakeholders speak up about their concerns. This allows the organisation to address the issues, investigate and take disciplinary action when needed, and especially to learn from and prevent issues from recurring. The reporting volume per 100 employees in 2018 amounted to 2.8 which is approximately on the same level as in 2017.

In 2018, Group Investigations logged 558 incoming reports. Around 70 per cent of all incoming reports in 2018 came in through the Integrity Hotline. All incoming reports are assessed by the Group Investigation organisation. The reports that are assessed to meet the criteria for further investigations are handled further by the Group Investigation. About 46 per cent of the incoming reports were concerns pertaining to other parts of the organisation, such as line management or HR. Out of all the incoming reports, 37 per cent were submitted anonymously. In addition, 4 per cent were questions that were routed to and answered by Group Compliance.

All incoming reports shall receive an answer from Group Investigations - either through the confidential and anonymous communication channel or via an alternative preferred means of communication. The compliance incidents mainly fall within the following categories; Business Integrity, Theft & Embezzlement and Working Environment.

Looking ahead:
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 all forms

of corruption and bribery are unacceptable. Telenor's governing documents establishes one single standard which shall govern all business activities, regardless of where such activities take place.

Nevertheless, some markets in which Telenor operates 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.

Employee involvement
Policy and actions
Telenor is committed to respecting labour rights principles as laid down in the 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 workplace, 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 recognised employee representatives, and by utilising the employees' experience and insight to influence working conditions and contribute to sustainable business growth. Telenor Group is, throughout its operations, promoting partnerships based on good and trusting dialogue, e.g. in relation to acknowledged unions or through local cooperation bodies such as the People Council.

All workforce restructuring in Telenor shall be done with the aim of creating and sustaining long-term business value. Workforce restructuring shall be done in a responsible manner, through verifiable processes and in accordance with Telenor Purpose and Behaviours and applicable legal requirements and legislation.

Status and ambition
In 2018 the Telenor Works Council – Europe (TWC-E) held six meetings, including two where European employee representatives met with the Telenor Group Management. The objective was to enhance information exchange and discussions in relation to transnational issues impacting employees. The CEE sales process was one of the main focus areas this year in addition to ongoing transformational changes in Telenor Group.

Additionally, Telenor has continued its commitment to promoting employee involvement in operations throughout the Group. In 2018 the People Council in Myanmar was established. As a consequence all of Telenor's operations in Europe and Asia are providing for employee involvement through dialogue between management and recognised employee representatives, e.g. in relation to acknowledged unions or through the People Council as a local cooperation body.

The Frame Agreement between Telenor Group and UNI Global Union expired in May 2017. In November 2017 Telenor and UNI Global Union met and agreed upon a pause in the re-negotiation process due to Telenor exiting the CEE market and the situation in Grameenphone. There has been an ongoing court case filed by employees of Grameenphone related to union registration. In January 2018, the written verdict was announced by the court, directing the case to the Director General of Labour. Telenor acknowledged the verdict and are pleased to see movement in the case. In February the

Director General of Labour filed a request for clarifications of the verdict. We are awaiting how the court will address the request and the follow-up from the Director General of Labour paving the way for union registration in the Bangladeshi service sector.

While Telenor is waiting for the courts clarification and the Labour Ministers next step we are preparing for unionisation in Grameenphone. In cooperation with management in Grameenphone and in understanding with UNI Global Union we have completed several training sessions and workshops for management and employee representatives on topics like collaboration, information sharing and understanding the different roles.

Looking ahead:
Whilst undergoing business transformation, Telenor Group will continue promoting employee involvement throughout Telenor Group, and maintenance of good labour standards in the company's operations.

Developing a diverse workforce
Policy and actions
At Telenor, attracting and retaining the best talent through learning and development opportunities as well as career prospects is fundamental to continued competitiveness and growth. Telenor also strives for diversity, inclusion and equal employment opportunities in accordance with the People Policy.

Telenor is an equal opportunity employer and diversity is imperative to the way we do business. It is about 'creating together' services and solutions that include different perspectives from our employees, customers, stakeholders and partners.

Discrimination is against our Code of Conduct and it is interpreted that no direct or indirect negative discrimination shall take place based on race, colour,

gender, sexual orientation, age, disability, language, religion, employee representation, political or other opinions, national or social origin, property, birth or other status. Human beings are entitled to be treated with respect, care and dignity. Telenor's business practices are not sustainable unless we base relationships on basic human rights with and between employees and appreciate diversity, cultural and other differences.

Status and ambition

Telenor continues to work towards a more diverse and inclusive workplace, in accordance with its People Policy. In 2018, Telenor experienced improvements in its gender balance. The company reported 28 per cent women in senior leadership, up from 26 per cent in 2017. The percentage of women in the total workforce remains stable at 37 per cent. The nationality split amongst senior leaders at year end 2018 was approximately 74 per cent Scandinavians, 19 per cent from Asia and 7 per cent from other geographies.

Telenor's continued diversity is reflected in the following facts about gender balance:

Gender balance (per cent of women) per business unit is as follows:

- Developed Asia
  - Thailand: 62%
  - Malaysia: 50%
- Emerging Asia
  - Bangladesh: 17%
  - Pakistan: 21%
  - Myanmar: 39%
  - Financial Services & Health business units: 48%
- Scandinavia
  - Denmark: 36%
  - Sweden: 34%
  - Norway: 30%
  - Group Units: 35%
  - Group Holdings: 29%

Internationalism

- Numbers of employees are 33 per cent in Scandinavia, 29 per cent in Emerging Asia, 28 per cent in Developed Asia and approximately 10 per cent in Group units and Global holdings (working in multiple locations globally).

Open Mind Program:

Telenor's Open Mind programme contributes to providing meaningful work for everyone, regardless of ability. By achieving this outcome, we can promote social, economic and political inclusion, and ensure equal opportunity for all. In Norway alone, more than 240 people have successfully graduated from the programme. In Pakistan, 73 people have graduated from the programme since its inception in the country

Looking ahead:

Telenor will continue to invest in programmes and initiatives to promote greater diversity and inclusion in workplace and has outlined a thorough Action Plan towards 2020 that outlines a continued commitment to diversity and inclusion, ensuring 30 per cent women in senior leadership roles, nurturing our internationalism through placements, and exploring opportunities for differently-abled persons (similar to Open Mind program).

Health, safety and people security
Policy and actions

Telenor sets high standards in health, safety and people security (HS&S). Maintaining a working environment and a culture that nurture HS&S is important at Telenor. The HS&S approach covers employees as well as in-house contractors, vendors and suppliers. Telenor believes that the HS&S of employees is vital to its business and makes a difference in employee engagement.

Telenor is committed to learn from

experience and continuously improve its efforts within HS&S and is currently reviewing the systematic efforts within this area in order to be positioned among the leaders of our industry within the area.

Status and ambition

In 2018, the Sickness Absence Rate (SAR) for the entire Telenor Group was 1.82 per cent. The SAR is lower than the Telenor Group SAR in Asian countries and higher in the Scandinavian countries. This number is reported with the acknowledgement of variations in reported data based on different local and national procedures and regulations related to sickness reporting. The total Lost Time Injury Frequency (LTIF) for Telenor Group was 0.22 injuries per million worked hours.

In Asia, road-related accidents continue to be among the leading causes of on-the-job injuries and fatalities. Telenor Group's footprint in Asia covers more than sixteen thousand employees and approximately six hundred thousand supply chain employees. With such large numbers of people working for and with Telenor, and with an extensive network spreading over huge areas of land, the company holds major stakes in everyone's safety. In 2018 Telenor has continued to implement road safety initiatives aimed at increasing awareness of road safety and reducing road accidents.

There were zero work-related employee or in-house contractor fatalities reported in Telenor Group for 2018. We experienced however four fatal incidents in Pakistan and Myanmar in our supply chain. It is with great regret that these resulted in eight fatalities, four involving 1st and 2nd tier suppliers and four involving third parties. Three of the fatal incidents were associated with traffic and one with working at heights.

All incidents were managed according to

our reporting, investigation and follow up procedures. Corrective and preventative measures to avoid reoccurrence were implemented. Employees' families have been followed up and given compensation. Please refer to Supply Chain Sustainability for further information about how Telenor manages its suppliers.

Looking ahead:
As Telenor Group operates in markets with differences in risk and regulation and also differences related to the local infrastructure, which to a high degree steers the OHS&S risks, we will focus on continued identification and mitigation of the local risks, combined with increasing group collaboration and secure local management attention and follow up.

The focus on road safety will remain in 2019; Telenor will continue implementing road safety awareness campaigns, revising and improving our processes and practices associated with road transportation and vehicle management. Our practices associated with working at heights will also be revised.

In 2019 Telenor will continue to implement its systematic work to manage HS&S risks. The ISO 45001 standard (Occupational health and safety management systems - Requirement,) will be applied as our reference and the ambition is to be compliant with the standard in all business units. These efforts will enable a systematic and aligned risk based approach for managing health, safety and people security risks. Systematic learning across the company from past incidents, our experiences and best practices will be in focus in 2019.

Supply chain sustainability
Policy and actions
Telenor strives for high sustainability standards and continuous improvement in its operations throughout the supply chain, and works to ensure that its

suppliers take a similar approach. It is mandatory for all Telenor contracting parties to agree to the Supplier Conduct Principles (SCP). The SCPs) are based on internationally recognised standards, including requirements on the respect for human rights, health and safety, labour rights and working conditions, conflict minerals, environment, privacy and freedom of expressions and prohibited business practices.
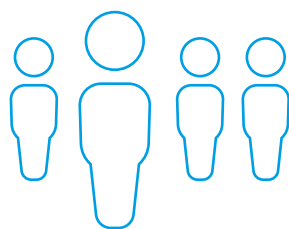
In 2018, the business units organised more than **20,000 man-hours** of capacity-building in our supply chain.

Telenor's approach to supply chain sustainability is to legally oblige the supplier to uphold responsible business practice, monitor compliance with Telenor's requirements and to undertake capacity-building among its suppliers. All suppliers are obliged to extend the supplier requirements to their own suppliers to help ensure that the requirements are applied throughout the whole supply chain. In addition, Telenor believes that partnership and cooperation with suppliers and industry peers is vital to achieving a responsible supply chain. Telenor has over many years been an active member of the Joint Audit Cooperation (JAC) and Global e-Sustainability Initiative (GeSI).

Status and ambition
Key supply chain risks:
The supply chain responsibility focus in 2018 remained on mitigation of supply chain risk, capacity-building and monitoring compliance with Telenor's

requirements on responsible business conduct. Our key risks include health and safety issues such as road accidents and risks related to tower climbing, other working conditions deficits related to hours and wages, existence of child or underage labour, and risks to business ethics. The majority of these risks exist in our Asia operations. Further information on child/underage labour can be found below. Further information on health and safety in the supply chain is provided in the Health and Safety section of this report.

Fatalities:
During 2018, we have experienced four fatal incidents in Pakistan and Myanmar in our supply chain. It is with great regret that these resulted in eight fatalities, four involving 1st and 2nd tier suppliers and four involving third parties. Three of the fatal incidents were associated with traffic and one with working at heights. More information in chapter Health, Safety and People Security

Child labour/ underage labour:
During 2018, Telenor recorded two incidents in Bangladesh, two incidents in Pakistan and one incident in Thailand of underage labour (15-18 years) involving hazardous work. No incidents of child labour (12-14 years) were identified. In 2018 and 2017, the numbers of child labour/underage labour findings were significantly reduced from previous years where the number of incidents of underage labour in 2015 included 34 people, and the number of incidents of child labour in 2015 included 13 children. A similar number of incidents of underage labour in 2016 included 16 people and the number of incidents of child labour in 2016 included 4 children.

Other potential risks:
Conflict minerals is an indirect risk area for Telenor and the company is actively monitoring that its suppliers have a written policy and procedures in place to avoid knowingly acquiring conflict

minerals. Based on recent years' global audits and local inspection - we have no specific follow-up issues with either of our major suppliers of smartphones and tablets.

Modern slavery is also a potential risk in Telenor's supply chain - both in Asia and in Scandinavia. Telenor is therefore actively monitoring that its suppliers do not employ or use any form of forced, bonded or compulsory labour and that its suppliers strictly prohibit any form of slavery or human trafficking.

Mitigating supply chain risks:
All suppliers and partners that have 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 ABCs. As at year-end 2018, we have signed approximately 7,800 ABCs with almost all our active suppliers that we have defined as in-scope for ABC (based on risk assessments). In instances where a supplier is not willing to sign our standard ABC agreement, adjustments to the agreement may be considered. In some

cases the ABC agreement may also be waived for a supplier, in which case other restrictions and monitoring will be imposed. A procedural review and risk assessment should be undertaken before an ABC agreement may be adjusted or waived for a supplier.

Capacity-building:
The business units organised more than 20,000 man-hours of various capacity-building initiatives in 2018. The capacity-building involved various efforts to proactively build the local capacity of suppliers and sub-suppliers in order to drive continuous improvement in the supply chain. The activities vary from supplier to supplier depending on the most relevant and salient risk of the business unit. Typical activities include on-site briefings, awareness sessions, workshops, forums, process support, online portals and resource guides, etc. The capacity-building is adapted to the practical situation and according to the real need of the supplier, focusing on awareness of Telenor SCP issues as well as specific activities related to skills development (e.g. tower climbing). Typical topics are: Labour rights, health and safety, anti-corruption, sustainability requirements as well as green telecom,

empowerment of women and diversity. Some business units have also worked in industry and cross-industry collaborations to synergise efforts in capacity-building.

Monitoring compliance:
Telenor carries out local inspections in all our markets in order to monitor compliance with the requirements on responsible business conduct. In 2018, Telenor carried out more than 3,500 supplier inspections (ranging from simple site visits to more comprehensive inspections or audits) across the Group. 87 per cent of the inspections were carried out unannounced. More than 450 major non-conformities were identified during the inspections across the business units and have been followed up with mitigation plans and processes aiming to address these non-conformities until they are resolved and can be closed.

Through Telenor's participation in the Joint Audit Cooperation (JAC) together with other telecommunications operators (16 members in 2018), we gained access to the results of 91 sustainability audits of global suppliers in 2018. A standard JAC audit focuses mainly on preventive anti-corruption programmes, labour rights and working conditions including health & safety, and the environment. Telenor performed five of these audits of global suppliers on behalf of JAC in 2018. After carrying out an audit, a Corrective Action Plan (CAP) listing all findings is agreed upon between the auditee and the auditor. Over time, JAC has carried out 487 audits in 33 countries, covering close to 1 million workers. Going forward, the number of yearly audits carried out by JAC will increase and the focus will mainly be on tier 2, tier 3 suppliers and tier 4 suppliers.

Looking ahead:
Effective risk management in Telenor's supply chain will remain a priority, building its competitive advantage

In 2018, Telenor carried out more than 3,500 supplier inspections across the Group – and 87% of these inspections were carried out unannounced.

through risk mitigation, capacity-building and monitoring compliance. The focus in 2019 will be to optimize supply chain sustainability practices by building further alignment and collaboration across business units and functions and help bring the responsible business agenda to scale. Further, Telenor will work to ensure its supply chain sustainability efforts go beyond compliance and have a positive impact on the business as a whole and in the societies in which it operates.

Human rights
Policy and actions

Telenor's business is about enabling people to communicate, and the company's operations and services do have an impact on human rights. We see that we can positively impact rights, e.g. through digital birth registration (see chapter Social Innovation) and improving gender equality through digital inclusion. But we also recognise the risk that our business may have to negatively impact human rights e.g. through potential misuse of our services (see chapter Child Online Safety). Telenor is also present in markets with significant human rights challenges. Telenor takes seriously its responsibility to identify the potential human rights impacts it may have, preventing or mitigating these impacts and being accountable for its actions.

Human rights are governed internally as described in the chapter on "Corporate Governance", and reporting of grievances through the Integrity Hotline to Compliance is described in the chapter "Ethics and Anti- Corruption". Finally, Telenor's approach to enterprise risk management is described in Sustaina-bility and Compliance in the BoD report.

To help us navigate and identify the most salient human rights impacts, we conduct human rights due diligence both at Group and business unit (BU) levels. Human rights are also included in our materiality

matrix. Our activities are guided by the UN Guiding Principles on Business and Human Rights and other international frameworks including the Universal Declaration on Human Rights and the ILO Core Conventions. We also find it helpful to view human rights through the perspectives of the key roles we have as a company - as an employer, a provider of telecom and digital solutions, a purchaser of goods and services, and as an investor. For this reason issues including labour rights, privacy and freedom of expression (see text box to the right and Privacy chapter), supply chain sustainability and due diligence pre investment are all important to us.

Telenor has a three-pronged approach to human rights:

1. Addressing actual and potential risks and impacts of our business through
   i. Policies and processes – the principle of 'respecting human rights' is anchored in our Code of Conduct (CoC) and Supplier Conduct Principles (SCP), and due diligence is a policy requirement
   ii. Guidance – dedicated tools drawing on the UN Guiding Principles on Business and Human Rights
   iii. Training and awareness – specialist training, as well as management and board discussions
2. Collaborating with others, for example through
   i. Stakeholder dialogue - with peers, civil society, investors, academia, government
   ii. Industry/multi-stakeholder initiatives – member of e.g. Global Network Initiative (GNI) and Joint Audit Cooperation (JAC) (see SCS chapter)
3. Being transparent on challenges and company practices to the extent possible in
   i. Annual reporting – this report and the UN Global Compact's Communication on Progress
   ii. Issue-specific reporting - Including our 'transparency report' on the number of authority requests in our markets as well as a bi-annual 'legal overview' of key laws related to authority requests in our markets
   iii. Sustainability updates/ presentations – e.g. annual updates by Telenor Myanmar to stakeholders on key human rights issues

Status and ambition

2018 was a challenging year with respect to human rights in some of our markets. The Independent Fact Finding Mission's report in September 2018 described severe human rights abuses towards the Rohingya in Northern Rakhine. Telenor reiterated our grave concern in a statement in August 2018 www.telenor.com/situation-in-rakhine-state. This has also been communicated to the Myanmar authorities. In terms of our own operations in Northern Rakhine, focus has been on providing telecommunications services to all, regardless of background. We have sought to be diligent in our own operations and supply chain follow-up. We are also concerned by the claims in a Kaladan Press Network Report that a tower operated by a tower vendor to Telenor Myanmar was broken into and scaled by military snipers during the 2017 unrest.

Addressing risks:
Human rights due diligence is our main tool for understanding and mitigating human rights risks. Telenor regularly conducts this kind of analysis both at Group and BU levels. Following up on our pilot initiated in Q4 2017, we updated our tools and processes for human rights due diligence in the first half of 2018. In the second half, all BUs were trained in how to use the tools and set out to conduct their second round of BU-level human rights due diligence (first round was in 2013–14). The process has been supported by sustainability experts/ service providers BSR to ensure tools and guidance is aligned with international good practice. As we start 2019, the output from this process is being collated and will feed into an updated Group-level due diligence to be initiated in the first half of the year.

Collaboration:
Privacy and freedom of expression remained priority focus areas for 2018. For more in-depth information on our internal efforts, please see the Privacy

chapter. As a member of the multi-stakeholder Global Network Initiative (GNI) we continued to work with peers, academics, civil society and investors to address challenges related to authority requests that may limit privacy and/or freedom of expression.

Telenor continued its collaboration with industry peers in the Joint Audit Cooperation (JAC), an industry initiative on Supply Chain Sustainability where members conduct audits on major suppliers they have in common and share the findings amongst them, thus increasing efficiency and leverage in terms of rectifying human rights risks at suppliers (see Supply Chain Sustainability chapter).

Transparency:
Telenor continued its annual reporting on authority requests in the access report for 2017 www.telenor.com/sustainability/responsible-business/privacy-and-data-protection/handling-access-requests-from-authorities, as well as the annual report on the alignment with the Industry Dialogue Guiding Principles www.telecomindustrydialogue.org/about/guiding-principles.

Telenor also continued to develop its transparency efforts related to its operations in Myanmar with a local seminar in February 2018.

Looking ahead: Building on the BU level due diligence, an update of the Group-level human rights due diligence will be initiated in 2019. Telenor will also prioritise the multi-stakeholder efforts of the GNI and undergo our first independent assessment of our efforts to implement the GNI principles.

Privacy
Policy and actions

Customers expect not only real-time, relevant and individualised services, they also expect that their privacy is safeguarded. As a provider of mobile and

internet connectivity, respect for the rights to privacy and freedom of expression is central to Telenor's core business. The company approaches these issues from a privacy point of view as well as a security angle, with policies and manuals that set out mandatory requirements applying across all operations.

As the Internet of Things (IoT) is becoming more important, and privacy and security challenges are growing, connected units are no longer isolated from public access and Telenor must make it easy for end users to safely connect additional sensors or units to their current solutions. Telenor will continue to adapt to these challenges and provide secure solutions related to IoT.

Since 2015, Telenor has had a clear privacy position: being open and transparent about how personal data is collected and used, committed to using personal data to provide better and more relevant services, and thorough in keeping personal data safe.

Telenor recognises that while telecommunications generally contributes to freedom of expression, there may be challenges related to the business. In many situations, authorities may have a legitimate need to require telecommunications companies to comply with requests that limit privacy or free communication. For Telenor, it is important to seek to limit the risks of unlawful restrictions on privacy and freedom of expression to the extent that we can. We therefore have strict policies that govern Telenor's approach in responding to such requests.

Telenor continues to prioritise transparency and introduces safeguards against potential abuse. As described in the Human Rights chapter, Telenor actively engages in the Global Network Initiative (GNI) on freedom of expression

In 2017 and 2018, Telenor conducted an extensive GDPR Readiness Project with the purpose of strengthening internal processes and preparing for the new regulation.

and privacy, as well as bilaterally with a range of stakeholders as part of our collaborative effort to protect and advance freedom of association and privacy.

Although national requirements vary throughout Telenor's markets, Telenor strives to be transparent about how personal data is handled. Telenor believes this is the best approach to ensure and build the trust of customers and employees.

Status and ambition
A value-driven approach to privacy:
An internal project to strengthen Telenor's position on privacy was concluded in 2015, which addressed both how the company handles existing customer data and how products are designed going forward. Telenor has decided to take a customer value-driven approach to privacy. Customers shall get as much value as possible when they share their data with Telenor. Therefore, whenever the company processes data on behalf of customers, Telenor strives to add value to the current experience and deliver more personalised and relevant services.

Building a strong privacy culture in Telenor is important. The business strategy of Telenor identifies the trust of our customers as one of the critical strategic enablers. At the same time, Telenor believes that, going forward, our dedication to privacy can develop into a differentiator in relevant markets. The aforementioned business strategy addresses the growing concern among customers regarding privacy by early consideration of privacy in Telenor's business processes and strategic activities. The current key objective of this exercise is to ensure a strong level of protection of Telenor customers' data and, in Europe, to ensure compliance with the European General Data Protection Regulation (GDPR).

Building privacy readiness:
In 2018, Telenor has continued to strengthen its privacy function in terms of people, processes and systems. Data Protection Officers for all larger business units in Telenor were appointed prior to GDPR entering into force. All privacy resources have undergone extensive training and most Data Protection Officers have become CIPP certified. In addition, in 2018 all employees of Telenor were required to

complete general privacy training.

In 2018, the internal privacy governance of Telenor was further strengthened. As part of preparing for GDPR, several new processes to strengthen privacy work in Telenor were introduced. Also, a central privacy management system was deployed to assist business units with the required tasks.

Finally, Telenor is in the final stage of getting its Binding Corporate Rules approved by the European Data Protection Board after having achieved a consolidated text that was approved by the Scandinavian Data Protection Authorities in December 2018. The central privacy team in Telenor has been strengthened with an increase in headcounts. Training has focused on general privacy upskilling and on implementing improved processes to handle data breaches and requests from authorities. In addition, Telenor has produced new internal guidelines and tools to assist privacy and commercial professionals in their daily work relating to privacy matters.

Centralised approach to privacy management:
In 2017, it was decided to establish a central privacy unit that could provide expert privacy advice to the business units of Telenor. This model has been successfully implemented, and the central privacy team today provides direct support to a number of business units. The central approach has allowed Telenor to achieve synergies of both scale and scope by having the opportunity to deploy privacy enhancing initiatives on a group-wide basis efficiently, and through having the possibility to provide support to where the need is the highest.

Preparation for GDPR:
In 2017 and 2018, Telenor has conducted an extensive GDPR Readiness Project with the purpose of strengthening

internal processes and preparing for the new regulation. The project was coordinated by the central privacy team, but involved resources in all relevant European business units. The program was closely managed by an executive steering committee that followed up on progress in the business units towards the centrally defined business requirements.

Strengthening handling of authority requests:
During 2018, we further strengthened our internal governance by refining requirements for how to handle requests from authorities that may impact privacy and/or freedom of expression. We also developed an e-learning programme to accompany the updated requirements, and conducted training and workshops with BU personnel.

Looking ahead:
Governments and regulators across Telenor's markets are taking new steps to strengthen privacy and national security regulations and to introduce new measures that directly or indirectly affect Telenor's ability to manage customer 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.

In order to meet privacy and security challenges, the following areas will be prioritised in 2019: compliance with changes in the European General Data Protection Regulation (GDPR), strengthened responsiveness to data breaches, implementation of Privacy by Design and Default, security operations, vulnerability management, security architecture, security culture, security intelligence and physical security.

Cyber security
Policy and actions
As a network operator and a global provider of digital services, Telenor is at constant risk of cyber-attacks. Advanced threat actors are increasingly aiming to steal information, modify customer data or make our services unavailable. As a consequence of this, cyber security has become a vital part of our business.

We now see a trend in which attackers attempt to find open doors through applications and lower level infrastructure to gain access. Other relevant threats are identity theft or privacy breaches, ransomware, insider threats and attacks to either alter systems or information, or bring services down (denial-of-service attacks). In this context, we are increasing our efforts to actively protect our networks, products and customer data.

Telenor is continuously implementing security capabilities to prevent and reduce the effect of a range of threats, including the ability to swiftly detect and respond to unwanted activities. This includes a number of actions related to preventive controls, including monitoring and detection, vulnerability assessments and incident management and response across all our business units.

The Telenor Group Security Policy and

Telenor detects and prevents thousands of attempts of cyber-attacks every year, and we are constantly developing our security efforts, in line with the external and internal threat picture.

Manuals within Information Security, Physical Security and Services Fraud are regularly being updated with the objective of maintaining strong governance related to security. With the vision of protecting our customers and society, we work actively to further strengthen security both strategically and operationally on Group level and in the business units.

Status and ambition
Telenor is committed to providing secure, well-functioning networks and services, and has a strong interest in doing so. Our customers and society in general must have confidence in Telenor as a trustworthy supplier of safe, reliable and secure telecommunications and digital services.

As we detect and prevent thousands of attempts of cyber-attacks every year, we are constantly developing our security efforts, in line with the external and internal threat picture. We realize that advanced security solutions are needed to handle a wide range of cyber threats. Our foremost task is to protect our customers' data in compliance with relevant authorities and legal frameworks.

Below we set out our view on how we responded to the global cyber security challenge during 2018 with some of the key initiatives.

In 2018, Telenor established a global function for monitoring and incident response with the purpose of meeting the challenge of handling potential security breaches and protecting customer data, enabling active security monitoring and incident response for all business units.

The global function for monitoring and incident response builds on the capabilities of the Telenor Norway Security Operations Centre (TSOC) and the Telenor Computer Emergency Response Team (TCERT). Through our global and local efforts, we continuously monitor our systems, analyse potential findings, and implement appropriate mitigation and countermeasures.

During 2018, we have established a framework for defendable architecture enabling the majority of our business units to complete technical uplifts. In order to meet increasingly global security challenges, we further developed a global operating model for security.

Furthermore, to also protect other customers and contribute to protecting society in general at a larger scale, we piloted and launched a portfolio of security products and services in the Norwegian business market (Smart Security), which has further strengthened our security position and developed new revenue streams.

In 2018, we also continued to work closely with our suppliers to prevent loss, misuse or unauthorised disclosure of confidential information. This includes placing high security requirements on suppliers, who must ensure adequate levels of privacy and security to stay in business. Telenor conducts a high degree of network monitoring.

The global Security Training Programme for all employees at Telenor which started in 2017 continued during all of 2018. The aim of the programme is to raise awareness related to a broad range of security topics, such as phishing, secure passwords, and encryption, through a set of short and interactive lessons. In addition, cyber security exercises have been arranged in several business units to raise security awareness and awareness with top management.

Externally, Telenor in 2018 actively contributed to strategic, international security arenas, such as the GSMA Fraud and Security Group, the Information Security Forum (ISF), "Arendalsuka" in Norway and through active membership in the Europol Cyber Crime Centre Advisory Group for Communication Providers.

Looking ahead:
The current challenges in the cyber security domain are expected to increase and play an even more crucial role going forward. The industry and society will become more digital and interconnected. For Telenor, this means we continuously need to strengthen our critical security capabilities and competencies and establish a well-functioning, global security operating model.

At the end of 2018, we recognize that Telenor has taken a big step in strengthening our cybersecurity capabilities. Our security strategy has been revised to define focus and setting priorities for the years 2019-23. In 2019 we will be working with the local business security officers to set the security agenda in the business units to further strengthen the security culture across all of Telenor, and to support Telenor's strategic initiatives.

Going into 2019, we will explore different concepts to not only create general awareness regarding security, but to enable a security culture for every

employee at Telenor. A number of key actions will be prioritised to meet the security and privacy challenges. Among them are:

- Further develop the global security organization across Telenor
- Strengthened monitoring of and responsiveness to cyber attacks
- Further integrate security into strategic programs/ projects and BU strategy roadmaps with clear deliverables
- Further upgrade our capabilities within the area of security operations, vulnerability management, security architecture, security intelligence and physical security
- Further develop global delivery centres, with a professionalized and sustainable set-up and a demand-driven operating model
- Building a strong security culture, ensuring that security is integrated into everything we do

Climate risk and environment
Policy and actions

Telenor is committed to protecting the environment and contributing to the prevention of climate change. We shall comply with local laws and internationally recognized environmental standards. We support environmentally friendly and energy efficient technologies and we seek to minimize carbon emissions from all parts of our operations. We recognize that offering eco-efficient solutions can create business opportunities.

Climate change is today one of the greatest challenges facing people, businesses and governments. Climate related risks include potential damage to vital infrastructure and utilities through the impact of more extreme weather events. At the same time, the ICT industry's technology and smart services through the Internet of Things (IoT) have the potential to cut global carbon emissions, reduce resource intensity, stimulate economic growth

and deliver substantial social benefits.

Telenor has over the years engaged with the industry organisations and industry partners to embrace these opportunities. The SMARTer 2030 report (co-financed and supported by Telenor) identified 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 ICT industry's own direct emissions. This places ICT as one of the key instruments for the achievement of the climate commitments undertaken in Paris and the implementation of related national action plans.

The mobile industry will risk a continued increase of total energy consumption and carbon footprint as mobile operators continue to expand their coverage, acquire more customers and develop more mobile broadband services due to market needs. This requires significant amounts of electricity in the operators' network operation which normally is supplied on-grid by national power generation companies.

In Telenor's Asian operations, the company also relies heavily on diesel used in its on-site generators to power off-grid infrastructures in remote locations or in areas with unreliable on-grid power. Changing regulations, significant reductions in renewable energy costs and concerns about energy security will impact global energy markets. Several of Telenor's' Asian operations have started to replace traditional diesel-based on-site generators with solar/battery based energy technology.

The growing demand for ICT products and mobile devices, and their increasingly short lifespans, has resulted in e-waste becoming a significant concern and risk for the ICT industry. In this regard, all Telenor business units are mandated to secure sustainable waste management.

In Myanmar, Telenor has continued its scaling up with solar/ battery technology and has by year-end 2018 more than 450 base stations in operations and plan to roll-out of solar/ battery technology to another 1,000 base stations in 2019.

All electronic waste is to be reused or recycled according to internationally recognised standards and regulations.

Status and ambition

The global climate reporting organisation CDP (formerly Carbon Disclosure Project) has for 2018 rated Telenor Group in their reporting category B (the third highest level) which is down one scoring level from last year. Telenor is still rated as the best telecom company with headquarters in Scandinavia.

Energy consumption and CO_2 emissions: In 2018, the total data traffic volume in Telenor's mobile network was approximately 3,700 petabytes - an increase of more than 40 per cent from 2017 and representing 80 per cent average annual growth rate since 2013. In 2018, Telenor's total energy consumption was approximately 3,300 GWh – an increase of 11 per cent from 2017 when comparing without our CEE operations. In 2018, our Asian operations consumed around 70 million litres of diesel to power base stations in off-grid areas or areas with unreliable on-grid power.

The associated emissions of greenhouse gases in 2018 for Telenor Group has been estimated to be a total of around 1.1 million tonnes of CO_2 when using location-based electricity emission factors for the indirect scope 2 emissions - an increase of 17 per cent from 2017 when comparing without our CEE operations. This increase is mainly due to significant increase in data traffic volume in Asia and also the significant increase in network operations (58 per cent more energy consumption compared to 2017) in Thailand. Further, Telenor Group's total GHG emissions in 2018 was close to 1.3 million tonnes of CO_2 when using market-based electricity emission factors for indirect scope 2 emissions – an increase of 15 per cent from 2017 when comparing without our CEE operations. The market-based method reflects the CO_2 emissions from the electricity that a company is purchasing, which may be different from the electricity that is generated locally in the country.

 In the period 2012-15, Telenor's energy consumption per end customer dropped by approximately 18 per cent and the associated CO_2 emissions per end customer dropped 24 per cent in the same period. In the period 2015-2018, Telenor's CO_2 emissions per end customer increased by around 17 per cent due to

the significant increase in data traffic volume – still representing only approximately 6.5 kg of CO_2 per customer per year in 2018.

Renewable energy solutions: By year-end 2018, Telenor Pakistan has installed solar energy solutions for more than 850 of its base stations and is planning for an additional 160 sites in 2019. Grameenphone in Bangladesh has 1200 solar powered base stations in place, and similarly Digi in Malaysia has more than 40 base stations powered by solar solutions. Also in Myanmar, Telenor has continued its scaling up with solar/battery technology and has by year-end 2018 more than 450 base stations in operations and plan to roll-out of solar/battery technology to another 1,000 base stations in 2019.

Low carbon solutions:
In 2018, Telenor Group passed more than 13 million SIM connected devices globally on its IoT platforms. Telenor Connexion, Telenor's dedicated IoT company, designs and operates IoT solutions for the global market that can enable smart services with potential to cut global carbon emissions.

Environmental management:
More than 82 per cent of Telenor's procurement processes with a contract value greater than USD 250,000 used a specified set of environmental criteria in 2018. In addition, more than 146,000 meetings were carried out in Telenor's global organisation using video conferencing and virtual meeting solutions in order to help reduce physical travel. All business units, with the exception of Myanmar, have implemented Environmental Management Systems (EMS) in line with ISO 14001 and they were all followed up in 2018. In the case of Myanmar the implementation of Environmental Management System has been initiated with the aim of completion in 2019.

E-waste initiatives:
Mobile handset recycling initiatives have been ongoing for several years in our business units. Across Telenor, a total of more than 315,000 mobile handsets and mobile batteries were collected and recycled in 2018. During 2018 our business units have reported a total of 4,100 tonnes of obsolete electrical and electronic equipment waste (e-waste) that has been removed from active operations, whereas 86 per cent of this e-waste has been resold or recycled in an environmentally sound manner.

Water consumption:
Compared with other industries, the telecom sector does not use water intensively and Telenor's core organisation is mainly using water for office purposes. In 2018, Telenor's total water consumption was reported to be 0.5 million cubic meters- an increase of 15 per cent compared to 2017.

Looking ahead:
Going forward, Telenor plan to scale-up the use of renewable energy combined with continued focus on energy efficiency initiatives in all of its network operations, resulting in both savings in operating expenses and reduced CO_2 emissions.

Energy and CO_2 per customer

In 2018, Telenor's CO_2 emissions per end customer increased by around 17% due to the significant increase in data traffic volume – still only 6.5 kg of CO_2 per customer for full year of 2018.

Child online safety
Policy and actions
Children are picking up digital devices at ever younger ages. Faced with new technologies and services, children and young people have fewer barriers than adults. As a result they are among those that benefit the most from connectivity. The technology helps children stay in touch with their friends and it helps them make new acquaintances. But in their exploring, they are also often over-trusting and sometimes vulnerable. Children's right to safety – online as well as offline – has firm backing in every society. But existing child rights mechanisms and organisations often struggle to deliver the support they need.

Telenor does not have a direct customer relationship with children. But Telenor's services are used extensively by children and young people. Every Telenor business unit is therefore involved in efforts to grow the resilience of young people online, and by 2020, Telenor Group companies will deliver training on how to be safer online to four million children.

Status and ambition
During 2018, training on how to be safer online has been delivered to 860,000 children resulting in a total of 2.2 million children and young people over recent years. A further goal is to contribute to growing a comprehensive ecosystem that takes a 360° view of risks, resilience and roads to recovery.

During 2018, Telenor continued to develop its portfolio of initiatives designed to improve child online safety across every country in the Telenor footprint. Telenor entered into a new global partnership with Plan International and extended its long-standing partnership with UNICEF.

At the local level Telenor business units continued to work with a range of dedicated NGOs and government agencies, as well as specialists from law
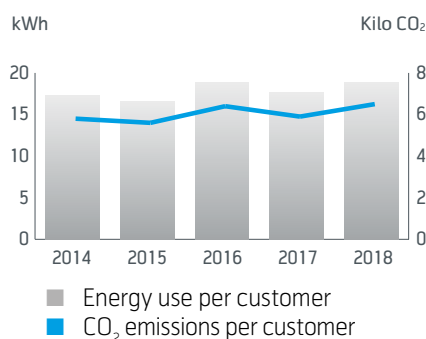
enforcement and health. New online resources were completed and deployed at several business units. All business units have worked systematically to deliver on the ambitious targets that will enable the company to meet the group-wide goal of offering meaningful training to four million children by 2020.

Curriculum:
Telenor is confident that the best way to keep children safe is to make them aware of the risks they are most likely to encounter and to encourage them to make the right choices. Finding the right way of communicating with children is important. Nearly all Telenor business units are part of interactive outreach programmes in schools. Additional to this, Telenor also makes a range of digital resources available, mainly to parents and children. In 2018, Telenor took delivery of a new interactive and progressive curriculum from Parentzone in the UK.

Helplines:
Children will not always make the right decisions online, and many children who face risk or harm don't tell anyone. Telenor business units take an eco-system approach to child online safety and it is important that children have somewhere to turn when they are faced with difficulties online, and that mechanisms for recovery are in place. Child helplines play an important role in this respect and Telenor Group has, in 2018 continued to offer support to helplines in several countries.

Telenor Norway:
Norwegian parents continue to express concern for the safety of their children when online. Reaching out to those parents, Telenor Norway continued to develop and post new resources at the Foreldreskolen.no portal. Four new films were made available during 2018, covering such issues as sharing of nudes and deleting unwanted personal information. These films feature

Since the outset in 2016, Telenor Myanmar has trained over 242,000 children and young people to become victims of child online threats.

recognised specialists such as the Snapchat school nurse "Helsesista". The Foreldreskolen portal received 60,778 visits in 2018. At the same time, Telenor Norway continued the 'Bruk Hue' school outreach tour, reaching 21,295 students and 4,265 parents. In the autumn of 2018, Telenor Norway developed a new concept for Bruk Hue, developed in partnership with four pilot municipalities. As at December 2018, 1,200 students had tested the new digital 'Bruk Hue'.

DIGI:
Digi in Malaysia continued to build their safe internet capacity-building programme in 2018. Through its Yellow Heart Digital Resilience pillar, DiGi continued to drive solid momentum in keeping children safe through responsible and resilient digital citizenship throughout the year. Over 165,000 meaningful engagements with young people across the country were initiated in 2018 via nationwide and online campaigns to improve online safety and reduce inequalities on the internet.

Grameenphone:
Grameenphone's Child Online Safety initiative aims to create safe learning opportunities while simultaneously addressing economic and gender inequality. It also directly addresses threats associated with cyberbullying.

The programme, run from July to December 2018, was especially designed to facilitate a safer cyberspace. It included school outreach programs, sensitizing sessions for parents, guardians & teachers, access to online support through the Child Helpline 1098, a social advocacy campaign and policy dialogue with key stakeholders.

During 2018 more than 400,000 students from 209 schools were educated. The campaign also sensitized over 73,000 teachers, parents, and guardians, enabling them to better children with online issues. Grameenphone's social advocacy campaign had more than 10 million views and 25,000 shares.

Telenor Myanmar:
As a country where widespread internet access only recently became a reality, low awareness of digital citizenship causes a range of challenges. Online hate speech and fake news has contributed to create mistrust in various communities. Telenor Myanmar's nationwide child

online safety initiative aims to educate children and young people and to prevent the digitally disadvantaged from becoming victims of online threats. Since the outset in 2016, Telenor Myanmar has trained over 242,000 students through a range of channels using Telenor Myanmar staff volunteers, its State Liaison Officers, the Telenor Digital School network and the Telenor Lighthouse Digital Literacy Training centres. In-house animated video content is used extensively in the communication with children.

Telenor Pakistan:
Telenor Pakistan's safe internet and school outreach programme was extended to every province of the country during 2018. The training materials in use were designed to empower beneficiaries to make safer choices when online. The campaign also aimed to build awareness relating to online abuse through play-based interactive sessions and modules, delivered in English as well as local languages.

The comprehensive day long training module includes base and end line assessment. There was special focus on reaching the female students of the cohort. Building on Telenor Pakistan's commitment to inclusion deaf kids were also reached through the program in 2018.

100,000 children received meaningful training in online safety so far during the year.

Looking ahead:
During 2019, Telenor's business units will continue to work towards the group-wide target of offering meaningful training in how to be safe online to four million children. This target is to be achieved by year-end 2020.

As part of this effort Telenor will also draw on specialist partners, both to ensure the quality of resources, materials and

guidance that is made available and to ensure that the content is current and engaging.
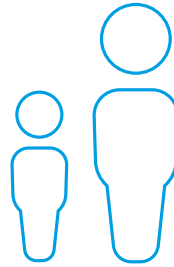
During 2018, training on how to be **safer online** has been delivered to 860,000 children resulting in a total of 2.2 million children and young people over recent years.

Digital inclusion
Policy and actions
A range of key services in society are now becoming available online. This is a development that significantly reduces time and cost for providers as well as consumers of these services. At the same time it is noticeable how some services are becoming increasingly hard to access in the offline world. In this scenario the gap between those who have quality internet access and those who do not is widening.

The importance of ensuring access for all is essential to Telenor's effort to empower societies. Telenor sees this development as integral with the company's commitment to reduce inequalities in the societies where it operates. Clearly the greatest challenges relating to access are in the emerging markets in South Asia, but the challenge of ensuring an inclusive internet is relevant everywhere. Telenor remains committed to deliver the benefits of digital access and outreach to all.

Status and ambition
By year-end 2018 Telenor had rolled out 4G mobile technologies in all our markets. We also engaged in 5G pilot in Norway, and provided services such as fixed broadband, Internet of Things and enterprise solutions in several markets. Aligned with the shift of customer base and traffic demand to 4G, we are gradually reducing relative frequency spectrum allocated to 3G and 2G. This is to optimally improve customer experience, which we do in combination with enhancing capacity and coverage.

Telenor Pakistan:
Khushaal Zamindar, which is a free-of-charge Interactive Voice Response, robot-call and SMS-based service for Pakistani farmers, continued to be further developed and expanded in 2018. This is a service that provides localised, contextualised and customised weather forecasts and actionable agriculture advice, including information on a range of cash crops, fruits and vegetables, fodder and livestock. Khushaal Zamindar was formally extended to Sindh province in December 2018. In the three first weeks since the formal introduction of the service, 42,000 new users were added.

Khushaal Zamindar partnered with IBM in April 2018 in an effort to provide farmers across the country with localized and accurate weather forecasting data. At year-end 2018, almost 6,000 unique messages were sent out on a daily basis, compared to less than 50 in 2017.

Building on the success of Khushaal Zamindar, a separate service for Pakistan's female farmers was introduced in December 2017, called Khushaal Aangan. The service was launched in partnership with the Punjab Livestock and Dairy Development Board. Given the cultural sensitivities in the rural setting of Pakistan, which inhibit access to phones by females and interacting with male voices on the other side, this dedicated

information service aims for greater digital inclusion of smallholder female farmers. During the first year since launch of Khushaal Aangan, six million call minutes were consumed.

dtac:
During 2018, dtac in Thailand continued to develop its SMART farmer project, which provides farmers with relevant and timely agricultural information straight to their mobile phones. In partnership with the Thai Ministry of Agriculture and Cooperatives, dtac has run extended marketing training courses nationwide to help farmers successfully present and sell their products online. In 2018, 20,000 farmers were trained in online marketing.

In October 2018, dtac launched its "Farm Man Yum" service, which is a Precision Farming Application. One of this application's functions is to help analyse various datasets from the farms in order to resolve any issues in a timely manner. The service was designed to meet the needs of farmers who are reliant on precise weather forecasts to manage and plan their cultivation, increase yields and cut costs.

The service incorporates personalized weather forecasts, which show area-specific data on an hourly basis, including temperature, likelihood and amount of rainfall. It can also give a seven-day forecast with the highest plot-specific precision available in Thailand.

With the help of satellite Imagery the feature also helps farmers see overall, aerial shots of their plots to locate irregularities and unhealthy plants, using images from an EU Sentinel and a NASA Landsat.

Finally, a Personal Assistant Service helps farmers understand and efficiently plan cultivation in each crop year with easy-to-understand infographics based on academic data from Kasetsart University's Faculty of Agriculture

lecturers. This currently covers rice, maize, cassava, sugarcane, rubber, palm oil and durian.

Telenor Myanmar:
Telenor Myanmar's digital literacy centres, the Lighthouses, are multi-purpose online hubs for local communities in Myanmar. They serve as digital literacy centres, they host child online safety sessions as part of Telenor Myanmar's outreach work, they are part of the company's point of sale network and they are often local printing hubs. Since November 2015, more than 144,000 students have received digital literacy training and online safety training. Some Lighthouses were discontinued, as they were not successful in fulfilling their role in the local community. Other centres were established in the same period and 60 Lighthouses were in operation at year-end 2018.

Social innovation
Digital services carry huge potential to improve people's lives, with solutions that can address social, economic and environmental problems, increase efficiency, contribute to close the inequality gap and empower societies.

Telenor is committed to help world leaders achieve the 2030 Agenda for Sustainable Development. Harnessing mobile for sustainable development involves applying innovation, resources and expertise to pursue the business opportunities inherent in building a greener, more equitable and inclusive society.

At Telenor, research is instrumental in helping the company gain insights and competencies to help connect its customers to what matters most in their lives. This ambition also has a sustainability dimension. Research into using big datasets — the information flow from digital communications analysis — has the potential to provide important insights that can help tackle socio-economic challenges, such as the early identification and prevention of diseases.

Status and ambition
Digital birth registration in Pakistan:
There are approximately 60 million people in Pakistan who are "invisible. They were not registered at birth and lack an official form of identification. The problem of low birth registration rates in Pakistan is due to a combination of social and economic factors. In many areas,

In Pakistan, more than 4,200 designated government facilitators have been trained to use Telenor's mobile-based birth registration solution – and by year end 2018, more than 580,000 children have been registered in five districts of Pakistan.

registering a birth can be difficult, in some cases nearly impossible – especially for children born at home, in remote locations, or in displacement.

Telenor, UNICEF and government authorities has been working together to improve the birth registration rates using mobile technology in Pakistan. Registered children have a better chance of school enrolment, being immunized, not being trafficked, and to be saved from child labour and child marriage. This also means authentic and timely data for better planning and access to public services.

The project was scaled up in 2018 to five districts with significant investment in project design and digitization of infrastructure. More than 4,200 designated government facilitators have been trained and equipped to report births via Telenor's mobile-based solution. By December 2018, the project has registered 587,000 girls and boys in five districts of Pakistan. The project could not meet the target of 700,000 registrations, given difficulties experienced in capacity building, network availability in government selected areas and process delays. Learnings from 2018 have been assessed and the teams are working to address these challenges.

Scaling birth registration to Myanmar:
A mobile app in the hands of registering staff can help reduce inequalities through universal birth registration. That is the aim of Telenor and UNICEF Myanmar's Mobile Birth and Death Registration initiative which was launched in August 2018. Endorsed by the Government of Myanmar, the pilot in Mon State, will allow midwives to enter birth and death registration on a smartphone application.

Although Myanmar already uses an electronic platform to archive birth and death records, registration in townships is completed on paper forms. The pilot will use this platform to increase registration

coverage, improve data confidentiality and security, and reduce the use of additional resources to fill, print and transport paper forms. The aim is to reduce time taken to receive a birth registration certificate from 3-6 months down to around one month.

Financial inclusion:
Telenor has financial services operations in Pakistan and Myanmar, Easypaisa and Wave Money, both of them servicing the mass markets. In Malaysia, Valyou serves the niche segment of migrants.

Easypaisa is supporting the Benazir Income Support Program that provides income support to underprivileged families. The female recipients are provided with a monthly disbursement and the beneficiaries use mobile phones to cash out their benefits via a mobile money agent. The programme focuses on empowerment of women to ensure provision and family subsistence. Easypaisa currently distributes funds to approximately 1.2 million beneficiaries under this programme.

According to a report from Frontier Economics, Wave Money in Myanmar reached over seven million people by the end of 2018. This amounts to 35 per cent of the adult population, the majority of who were previously financially excluded. In 2018 the total volume transferred trough Wave Money equalled appro-imately 2 per cent of the country's GDP.

Wave Money is leveraging its mobile money platform to facilitate humanitarian aid disbursements from World Food Program (WFP) to Internally Displaced Persons in the north of Myanmar. Not only does this massively increase efficiencies for the WFP, it enables access to formal and regulated financial services that the beneficiaries would otherwise not have.

In collaboration with Myanmar Economic Bank, Wave Money began enabling

pension payments via mobile money in the first quarter of 2018. Previously, pensioners would need to be present in person and wait for long hours to receive their pensions in the banking hall, a challenge for those who are elderly and sometimes sickly and weak. Wave Money also worked with the bank to educate pensioners on digital financial services, assisting them to open accounts and training them on usage. The pensioners now receive their pensions into their Wave Money wallets while in the comfort of their homes.

In January 2018, at the World Economic Forum in Davos, an influential group of CEOs from a diverse set of leading multinational companies, among them Telenor, formed a partnership to accelerate financial inclusion around the world. The program is convened by the United Nations Secretary-General's Special Advocate for Inclusive Finance for Development, Queen Máxima of the Netherlands. As part of this effort Telenor has launched a partnership project to provide unbanked grocery shops in Pakistan with access to digital working capital loans.

Telenor Health:
Tonic is a subscription healthcare service in Bangladesh that leverages mobile technology to help make quality healthcare more accessible. It has three main components, bundled together into an integrated offering: health insurance, primary care, and health information. The service was launched by Grameenphone and Telenor Health in June 2016 and now has more than five million customers.

Globally, 120 million families are pushed into poverty each year due to healthcare costs, with low income people having the most to lose from a lack of social protection for health. According to a report from Frontier Economics, Telenor in Bangladesh has through Tonic Cash helped to triple the number of people

with exposure to basic health insurance. Even when they can pay for care, marginalized groups like women, the poor, and people in remote areas often receive lower quality health services. Tonic Doctor has helped to address this by providing over 300,000 quality primary care consultations since the start in 2016 – using mobile technology to reach the disadvantaged segments.

Telenor's mobile platform is a critical enabler of Tonic, and all features of the service are accessed through a handset. Tonic members receive medical advice over the phone from a licensed doctor, who is able to send a prescription, book an appointment with a specialist, and open an insurance claim via SMS. For millions of people, the mobile phone becomes the "front door" to health.

Big data for social good:
In 2015, Telenor published a study from Pakistan in which big datasets were used to map the spread of dengue fever and the impact of human mobility. Building on this work of mining big data for social good, Telenor Group has extended its collaboration with Harvard's TH Chan School of Public Health. Throughout 2018 research has continued on our three-country malaria study of the spread of malaria using mobility data. Progress has been made on the Bangladesh and Thailand studies, whilst work on the Myanmar study is yet to begin.

Wireless communications and health
Policy and actions
Mobile communications are delivered via radiofrequency signals that are electromagnetic fields (EMFs). Radio base stations are the essential part of the infrastructure which transmit and receive those signals, and the base stations need to be located where people use their mobile devices. A number of base stations are required, from macro sites to small cells or in-building systems, to

provide sufficient coverage, signal strength and data capacity to maintain the quality of service that customers now expect.

At all its base stations and antenna installations, Telenor is committed to adhering strictly to national and international guidelines for health and safety. Across Telenor, our business units work in accordance with the guidelines provided by national regulations and the International Commission on Non-Ionizing Radiation Protection (ICNIRP). These guidelines are endorsed by the World Health Organisation (WHO) and represent the basis for all our planning, installation work and safety measures at antenna sites.

With 5G emerging, there has been an increase in public requests on health risks related to EMF and 5G. It should be noted that 5G is not fundamentally different than previous generations of mobile networks; the emitted radio signals will use same or similar frequencies as 4G (700-3,700 MHz) or existing micro wave radio connections (26,000 MHz). Hence, existing research and safety limits are fully valid also for 5G. Supplementary 4G/5G services like Internet of Things (IoT) are expected to be abundant. Such connected devices are typically transmitting very limited data volume, and with batteries expected to work for more than 10 years without charging it is a prerequisite that IoT signal emissions will be extremely low.

Telenor is committed to recognising and respecting the public's interest in acquiring environmental information about electromagnetic fields, and striving to provide stakeholders with accurate and relevant information relating to installations, services and products.

Status and ambitions
As far as EMFs in the frequency ranges used for mobile communications are concerned, it is important to note that

the WHO has concluded that 'Considering the very low exposure levels and research results collected to date, there is no convincing scientific evidence that the weak radiofrequency signals from base stations and wireless networks cause adverse health effects'.

The WHO further states that 'research has not been able to provide support for a causal relationship between exposure to electromagnetic fields and self-reported symptoms, or "electromagnetic hypersensitivity"'. However, as mobile and wireless solutions become ever more ubiquitous, concerns about possible health risks from the long-term use of mobile communication solutions or from living near mobile communication towers are voiced in all the countries in which Telenor companies operate.

A well-planned, dense grid of communication towers is a good way of securing as low EMF emissions as possible from customers' mobile phones. Even though no harmful effects have so far been proven in research, users may take further precautions to limit their exposure, such as using hands-free equipment when talking in mobile phones or use text based communication. For further information: www.telenor.com/sustainability/responsible-business/safe-services/mobile-phones-and-health.

HOW TELENOR IMPACT SOCIETIES

Telenor contributes to society by innovating vital digital services, providing modern infrastructure, creating jobs, purchasing local goods and services, and by being a responsible taxpayer. Our digital solutions empower individuals, and enhance the productivity of other companies. Information and communication industries have been engines of growth and transformation since digital services took off three decades ago. Improved productivity has induced price reductions on digital equipment and services, to the benefit of consumers and business. Across the globe, digital services have become more standardized, more accessible, and better. The digital revolution brings all on a more equal footing.

 Investments in digital infrastructure lay the foundation for innovation and growth in the future. Mobile networks and services are a key contributor to the development of new industries and jobs in our markets. In 2018, Telenor took decisive steps to expand innovation within the Internet of Things (IoT) and Artificial Intelligence (AI) with external partners. Norway initiated trial 5G network testing and rolled out nationwide 4G connectivity for Internet of Things (IoT) devices. Telenor took direct part in Artificial Intelligence (AI) labs in Norway (Trondheim) and Thailand (Bangkok). Our companies facilitated start-up accelerators for local innovators and entrepreneurs in all our Asian markets.

The mobile industry can help reduce

inequalities in at least two critical ways: by providing low-cost communication to the poorest, and by raising social and work standards across the value chain.

Our business impacts social standards positively when we exercise good corporate governance with sustainable business conduct that influences social work conditions across the national economy.

Tax contribution
Our commitment
Telenor Group aspires to be a trusted company, recognised for strong business ethics. It is our ambition to contribute to economic, environmental and social development in countries where we are present, acting with accountability and transparency. We understand the importance of taxes supporting this development, and take a responsible approach respecting our tax obligations.

We recognise the sovereign right of all States to amend existing or introduce new tax legislation, and we support a stable and transparent fiscal environment that is based on universal tax principles, levying taxes based on predictable legislation applied by objective authority, and tested by independent court systems. Our aim is to engage constructively in dialogue with relevant authorities on tax legislation, such as reviews of tax rules and the need for changes. We support initiatives to improve international transparency in

taxation matters, including OECD measures for country-by-country reporting and automatic exchange of information.

Governance
Telenor Group has an internal Policy on Tax, approved by the Group President & CEO. The Policy is owned by the Group Chief Financial Officer (CFO), who is responsible for the tax strategy, the supporting governance framework, and for managing tax risk. Day-to-day responsibility in these areas rests with the Group Head of Tax, who reports to the CFO and communicates our tax strategy throughout the group. Furthermore, Telenor´s Code of Conduct is the backbone that sets ethical standards for how we all conduct our business, including our tax obligations.

Transparency
We shall be open and transparent with tax authorities about our tax affairs, and provide the information that is necessary for those authorities to perform their work in a collaborative, courteous and timely manner.

We support initiatives to improve international tax transparency, including OECD initiatives and country-by-country reporting and exchange of information. Since 2014, Telenor Group has communicated a sincere commitment to corporate responsibility by voluntarily reporting country-by-country incomes and tax contributions.

In 2015 Telenor published an external public position paper titled "A fiscal environment for digital inclusion and economic growth through fiscal stability", and in 2017 we published a "Tax strategy" in order to be in compliance with UK law.

Ambitions

Telenor Group shall be a prudent taxpayer worldwide, and is committed to ensure compliance with all relevant legal tax filing, reporting and payment obligations globally. We recognise a responsibility to pay the correct amount of tax in each of the jurisdictions in which we operate.

Telenor Group aims to apply diligent professional care and judgement, including ensuring that decisions are taken at an appropriate level and supported by documentation that evidences the judgements involved. External advice may be sought in relation to areas of complexity or uncertainty to support the Group in complying with its tax strategy.

In international matters, we shall follow the terms of the relevant Double Taxation Treaties and relevant OECD guidelines in dealing with such issues as transfer pricing and establishing taxable presence. We may respond to tax incentives and exemptions, and aim to avoid double taxation.

Contracts entered into between separate legal entities within Telenor Group shall be documented and be in accordance with the arm's length principle.

We aim to manage tax risk in the same way as any other operational risk across the Group. Business heads will generally take the lead role in identifying, managing and monitoring tax risks within the business. Business heads are required to immediately notify the Tax Policy owner regarding matters that may represent a tax exposure, and continuously update the Tax Policy

Telenor supports governments in their efforts to forge national digital programs and telecom frameworks. During 2018, we supported such efforts in the European Union, Bangladesh and Myanmar.

owner on any subsequent developments.

Economic contribution to society

This chapter summarizes Telenor's economic contribution to society, our country-by-country tax contributions, and our specific contribution to reduced inequalities. Our economic impact includes our own direct value creation, demand for goods and services from vendors and civil works, contributions to growth in the digital ecosystem, services that enhance the productivity of other companies and industries, and fiscal contributions to the national treasury via taxes and fees. Last but not least, we believe that the mobile industry contributes to reduce inequalities in society.

Policy and actions

Telenor is dedicated to enhance infrastructure and services that support economic development and welfare. We are a long-term investor, employer and taxpayer. Telenor supports the sustainable and competitive award and use of radio spectrum resources to support the increasing demands for mobile broadband capacity. We devise a local approach to infrastructure rollout

with substantial local value creation through domestic distribution networks, vendor contracts, and civil works. We engage in domestic innovation in the digital ecosystem, support the development of domestic services and apps, and assist entrepreneurship from below.

We support governments in their efforts to forge national digital programs and telecom frameworks. During 2018, we supported such efforts in the European Union, Bangladesh and Myanmar, and engaged in dialogue on digitalization and reform with governments in all our markets. We believe data is essential for the global economy, and there should be maximum free flow of data across borders with due provision for privacy and national security. Over the last two years, we have launched public policy positions that make public our views and advocacy pillars on mobile spectrum management, 5G, taxation, net neutrality, and free flow of data.

Telenor has reported on country-by-country earnings, investments, taxation and employment since 2014. We engage with authorities in a transparent manner, providing information on our business in

line with national legislation and international convention. In the same manner, we encourage national governments to promote transparency and openness on economic legislation, fiscal and market regulation, and to take administrative decisions that enhance a level playing-field and safeguard the rule of law.

Status and ambitions

A company contributes directly to the economy through investments, wages, taxes and fees. Mobile communication makes up a vibrant and increasingly complex ecosystem that employs millions in our markets and our technology supports productivity increases across many industries as well as the public sector. In 2018, Telenor invested NOK 31.4 billion (NOK 22.6 billion in 2017) from a total revenue of NOK 110.4 billion (NOK 112.1 billion in 2017), adding up to an investment ratio of 28.4 per cent (20.2 per cent in 2017).

For Telenor Group as a whole, corporate income tax is paid in those countries where we have our operations. The corporate income tax rate has been reduced in some countries over the last few years, which will have an impact on our payable taxes. Entering 2018, Norway again reduced the corporate income tax rate, now from 24 per cent to 23 per cent. In Pakistan, government started a gradual reduction of the "Super Tax" on profits by reducing the rate from 3 per cent to 2 per cent. But taxes on production such as Corporate Income Tax (CIT), Super Tax, Minimum Tax, etc, are only a part of our total tax contributions - we also pay substantial taxes on products. These include several regulatory taxes and fees, Value Added Tax (VAT), General Sales Tax (GST), and customs duties. In addition, several countries levy various Withholding Taxes, Service Taxes, Revenue Sharing, etc. In the Nordic countries there is hardly any sector-specific taxation, while in Asia sector taxation often exceeds the magnitude of universal taxes that pertain to all industries.

COUNTRY-BY-COUNTRY REPORTING
Financial Year 2018

*NOK in millions	Revenues*	EBITDA*	Capex*	Profit before taxes*	Corporate income tax (CIT) paid*	Employees total per 31.12
Norway	31,310	10,025	4,981	3,032	1,370	5,164
Sweden	14,551	5,489	2,000	4,200	684	1,842
Denmark	5,546	1,258	444	483	111	1,547
Pakistan	7,394	4,369	1,159	2,111	832	2,321
Bangladesh	12,909	8,026	3,300	5,673	2,010	2,769
Myanmar	5,814	2,209	1,085	661	147	963
Thailand	18,835	5,232	16,562	(1,094)	(268)	4,245
Malaysia	13,296	6,297	1,651	4,491	1,086	1,803
Telenor Group	110,362	42,247	31,245	18,847	6,180	20,832

This table specifies the most important elements of Telenor's direct economic contribution country-by-country. It includes Telenor's revenues, EBITDA, capital expenditure, the corporate income taxes paid in 2018 and the number of employees. The table does not specify all taxes and fiscal levies – only Corporate Income Tax (CIT) is included.

SDG IMPACT ASSESSMENT

United Nations Sustainable Development Goals

Mobile technology can play a key role in achieving the United Nations Sustainable Development Goals (SDGs). When used responsibly, mobile technology can be used as a tool to promote human rights, create new opportunities, and enable sustainable development. However, connecting people to social and economic resources for sustainable development isn't just the right thing to do, it's good business.

Telenor is committed to all 17 of the UN SDGs, but has a strategic focus on "Reduced Inequalities" (SDG 10) which has concerningly been trending in the wrong direction. Our approach to reducing inequality rests on two pillars: delivering wider access to our services; and raising standards across our operations. Through this approach, we are determined to connect the many, not the few.

Recognising the interconnectedness of all 17 SDGs, Telenor has initiated programmes that address multiple goals and targets.Through this range of initiatives, Telenor is inducing positive impacts on societies and reducing inequalities (SDG 10). These include providing access to health (SDG 3) and education (SDG 4), ensuring women's full and effective participation and equal opportunities (SDG 5), raising standards in our supply chain (SDG 8), and providing a legal identity for all (SDG 16). The recognition of the capacity for connectivity to reduce inequalities through multi-SDG impact initiatives is reflected in our purpose statement: Connecting you to what matters most. Empowering societies.

Telenor also systematically monitors its operational risks – such as network energy consumption, proper handling of electronic waste, children's online safety, and more which can be read throughout this sustainability report and online at telenor.com/sustainability.

Partnerships for the goals

Telenor believes strongly that partnerships are fundamental in maximising impact in the spirit of SDG 17, 'Partnerships for the Goals'. Amongst numerous strong relationships globally with governments, businesses, and civil society, Telenor has two long-term partners who support and motivate our efforts on SDG 10: UNICEF seeks to utilise the power of mobile connectivity to improve the lives of children, women, and young people. Plan International is helping to maximise the benefits of ICT, with a particular focus on empowering girls.

Our partners elevate our impacts on the SDGs, through initiatives such as mobile birth registration, improving children's online resilience, protecting workers in our supply chains, supporting farmers, and creating equal opportunities in a diverse workforce.

We are pleased to share our progress on many of our initiatives in this sustainability report.

In 2016, we set ambitions to meet by 2020

Seven million digital birth registrations

Achievement by year-end 2018: 587,239   8 %

Four million children receive training in online safety

Achievement by year-end 2018: 2,200,000   55 %

100,000 hours of capacity building

Achievement by year-end 2018: 110,000   >100%
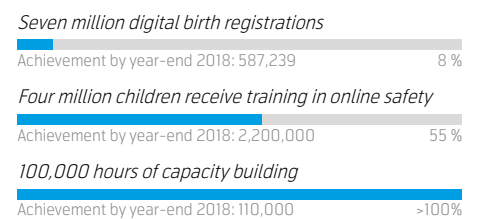
Telenor is not on track to meet the birth registration target. This is due to challenges in 2018 with the Digital Birth Registration project in Pakistan, including difficulties with training, network availability in government selected areas, and process delays. Learnings will be incorporated going forward and discussions with global partners will help determine how to proceed the project in Pakistan.

TELENOR'S POSITIVE IMPACT ON THE SDGS

Low   High

MAPPING TELENOR'S SDG IMPACT

The graphic below describes a number of Telenor's sustainability initiatives towards the SDGs, indicating how each of the initiatives impacts specific goals and targets within the SDG framework (Telenor's impact proportional with size of the SDG boxes below). Telenor aims to reduce inequalities through all initiatives that are implemented. You can read more about sustainability at Telenor at telenor.com/sustainability.

10 REDUCED INEQUALITIES

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

14 LIFE BELOW WATER

17 PARTNERSHIPS FOR THE GOALS

4 QUALITY EDUCATION

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION

1 NO POVERTY

11 SUSTAINABLE CITIES AND COMMUNITIES

3 GOOD HEALTH AND WELL-BEING

2 ZERO HUNGER

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

5 GENDER EQUALITY

15 LIFE ON LAND

6 CLEAN WATER AND SANITATION

Decent work and economic growth
Telenor strives for continuous improvement in its operations throughout the supply chain. It is mandatory for all Telenor contracting parties to agree to the Supplier Conduct Principles which include requirements on the respect for human rights, health and safety, labour rights and working conditions, conflict minerals, environment, privacy and freedom of expressions and prohibited business practices. Read more on page 15.

Responsible consumption and production
Recognising the growing impacts of electronic waste, Telenor's business units have continued to offer consumer recycling services, with 315,000 mobile handsets and batteries recycled in 2018. Read more on page 23.

Climate action
Telenor has a strong commitment to protecting the environment and mitigating climate change, and continued to seek low-carbon alternatives in our operations throughout 2018. Read more on page 22.

Reduced inequalities
Reducing inequalities is fundamental to our core business strategy and purpose. We believe connectivity is key to closing the inequality gap.

Affordable and clean energy
Connecting the world requires a lot of energy - in 2018, total energy consumption reached 3,300 GWh - an increase of 11 per cent from 2017 when comparing without our CEE operations. Telenor is exploring energy-efficient technologies and renewable energy systems to reduce the climate impact of our operations. Read more on page 22.

Good health and well-being
Via subscription healthcare services like Grameenphone's Tonic, Telenor is leveraging digital services to expand access to fundamental rights such as medical care and health insurance. Read more on page 27.

Gender equality
Telenor is committed to improving gender equality throughout the company, ensuring that 30% of leadership positions are filled by women by 2020. Telenor's Khushaal Aangan initiative in Pakistan aims to empower Pakistan's female farmers with an Interactive Voice Response information service which provided six million call minutes in its first year. Read more on page 25. Wave Money's financial education mobile gaming application 'Shwe Toe' was also launched in 2018, and has been downloaded 4,000 times. The application aims to address gender equality by educating women on complex financial concepts in a simple, fun and memorable way.

Quality education
In Myanmar, Telenor's 60 Lighthouse Digital Literacy Centres teach internet skills to community members of all ages, and educate children on safe online behavior. Read more on page 26..

LEVERAGING DIGITAL SERVICES TO EMPOWER SOCIETIES

Digital connectivity enables opportunities for financial inclusion, empowered societies and promotion of human rights.

FINANCIAL INCLUSION

Telenor's financial inclusion initiatives, such as Wave Money in Myanmar and Easypaisa in Pakistan, use widespread mobile technology to connect people to secure and accessible banking. In 2018, Wave Money served over seven million customers - or roughly one-third of the adult population - many of whom have not previously had access to banking services. Easypaisa distributes funds to around 1.2 million beneficiaries as a supporting initiative of the Benazir Income Support Program which provides income support to underprivileged families.

SDGs addressed

Telenor's financial inclusion initiatives improve access to convenient and secure financial services (1.4, 8.10, 10.5) and facilitate secure transfers of migrant remittances (10.C). Wave Money is collaborating with the World Food Programme and Easypaisa is collaborating with Tameer Microfinance Bank to form partnerships for financial services (17.16).

MOBILE BIRTH REGISTRATION

In Pakistan, nearly 10 million children under the age of five have no legal identity. In partnership with UNICEF and local authorities, Telenor Pakistan has developed an app that allows for children and babies to have their birth formally registered using mobile technology. By the end of 2018, 580,000 children had been registered in Pakistan, and the initiative has been piloted in Myanmar since August 2018.

SDGs addressed

Mobile Birth Registration provides a legal identity for all (16.9) which drives inclusion and reduced inequality (10.2, 10.3). It also affords access to education (4.1), social security (1.4), and protection from trafficking (16.2). Telenor contributes to SDG 17 in partnership with UNICEF and the government of Pakistan (17.16).

Challenges Increased access does not always ensure more equal outcomes. Vigilance and proactive measures are needed to protect vulnerable groups and help them maximise benefits of connectivity. Read more about how Telenor addresses digital inclusion and social innovation on pages 25 and 26.

REDUCING INEQUALITIES BY RAISING STANDARDS

Raising standards is an opportunity to protect and promote human rights, improve working conditions, and create inclusive societies.

OPEN MIND

Telenor's Open Mind programme gives people with disabilities a pathway into diverse and inclusive workplaces through a year-long placement at Telenor. In Norway, Sweden and Pakistan, Open Mind provides workplace training and capacity building for individuals with physical and/or mental disabilities, with the aim of helping them secure paid work. Roughly three-quarters of participants have gone on to full-time work at Telenor or a similar company. Open Mind in Norway is unique in that it also incorporates a work-integration programme for non-EU immigrants in Norway.

SDGs addressed

Telenor's Open Mind programme contributes to providing meaningful work for everyone, regardless of ability. By achieving this outcome, we can promote social, economic and political inclusion, and ensure equal opportunity for all. In Norway alone, more than 240 people have successfully graduated from the programme. In, Pakistan 73 have graduated from the programme since its inception in the country

RAISING STANDARDS IN SUPPLY CHAINS

Telenor is working to raise standards throughout the entire supply chain of 1.2 million employees in Scandinavia and Asia, and Telenor organised over 20,000 hours of capacity-building initiatives in 2018. Training sessions inform workers about labour rights, health and safety, sustainability requirements, and empowerment of women in the workforce. Compliance is also monitored, and Telenor carried out approximately 3,500 inspections in 2018, mostly unannounced. Telenor also works collaboratively with other telecommunications operators in the Joint Audit Cooperation (JAC) to raise standards of global suppliers.

SDGs addressed

Supply chain capacity building helps to protect workers throughout the supply chain (8.8) and achieve higher levels of productivity per person (8.2) while also empowering all workers (10.2) irrespective of gender or other status.

Challenges The supply chain holds internal and external risks. As with all workplace training plans, there is a risk that advice and training will not be followed. The decent workplace extends to employee transportation, where road safety poses a challenge. See pages 14 and 16 for what Telenor is doing with compliance monitoring and road safety capacity building.

SKILLS FOR A DIGITAL FUTURE

Dedicated to supporting digital citizenship, Telenor is equipping children and adults with the skills and knowledge to manage the benefits and risks that come with being online.

CHILDREN'S ONLINE RESILIENCE

To protect children from online bullying, Telenor initiated Bruk Hue in 2009. As of 2018, Bruk Hue has reached 21,000 students and 4,000 parents in Norway about bullying and netiquette. Bruk Hue was the first initiative under Be Smart Use Heart, the group-wide brand supporting online child safety. Initiatives in all other business units have since followed. By year-end 2018, training had been delivered to more than 2.2 million young people.

SDGs addressed

Telenor educates children and adults on safely navigating the internet, combatting digital abuse and online violence against children (16.2), and making sure that they acquire the knowledge and skills to promote a digital culture of peace and non-violence (4.7). Be Smart Use Heart contributes to making the internet a safe and inclusive environment for all (10.2).

DIGITAL ACCESS AND OUTREACH

Telenor Myanmar's digital literacy centres, the Lighthouses, are multi-purpose online hubs for local communities in Myanmar. They provide smartphone and computer-based literacy training and online education to communities in rural areas, in addition to hosting child online safety sessions as part of Telenor Myanmar's outreach work. Since 2015, more than 144,000 students have received digital literacy and online safety training. At year-end 2018, 60 Lighthouses were in operation.

SDGs addressed

Telenor trains young people and adults, helping to achieving digital literacy (4.6). The Lighthouses contribute to safe, inclusive online environments (10.2) and support positive economic, social, and environmental links between urban, per-urban and rural areas.

Challenges Skills for a digital future for all require tailor-made and targeted efforts for specific groups. Children are particularly vulnerable because they are picking up technology at ever-younger ages, and can also be over-trusting. Read more on page 24.

USING DATASETS FOR SOCIAL AND ENVIRONMENTAL GOOD

Data generation and management is increasing in scale and scope, making it possible to predict disease spread, optimise farming, and much more.

BIG DATA FOR DISEASE FORECASTING

In 2015, Telenor used anonymised datasets from more than 30 million mobile subscribers to map the spread of dengue fever and the impact of human mobility, which can help local authorities predict and decrease fatalities. Telenor is now working on a study to map the spread of MDR malaria using anonymised mobility data. Progress has been made on the Bangladesh and Thailand studies, whilst work on the Myanmar study will begin in due course.

SDGs addressed

Telenor converts digital data into tangible disaster management tools for limiting the spread of diseases (3.3), with projects in Thailand, Myanmar and Bangladesh. This use of data supports statistical capacity building in developing countries (17.8, 17.19).

SUPPORTING SMART FARMERS

Telenor is strengthening farmers' resilience towards global challenges such as climate change. Dtac's *SMART Farmer* project provides farmers with real-time agricultural information straight to their mobile phones. In 2018 dtac launched "Farm Man Yum", a precision farming application, and also trained 20,000 farmers in online marketing. Telenor Pakistan's *Khushaal Zamindar* provides farmers with hyper-localised weather information via SMS, and has 5 million monthly active users. *Khushaal Aangan,* for female farmers, has 150,000 active monthly users.

SDGs addressed

The initiatives drive productivity and entrepreneurship in small-scale farming enterprises (8.2, 8.3), promote the adoption of ICT in less developed countries (9.c), and help to build resilience against a changing climate (13.1, 13.3). These initiatives arose from partnerships between the government, businesses, civil society and Telenor. (17.16).

Challenges With increasing quantities of data comes an increasing responsibility to store the data in energy efficient and secure data storage centres. See page 22 for how Telenor is addressing carbon emissions.

SUSTAINABILITY ANALYTICS / NON-FINANCIAL DATA

Analytical tool
A deep dive into Telenor's sustainability performance figures is available by downloading the Telenor Group Sustainability Performance Analytical tool 2018 where figures are separated per business unit and covers 2012–2018 www.telenor.com/sustainability-performance-analytical-tool.

GRI index
Telenor reports its sustainability performance in accordance with the GRI Sustainable Reporting Standards. These standards incorporate the key concepts and disclosures from GRI G4 guidelines with a new and improved structure and format. The standards are issued by the Global Sustainability Standards Board (GSSB), and we use them to report publicly on our impacts on the economy, the environment and society. GRI represents a universally applicable, comparable framework which facilitates transparency and accountability. Telenor's GRI index can be found here: www.telenor.com/sustainability/reporting/gri-index.

Verification statement
DNV GL has been commissioned by Telenor to carry out an independent review of the Sustainability Report 2018, in particular to assess the accuracy of claims. The engagement has been undertaken in accordance with the requirements in the ISAE 3000 standard as well as DNV GL's general method for assessments of sustainability reporting.

Fornebu, 19 March 2019

Gunn Wærsted
Chair

Jørgen Kildahl
Vice Chair of the Board

Jon Erik Reinhardsen
Board member

Jacob Aqraou
Board member

Grethe Viksaas
Board member

Sally Davis
Board member

Roger Rønning
Board member

René Richard Obermann
Board member

Sabah Qayyum
Board member

Harald Stavn
Board member

Sigve Brekke
President & CEO

ASSURANCE STATEMENT

DNV·GL

Independent Limited Assurance Report
to the Directors of Telenor ASA

Scope of engagement

Telenor ASA ("Telenor") commissioned DNV GL Business Assurance Norway AS ("DNV GL", "us" or "we") to conduct a limited assurance engagement over selected information presented in their 2018 Sustainability Report (the "Report") for the reporting year ended 31st December 2018.

Selected Information

The scope and boundary of our work is restricted to a review of claims within the Report sections (the "Selected Information") listed below:

- Statement from the CEO
  - Statement from the CEO
- Sustainability at Telenor
  - Responsible Business Conduct
  - Strategic Focus on Reducing Inequalities
  - About the Report
- Responsible Business at Telenor
  - Corporate Governance
  - Reporting and Stakeholder Engagement
  - Code of Conduct
  - Ethics and Anti-Corruption Programme
  - Employee Involvement
  - Developing a Diverse Workforce
  - Health, Safety and People Security
  - Supply Chain Sustainability
  - Human Rights
  - Privacy

  - Cyber Security
  - Climate Risk and Environment
  - Child Online Safety
  - Digital Inclusion
  - Social Innovation
  - Mobile Phones & Health
- How Telenor Impact Societies
  - SDG Impact Assessment
  - Tax Contribution
  - Economic Contribution to Society
- Other
  - Sustainability analytics/non-financial data

with the exception of:

- any financial claims in the section "Economic contribution to society".

Please see : https://www.telenor.com/wp-content/uploads/2019/03/Claims-assured-by-DNV-GL-20190320.pdf for a detailed list of all claims that have been reviewed.

Relevant data and activities between 1st January 2018 and 31st December 2018 were sampled to check for consistency between claims and actual performance. To assess the claims, which includes an assessment of the risk of material misstatement in the Report, we have used Telenor's reporting criteria (the "Criteria"), which can be found here https://www.telenor.com/wp-content/uploads/2018/03/Telenor-non-financial-reporting-criteria.pdf

We have not performed any work, and do not express any conclusion, on any other information that may be published in the Report or on Telenor's website for the current reporting period or for previous periods.

Our conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information presented in the Report is not fairly stated and has not been prepared, in all material respects, in accordance with the Criteria.

This conclusion relates only to the selected information and is to be read in the context of this Assurance Report, in particular the inherent limitations explained below.

Standard and level of assurance

We performed a **limited** assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 revised – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (revised), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance.

1

DNV·GL

DNV GL applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2011 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement; and the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our opinion, so that the risk of this conclusion being in error is reduced but not reduced to very low.

Basis of our conclusion

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information; our work included, but was not restricted to:
> Assessing the appropriateness of the Criteria for the Selected Information;
> Conducting interviews with Telenor's management to obtain an understanding of the key processes, systems and controls in place to generate, aggregate and report the Selected Information;
> Several visits to Telenor's head office in Oslo to review processes and systems for preparing market-level data consolidated at group level;
> Performing limited sample testing of the Selected Information to check that data had been appropriately measured, recorded, collated and reported; and
> Reviewing that the evidence, measurements and their scope provided to us by Telenor for the Selected Information are prepared in line with the Criteria.

Inherent limitations

All assurance engagements are subject to inherent limitations as selective testing (sampling) may not detect errors, fraud or other irregularities. Non-financial data may be subject to greater inherent uncertainty than financial data, given the nature and methods used for calculating, estimating and determining such data. The selection of different, but acceptable, measurement techniques may result in different quantifications between different entities.

Our assurance relies on the premise that the data and information provided to us by Telenor have been provided in good faith. DNV GL expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Assurance Report.

Our competence, independence and quality control

DNV GL established policies and procedures are designed to ensure that DNV GL, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV GL) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. Our multi-disciplinary team consisted of professionals with a combination of environmental and sustainability assurance experience.

Responsibilities of the Directors of Telenor and DNV GL

The Directors of Telenor have sole responsibility for:
- Preparing and presenting the claims in accordance with the Criteria;
- Designing, implementing and maintaining effective internal controls over the information and data, resulting in the preparation of the claims that is free from material misstatements;
- Measuring and reporting the claims based on their established Criteria; and
- Contents and statements contained within the Report and the Criteria.

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been prepared in accordance with the Criteria and to report to Telenor in the form of an independent limited assurance conclusion, based on the work performed and the evidence obtained. We have not been responsible for the preparation of the Report.

DNV GL Business Assurance Norway AS
Oslo, Norway
25th March 2019

DNV·GL