

Telenor Group`s Communication of Progress - 2010

Telenor Group has been a committed member of United Nations` Global Compact since 2001. Since then, Telenor Group has submitted the Communication of Progress annually to describe the application of the 10 Principles in its global operations as well as its targets and achievements.

The "Telenor Group`s Communication of Progress - 2010" features the 10 principles of the United Nations` Global Compact:

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour Rights

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

"Telenor Group`s Communication of Progress - 2010" summarises Telenor`s approach to the 10 Principles, related measures and non-financial performance indicators in the reporting period of 01.01.2010-31.12.2010. Further information, statistics and case studies have been published on Telenor Group`s corporate website. The purpose of this document is to link the 10 Principles with the relevant content on our corporate website, and ensure easy searchability of the COP`s content.

Telenor Group

Oslo - Fornebu
Snarøyveien 30
N-1331 Fornebu, Norway
+47 810 77 000
+47 678 90 000

www.telenor.com

HUMAN RIGHTS

PRINCIPLE 1

“Businesses should support and respect the protection of internationally proclaimed human rights”

Telenor Group supports the internationally proclaimed human rights including the UN Universal Declaration of Human Rights and committed to ensure the implementation of related policies and procedures across its Business Units as well as in the Supply Chain.

Telenor Group’s Codes of Conduct (CoC) is the main governing document that describes our Group wide, internal policy regarding human rights. Besides this document, Telenor Group developed the Supplier Conduct Principles to align our core principles, ethical standards and expectations towards our suppliers.

Telenor has a thorough but dynamic compliance process that is designed to further ensure the continuing development and implementation of our Codes of Conduct (CoC) and related policies and procedures. Since the introduction of the CoC in 2003, the CoC has become the foundation of our company culture.

The Telenor Group has been focusing on the practical implementation of the Codes of Conduct. In 2010, Telenor Group’s People Development unit has been implementing the “Telenor Way” to link the different elements of Telenor’s corporate culture and define how we do business across our Business Units, guided by Telenor’s Vision and Values, Codes of Conduct, Group Policies and Procedures. The concept of “Telenor Way” was promoted through an internal campaign in 2010. A series of workshops have been conducted by HR & leaders on all levels of the Business units to introduce and promote the content of the key governance documents to our employees.

Please visit Telenor Group`s corporate website for more information about:

Telenor Group`s Codes of Conduct

<http://www.telenor.com/en/about-us/corporate-governance/codes-of-conduct/>

Telenor Group`s Supplier Conduct Principles

<http://www.telenor.com/en/about-us/corporate-governance/supplier-conduct-principles/>

PRINCIPLE 2

“Businesses should ensure that they are not complicit in Human Rights abuses”

The Telenor Group has established special units to follow up its policies and procedures including principles regarding Human Rights. The Group Compliance Officer and the Group Business Assurance unit is responsible for ensuring that neither Telenor Group nor its suppliers are complicit in Human Rights abuses.

The Group Compliance Officer (GCO) gives quality assurance that the company acts in accordance with Codes of Conduct related regulations and legally binding directions issued by public authorities, and that internal conduct in the organization does not conflict with Telenor's own regulations and guidelines. Any incidents or breaches of the Group's Codes of Conduct should be reported to the employees' immediate superior, the Group Compliance Officer or the local Compliance Manager. The Group Compliance Officer reports functionally to the Group CEO and Group Audit Committee.

The GCO, supported by Telenor's People Development (HR), works with an established network of Local Compliance Managers (LCM) in all local Business Units. This structure provides a framework for projects and activities related to prevention and awareness - where employees can also inquire or report questions and concerns regarding the CoC.

Reporting breaches through the "Hotline to Compliance" provides all personnel the ability to bring forward concerns that are difficult to discuss with their leaders. The Hotline to Compliance facilitates a stronger link and dialogue between the Group and Business Units. These efforts have prompted further development and improvement in the compliance system.

Telenor has established Group Business Assurance as well as local Business Assurance units in the majority of its Business Units to drive continuous improvement in the supply chain in the area of responsible business conduct. These teams work to implement Telenor's Supplier Conduct Principles and monitor suppliers. The performance of Business Units (including implementation of policies, incidents, KPIs) is reported to Group Business Assurance on a monthly basis. Group Business Assurance reports to the "HSSE Committee" which is composed of three members of the Board of Telenor Group.

Please visit Telenor Group`s corporate website for more information about:

Implementation of Telenor Group`s governance model

http://www.telenor.com/en/resources/images/Norwegian%20Code%20of%20Practice_tcm28-35054.pdf

Business Assurance in Telenor Group

<http://www.telenor.com/en/corporate-responsibility/supply-chain-sustainability/>

Key Figures on Supply Chain Sustainability

<http://www.telenor.com/en/corporate-responsibility/reporting/key-figures/>

LABOUR RIGHTS

PRINCIPLE 3

"Businesses should uphold freedom of association & effective recognition of the right to collective bargaining"

Telenor recognizes the right to freedom of association and collective bargaining and allows its employees to freely elect representatives among the employees.

Furthermore, Telenor Group recognises the International Labour Organisation fundamental conventions on labour standards. Telenor Group allows election of representatives by and among the employees. All Telenor employees share the responsibility to avoid discrimination against any employee representatives. Telenor Group's Codes of Conduct and Group Policy People is the main governing document that describes our Group wide policy regarding the freedom of association and the right to collective bargaining.

Please visit Telenor Group`s corporate website for more information about:

Telenor Group`s Codes of Conduct

<http://www.telenor.com/en/about-us/corporate-governance/codes-of-conduct/>

PRINCIPLE 4

"Businesses should ensure the elimination of all forms of forced and compulsory labour"

Telenor Group is committed to ensuring the abolition of forced labour in its Business units as well as in its Supply Chain.

Telenor Group`s Codes of Conduct and Group Policy People states that any employment relationship with Telenor shall be freely chosen and free from threats. Telenor oppose the use of forced or compulsory labour, including but not limited to exchange of labour for payment of debt. Any employee shall be free to leave his/her employment after giving reasonable notice. No one shall be required to deposit money, lodge identity papers or similar in order to get or keep their employment with Telenor. Telenor mirrors these principles and requirements in its supply chain, as described in the Supplier Conduct Principles. Suppliers shall not use forced or compulsory labour, including, but not limited to, debt bonded labour. Suppliers shall ensure that the work relationship between the Worker and the Supplier is freely chosen and free from threats. The Supplier shall ensure that all Workers shall be free to leave their employment/work after giving reasonable notice.

Please visit Telenor Group`s corporate website for more information about:

Telenor Group`s Codes of Conduct

<http://www.telenor.com/en/about-us/corporate-governance/codes-of-conduct/>

Telenor Group`s Supplier Conduct Principles

<http://www.telenor.com/en/about-us/corporate-governance/supplier-conduct-principles/>

Business Assurance in Telenor Group

<http://www.telenor.com/en/corporate-responsibility/supply-chain-sustainability/>

PRINCIPLE 5

"Businesses should ensure the effective abolition of child labour"

Telenor Group is highly committed to ensure the effective abolition of child labour in its supply chain; through effective implementation of its policies and procedures and continuous monitoring, control and improvement activities. Telenor Group is also engaged to combat child labour in the wider society in partnership with specialist organizations.

Telenor Group's Codes of Conduct as well as its Supplier Conduct principles states that neither Telenor nor its Suppliers shall not employ or use child labour. If any Telenor employee becomes aware of any employment situation in breach with the internal standards, the employee shall at once notify the immediate superior or any other appropriate executive. The employment situation shall straight away be remedied in the best interests of the child.

In 2009 and 2010, Telenor Group's Business Assurance has implemented a series of long-term measures to improve compliance to the Supplier Conduct Principles across the entire Group (including continuous monitoring, monthly reporting, supplier audits, risk analyses, supplier's self assessment schemes, awareness raising, etc.). These measures secure Telenor's continuous improvement and its efforts to eliminate child labour.

In 2009, Telenor Group has entered into a five-year an agreement with UNICEF Norway to combat child labour in Bangladesh through a combination of activities targeting working children, social workers and society at large. Together, Telenor Group and UNICEF will target over 12,000 child workers each year in six cities in Bangladesh. Telenor's funds covers more than 4000 children per year, as well as outreach to around 600 families. Taking a holistic approach, the project comprises three key elements: educating children, educating social workers, and educating society.

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Telenor Group`s Codes of Conduct

<http://www.telenor.com/en/about-us/corporate-governance/codes-of-conduct/>

Telenor Group`s Supplier Conduct Principles

<http://www.telenor.com/en/about-us/corporate-governance/supplier-conduct-principles/>

Combating Child Labour in Telenor Group – UNICEF partnership

<http://www.telenor.com/en/corporate-responsibility/initiatives-worldwide/combating-child-labour-through-education>

Business Assurance in Telenor Group

<http://www.telenor.com/en/corporate-responsibility/supply-chain-sustainability/>

<http://www.telenor.com/en/corporate-responsibility/initiatives-worldwide/improving-hsse-standards-bangladesh>

Key Figures on Business Assurance

<http://www.telenor.com/en/corporate-responsibility/reporting/key-figures/>

PRINCIPLE 6

"Businesses should eliminate discrimination in respect of employment and occupation"

Telenor is opposed to discriminatory practices and shall do its utmost to promote equality in all employment practices.

Telenor Group has operations in 12 different countries in Europe and Asia; therefore it is extremely relevant for the Group to prevent and eliminate any kind of discrimination. Telenor Group's Codes of Conduct describes the company's main policy regarding discrimination. According to the Codes of Conduct, no direct or indirect negative discrimination shall take place based on race, colour, gender, sexual orientation, age, disability, language, religion, legitimate- political or other opinions, national or social origin, property, birth or other status. Telenor Group does not tolerate degrading treatments towards any employee, such as mental or sexual harassment or discriminatory gestures, language or physical contact that is sexual, coercive, threatening, abusive or exploitative. Telenor Group has several ongoing global as well as local initiatives to create a safe and inclusive working environment (e.g. "Open Mind" and "Open Mind Integration" programs in Norway).

The "Open Mind" programme is a well-regarded trainee programme for people with physical disabilities. Since the start approximately 175 people have participated in the programme in Norway. The goal of the Open Mind programme is to provide people with physical disabilities with a lever to move into the regular labour market. In this way, Telenor contributes to bringing about change in the general attitude towards people with disabilities, as well as enabling them to integrate into working life. The Open Mind programme is also established in Telenor Sweden and Telenor Pakistan. In 2010, a new pilot project, "Open Mind Integration", was initiated in Telenor Norway. Based on the same principles of opening up the labour market to people who meet barriers getting entry, it focuses on highly educated immigrants.

Please visit Telenor Group`s corporate website for more information about:

Telenor Group`s Codes of Conduct

<http://www.telenor.com/en/about-us/corporate-governance/codes-of-conduct/>

Inclusive Work Environment in Telenor Group

<http://www.telenor.com/en/people-and-opportunities/work-environment/>

Programs for Work Integration

<http://www.telenor.com/en/people-and-opportunities/programme-for-work-integration/>

Key Figures on People & Diversity

<http://www.telenor.com/en/corporate-responsibility/reporting/key-figures/>

ENVIRONMENT

PRINCIPLE 7

“Businesses should support a precautionary approach to environmental challenges”

Telenor Group makes protecting the environment an integral part of its daily activities. In 2010, Telenor Group is working on implementing ISO 14001 compliant Environmental Management Systems in all Business Units to improve the overall environmental performance of the company.

Through Telenor Group`s Environmental Policy and related procedures, Telenor aims to ensure that protecting the environment becomes an integral part of day-to-day business. This in turn will affect everyone who has any connection with the company, including suppliers and shareholders and the customers and society at large.

In 2010, all Telenor Business Units worked to establish and implement Environmental Management Systems (EMS) based on the ISO 14001 standard. The implementation was coordinated through a Group-wide project. By the end of 2010, all Business Units have implemented a well-functioning Environmental Management System. Certification according to ISO 14001 was accomplished in two Business Units in 2010 - Digi in Malaysia and Telenor Hungary.

Please visit Telenor Group`s corporate website for more information about:

Environmental Management in Telenor Group

<http://www.telenor.com/en/corporate-responsibility/environment-and-climate/>

<http://www.telenor.com/en/corporate-responsibility/environment-and-climate/environmental-management-system/>

Telenor Group`s Environment Policy

http://www.telenor.com/en/resources/images/Telenor%20Group%20Policy%20Environment%20Extract_tcm28-51271.pdf

Key Figures on Environment

<http://www.telenor.com/en/corporate-responsibility/reporting/key-figures/>

PRINCIPLE 8

“Businesses should undertake initiatives to promote greater environmental responsibility”

Telecommunication has a key role in shaping the future low carbon society. Telenor Group strives to reduce the environment and climate impact of its operations and provide solutions to its customers to reduce their CO2 emissions and energy costs.

Telenor Group established a Climate Change Strategy to ensure that the Group will achieve its long term environment and climate ambition. The key strategic focus areas are i) increasing Operational Efficiency, ii) enabling Sustainable Business Growth and iii) being a Responsible Company.

Telenor Group is also an active contributor to activities that are focusing on promoting environmental and climate related best practices and solutions in the telecommunications industry. Telenor has been actively involved in GSMA`s Energy Efficiency Project which is focusing on lowering network energy consumption by identifying potential areas for energy saving.

Furthermore, Telenor Group voluntarily signed the European code of conduct for energy consumption in broadband equipment, committing itself to ensuring that the procurement of broadband equipment complies with specifications for maximum power consumption.

Please visit Telenor Group`s corporate website for more information about:

Environment & Climate in Telenor Group

<http://www.telenor.com/en/corporate-responsibility/environment-and-climate/>

Operational Efficiency in Telenor Group

<http://www.telenor.com/en/corporate-responsibility/environment-and-climate/operational-efficiency/>

Sustainable Growth

<http://www.telenor.com/en/corporate-responsibility/environment-and-climate/sustainable-growth/>

Key Figures on CO2 emissions and Environment

<http://www.telenor.com/en/corporate-responsibility/reporting/key-figures/>

PRINCIPLE 9

“Businesses should encourage the development and diffusion of environmentally friendly technologies”

Telenor sees significant opportunities in helping its customers to reduce the CO2 emissions and energy cost of their operations.

The “Smart 2020” report indicated that Information and Communications Technology (ICT) can contribute to a 15 percent reduction in global CO2 emissions by 2020. For Telenor Group, this means that its services have a significant role in shaping the future, low carbon society.

Telenor`s contribution is realized through smart use of communications solutions, specifically upgrades to the existing services as well as developing new services related to Machine-to-Machine (M2M) technology. In 2009-2010, Telenor has established Telenor Connexion and Telenor Objects to develop the M2M business within the Group. In addition, some Telenor Business Units have already started to market a portfolio of sustainable services that enable energy and CO2 savings for their customers, such as telephone/video conferencing, Unified Communications, server virtualization, etc.

Please visit Telenor Group`s corporate website for more information about:

Environment & Climate in Telenor Group

<http://www.telenor.com/en/corporate-responsibility/environment-and-climate/>

Sustainable Growth

<http://www.telenor.com/en/corporate-responsibility/environment-and-climate/sustainable-growth/>

Environmental Innovation

<http://www.telenor.com/en/innovation/internet-of-things/>

Mobile Recycling in Telenor Group

<http://www.telenor.com/en/corporate-responsibility/initiatives-worldwide/mobile-recycling-programmes-in-Telenor-Group>

Telenor Connexion

<http://www.telenorconnexion.com/>

ANTI-CORRUPTION

PRINCIPLE 10

“Businesses should work against corruption in all its forms, including extortion and bribery.”

Telenor Group fights against corruption in all of its markets by enforcing its Anti Corruption Policy through internal campaigns & trainings (e.g.: Telenor Way.)

Telenor Group recognises the “UN Convention against Corruption”. The basic principles related to corruption and other prohibited business practices are incorporated in Telenor’s Codes of Conduct as well as the Supplier Conduct Principles. Furthermore, Telenor’s internal Anti-Corruption Policy provides more in-depth statements and clarifications for the employees to ensure common understanding and practice of the principles of the Codes of Conduct.

The Group Policy Anti Corruption states that it is prohibited to offer, give, ask for, accept or receive any form of bribe. The Group Policy Anti corruption defines main principles regarding: bribes, gifts and business courtesies; events and arrangements; facilitation payments; selection and use of middlemen; use of lobbyists; gifts and arrangements for public authorities; training; risk assessment; accounting; clarification and legal advice and reporting.

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