

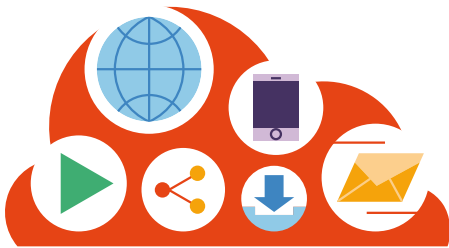
TELEKOM
AUSTRIA
GROUP



MOVING FORWARD. STEP BY STEP.

Concrete targets, measures and results:
An interim review on the path to sustainability.

TELEKOM AUSTRIA GROUP SUSTAINABILITY REPORT 2015/2016



Follow our **MOST SIGNIFICANT STEPS** down
this path of sustainability **ONLINE:**

[CSR2015-16.TELEKOMAUSTRIA.COM](https://www.telekom.at/CSR2015-16)



For us, **SUSTAINABILITY** is **MORE THAN A VISION**. It rather is a **PATH** to which we are rigorously committed. **STEP BY STEP**. With clear milestones and key figures used to **MEASURE OUR PROGRESS**. This report is an **INTERIM REVIEW** of things achieved, exceeded and within reach. Furthermore, it defines the route for **OUR NEXT STEPS**.



SUSTAINABLE MARKS IN OUR FOUR ACTION AREAS

Telekom Austria Group pursues its sustainability strategy of targeted steps. Their orientation towards four action areas is the result of a new materiality analysis conducted in 2015, involving the stakeholders. Clear goals and specific key figures thereby point the way.



NETWORK & CUSTOMERS

In their role as **"DIGITAL PACEMAKERS"**, the Internet and applications based on it are already indispensable in today's world of business as well as in everyday life. Telekom Austria Group covers the dynamically increasing **DEMAND FOR BANDWIDTH** associated with this trend with a tailored product portfolio. Furthermore, it meets growing capacity demands towards the infrastructure with massive investments in **EXTENDING ITS BROADBAND NETWORK**.



ENVIRONMENT

For Telekom Austria Group, the path towards a responsible development of its core business involves the continuous **REDUCTION OF ITS ECOLOGICAL FOOTPRINT**. For this purpose, it sets itself guiding targets in the areas of **RESOURCE CONSERVATION**, **ENERGY EFFICIENCY**, the increased use of renewable energy, emissions prevention and the promotion of climate-friendly mobility.





EMPLOYEES

Telekom Austria Group clearly defines the ideal **WAYS OF COLLABORATING ACROSS THE GROUP** as project and team oriented, mobile, inter-disciplinary, international and based on the fundamental **PRINCIPLE OF DIVERSITY**. Besides the targeted promotion of its employees' potential and the advancement of innovation, sustainable steps in this direction are supposed to contribute to its appeal as an employer and a healthy, flexible and modern work environment.



SOCIETY

Access to digital media such as the Internet and know-how in using them pave the way towards the **EQUALITY AND DEPTH OF OPPORTUNITIES** in the knowledge-based society. Providing comprehensive broadband infrastructure, Telekom Austria Group ensures technical access possibilities. Additionally, it uses targeted initiatives to promote the **SAFE AND COMPETENT USE OF MEDIA**.



TELEKOM AUSTRIA GROUP

GEOGRAPHICAL PRESENCE → G4.4, 4.6, 4.8, 4.9, LA12

Telekom Austria Group's markets

As a leading communications provider in the CEE region with more than 17,500 employees, Telekom Austria Group is providing its approximately 24 million customers in seven markets with products and services in the areas of voice telephony, broadband internet, multimedia services, data and IT solutions, wholesale and payment solutions.

AUSTRIA

A1

Revenue: 2,526.7 EUR mn
Employees: 8,512
CO₂: 27,856 t

BELARUS

velcom

Revenue: 327.1 EUR mn
Employees: 1,777
CO₂: 32,169 t

REPUBLIC OF SERBIA

Vip mobile

Revenue: 206.8 EUR mn
Employees: 879
CO₂: 33,677 t

REPUBLIC OF MACEDONIA

one.Vip

Revenue: 80.0 EUR mn
Employees: 942
CO₂: 24,970 t

BULGARIA

Mobiltel

Revenue: 364.7 EUR mn
Employees: 3,607
CO₂: 47,953 t

SLOVENIA

Si.mobil

Revenue: 190.8 EUR mn
Employees: 508
CO₂: 10,145 t

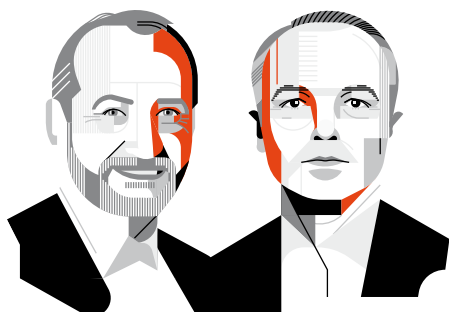
CROATIA

Vipnet

Revenue: 371.3 EUR mn
Employees: 1,239
CO₂: 26,861 t

Figures as of 31 December 2015. Employees in full-time equivalents. Full year 2015 results according to old reporting structure, which has been fully aligned with América Móvil as of Q1 2016. CO₂ includes Scope 1 and Scope 2. Scope 1 includes direct emissions from combustion of fossil fuels for heating, electricity production and mobility but does not including cooling agents. Scope 2 measures indirect emissions from electric energy and district heating. CO₂ in CO₂ equivalents excluding compensation.

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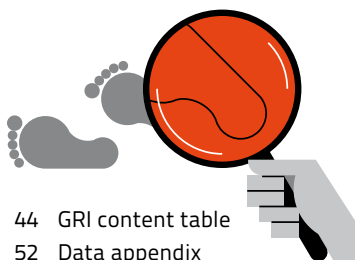


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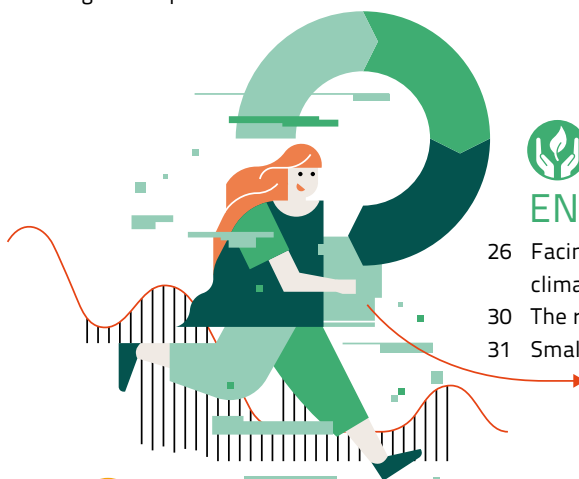


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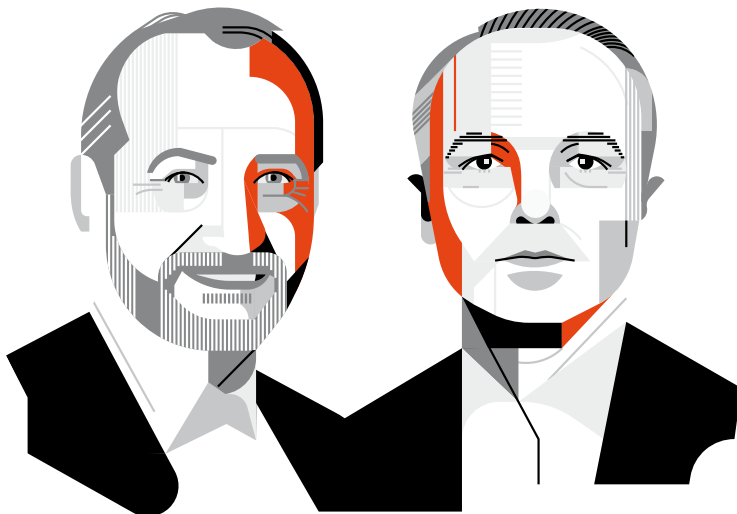
THE FIRST STEP DEFINES THE DIRECTION. EVERY ADDITIONAL ONE REQUIRES PROGRESS.

It is not in the nature of sustainability to ever regard its mission as being accomplished. Here, the journey is literally the reward. The starting point that gives it direction is the initial commitment to a sustainable life and work style. And a serious and far-reaching sense of responsibility on a social and ecological level. Telekom Austria Group clearly embodies both: Firstly, with its commitment to the three-pillar model of sustainable development (people, planet, profit) as well as to the UN Global Compact.

One can no more draw a final conclusion about consistently embodied corporate sustainability. For a start, the organisational anchoring of professional sustainability management “merely” marks a change in direction and perspective. Whether the taken path yields progress for the environment and society or whether it also included “empty kilometres” must be measured by means of intermediate goals. These, in turn, are the base for new, even more ambitious goals.

The first systematic status analysis regarding sustainability at Telekom Austria Group took place as early as 2012. In the course of a stakeholder survey, topics relevant to the Group were analysed and prioritised on the basis of societal, economic and environmental aspects. Since then, this has spawned the Group’s sustainability strategy’s focus on four action areas, whereby clear goals and key figures determined the line of approach for 2015. The current sustainability report sums up the steps taken in the framework of this catalogue of goals. Important milestones were reached in this process. Some goals were even exceeded and while others are within reach.

Thus, for instance, we are on an extremely promising path when it comes to the targeted number of participants in media competence trainings in the framework of our “Internet for All” initiative: At the end of 2015, we recorded some 93,000 participants. The number we aim for — in this case for 2016 — is 100,000. When it comes to paper consumption, we missed our goal, but for satisfying reasons: The fact that it shrank by only 3 % instead of the planned 10 % was due to corporate acquisitions and a growth in the number of customers. At any rate, the topic of equality yielded a positive development: With 35 % women in managerial positions and 38 % across the Group overall, the defined quota of 35 % was reached and even exceeded, respectively. Numbers such as these reflect our successful commitment to gender equality. Furthermore, we have made the promotion of diversity a core corporate



principle, for diversity and the associated mix of valuable competences give us the impetus that can accelerate our development as an integrated digital player.

One of the central, self-imposed targets was to gradually improve the Group’s energy efficiency by 20 % until 2015. After all, energy consumption — especially that of the network infrastructure — represents the most significant environmental impact of Telekom Austria Group. The fact that the dynamic growth of the transmitted data volumes demands ever higher performance from broadband networks makes this goal all the more challenging. Nevertheless, at an increase in energy efficiency of 72 %, this goal was positively shattered.

Such progress is path-breaking, not least in terms of the carbon footprint. At subsidiary A1, apart from sourcing its electricity exclusively from renewable energy sources, it enabled us to operate the network in a carbon-neutral way since as early as 2014. Utilising such measures, we — in our sphere of influence — contribute to treaties such as the Paris Agreement which was signed at the UN’s Climate Conference in late 2015. This agreement aims at keeping global warming significantly below 2°C as compared to pre-industrial levels by reducing greenhouse gas emissions down to zero (2045 to 2060). When it comes to tasks of such magnitude, it is obvious that every step counts. As do the steps taken by every single one of us.

Our interim balance as per 2015 shows that we are heading in the right direction. However, since the path of sustainability is a never-ending one, Telekom Austria Group has, by means of yet another materiality analysis, set itself new, even more focussed, ambitious and perspective goals for 2018. After all, those who wish to cover long distances need to be perseverant. We would be pleased if you accompanied us along this path with your interest! → G4.1

ALEJANDRO PLATER, CEO

SIEGFRIED MAYRHOFFER, CFO

TELEKOM AUSTRIA GROUP'S STRATEGIC ORIENTATION

Telekom Austria AG and its subsidiaries ("Telekom Austria Group" with headquarters in Vienna) are leading providers of fixed-line and mobile communication services with approximately 24 million customers in seven Central and Eastern European countries.

Through its majority owner América Móvil, Telekom Austria Group has been part of a world-leading, multi-national telecommunications corporation since 2014. As a member of this group of companies operating globally, Telekom Austria Group capitalises on effects of scale and synergies, among others in the areas of product development, technology and purchasing.

In 2015, Telekom Austria Group set its strategic focus on growth and an increase in efficiency. Growth is thereby strived for in different ways: On the one hand, the Group

aims at organic growth through expanding its existing core business and developing new fields of business and on the other hand, at extending its footprint through targeted M&A activities. Besides securing the premium customer segment on the Austrian mobile communication market, its fibre roll-out on the home market and LTE coverage on the markets have been accelerated. Convergence, and thus its infrastructure leadership on the markets could likewise be expanded.

In all its strategic initiatives, Telekom Austria Group's conservative financial strategy always presupposes maintaining the investment grade ratings Baa2 from Moody's and BBB from Standard & Poors. This central priority, in turn, also applies to the corporate strategy's core elements.

In terms of improving efficiency, excelling in the core business and expanding the product portfolio, the sustainability strategy is tied to the corporate strategy. Sustainability is thereby seen as a long-term value driver which, apart from actively practised ecological and social responsibility, also brings with it economic advantages. For instance, by reducing both environmental impact and costs through increasing energy efficiency.

The telecommunication market offers a wide range of attractive opportunities. High-quality and high-performance communications solutions make both professional and private life easier and more efficient. At the same time, a massive increase in data traffic, rapid

SHAREHOLDER STRUCTURE TELEKOM AUSTRIA AG AS OF 31 DECEMBER 2015

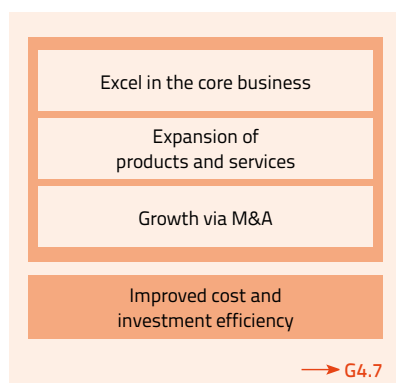
América Móvil (direct and indirect)	59.70%
ÖBIB (Republic of Austria)	28.42%
Free float including employee and treasury shares	11.88%

→ G4.7

technological progress and strong customer demand for premium network and service quality pose corresponding challenges. These require present and massive investments and place high demands on performance capabilities and therefore, also on the infrastructure's energy requirements. Thus, Telekom Austria Group not only faces market risks such as intense competition, unstable economic momentum and regulatory market intervention, putting pressure on prices and profitability. Progressing climate and environmental change as well as social framework conditions can also influence corporate development. To prepare for such risks in a timely manner, a central risk management constantly monitors respective developments and implements appropriate counter measures when and if required. For more information on the risk management, see Telekom Austria Group's 2015 annual report:

www.telekomaustria.com/en/ir/annual-reports → G4.2–4.6, 4.9, 4.13

CORE ELEMENTS OF THE CORPORATE STRATEGY



KEY FINANCIAL DATA TELEKOM AUSTRIA GROUP¹⁾

(in EUR mn)	Revenue	EBITDA comparable ²⁾	EBITDA ³⁾	Operating income	Net result	Equity	Market capitalisation ⁴⁾
2015	4,026.6	1,372.6	1,372.2	574.0	392.8	2,426.0	3.4
(in EUR mn)							
2014	4,018.0	1,286.1	850.8	–3.0	–185.4	2,218.0	3.7
(in %)							
Change	0.2	6.7	61.3	n. m.	n. m.	9.4	–8.6

1) Full year 2015 results according to old reporting structure, which has been fully aligned with América Móvil as of Q1 2016.

2) Calculated from the EBITDA, excluding effects from restructuring and impairment tests 3) Including effects from restructuring and impairment test 4) As of 31 December 2015 (in EUR bn)

→ G4.9

ACTING STRATEGICALLY. AND MEASURING PROGRESS.

Determining the status quo, the line of approach, the route, milestones and long-term goals. Before setting off, one should have a clear idea about everything. The case is similar when it comes to sustainability. Based on an assessment from 2012, Telekom Austria Group has set itself ambitious targets for 2015 in this field. Now, it presents an interim performance review on the steps taken, considerable traces and progress. With new goals for 2018, it simultaneously sets the direction towards an even more sustainable future.

A standardised system is needed to display sustainability initiatives and progress in a transparent way and on a comparable basis (periodic, business and industry comparisons). Such a system also provides a valid basis for certification and audit certificates. The following definitions of terms and processes therefore consistently comply with the recommendations and requirements of the “Global Reporting Initiative” (GRI G4 for sustainability reports) as well as the annual progress report as laid down in the UN Global Compact.

The starting point of Telekom Austria Group's systematic approach to sustainability management is the three-pillar model of sustainable development, the triple bottom line “people, planet, profit”. Its understanding of responsibility thus includes social, ecological and economic factors.

The sustainability strategy focusses on four action areas derived from a comprehensive materiality analysis (see page 9). By means of a stakeholder survey, topics relevant to the company were thereby analysed and prioritised in accordance with social, economic and ecological aspects. Every action area is supported by clear targets and specific key performance indicators. In 2015, new goals for 2018 were worked out and codified.

Telekom Austria Group engages in continuous dialogue with its stakeholders. This exchange takes place on three levels: Through systematic information via various information channels, through talks and surveys as well as by giving them the chance to actively participate through memberships and partnerships. Depending on topic and group, different formats such as informational events, idea competitions or surveys conducted

with customers and employees are used. However, personal talks with suppliers, customers or NGOs are also employed in the framework of meetings, conferences or road shows.

According to the results of another materiality analysis undertaken in early 2015, the topics most important to the stakeholders remained virtually unchanged: “customer focus”, “data privacy” as well as “network quality & system stability”. “Data privacy”, in particular, is a top priority for customers and suppliers. For employees, on the other hand, “customer focus” is the most important issue. The topics of “equality & diversity” and “media literacy” lost some significance for customers and suppliers. → G4.18, 4.26, 4.27, 4.37



AWARDS

- Winner of the **ASRA 2015 (AUSTRIAN SUSTAINABILITY REPORTING AWARD)** in the category of “Large Companies” for the third time in a row (Telekom Austria Group)
- **CSR AWARD** for the CSR strategy as well as for the promotion and implementation of various CSR activities (velcom)

IDENTIFYING TOPICS IN THE CONTEXT OF SUSTAINABILITY

→ G4.2, 4.18–4.21, 4.24–4.27, 4.37

PROCESS

STAKEHOLDERS

TOPIC IDENTIFICATION

- Integration of requirements under the GRI G4 reporting standard (aspects, indicators, sector supplement) alongside topics drawn from the ongoing stakeholder process, ratings and the sector

More than 120 topics

CONSOLIDATION OF THE CONTENTS INTO 82 GENERAL TOPICS

EVALUATION OF IMPACTS BY INTERNAL EXPERTS

- Evaluation of the topics by seven internal expert groups
- Evaluation criteria: active management, financial impact, risks, opportunities and potentials

Long list: 57 topics

EXPERT GROUPS

Marketing, Human Resources, Service Network & IT, Purchasing, Compliance ...

INTERNAL STAKEHOLDERS

Employees, company management, owners

DIRECT STAKEHOLDERS

Customers, vendors, legislators/official agencies

INDIRECT STAKEHOLDERS

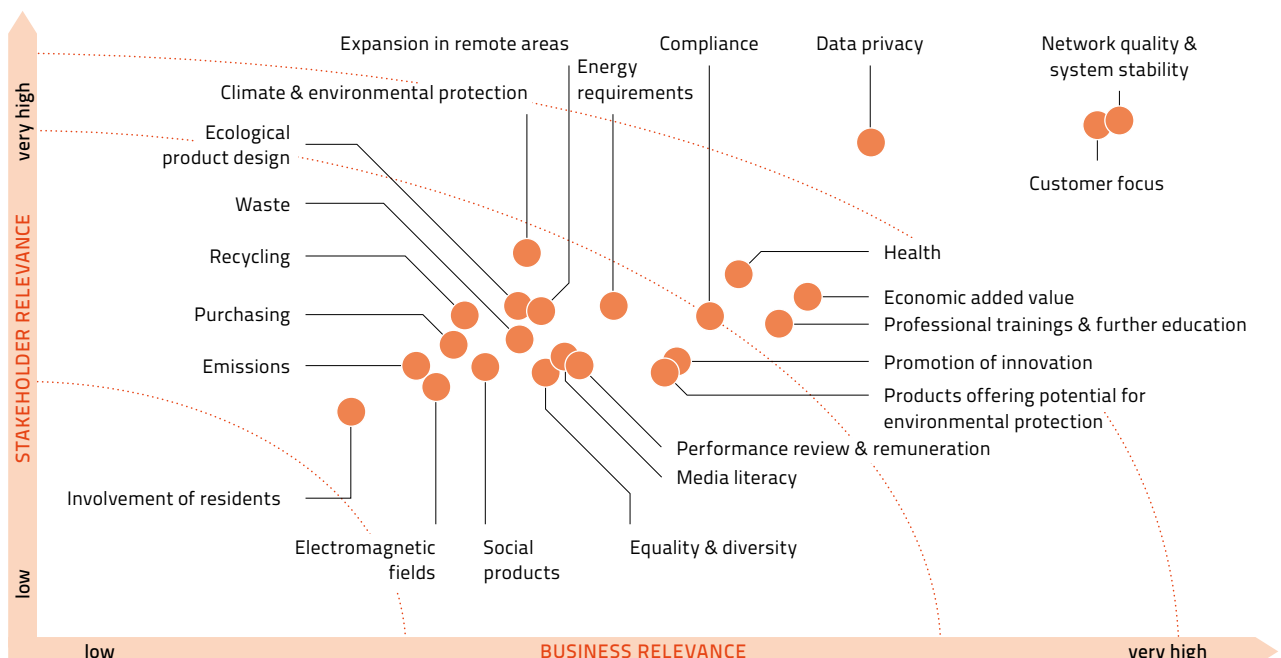
Media, NGOs, interest groups, associations, ratings agencies

CONSOLIDATION OF CONTENTS INTO A SHORT LIST WITH 28 TOPICS

ONLINE SURVEY

- Evaluation by relevance using a 1 to 4 point scale system; ranking of top 5 topics
- Feedback from more than 1,000 stakeholders

MATERIALITY MATRIX



THE FOUR STRATEGIC



NETWORK & CUSTOMERS DETAILS PAGE 18

With a high-performing and secure infrastructure as well as a product range providing real added value to its customers, society and the environment, Telekom Austria Group is positioned as a responsible partner on its markets.

TARGETS 2015¹⁾

- ✓ Ensuring Group-wide network coverage of at least 99% with 2G and at least 90% with 3G²⁾
- ✓ Development of innovative solutions in the healthcare, education and administration sectors
- ✓ Promotion of climate-friendly products and solutions
- ✓ Increase in customer satisfaction

MANAGEMENT OF ASPECTS

Aspects	Responsibility	Standards & management systems
Customer focus	Marketing	Service platforms, surveys
Network quality & system stability	Operation, Service Network & IT, Technology Strategy	Business continuity plans, ISO 9001, internal control systems, ISO 27001
Promotion of innovation	Marketing	Start up initiatives, knowledge platforms, idea management
Ecological product design	Purchasing, Marketing	Consideration of ecological criteria into the purchasing process
Electromagnetic fields (EMF)	Service Network & IT	Group-wide EMF policy
Involvement of residents, expansion in remote areas	Operation, Service Network & IT, Technology Strategy	Legal requirements, Group-wide EMF policy



ENVIRONMENT DETAILS PAGE 26

To continuously reduce its ecological footprint, Telekom Austria Group relies on energy efficiency, increased use of renewable energy, resource conservation and promoting climate-friendly mobility.

TARGETS 2015¹⁾

- ✓ Increasing energy efficiency by 20% (+72%)
- ✓ Expanding renewable energy projects
- ✓ Improving the recycling rate by 10% (+16%)
- ✗ Reducing in-house paper consumption by 10% (-3%)
- ✓ Increasing the Group's e-billing rate to 50% (69%)

TARGET 2020¹⁾

- ⊕ Reducing CO₂ emissions by 25% (-7%)

MANAGEMENT OF ASPECTS

Aspects	Responsibility	Standards & management systems
Energy requirements	Service Network & IT, Purchasing, Corporate Sustainability, Facility & Resource Management	Group-wide environmental policy ISO 14001
Recycling	Service Network & IT, Purchasing, Corporate Sustainability, Facility & Resource Management	ISO 50001 EMAS
Climate & environmental protection	Corporate Sustainability	Annual collection of Group-wide environmental key figures
Waste	Service Network & IT, Corporate Sustainability	Legal framework conditions of the respective country
Products offering potential for environmental protection	Marketing, Corporate Sustainability	
Emissions	Service Network & IT, Corporate Sustainability	

ACTION AREAS



EMPLOYEES

DETAILS PAGE 32

Through promotion and development, Telekom Austria Group helps its employees make the most of their valuable potential. A healthy, flexible and modern work environment, diversity and equality as well as the compatibility of job and family contribute to that.

TARGETS 2015¹⁾

- ✓ 35% women in the Group and in management positions (38% / 35%)
- ✓ Promotion of the internal filling of vacancies, maintenance of a high engagement index
- ✓ Increase in internal exchange

MANAGEMENT OF ASPECTS

Aspects

Professional training & further education
Health
Equality & diversity
Performance review & remuneration

Responsibility

Human Resources
Human Resources
Human Resources
Human Resources

Standards & management systems

Human resource strategy
Group-wide data tools & reports
Values of Telekom Austria Group
Performance management standards
Code of Conduct



SOCIETY

DETAILS PAGE 38

Digital media provide equal opportunities to all people in the knowledge-based society. That is why, apart from local and social projects, Telekom Austria Group supports competent and safe media use in a targeted manner.

TARGETS 2015¹⁾

- ⚙ 100,000 participants in media literacy trainings (by 2016) (92,704)
- ✓ Increasing the number of partnerships to promote media literacy within Telekom Austria Group
- ✓ Implementation of social projects according to local needs
- ✓ Implementing and further developing cost control tools

MANAGEMENT OF ASPECTS

Aspects

Media literacy
Social products

Responsibility

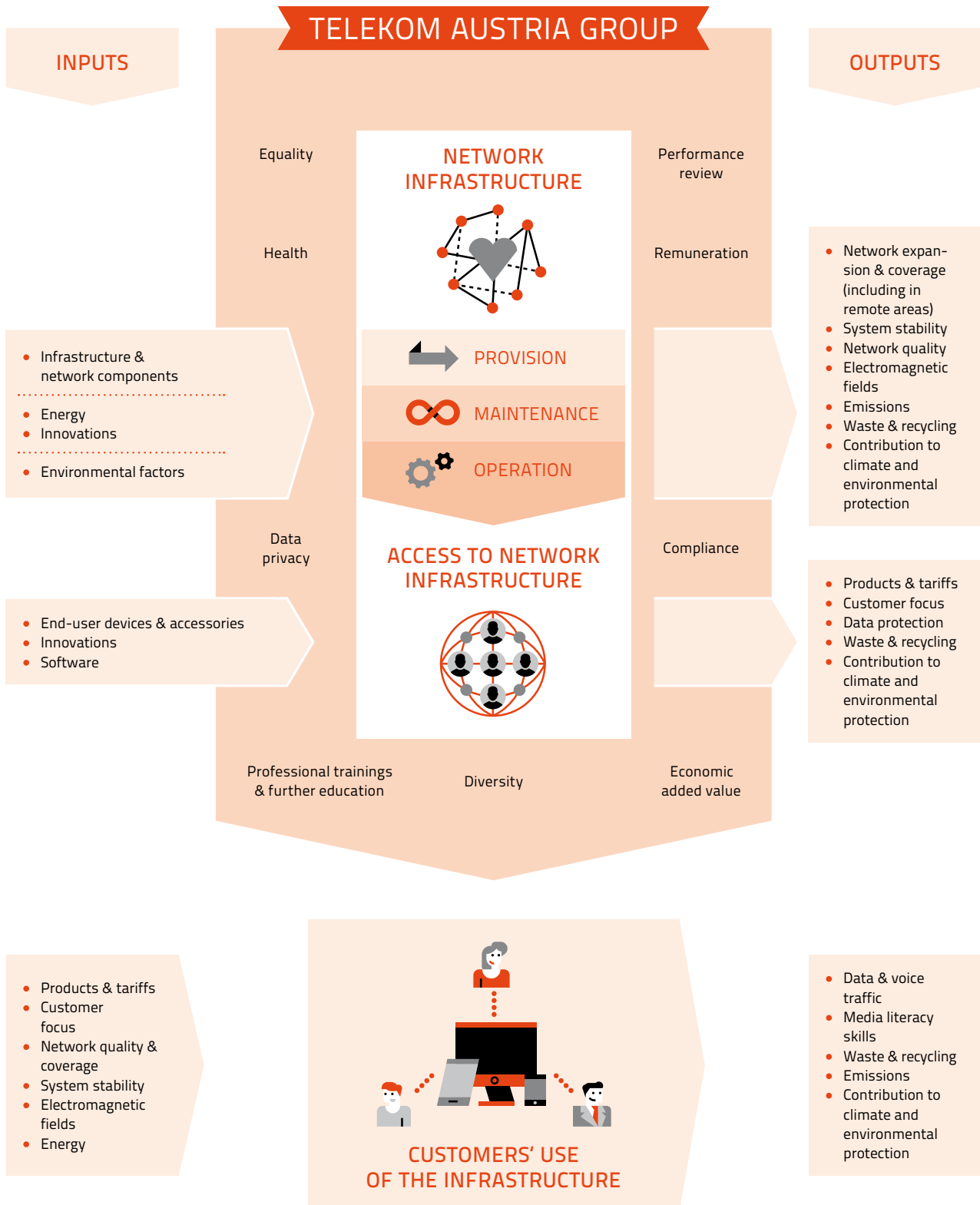
Marketing, Corporate Sustainability
Marketing, Corporate Sustainability

Standards & management systems

Scientific evaluation of the Group-wide initiative "Internet for All" by the NPO Institute at Vienna University of Economics, cooperations to promote and develop the media literacy skills of children and young people
Regular evaluation of the product portfolio

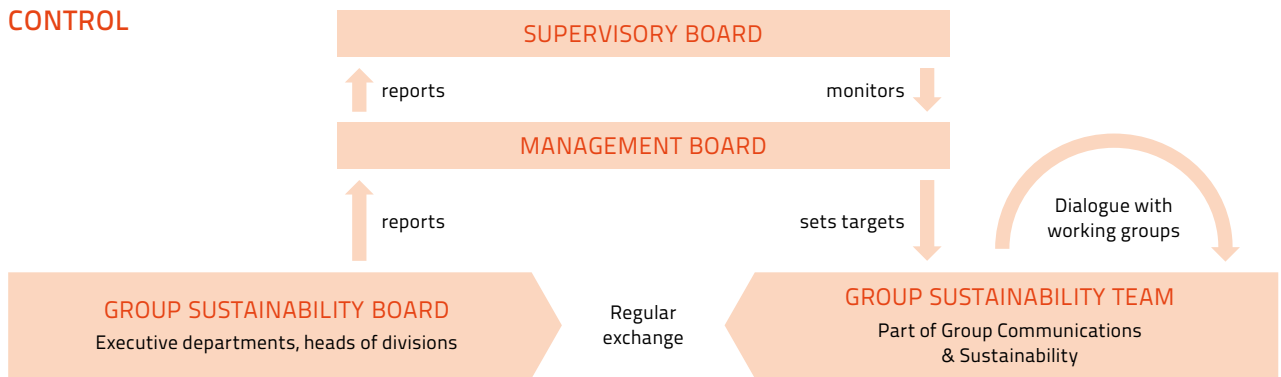
TELEKOM AUSTRIA GROUP'S VALUE CHAIN

The diagram depicting Telekom Austria Group's value chain below gives an overview of the processes involved in its business operations. The necessary resources are also shown as input factors and the results as outputs. The issues identified along the value chain have been taken into account in the process of the materiality analysis. → G4.12, 4.18

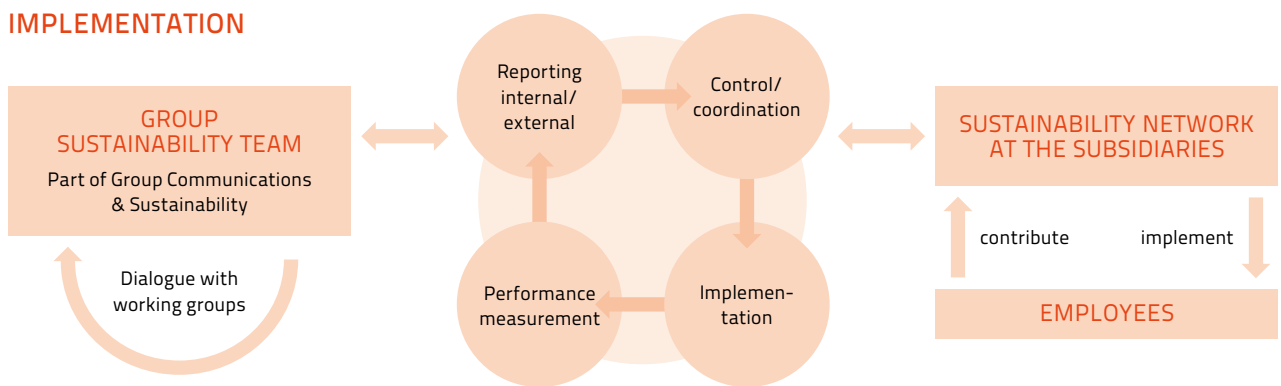


ORGANISATIONAL STRUCTURE OF THE SUSTAINABILITY MANAGEMENT

CONTROL



IMPLEMENTATION



→ G4.46

PROVIDING DIRECTION AND HARNESSING FORCES.

Since 2010, Telekom Austria Group has been using a Group-wide, integrated sustainability management system which is progressively developed. CEO Alejandro Plater, supported by CFO Siegfried Mayrhofer, is the principal and patron of sustainability agendas. A Corporate Sustainability Team, as part of Group Communications and Sustainability, reports directly to the CEO. This team manages and coordinates the implementation of the sustainability strategy in collaboration

with the respective person responsible at the subsidiaries. Its cross-national approach guarantees compliance with the superordinate Group goals. At the same time, the sustainability strategy provides the flexibility necessary to honour regional features and a basis for exchange.

Regular workshops with representatives of the top management and an annual Sustainability Board allow for the advancement and development of the sustainability strategy as well as the adoption of concrete measures. The board and the top management thereby ensure that aspects of sustainability are also taken into account in the corporate and brand strategy. They furthermore assume responsibility for all aspects of sustainability in their respec-

tive area of responsibility and promote international exchange within Telekom Austria Group. → G4.34–4.37, 4.42, 4.43, 4.47, 4.48

CERTIFIED ENVIRONMENTAL MANAGEMENT SYSTEMS

A1

- ISO 14001 for environmental management (since 2004)
- ISO 50001 for energy management (since 2008)
- EMAS (since 2013)

SI.MOBIL

- ISO 14001 (since 2009)
- EMAS (since 2014)

VIP MOBILE

- ISO 14001 (since 2015)

VOLUNTARY MEMBERSHIPS (SELECTION)

TELEKOM AUSTRIA GROUP

- Next Generation Mobile Networks Alliance (since 2014)
- UN Global Compact (since 2012)
- ETNO (since 1996)
- GSM Memorandum of Understanding (since 1988)

A1

- "klimaaktiv mobil" project partner (since 2014)
- Austrian Cyber Security Forum of Kuratorium Sicheres Österreich (since 2014)
- Code of Conduct on Data Centres Energy Efficiency (since 2009)

MOBILTEL

- Bulgarian Red Cross (since 2004)
- Bulgarian Charity Aid Foundation (since 2004)

SI.MOBIL

- Forum EMS (since 2008)
- Green Network (since 2001)

VIP MOBILE

- Responsible Business Forum (since 2008)

More memberships at
www.telekomaustria.com

→ G4.15, 4.16

PLAYING IT SAFE WHEN IT COMES TO DATA PRIVACY.

All subsidiaries of Telekom Austria Group are committed to comply with the highest data privacy and security standards. In addition to the statutory

CYBER ATTACK ON A1 SUCCESSFULLY AVERTED

The cyber attack launched at Austrian subsidiary A1 in February 2016 is a significant example stressing the importance of comprehensive security measures. Unknown assailants tried to shut down A1's Internet services using a so-called DDoS attack (Distributed Denial of Service). This method uses gigantic volumes of unwanted data packages sent from different parts of the world to overload servers or routers. The attackers launched 150 targeted partial attacks lasting between a few minutes and a couple of hours. Never before had a cyber attack lasted this long and effected a critical Austrian infrastructure network to such an extent. 95% of these attacks could be averted successfully and without having any effect for customers. 5% resulted — mostly only for a short time — in impaired service quality. However, at no time was customer data stolen or compromised. This attack showcased the effective counter measures that allowed A1 to successfully avert the attack. A1 furthermore gathered valuable experience in dealing with such massive cyber attacks. The company used this experience to develop and implement further optimisation measures to help with future attacks.

requirements in the respective countries, all subsidiaries follow the data security standards created for this purpose as well as other data privacy and data security directives specific to their countries. In the case of Austrian subsidiary A1, for instance, comprehensive certification such as ISO 27001, ISAE 3402 and ECO Datacenter 3.0 warrant these high security standards. For years, A1's data privacy officer has been responsible for monitoring and complying with statutory and internal data privacy regulations.

The European Union's General Data Protection Regulation is currently presenting a significant challenge and will continue to do so in the years to come. Political agreement on this regulation's content was reached in late 2015. It will, for the first time, harmonise data protection legislation in the EU and subject it to standardised rules. It focusses on the protection of personal data and aims at the following: Offering effected persons increased control over their data and comprehensive information on its use, improving protection of children as well as facilitating access to legal protection.

The EU's General Data Protection Regulation comes into force on 25 May 2018 and is already being gradually implemented by Telekom Austria Group.

COMPLIANCE: TAKING THE RIGHT PATH.

Honest, fair and transparent operation is an important part of Telekom Austria Group's corporate culture. To live up to these standards of integrity, the Group utilises an elaborate compliance management system. The top management's role model effect as well as employees acting with a high degree of personal responsibility are thereby of particular importance.

To prevent potential misconduct, Telekom Austria Group has established clear rules for legally compliant and honest conduct in all business relationships. Furthermore, adequate controls were integrated into the business processes. The Code of Conduct which applies to all subsidiaries of the Group as well as detailed compliance guidelines help with specific topics which include anti-corruption measures and conflicts of interest, gifts and invitations, dealing with confidential information, management consulting and lobbying, sponsoring, donations and advertisement, capital market compliance and cartel law. The compliance guidelines provide support in making sure that honest conduct is a matter-

MANAGEMENT OF THE ASPECTS COMPLIANCE AND DATA PRIVACY

MATERIAL ASPECTS (RESPONSIBILITIES)

- Compliance (Group Compliance)
- Data privacy (Group Operation, A1 Data Privacy)
- Information security (Group Operation)

STANDARDS AND MANAGEMENT SYSTEMS

Data privacy

- Information Security Policy, Information Security Standards
- ISO 27001 in Austria, Bulgaria and Croatia
- E-learning, awareness-raising campaigns, trainings
- Data privacy folder (A1), information on websites

Compliance

- Certified Compliance Management System (under IDW PS 980)
- "ask.me" portal and whistleblowing platform "tell.me"
- E-learning, on-site training, information on websites, intranet
- Code of Conduct in eight languages

of-fact part of everyday work. The effectiveness of the compliance management system is furthermore increased by means of regular communication measures and trainings, the help desk "ask.me", audits as well as the anonymous whistleblowing platform "tell.me". An annual compliance risk assessment guarantees the needs-based development of the compliance programme. In 2013, Telekom Austria Group's compliance management system was certified in accordance with the IDW PS 980 standard by an external auditor.

Some 60 % of all 40 leads submitted through "tell.me" in 2015 were substantiated and relevant to compliance. In

case misconduct was found, the consequences ranged — depending on the nature of the transgression — from individual trainings or process improvements to the termination of the collaborations and cases in which the Public Prosecutor was notified. Some 250 questions were dealt with through "ask.me" in 2015. In this year, the focus was on behavioural preventative measures based on e-learning. In 2015, about 20.000 compliance e-learning trainings in the field of anti-corruption and data privacy were completed by managers and employees Group-wide. Furthermore, some 1,400 managers and employees were individually trained in approximately 200 training sessions across the Group.

→ S04

Further information on Telekom Austria Group's compliance management system at: www.telekomaustria.com/de/group/compliance → G4.2, 4.56–4.58

SUSTAINABILITY HAS ITS ROOTS PRIOR TO THE CORE BUSINESS.

The sustainability of business activity is not just represented in the immediate ecological and social effects of one's own business processes. That's why Telekom Austria Group also includes upstream business processes, meaning the purchase of goods and services, into the respective assessment of its value chain. According to a 2013 study conducted by GreenBiz.com in cooperation with Trucost¹⁾, upstream processes such as resource extraction, manufacturing, transport and packaging account for a not insignificant 85 % of all sustainability effects in the telecommunications industry.

1) The State of Green Business 2013, GreenBiz and Trucost



REQUIREMENTS TOWARDS VENDORS IN THE CODE OF CONDUCT

- Worker protection and work conditions in accordance with the regulations of the "International Labour Organisation" (ILO)
- Environmental protection and resource efficiency following established environmental management systems (EMAS, ISO 14001)
- Social and ecological requirements toward products and services (including life-cycle perspective)
- Requirements regarding topics of compliance such as anti-corruption measures



MEASURES TAKEN IN PURCHASING

- Behavioural guidelines for suppliers regarding sustainability implemented
- ILO regulations included in the Code of Conduct, the general purchasing terms and master agreements
- Environmental and social criteria for regular vendor rating of A1 developed further; reporting process introduced
- Self-disclosure expanded for vendors
- Sustainability criteria integrated into tenders
- Sourcing 100% of electricity from renewable sources at A1, 67% at Si.mobil

The core business of Telekom Austria Group accounts for the majority of the purchasing volume: Infrastructure components used in the fixed-line and mobile communication networks, end-user devices (mobile phones, tablets, set-top boxes) as well as IT and hardware components.

Apart from commercial factors, ecological criteria such as environmental impact and energy efficiency — depending on requirements — play an important role in Telekom Austria Group's purchasing strategy, as do worker rights, anti-corruption regulations and aspects of data protection. The use of so-called

conflict minerals such as tin, tantalum, tungsten and gold which are often extracted under critical conditions presents a challenge to the industry in the production of ICT products. Telekom Austria Group does not manufacture such products, but uses and sells them in the course of its business activities.

Telekom Austria Group pursues the approach to anchor sustainability in its supply chain to the greatest extent possible. For this purpose, a perennial project was created together with the purchasing section in 2012. Various measures such as the integration of ESG¹⁾ criteria into the vendors self-

assessment — especially at Austrian subsidiary A1 — or the acquisition of resources from sustainable sources were successfully implemented in the past three years (see page 15). Only long-term and effective measures can guarantee permanent and successful deep anchoring of sustainability aspects in the purchasing process. This is why Telekom Austria Group intends to consistently follow its chosen path. → G4.12, 4.13

1) Environmental Social Governance



USEFUL INFORMATION FOR GRI EXPERTS

→ **G4.14:** In all its activities, Telekom Austria Group honours the precautionary principle by taking into account potential future developments and findings in its decisions.

→ **G4.22, G4.23:** No re-phrasing of information from past reports took place.

→ **G4.25:** The selection of stakeholders was based on prioritisation via internal databases.

→ **G4.26:** Stakeholder dialogues are an ongoing process and their results are likewise included in the preparation of reports.

→ **G4.49:** Critical issues are reported to the Supervisory Board in the framework of meetings which can be called ad-hoc, if needed.

→ **G4.50:** No critical issues concerning sustainability arose in the year under review.

→ **G4.52:** No remuneration consultants were involved in the year under review.

→ **G4.53:** The Supervisory Board members' remuneration is fixed in the framework of the annual general meeting during which stakeholders can state their opinions.

→ **EC1:** Net added value 2015: EUR 850 mn to employees, EUR 727 mn for paid investments, EUR 224 mn to capital providers and EUR 53 mn to public agencies.

→ **S03:** In 2015, the holding company as well as 100% of operating subsidiaries (A1, MobilTel, velcom, Vipnet, Si.mobil, Vip mobile, one.Vip) were internally assessed with regards to corruption risks. The companies generated almost 100% of Telekom Austria Group's overall turnover and take into account all locations of the above mentioned subsidiaries. In the course of the risk analysis, the management analysed 17 different corruption scenarios and defined mitigating measures. Taking into consideration the measures that have already been implemented, no significant remaining risks could be identified.

→ **S04:** All employees and business partners are provided information on compliance as well as corruption prevention (see www.telekomautria.com). 11,179 (approximately 63%) of employees and managers (including Executive Board) received training

on corruption prevention. Almost 100% of employees, managers and suppliers were actively informed. The Holding's Supervisory Board and Executive Board as well as all subsidiaries receive corruption prevention information at least once per year, the entire Executive Board receives training annually.

→ **PR7:** No violations with regard to the non-compliance of regulations or voluntary rules of conduct regarding advertising, sales promotion and sponsoring were reported in 2015.

→ **PR8:** No substantiated complaints regarding the violation of customers' privacy or loss of customer data were submitted in 2015, the year under review.

THE ROADMAP — SUSTAINABILITY MANAGEMENT

SAID 2014

- Further adaptation and improvement of reporting systems focussing on quality and time of data collection
- Updating the sustainability strategy on the basis of the materiality analysis performed and redefinition of targets
- Evaluation and definition of further measures to promote sustainable procurement within Telekom Austria Group
- Continuing the external certification of the management systems, such as ISO and EMAS, introduction of ISO 14001 in the Republic of Serbia
- Gradual implementation of the topic of human rights (2015/2016)

DONE 2015

- Internal reporting system improved further, particularly in the area of processes to collect environmental figures
- Materiality analysis successfully conducted in early 2015 with the participation of more than 1,000 stakeholders
- Redefinition of targets in all action areas
- Environmental management system ISO 14001 successfully introduced in the Republic of Serbia

PLANNED 2016

- Further adaptation and improvement of the collection of environmental figures
- Continued use of the certified environmental management systems in accordance with ISO 14001 and EMAS



DIGITAL PACE-MAKERS FOR BUSINESS AND EVERYDAY LIFE



An old truism experiences a triumphant digital comeback: A picture is worth a thousand words. For visual, data-intensive content becomes ever more important in the use of the Internet. The latter, in turn, represents a major energy source for professional and personal development. Telekom Austria Group meets the rapidly rising demand for bandwidth connected to this using a tailored product and service portfolio. It furthermore shoulders the capacity-related demands towards the infrastructure with the massive broadband roll-out of its mobile and fixed-line networks.

Nowadays, digitalisation and digital networking are the norm in many fields of work and life. They represent a significant base for economic, social and individual development possibilities. For many people, they furthermore yield an increase in their quality of life: Flexible working, independent of device or location, helps combining family and work. Using video conferences or chats, one can comfortably stay in touch with acquaintances, co-workers or business partners all over the globe. Mobile phone applications show one's sporting performance in real time and contribute to making working out more efficient. Many things have never been easier, more time-efficient or less complicated than today.

The flood of data is growing. We are growing with it.

Business-related and private data communication, social networking, music streaming, entertainment or infotainment through online media





WHAT WE WANTED

Ensuring Group-wide network coverage of at least 99% with 2G and at least 90% with 3G by 2015 (except: velcom, Si.mobil and Vip mobile).

WHERE WE STAND

The target to ensure Group-wide network coverage of at least 99% with 2G and at least 90% with 3G was achieved (except: velcom, Si.mobil and Vip mobile).

WHERE WE ARE HEADING

LTE coverage of 80% in Telekom Austria Group until 2018.

4G/LTE COVERAGE 2015

- Austria: > 74%
 - Croatia: > 55%
 - Slovenia: > 96%
 - Republic of Macedonia: > 54%
- PA4

consumption, increasingly in the form of films, series, videos or tutorials: All this yields a dynamically increasing demand for bandwidth. For instance, mobile data transfer alone experiences an annual growth of some 45 %¹⁾ globally and experts predict the monthly data volumes to increase tenfold in the coming six years. Telecommunication infrastructure must keep up with these changes in user behaviour, the network capacity demands associated with it and additional modern trends (key

1) Ericsson Mobility Report, February 2016

2) This plan is subject to the announced government broadband subsidy programme as well as annual budget approvals by the Supervisory Board.

word: “The Internet of Things”). This is why Telekom Austria Group invests massively into the broadband roll-out, both of its mobile and fixed-line networks, to optimally meet the increased customer expectations and making the perfect media experience possible. → EC8

The logical step: Convergence.

To be able to keep managing the hugely growing data volume in an efficient way, Telekom Austria Group has relied on convergence in the expansion of its network infrastructure for years. Apart from LTE roll-out in the mobile communication network, it currently pushes the massive roll-out of its fibre network. Thus, it can on the one hand supply even remote regions with high bandwidths and on the other hand utilise the capacity and stability advantages of the fixed-line network. In 2015, the Group has invested a total of EUR 780 mn (CAPEX) particularly in the broadband roll-out as well as in the extension of its network capacities by means of acquiring additional frequencies. Both measures underline Telekom Austria Group's leadership in terms of infrastructure and thus, its leadership in terms of quality.

In 2015, Austrian subsidiary A1 initiated the largest infrastructure programme in the company's history with its accelerated broadband roll-out. The plan is to reach more than 70 % of Austrian households with at least 30 Mbit/s until the end of 2018 (2015: 40 %). To achieve this feat, EUR 400 mn will be invested until 2018 — in addition to the regular investment volume.²⁾ → EC7

For the purpose of extending its network capacity, the Group has acquired new frequencies in Croatia, Belarus and the Republic of Serbia for EUR 18.5 mn, EUR 4.5 mn and EUR 42.4 mn, respectively, in 2015. LTE technology



AWARDS

- Overall winner of the **FUTUREZONE NETWORK TEST 2015** (A1)
- **CONNECT MAGAZINE TEST 2015:** awarded the best rating of “Excellent” for the seventh time in a row (A1)
- **BEST NETWORK 2015:** Smartphone magazine mobile communication network test (A1)
- **CALL CENTER MANAGER OF THE YEAR 2015** (A1)
- **E-MEDIA MAGAZINE:** Test winner Service/Advisory (A1)
- **SMARTPHONE MAGAZINE:** Best Advisory Services & Highest Customer Satisfaction (A1)
- **NETCHECK TEST:** Fastest 3G network for download in Bulgaria (Mobiltel)
- Top result in the **2015 P3 COMMUNICATIONS** network test (Vipnet)
- **LEADING LIGHTS AWARD 2015** for the most innovative strategy for the virtualisation of network functions (Vip mobile)
- **GTB INNOVATION AWARD** in the category of “Wireless Network Infrastructure Innovation” (Vip mobile)

(4G) allows for data transfer in the mobile communication network up to ten times faster than in the conventional UMTS network. In Austria, Telekom Austria Group is already approaching complete LTE-coverage. In Croatia, Slovenia and the Republic of Macedonia and, since 2015, the Republic of Serbia, the accelerated roll-out of the LTE technology is also advancing at full steam. Thus, the Group already offers the fourth generation of mobile communication in five out of seven markets. In selected metropolitan areas, its subsidiaries in Austria and Slovenia are furthermore implementing another roll-out stage of the LTE technology: LTE Carrier Aggregation — an important step towards LTE Advanced (5G). This technology allows data transfer rates of up to 300 Mbit/s. By bundling different frequency bands, the Group has already achieved these numbers in test runs in late 2014. —> [IO1](#), [EC7](#), [PA1](#), [4](#)

Negotiating safe terrain on the Internet.

Customers expect communications solutions that meet highest demands. Not least, this includes their reliable availability and security. As one of the largest backbone network operators in the world with 200 nodes in 47 countries, the Group is a reliable partner when it comes to the reliability of its networks. Certifications such as ISO 9001 of the leased lines (including alarm transmission) at Austrian subsidiary A1 make sure the quality management complies with adequately high standards. The regular achievement of top results in tests and rankings also undermines Telekom Austria Group's infrastructure leadership in this respect. (see "Awards", page 19). —> [PA3](#)

In the event of an emergency, the availability of a network can assume great significance. In such cases, Telekom



TELEKOM AUSTRIA GROUP'S COOPERATIONS

- Research Centre for Telecommunications Vienna
- Vienna University of Technology
- Christian-Doppler Laboratory for Wireless Technologies for Sustainable Mobility
- Josef-Ressel Centre for User-friendly secure and mobile environments

—> [G4.15](#)

Austria Group deploys trained emergency response teams and subsidiaries help each other, too. They furthermore cooperate closely with the fire brigades, paramedics and the Red Cross. Calling the official emergency telephone numbers is free across the entire Group.

—> [PA6](#)

Development is progressing.

Reliability and safety represent the "base camp". Curiosity and being prepared for the following legs are the logical next goals. Whereas the LTE network, for instance, was exclusively used for data transfer until recently and voice traffic was automatically running through the 2G or 3G network, VoLTE (Voice-over-LTE) now also allows voice transmission via the 4G network infrastructure. The customers' benefits lie in crystal-clear call quality and accelerated connection times. In Austria, the Group already offers this new technology — in Croatia, Slovenia and the Republic of Serbia, it is currently being tested successfully. No less innovative was the development of a cost-efficient solution to supply remote regions by means of a directional, permanently mounted exterior antenna (see "Small steps & great leaps", page 25).

Another technology with relevant growth potential is the so-called machine-to-machine communication (M2M): M2M applications and solutions are expected to grow by 23% annually

WHAT WE WANTED

Development of innovative solutions in the healthcare, education and administration sector as well as promotion of climate-friendly products and solutions by 2015.

WHERE WE STAND

Medical Data Network for secure data transfer between doctors, e-care terminal to support taking care of patients, electronic archives, smart metering platform SMARTify, carbon-neutral network, smart logistic concepts etc.

WHERE WE ARE HEADING

Identification and promotion of marketable innovations, for example via start up initiatives until 2018.

3) Deloitte & Touche, Auf dem Weg in die Zukunft, Herausforderungen und Chancen im M2M-Markt, 2014



until 2020.³⁾ Telekom Austria Group's M2M business segment supplies respective overall solutions as a one-stop-shop: From cost-efficient fleet management to comprehensive smart metering services with metering systems, meter data management and roll-out services to modular solutions for industrial automation or remote maintenance. In August 2015, the Austrian federal state of Burgenland, for instance, has started to gradually convert its power consumption measurement system to the so-called Austria Meter ("Österreich-zähler"), the smart metering product designed by Telekom Austria Group and Europe's first smart meter with 4G/LTE connectivity. → [TA1, 2](#)

To promote innovation beyond its own sphere of influence, Austrian subsidiary A1 has been supporting young entrepreneurs in the framework of the initiative "A1 Start Up Campus". Since 2015, in addition to A1 expert know-how, it has been providing start ups with a roof over their heads and modern ICT infrastructure at the "A1 Start Up Campus". In the future, Telekom Austria Group's

other subsidiaries are supposed to support local start ups, too. Providing impetus for innovation in its markets and making those innovations available to a wider audience is one of the Group's general objectives. Examples are Parkbob (see "Small steps & great leaps", page 25) and ready2order — an online cash register solution which is affordable, future-proof and, of course, in full accordance with the law and can be easily operated using smart phones and tablets. It was introduced to the market in cooperation with A1 and M2M GmbH.

Hand in hand with the customers.

Of course, innovation is not an end in itself. New paths must lead to practical benefits for the customers. Thus, a deep understanding of their needs plays an important role in this context. Besides classic contact points such as shops and service lines, Telekom Austria Group employs social media channels such as Facebook, Twitter, Youtube and Google+ as well as dedicated support communities and crowdsourcing to

evaluate and, if necessary, improve the quality of products and services from the customers' perspective. To measure and assess customer satisfaction in its countries of operation, Telekom Austria Group uses Brand Net Promoter Score (Brand NPS) and Touchpoint Net Promoter Score (TNPS). While Brand NPS provides information on the customers' attitudes towards and "emotional attachment" to the respective subsidiary, TNPS measures how satisfied customers are with telephone service, shops and online channels. Surveys as well as qualitative interviews, online platform analyses and external studies take place as warranted. As a result, Austrian subsidiary A1 could, for instance, raise its customer satisfaction from 34 points to 48 points, measured by NPS in 2015. Results such as these help Telekom Austria Group conclude and implement product and service optimisation measures to take further substantial steps towards its customers.

→ [PR5](#)



USEFUL INFORMATION FOR GRI EXPERTS

- [PR3](#): Telekom Austria Group is not subject to special labelling obligations.
- [S02](#): Telekom Austria Group not only complies with the exposure limits recommended by ICNIRP/WHO, it even achieves values far lower than those limits.
- [S07](#): Telekom Austria Group is committed to fair competition and meets all the respective legislation's legal competition regulations.
- [PA10](#): Cost-control and contract overview tools are offered by all subsidiaries.
- [IO8](#): 70% base stations used alone, 30% used jointly.

ELECTROMAGNETIC FIELDS & HEALTH

Radio applications have existed for more than 100 years. They are used in a whole range of spheres of life, for instance in medicine or TV and radio broadcasting. Electromagnetic waves surround us wherever electricity is used. Depending on their frequency, they have different effects. High frequencies yield a minimal, barely measurable increase in the human body's temperature. In the case of mobile communication, the energy released is so low that the increase in the human body's temperature is less than 0.1°C, even in the case of long mobile phone conversations. When doing sports, in comparison, the body's temperature rises by up to 2°C.

Internationally recognised standards of protection

Since the early days of radio applications, scientists have constantly investigated their effects. Concepts protecting humans from health risks are based on their findings. The independent international group of researchers ICNIRP (International Commission on Non-Ionizing Radiation Protection) defines limit values taking into account the entire scientific state of knowledge regarding the effects of radio waves. The World Health Organisation (WHO), the European Union as well as numerous expert committees are based on ICNIRP's limit values. Thus, the scientific committee SCENIHR summarises⁹⁾: "The results of the latest scientific research show that there are no obvious, harmful effects provided the exposition does not exceed the values as defined by the current standards."

The planning, construction and operation of base stations (mobile communication facilities) are a significant foundation of Telekom Austria Group's business activities. All internationally applicable safety standards are thereby strictly complied with. In Austria, for instance, personal protection regarding high-frequency electromagnetic fields is defined by ÖVE/ÖNORM E 8850. This

standard has adopted ICNIRP's limit values in the mobile communication sector in their entirety. → [PR6](#)

To make sure the limit values defined therein are complied with and to ensure that requirements regarding the protection of human health are reliably fulfilled, ÖVE/ÖNORM EN 50401 has been implemented into the planning process of base stations. The latter is a standard that applies to the installation and commissioning of mobile communication facilities.

Besides these standards of protection for stationary facilities, the so-called SAR value ensures that mobile phone limit values are also complied with. The specific absorption rate SAR defines how much of the mobile phone's transmission performance is absorbed by the human body during phone conversations. The SAR limit value of 2 W/kg as defined by the limit value standard EN 50360 and EN 50566 ensures that one can be on the phone around the clock without having to fear any adverse effects to one's health.

Only end user devices that comply with all applicable standards can be incorporated into Telekom Austria Group's product portfolio. Constant checks ensure that these standards are reliably complied with. Respective information is included in the devices' operating manuals and can be found on the Internet. → [I06](#)

Telekom Austria Group's occupational protection measures

The protection of humans is a top priority for Telekom Austria Group: That's why the limit value recommendations of ICNIRP/WHO for base stations and mobile end user devices are not just complied with, but are kept well below those in daily use. A Group-wide EMF Policy ensures that and EMF teams inform the populations about this on location. → [PAB](#)

EXEMPLARY ILLUSTRATION OF A TRANSMITTER STATION INCLUDING ACCESS DESCRIPTION / ACCESS RESTRICTIONS

A REFERENCE VALUES ARE NOT EXCEEDED

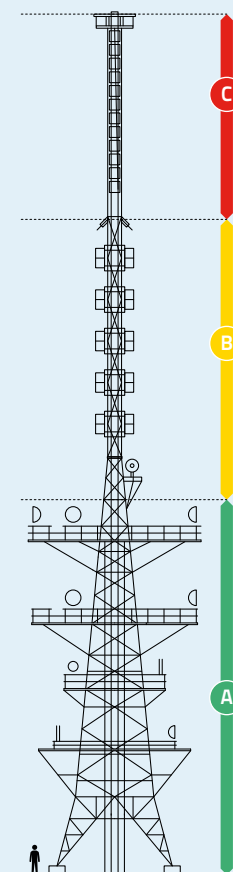
Work / lingering in this area is possible without limitations and permanently without taking further measures.

B REFERENCE VALUES ARE EXCEEDED

Passing is possible within defined time, lingering only once performance is reduced and using a personal dosimeter.

C REFERENCE VALUES ARE EXCEEDED

During operation, lingering is not possible. The following measures need to be taken to allow work / lingering in this area: For example, reducing the transmission performance or even switching the entire antenna off; the use of a personal dosimeter is mandatory. However, A1 employees do not need to perform any work in this area anyway.



When it comes to the implementation of the EU Directive 2013/35/EU which defines minimum requirements for the protection of employees from electromagnetic fields (see interview below), Telekom Austria Group has set respective industrial protection measures at a very early stage. Since limit values can be reached at mobile communication locations and in certain areas of transmitter stations, online training tools such as e-learning ensure that the Directive is adequately explained and understood. Furthermore, employees are equipped with special devices

(personal dosimeters) with which they can detect critical measurement values early.

In 2015, in collaboration with TÜV AUSTRIA, Austrian subsidiary A1 has additionally started to evaluate their large radio relay stations/large transmitter stations with regards to the new Workplace Health and Safety Directive which needs to be implemented by July 2016. This resulted in documentation and descriptions of access and work areas (zone map) with associated limit values regarding electromagnetic fields.

These are based on measurements of field strength in the ladder area, the directional radio platform and the surrounding area (work area) of A1 transmitter stations as well as on comparisons with the reference values for personal protection (see graphic, page 22). → [PR6](#), [I03-5](#), [I07](#), [PA9](#)

1) EU SCENIHR 2015: http://ec.europa.eu/health/scientific_committees/docs/citizens_emf_de.pdf

SAFETY FIRST

Wilhelm Seier, responsible for communications engineering and electromagnetic compatibility at TÜV AUSTRIA, on mandatory exposition assessments of electromagnetic fields at the work place.

What is behind the new Workplace Health and Safety Directive on the protection from electromagnetic fields?

WILHELM SEIER: After years of negotiations, discussions, the publication and withdrawal of previous documents, the EU Directive 2013/35/EU on minimum requirements on the protection of the safety and health of employees from risks posed by physical effects (electromagnetic fields) came into effect on 29 June 2013 as an individual directive under the framework of the Workplace Health and Safety Directive 89/391/EEC.

Just as the requirements on noise and vibration or artificial optical radiation, this EU Directive is also enacted as an implementing directive in the framework of the employee protection legislation. Thus, the protection of employees from excessive exposition to electromagnetic fields is enshrined in legislation. At the same time, employers are obliged to have an exposition assessment performed for their work places and to have their health and safety officers as defined in the employee protection legislation perform such an assessment in the course of their evaluation activities.

Which specific obligations does this yield for a telecommunications provider?

WILHELM SEIER: The operators of telecommunications networks must evaluate personal protection regarding electromagnetic fields, in the area of transmitter antennas and large transmitter stations. In this context, one must especially assess the exposition of employees when performing maintenance work near antennas.

Responsible companies such as A1 have already implemented protective measures and methods for this purpose. These, for instance, comply with national standards such as ÖNORM E 8850:2006 or previous documents. Furthermore, rules of conduct and technical or organisational measures regarding compliance with personal protection requirements have been implemented.

What approach does TÜV AUSTRIA recommend when it comes to exposition assessments?

WILHELM SEIER: Reasonably speaking, the basis for the exposition assessment in the near surroundings of transmitter locations is evaluated by means of measurement technology. For this purpose, one must use appropriate equipment and precisely determine the field conditions in the accessible area. These are to be compared to the limit values as defined by the Implementing Directive and checked on their compliance.

In the field, zoning has proven itself as a valuable method to assess large transmitter stations. This clearly specifies how employees

have to act in the respective zones. These zones can be defined as follows for the range of frequencies in which transmitter stations usually operate: Linger / working possible permanently / for a limited amount of time / not possible during transmitting operation. The effected persons must be informed about such zones and possible accompanying technical measures such as reducing the transmitting performance and must oblige to comply with these measures.

Together with A1, we have assessed their large transmitter stations in Austria by means of measurements, also already before the EU Directive taking effect. The resulting documentation and descriptions serve as a basis for the compliance with the statutory personal protection requirements.



WILHELM SEIER,
TÜV AUSTRIA
Head of the Test Centre
for Communications
Engineering and
Electromagnetic
Compatibility since 1994

THE ROADMAP — NETWORK & CUSTOMERS

✓ ACHIEVED ✗ NOT ACHIEVED ⚙ IN IMPLEMENTATION

TARGETS 2015

- ✓ Ensuring Group-wide network coverage of at least 99% with 2G and at least 90% with 3G¹⁾
- ✓ Development of innovative solutions in the healthcare, education and administration sectors
- ✓ Promotion of climate-friendly products and solutions
- ✓ Increase in customer satisfaction

Baseline for targets is 2012.

SAID 2014

- Pushing demand-oriented infrastructure roll-out as well as increased use of new technologies
- Promotion of LTE roll-out at the subsidiaries
- Constant further development of existing product portfolios in the fields of health, education and administration
- Further development of the Green ICT product portfolio, particularly in the M2M area by expanding specialised solutions in the energy-efficiency sector

DONE 2015

- Investments (CAPEX) worth EUR 780 mn in accelerating broadband roll-out and acquiring additional frequencies
- Development and implementation of innovative future technologies such as G.fast, vectoring, LTE Carrier Aggregation in selected metropolitan areas of Austria and Slovenia
- Optimisation of existing product portfolios in the fields of health, education and administration
- Increased support of start ups by Telekom Austria Group (e.g. "A1 Start Up Campus")
- Hosting a customer satisfaction conference at Austrian subsidiary A1

TARGETS 2018

- ⚙ LTE coverage of 80% in Telekom Austria Group
- ⚙ Fibre coverage in Austria exceeding 70% with at least 30 Mbit/s
- ⚙ Identification and promotion of marketable innovations, for example via start up initiatives

Baseline for targets is 2015.

PLANNED 2016

- Demand-oriented expansion of the network infrastructure using innovative broadband technologies
- Further expansion of the initiative "A1 Start Up Campus"
- Evaluation of the expansion of the start up initiative to subsidiaries

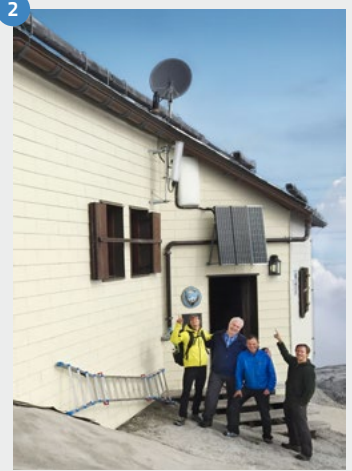
1) Except velcom, Si.mobil and Vip mobile



SMALL STEPS & GREAT LEAPS



1 The smart parking start up Parkbob has been operating at the "A1 Start Up Campus" in Vienna since April 2015. Parkbob makes the use of parking spaces more efficient and ecological. For this purpose, it combines real-time data from different sources with an extensive data base of parking rules and links them with geo information. Thus, car drivers are always aware of where parking is allowed and how much it costs. It furthermore spares them tedious searching. Since summer 2016, it shows vacant parking spaces in real time.



2 Hard-to-access regions at high elevations receive Wi-Fi and stable mobile phone reception from A1. The depicted pilot project shows Matrashaus on Mount Hochkönig (federal state of Salzburg) at some 3,000 metres above sea level. There, the 4G/LTE signal emitted by a station in Schladming some 45 kilometres away is being amplified by means of an antenna amplifier (directional exterior LTE antenna) which allows for stable data connections. Additionally, a local mobile communications cell (Femtocell) has been installed and provides all A1 customers with crystal clear call quality.



3 In November 2015, the Bulgarian subsidiary Mobitel started a blog (blog.mtel.bg) aimed at providing customers with all important company-related news as well as technical tips. By the end of 2015, more than 81,000 interested customers had clicked on this page.

4 As the first operator on its home market, Austrian subsidiary A1 introduced voice-over-LTE (VoLTE) in November 2015. Thus, A1 made the 4G/LTE network available for voice telephony for the first time. Voice transfer thereby happens via HD Voice, a standard that offers a very audible improvement of speech quality. VoLTE furthermore markedly reduces the call set-up time.

FACING PROGRESSING CLIMATE CHANGE



When assessing whether moving forward also has its dark sides one must not forget to take its environmental impact into account. This is why, for Telekom Austria Group, responsible development of its core business is inextricably connected to a continuous reduction of its ecological footprint. For this purpose, it defines guiding targets for itself when it comes to energy efficiency and resource conservation as well as avoiding emissions.

According to the US climate-protection agency, 2015 was the hottest year on record. Nine consecutive months shattered their previous heat records on a global average¹⁾ which stresses an almost universally accepted fact: The world's climate is going to experience permanent change. Which represents one of the biggest challenges of the 21st century. Now, how can one counter global warming, increase energy efficiency, reduce global energy consumption and boost the use of renewable energy?

WHAT WE WANTED

Increasing energy efficiency by 20% until 2015.

WHERE WE STAND

Improvement of energy efficiency by 72%.

WHERE WE ARE HEADING

Reducing power demand by 30% per terabyte of transferred data volume until 2018.

Information and communication technologies currently amount to some 2% of the global energy consumption while experiencing a steep upward trend due to dynamically increasing data volumes.^{2) 3)} To address this concern, Telekom Austria Group relies on increasing its energy efficiency and reducing power demand in the area of network infrastructure.

More data, less energy. A practical way?

In 2015, Telekom Austria Group's overall energy consumption amounted to 732,048 MWh. This is equivalent to the electricity consumption of around 490,000 ordinary households. Network infrastructure accounted for 80% of that which makes it a crucial area when

it comes to contributing to the protection of our climate by means of energy efficiency. At 598,133 MWh and representing 82% of Telekom Austria Group's overall energy demand, power demand constitutes the company's main environmental impact. Power is primarily used to operate technical infrastructure, both in the mobile and fixed-line networks. The use of fuels, district heating and heating energy accounts for the remaining portion of the company's energy demand.

Measures such as the demand-led use of GSM resources in mobile base stations contribute to reducing power demand: In peak periods, the systems run at full capacity while the GSM carriers are gradually switched off in times of low traffic, whereby every activated location can save approximately 10% in power consumption. Likewise, the use of so-called Single RAN technologies (Single Radio Access Network) helps Telekom Austria Group to separate increasing data volumes from energy demand. → EN6, 7

The cooling of technical equipment in data centres is no less power-consuming but at the same time indispensable for fail-safe operation. In this area, innovative cooling concepts (cold aisle containment, hot-spot-extraction, hybrid ventilation systems, heat recovery

- 1) National Oceanic and Atmospheric Administration National Centers for Environmental Information, 2016
- 2) Ericsson: Ericsson Energy and Carbon Report, 2013
- 3) CISCO: The Zettabyte Era: Trends and Analysis, 2015
- 4) This is measured with the energy efficiency index, which indicates how many MWh are required per terabyte of transported data volume.

systems) can be used to reduce electricity consumption by up to 75 % compared to conventional cooling systems. The gradual increase of permissible room temperatures in mobile base stations across the Group also saves power. Through a reduction in required cooling performance associated with the aforementioned measure, it contributes to stabilising the overall energy demand in spite of increasing data volumes (see “Small steps & great leaps”, page 31).

Energy efficiency makes rapid progress.

Telekom Austria Group had made it its target to improve its energy efficiency by 20 % from 2012 to 2015.⁴⁾ Thanks to a comprehensive package of measures such as the ones mentioned above, it significantly exceeded its target, recording an increase in its efficiency index by 72 % at the end of 2015. This success was attributable to the fact that, between 2012 and 2015, Telekom Austria Group's overall energy consumption increased by a mere 5 % while the transferred data volumes currently double every two years.

Mobility is a must. Environmental awareness even more so.

Continuous extension, quality assurance and maintenance in the area of

RATINGS 2015 (SELECTION)

CDP

- Disclosure Score: 99 (2014: 93)
- Performance Score: B (2014: B)
- Climate Disclosure Leadership Index

OEKOM

- Status: B-, Prime

network infrastructure as well as customer service require a correspondingly high level of mobility from Telekom Austria Group's employees. As a result, energy demand in the form of the fuel used by 4,784 vehicles in its fleet represents a further environmental impact of the Telekom Austria Group. In this field, innovative logistics concepts are used to reduce the number of kilometres these vehicles travel. Furthermore, Telekom Austria Group continuously pushes the use of hybrid, electric and natural-gas-powered vehicles. Employing a variety of measures such as ecological driver training, car sharing, the use of video conference rooms and telepresence solutions like Lync, it managed to lower its consumption of fossil fuels by 2 % from 2012 to 2015. → EN30

Pioneering steps in CO₂ reduction.

Telekom Austria Group significantly reduces the CO₂ emissions related to its energy use by means of reducing demand and increasing efficiency. Its target is to cover energy demand that



COOPERATIONS

- ETNO (Telekom Austria Group)
- klimaaktiv mobil (A1)
- Code of Conduct on Data Centres Energy Efficiency (A1)
- Green Network (Si.mobil)

→ G4.15





AWARDS

- **"INVESTOR IN THE ENVIRONMENT" AWARD** from the Bulgarian Business Leaders Forum (Mobilitel)
- **"RESOURCE SAVED" certificate** (Si.mobil)

Thinking one step ahead when it comes to resources.

Internationally, the highly competitive telecommunication market is characterised by dynamic technological change. The result is a continuous flow of new technical components aimed at optimising efficiency and performance. Furthermore, mobile devices are replaced at ever shorter intervals. In this context, Telekom Austria Group attaches great importance to basic ecological principles: waste prevention, resource con-

servation and trying to keep valuable resources in the loop as long as possible. Consistent life-cycle management guarantees that technical equipment is used for a maximum amount of its permissible life cycle, re-used in the best possible way or properly recycled.

Although Telekom Austria Group does not produce mobile devices it strives to actively contribute to preserving resources by means of recycling mobile phones. Most of its subsidiaries — some

cannot be avoided in the most sustainable way possible, for instance through the use of renewable energy. The latter's production is therefore particularly important to Telekom Austria Group. Using its largest solar power park close to its earth station in Aflenz, the Austrian subsidiary A1 saves about 90 tons of CO₂ annually. More than 65 mobile base stations belonging to subsidiaries in Croatia, Bulgaria and Slovenia are powered with solar or wind energy or with hydrogen fuel cells. All these steps contributed to increasing Telekom Austria Group's renewable energy utilisation rate from 56 % in 2012 to 60 % in 2015.

Through an elaborate combination of versatile energy efficiency measures and the use of 100 % power from renewable energy, the Austrian subsidiary A1 has managed to operate its network in an entire carbon-neutral way since 2014.⁵⁾ → EN 7

Overall, Telekom Austria Group managed to reduce its CO₂ emissions by 7 % from 2012 to 2015 proving that it is on the right track to achieving its goal of lowering its CO₂ emissions by 25 % from 2012 to 2020.⁶⁾ → EN 6, 19



WHAT WE WANTED

Improving the recycling rate by 10% until 2015.

WHERE WE STAND

Improvement of recycling rate by 16%.

WHERE WE ARE HEADING

Reaching a constant recycling rate of 70% until 2018.

5) Approved by TÜV SÜD according to the standard PAS 2060 and the ISO standard 14064 part 3.

6) Excluding compensation

WHAT WE WANTED

Reducing in-house paper consumption by 10% until 2015.

WHERE WE STAND

Paper consumption decreased by 3%.

WHERE WE ARE HEADING

Reducing in-house paper consumption by 10% until 2018.



USEFUL INFORMATION FOR GRI EXPERTS

- **EN4:** Energy demand outside of the organisation amounted to 49,463 MWh in 2015 and represents the energy demand of the customers' mobile phones put into circulation by the company as well as Telekom Austria Group business trips by taxi, train or aeroplane.
- **EN15:** Biogenic Scope 1 emissions amounted to 1,350 tons of CO₂, while no data is available for Scope 2 and Scope 3 emissions.
- **EN23:** Telekom Austria Group is committed to proper waste disposal and complies with the applicable regulations in the respective countries.
- **EN25:** Hazardous waste was subject to specialist disposal and, for the most part, domestically.
- **EN29:** No fines relating to environmental issues were paid in 2015.

of them since 2004 — therefore offer people to drop off old devices in collection boxes located in their shops. These devices are then handed over to specialised recycling companies and recycled in an environmentally compatible way. Revenue from mobile phone recycling is invested in Austria in climate protection projects (see “Small steps & great leaps”, page 31), the Slovenian subsidiary Si.mobil uses it to support the Si.voda funds for the protection of water. → **EN27, 28, PA11**

It is also important to act in a resource-preserving way in everyday office work. In this area, Telekom Austria Group had set itself the target of reducing its paper consumption and improving its recycling rate by 10 % each from 2012 to 2015. Naturally, these two targets can only be achieved with the participation of its some 17,000 employees working across the entire Group. That is why internal environmental campaigns are used to raise their awareness, to motivate them and to actively include them in envi-

ronmental protection measures. By improving the recycling rate by 16 %, the respective target was achieved. Due to a growth in the customer base as well as acquisitions, the company was not able to achieve its paper reduction target as planned. Measures like the digitalisation of work processes, the procurement of follow-me printers and switching to double-sided printing, however, yielded a reduction by 3 %. After all, Telekom Austria Group's ecological responsibility is about more than just large steps such as the carbon-neutral network. It is also about gradually striving to achieve a whole range of additional ambitious environmental goals.

THE ROADMAP — ENVIRONMENT

✓ ACHIEVED ✗ NOT ACHIEVED ⚙ IN IMPLEMENTATION

TARGETS 2015

- ✓ Increasing energy efficiency by 20% (+72%)
- ✓ Expanding renewable energy projects
- ✓ Improving the recycling rate by 10% (+16%)
- ✗ Reducing in-house paper consumption by 10% (-3%)
- ✓ Increasing the Group's e-billing rate to 50% (69%)

Baseline for targets is 2012. Values in brackets represent the achievement status of the 2015 targets.

TARGET 2020

- ⚙ Reducing CO₂ emissions by 25% (-7%)

SAID 2014

- Implementation of a certified environmental management system in accordance with ISO 14001 at the Group's Serbian subsidiary
- Promotion of comprehensive measures in the area of energy efficiency and renewable energy
- Continuation of measures to reduce paper consumption
- Internal campaigns to raise awareness among employees of the Telekom Austria Group about environmental issues
- Implementation of measures to continue to further increase the number of old mobile phones collected

DONE 2015

- Environmental management system successfully certified in accordance with ISO 14001 at the Group's Serbian subsidiary
- Energy efficiency: Harmonisation of cooling temperatures, ongoing conversion to energy-efficient equipment, LED lighting systems etc.
- Consciousness-building and internal campaigns on environmental issues such as sustainable mobility, resource conservation, mobile phone recycling, participation in international environment days across the Group

TARGETS 2018

- ⚙ Reducing power demand by 30% per terabyte of transferred data volume
- ⚙ Reaching a constant recycling rate of 70%
- ⚙ Reducing in-house paper consumption by 10%

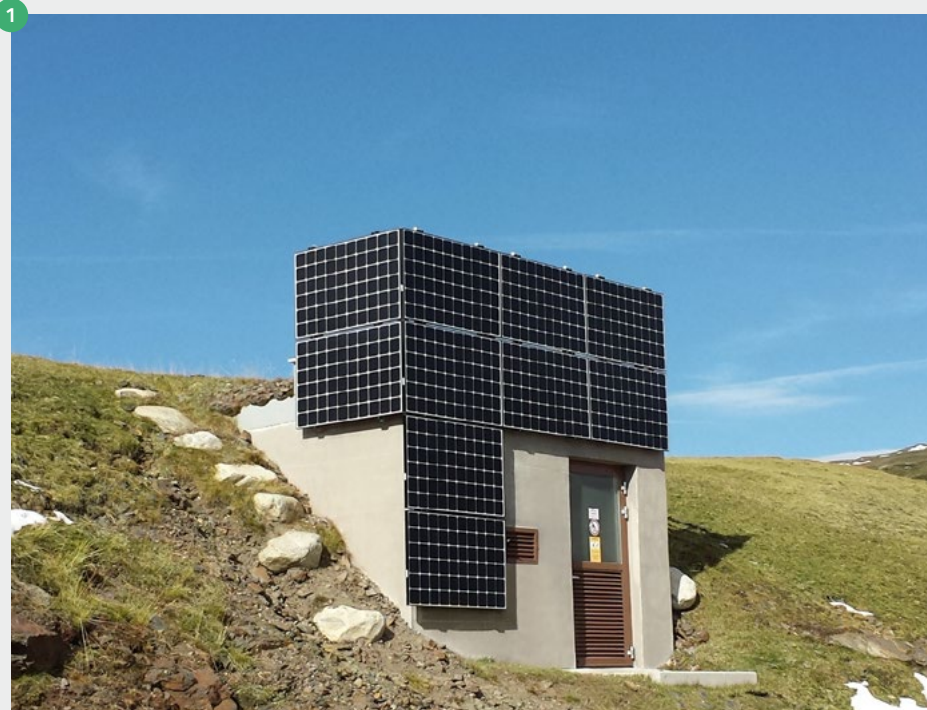
Baseline for targets is 2015.

PLANNED 2016

- Accelerated introduction of energy-efficient equipment in the framework of the life-cycle management programme
- Optimisation of waste separation
- Switch to follow-me printers, digitalisation of work processes



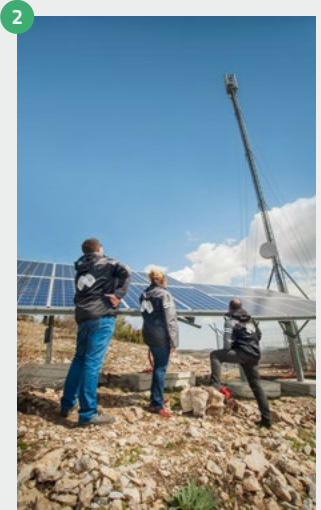
SMALL STEPS & GREAT LEAPS



1 To significantly reduce the diesel fuel consumption—and thus the carbon emissions—of the last remaining generator, the A1 mobile base station on Carinthia's Nockalm in Austria was equipped with a photovoltaic system in autumn 2015. This is expected to yield savings of up to 2,880 kg of CO₂ per year. Design, evaluation and the installation of a remote query system was done in-house. Special attention had to be paid to the location of the mast since it is located in a nature conservation area. The entire construction was paid for with the proceeds of the A1 mobile phone recycling programme.

2 Bulgarian subsidiary Mobitel, too, relies on solar power. In August 2015, the first mobile base station in Banderata was equipped with photovoltaic panels and a second station in Zavoya was converted in February 2016. Three additional locations are currently in the evaluation phase. Using the solar power systems, the fuel consumption of the diesel generator as well as time required for maintenance and repairs could be reduced significantly.

3 The project to adjust the average temperatures in utility rooms in a needs-based way across the Group was further pursued in 2015 and possibilities were evaluated by locations in the individual subsidiaries. Bulgarian subsidiary Mobitel, for instance, has already increased the control temperature of 22°C in the year under review which is expected to yield annual savings of up to 1.8 GWh. The complete conversion of all indoor sites in Bulgaria is scheduled for late September 2016.



4 Macedonian subsidiary one.Vip also relies on the power of the sun and gradually converts its mobile base stations to solar panels and hybrid energy supply systems where applicable. This conversion is not only efficient in an economic sense, but also ecologically sustainable as exemplified by 28 MWh of solar energy produced in 2015. Eight locations are currently supplied with photovoltaic systems and more are scheduled to be thus equipped in 2016 and the following years.

DRAWING FROM A DIVERSITY OF COMPETENCES. AND EXCELLING TOGETHER.



You can't know how to do everything alone — and you don't need to. The collective is making a major step towards this ideal condition. Key words such as swarm intelligence are thereby not the primary focus. It's rather about understanding diversity as a valuable resource. Cultural or ethnic affinity, age or gender: All of these attributes are usually linked to specific competences. Telekom Austria Group shows true appreciation for these skills of its employees working in seven CEE countries. By promoting, developing and empowering employees for the good of the company.

WHERE WE ARE HEADING

38% women in management positions by 2018.

WHERE WE STAND

38% women in the Group and 35% women in management positions.

WHAT WE WANTED

35% women in the Group and in management positions by 2015.



tiveness and to adapt it to the dynamic developments on the market.

Pooling competences on the way to growth.

Telekom Austria Group sees great potential for growth in linking services aimed at global markets with local infrastructure and services, also when it comes to saturated markets. Cross-border thinking and acting when it comes to utilising competences plays a major role in this process. Thus, following the principle "one to many", innovations and successful developments or applications are rolled out starting in one country and continuing to the other markets instead of re-inventing the wheel in every

country. Besides the general further development of expertise, Telekom Austria Group thereby primarily relies on know-how transfer in the form of national and cross-departmental expert networking. Simplified processes and breaking up inflexible internal structures are supposed to optimise the framework conditions for these targets.

Targeted learning steps: on-the-job and online.

To safeguard its competitiveness and innovative performance, Telekom Austria Group relies on the development of its employees through innovative learning and training on the job, combined with a strong use of peer-to-peer feedback. For this purpose Telekom Austria Group uses a variety of training tools: collaboration platforms, communities of expertise and the best practice experience of international projects. Knowledge sharing by using new technology gains increasing importance within the Group — helping to shape modern culture within Telekom Austria Group.

Furthermore, the Group gives the so-called „management of competences“ increasing priority. It allows the flexible and fast filling of vacant positions with internal specialists.

The Telekom Austria Group Business School functions as a central develop-

Via its corporate strategy (see page 7), Telekom Austria Group pursues ambitious growth targets. At the same time, it focusses on increasing efficiency in terms of costs and investments. Both measures are aimed at strengthening the Group's competi-

ment platform. The Group's employees made use of its training offers for a total of 11,696 hours in 2015. In addition, Telekom Austria Group increasingly relies on the use of its e-learning platform which allows Group-wide trainings independent of time and location. New forms of learning such as game-based learning methods (Gamification), coaching, mentoring and integrated learning (the combination of e-learning and classroom training) furthermore contribute to the maintenance, broadening and transfer of know-how.

→ LA9

In parallel with Telekom Austria Group's offers, its subsidiaries develop education and training programmes tailored to the requirements of the respective markets. Telekom Austria Group's total education and training expenses in the year under review amounted to EUR 5.2 mn (2014: EUR 7.8 mn). → LA10

"Diverse" teams find new approaches.

Based on the corporate strategy, the human resources strategy aims at creating an optimal work environment. It thereby follows the conviction that, especially in times of rapid change and increasing complexity, it's not the lone wolves that make a difference. It's rather efficient teams characterised by diversity in which experiences, insights, successes and even mistakes are shared. Done so in an open, trusting and transparent manner. Human Resources therefore creates adequate framework conditions to promote team diversity and efficiency. The entire Group furthermore clearly focusses on simplified

VALUES OF TELEKOM AUSTRIA GROUP

INNOVATION

DIVERSITY

RESPONSIBILITY AND INTEGRITY

QUALITY

→ G4.56



WHERE WE STAND

Various sporting and health offers in all subsidiaries.

WHERE WE ARE HEADING

Implementing a corporate health initiative by 2018.

processes and a performance promise with regards to the employee experience: Telekom Austria Group strives to be regarded an attractive employer by its employees, if possible at all internal and external points of contact.

Prepared with the right tools for one's career path.

To secure its future demand for specialists and management employees, Telekom Austria Group is committed to apprenticeship training. In 2015, 209 apprentices were undergoing training in Austria, 106 in Bulgaria. Young talents and graduates can make use of different programmes: Austrian subsidiary A1, for instance, offers a twelve-month "Graduate Program". The Serbian subsidiary offers top graduates and master students the chance to participate in the "Budi Vipnet Student" project. The graduate programme "Vip.alumni" and the Group Talent Management Process were implemented at the Croatian and Bulgarian subsidiaries, respectively. Telekom Austria Group thereby primarily focusses on learning on the job and in the framework of specific pro-

jects, but also through exchange with colleagues. Thus, young talents and graduates learn both from one another and through being mentored by experienced colleagues and managers. With the eight-month New Manager Program, Telekom Austria Group furthermore supports young managers who have just recently taken over a management position.

HUMAN RESOURCES STRATEGY

- Targeted development and utilisation of **COMPETENCES & TALENTS**
- Using leadership to promote **FEEDBACK & A CULTURE OF PERFORMANCE** across the Group
- Making **EVERYDAY WORK** unbureaucratic, efficient and flexible for employees

USEFUL INFORMATION FOR GRI EXPERTS

→ **G4.11:** In Austria, 100% of all employees are covered by the provisions of collective agreements; the national requirements are also observed at the Group's international subsidiaries.

→ **LA2:** Benefits are available to all employees equally.

→ **LA3:** 60% of those employees across the Group who took maternity leave in 2014 returned to work in 2015.

→ **LA4:** The statutory requirements for minimum notice periods regarding operational changes are observed; the corresponding regulation can be found in the collective bargaining agreement.

→ **LA7:** The indicator does not apply to Telekom Austria Group, since employees are not exposed to an increased risk of illness in the context of their regular employment.

→ **LA8:** There are no formal agreements on health and safety aspects with trade unions.

→ **LA9:** 11,696 training hours completed at the Telekom Austria Group Business School in 2015. Male: 6,864; female: 4,832.

→ **LA10:** Where necessary, coaching sessions and other measures to provide further support are offered.

→ **HR3:** No incidents of discrimination came to the attention of the Group headquarters in 2015.

→ **HR4:** No incidents in which the right to exercise freedom of association and collective bargaining was violated were reported in 2015.

→ **IO3:** Employees attend training courses on a regular basis and are trained accordingly as part of workshops.



Unified path in the performance assessment and promotion.

The leadership qualities of managers have a significant effect on their teams' performance and thus on commercial success. Thus, it is all the more important to promote a corporate culture characterised by trust, appreciative and open feedback as well as result-orientation. For this purpose, Telekom Austria Group employs a uniform "Performance Management Standard Model". It focusses not just on performance but also on individual strengths and development potential. Additionally, managers across the Group are assessed by means of the 360-degree feedback method and peer-to-peer feedback is part of daily life at work.

→ **LA11**

Pushing flexibility.

Creating a sound life balance plays an important role at Telekom Austria Group. For instance, employees can organise their work hours flexibly and — in coordination with their superior — have the chance to work on a mobile basis, provided they are suitable for the respective position. On this account Telekom Austria Group set the target to implement flexible working arrangements in all subsidiaries by 2018.

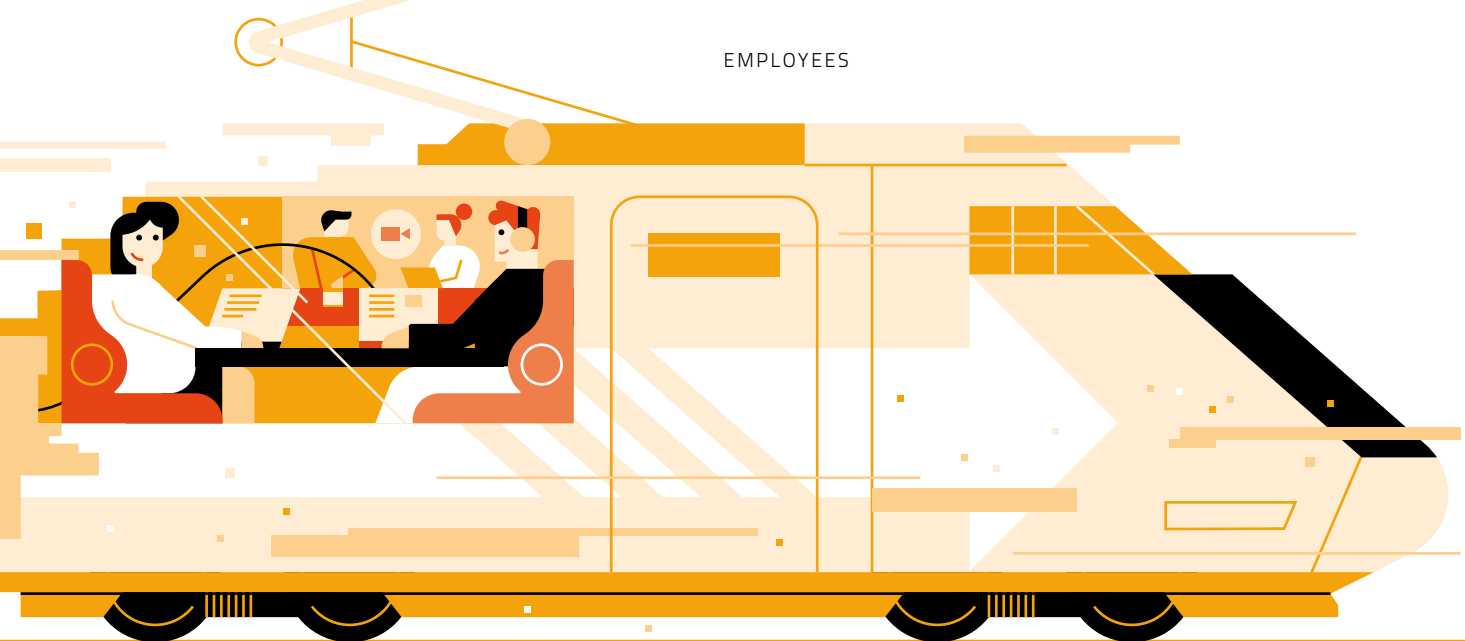
Health comes first.

Health-related aspects of life are a significant for Telekom Austria Group. Across the Group, a total of 13 physicians and work psychologists take care of its employees' health-related problems. Various initiatives are aimed at preven-

FURTHER TRAINING PROGRAMMES (SELECTION)

- New Manager Program (A1)
- Local Leadership Development Program (Mobiltel)
- "Development@vipnet" to promote new competences (Vipnet)
- Manager's School (velcom)
- Further education programme for managers and employees with key functions (Si.mobil)
- "Vigor" — further education programme for managers and employees with key functions (Vip mobile)

→ **LA10**



WHERE WE STAND

No uniform flexible work time model standards across the Group.

WHERE WE ARE HEADING

Anchoring of flexible work arrangements in all subsidiaries until 2018.

ting excessive stress symptoms and other health-related impairments. Austrian subsidiary A1 conducts regular medical check-ups, health seminars and sports classes in the framework of its “Fit on the Job” programme. Group sports activities are offered in Slovenia, the Republic of Serbia and Belarus. Employees of Bulgarian subsidiary Mobiltel are given the chance to have their health checked in the framework of the Mobiltel Health Week (see “Small steps & great leaps”, page 37).

Regular improvements of work safety and accident development monitoring measures are conducted in parallel. Slovenian subsidiary Si.mobil, for instance, created the Si.good Group, in which employees volunteer to implement improvements with regards to work place safety, a healthy lifestyle and general well-being.

Diversity and equal opportunities go hand in hand.

Telekom Austria Group has signed the Diversity Charter. It thus publicly commits to utilising and maintaining

a wide range of cultural traditions and skills in its seven subsidiaries. The equality of genders is a fixed principle in all its activities. Varied programmes aimed at encouraging women to take up technical professions, flexible work time models as well as shared leadership

models, child care initiatives and the successful expansion of a women's network at A1 (see “Small steps & great leaps”, page 37) contribute to sustainably raise the women's quota. Thereby, the Group pays particular attention to diversity in recruiting and talent management process. → G4.15

Promoting the dialogue with the employees.

Under the heading “TAGisfaction”, the company conducts Group-wide employee surveys at regular intervals (every two years). The last survey took place in 2014. In 2015, Telekom Austria Group worked extensively on the implementation of initiatives in the fields of talent management, mobility, further development, diversity and leadership. Information about the survey, results and actions taken is provided regularly via Intranet, newsletters, employee magazines, events and social media channels. Group-wide and local idea competitions as well as knowledge platforms aim at presenting, exchanging and implementing ideas or improvement suggestions.



AWARDS

- Most woman-friendly and family friendly large enterprise in Vienna (A1)
- Responsible Company — Responsible Employees (Mobiltel)
- Mamaforce Company Certificate (Vipnet)
- Employer Partner Certificate (Vipnet)
- Family Friendly Enterprise (Si.mobil)

THE ROADMAP — EMPLOYEES

✓ ACHIEVED ✗ NOT ACHIEVED ⚙ IN IMPLEMENTATION

TARGETS 2015

- ✓ 35% women in the Group and in management positions (38% / 35%)
- ✓ Promoting internal replacement, maintaining a high engagement index
- ✓ Increasing international exchange

Baseline for targets is 2012. Values in brackets represent the achievement status of the 2015 targets.

SAID 2014

- Creation of the skill management programme "Skill Academy" to increase the use of internal know-how
- Strengthening the internal job market by filling vacant positions with internal personnel as well as promoting of internal mobility
- Promoting international exchange and know-how transfer
- Implementing further measures to achieve the targets of the plan for the advancement of women

DONE 2015

- "Do it ourselves" — A1 employees contribute their know-how and experience to projects, workshops and initiatives (e.g. mentoring, internal mediation, coaching)
- Promoting the internal mobility, e.g. A1 Mobility Coaches, focussed recruiting and talent management initiatives
- Strengthening the international collaboration, exchange of Best Practises and increased utilisation of collaboration tools

TARGETS 2018

- ⚙ 38% women in management positions
- ⚙ Anchoring of flexible work arrangements
- ⚙ Implementing a corporate health initiative

Baseline for targets is 2015.

PLANNED 2016

- Evaluation of measures to support women
- Establishment of a Group-wide knowledge exchange platform
- Consolidation of the existing sports and health programme



SMALL STEPS & GREAT LEAPS



1 As early as August 2014, Austrian subsidiary A1 started the women's network "Women matter" at the initiative of two female employees. Seven events attended by more than 700 participants who were given the chance to discuss topics relevant to women with well-known guests have since been held at regular intervals. This aims at using role models to inspire women to actively shape their careers and consciously use the network consisting of 300 internal members.

2 In 2015, Belarus subsidiary velcom launched the human resources project "Feel the difference". In its context, back office employees accompany their colleagues for up to three hours of customer contact. On the one hand, this is aimed at promoting a customer-oriented corporate culture. On the other hand, it is supposed to lead to a better understanding of processes and procedures as a whole and inspire employees to think in new directions. 39 velcom employees have participated in the project in 2015. Due to their positive feedback, the project is planned to be extended to other areas in 2016.



3 With its Group-wide life balance programme, Bulgarian subsidiary Mobiltel promotes combining work and family life and supports its employees in leading a healthy lifestyle. In the framework of the Mobiltel Health Week, they can, for instance, participate in various sporting activities and undergo a health check-up. The "Mom and Dad" club offers wide-ranging support as well as informational lectures for families on topics such as parental leave, parenting and education. Supported child care in the form of an in-house kindergarten and holiday care complete the offerings.

4 As one of the first companies in Croatia, Vipnet has signed the "Charter on recognition of competences acquired through volunteering". Vipnet thereby declares to stand up for the appreciation of competences acquired in the course of volunteer work in everyday work life, further development and support measures. To this end, the CSR initiative "Do The Right Thing" has collaborated with more than 40 institutions and associations in 2015. More than 200 employees have participated in 50 different volunteer assignments for a total of 1,600 hours. A monthly meeting was established to advance the exchange of experiences and knowledge.

WHAT WE WANTED

100,000 participants in media literacy trainings by 2016.

WHERE WE STAND

92,704 participants trained by the end of 2015.

WHERE WE ARE HEADING

150,000 participants in media literacy trainings by 2018.



KEEPING UP IN A KNOWLEDGE-BASED SOCIETY



Can digital media prepare the ground for greater equality and wealth of opportunities? Yes, provided they are accessible and users possess the know-how to use them. Telekom Austria Group promotes both using targeted steps. For one, on the level of infrastructure, by making broadband Internet available across the nation. And secondly, on the personal level, by implementing programmes aimed at the sustainable development of media literacy. For having access to the Internet opens up a world of possibilities.

A nation's level of digitalisation greatly influences its growth and wealth. In the framework of the Global Information Technology Report 2015, the consulting company Strategy& analysed the economic and social effects. Their conclusion: A higher level of digitalisation leads to an increase in gross domestic product, lowers the unemployment rate and strengthens innovative activity. Against this background, global networking can simply not progress quickly enough.

Despite the fact that the number of Internet users has more than tripled around the world in the last ten years, some 4.1 billion people are still offline¹⁾ — this equals approximately 57 % of the world's population. The European Union fares comparatively better: 81 % of the population in the EU's 28 member states have Internet access and 78 % of people between 16 and 76 use it regularly. The countries in which Telekom Austria Group operates experience huge differences. While 19 % of Austria's population were still offline in 2014, that group represented 48 % of the population in the Republic of Serbia and in Bulgaria 42 % and in Belarus more than 32 %²⁾ (see graphic "Households with access to the Internet", page 39). Overall, industrialised nations experienced a higher growth rate than developing countries when it came to Internet access.³⁾ This unlevel playing field has a significant impact on the knowledge base and level of education in the respective countries.

Digital competences: On a level playing field in writing, reading and arithmetic?

The Internet makes our lives easier by providing quick access to information and an almost unlimited amount of knowledge. However, access opportunities are hardly equal for all people

1) <http://newsroom.fb.com>

2) <http://ec.europa.eu>

3) ITU Report, 2015

4) <http://eskills4jobs.ec.europa.eu>

everywhere in the world. Economic power and level of urbanisation play an important role. And not least, the quality and the nation-wide availability of a network infrastructure are of particular significance. Telekom Austria Group therefore invests massively in accelerated broadband expansion in its area of operation. Apart from technological connection, it aims at supporting the people in developing digital competence. For all forecasts predict that this competence will — at least in Europe — have a decisive influence on development opportunities and competitiveness and will become as important as skills in reading, writing and arithmetic.⁴⁾

Promoting access via infrastructure and know-how.

Telekom Austria Group reacts to this development in two ways: For one, on the infrastructural level, by consistently extending broadband availability in mobile and fixed-line networks, thus making ever faster Internet connections possible (see page 18). On the other hand, Telekom Austria Group also advocates the development of the skills that determine whether people can actually use the potential behind this fact for themselves in a sustainable way: To this end, it started the initiative “Internet for All” in Austria. In 2014 similar projects and initiatives were rolled out in all the Group’s countries.



AWARDS

- **CSR GRAND PRIX:** The Most Socially Responsible Company in Belarus (velcom)
- **GOLDEN SEMPLER AWARD:** Back2School campaign in the category “Best Targeted Campaign” (Vipnet)

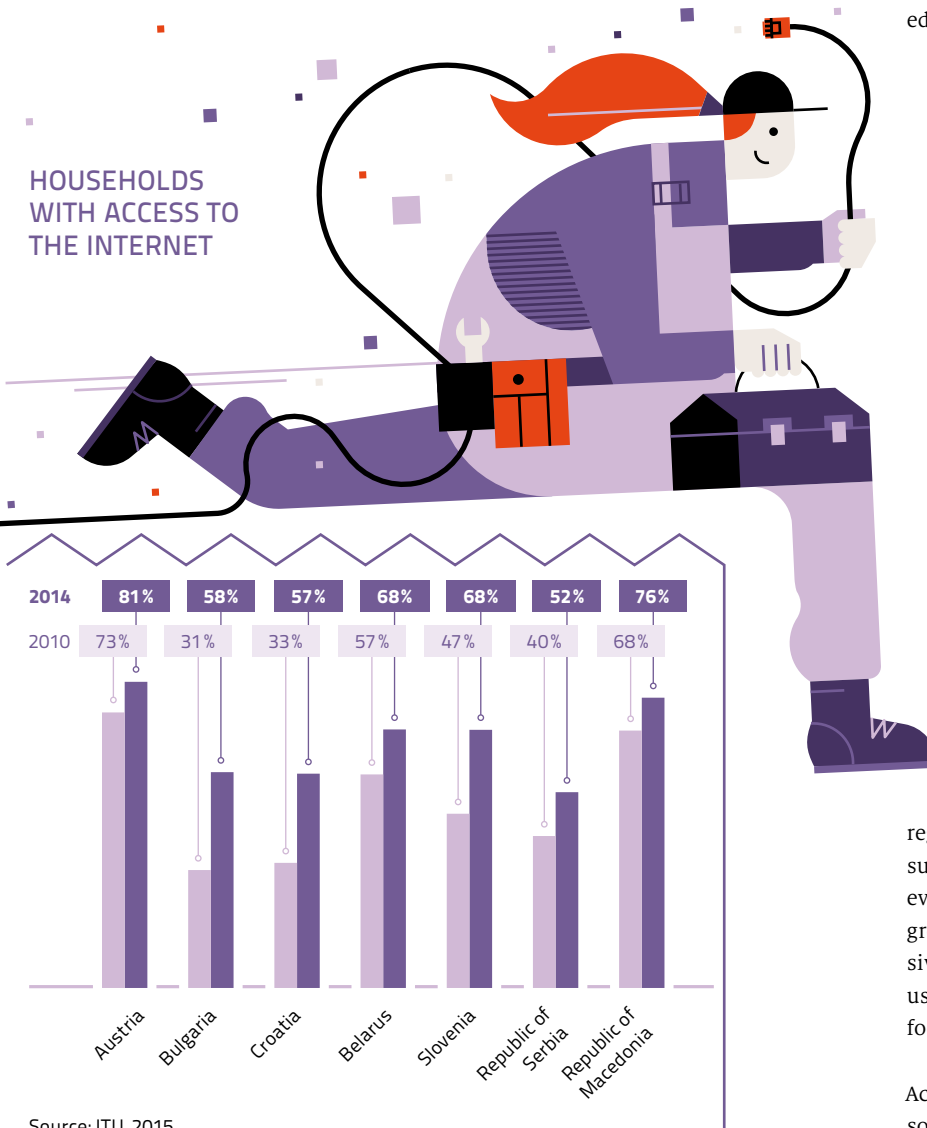
It focusses on promoting the safe and competent use of digital media such as the Internet, especially in people who are disadvantaged regarding access to education.

Safely navigating the Web: “Internet for All”.

Only those who know how to properly use the Internet, who are aware of the risks of social media and capable of identifying them can also utilise the chances they present to their advantage. That is why the topic of media literacy is at the top of the agenda in the initiative “Internet for All”. For instance, by means of focus trainings and manuals especially made for children used, for example, in Bulgaria. In the year under review, the Macedonian project “Surf Skillfully, Surf Smart” was devoted to the safe use of the Internet by employees’ children. In Austria, workshops surrounding this topic were held both at the “A1 Internet for All” campus locations and in schools in the framework of regional tours. In addition, the Austrian subsidiary staged parent information evenings to provide the entire target group of the family with comprehensive information on competent Internet use. Teacher training sessions, too, focussed on this topic.

According to surveys, girls and women sometimes still have limited access to

HOUSEHOLDS WITH ACCESS TO THE INTERNET



Source: ITU, 2015



INITIATIVES AND SOCIAL PARTNERSHIPS (SELECTION)

- **SPECIALISTERNE** — Integration of persons suffering from a condition in the autism spectrum into the labour market (A1)
- **MTEL TALENT** — Student competition to promote special interests (Mobilitel)
- **DO THE RIGHT THING** — Project aimed at promoting internal volunteer work by employees (Vipnet)
- **CHILDREN.AUTISM.PARENTS.** — Development and provision of the free application "DAR Communicator" for autistic persons (velcom)
- **PARTNERSHIP WITH SAFE.SI** — Trainings for children on the safe use of mobile phones and data transfer (Si.mobil)
- **SUPER BUS** — Project aimed at integrating disadvantaged children in the Republic of Serbia (Vip mobile)
- **SOS CHILDREN'S VILLAGE** — Free fixed-line phones; business customers are invited to donate (one.Vip)

→ G4.15

WHAT WE WANTED

Implementing social projects according to local needs by 2015.

WHERE WE STAND

Numerous social projects implemented in the subsidiaries.

WHERE WE ARE HEADING

Continuation of local social commitment until 2018.

the Internet, be it due to societal reasons or a lower interest in technology.⁶⁾ Dedicated "Girls' Days" in Austria therefore directly cater to this target group and aim at overcoming such barriers.

"Internet for All" also offers tailored trainings for seniors. Many of them participate in these workshops to make their first steps in the world of the Internet and lots of them come back to do them again. A very high recommendation rate is testament to the trainings' quality and significance for the target group.⁷⁾

Informational brochures for the target groups of seniors, children and families are created by several subsidiaries of Telekom Austria Group — for instance in Austria, Slovenia and Bulgaria — and can be downloaded or ordered on their websites. The family guide "Safe and easy surfing" which was published in 2015 in Austria represented a key activity in this area (see "Small steps & great leaps", page 43). → PA2

⁶⁾ <http://newsroom.fb.com>

⁷⁾ Recommendation rate surveyed in Austria 99%, Slovenia 100%, Croatia 88% and in the Republic of Serbia 99%.



In order to reach as many educationally disadvantaged people as possible, “A1 Internet for All” cooperates with more than 30 partners from the social and educational fields in Austria. With its three permanent locations in three provincial capitals as well as monthly tours into rural areas A1 — according to the scientific evaluation 2015 by the NPO Institut at the Vienna University of Economics and Business — significantly contributes to the nation-wide bridging of the digital divide in Austria. In 2015, dedicated tours for seniors were added

to the monthly tours. These cover the demand for adult training in Graz, Innsbruck, Linz and Vienna.

Telekom Austria Group’s employees are particularly important ambassadors of “Internet for All”. They support the initiative in the framework of volunteer programmes. From apprentices to the CEO, they have so far taken part 2,623 times, 838 times in 2015 alone.

Approaching the socially disadvantaged.

A society’s rate of development is not least reflected in the way it deals with its weaker members. New technologies make it easier for socially disadvantaged or physically handicapped people to master their daily lives. On the one hand, new media can make living and working significantly easier for blind or to a high degree visually impaired people. Text and chat messages, for instance, represent valuable means of communication for deaf people. On the other hand, e-health solutions offer new possibilities in the health care sector. In Austria, for instance, “A1’s Medical Data Network” links physicians, hospitals, laboratories and other health care institutions. one.Vip in the Republic of Macedonia also reminds patients of doctor’s appointments by means of text messages. Slovenia’s Si.mobil helps diabetics monitoring their blood sugar level with the app Vem, kaj jem! (“I know what I eat!”). E-government solutions such as the one offered by Slovenia’s Si.mobil facilitate communication and reduce administrative burdens in the communication between citizens and authorities.



USEFUL INFORMATION FOR GRI EXPERTS

- **S01:** Programmes aimed at supporting and integrating local communities are implemented at all subsidiaries.
- **PA5:** Telekom Austria Group is obliged to provide voice telephony services at reduced rates to low-income households as well as otherwise eligible customers in Austria. For this, it receives financial compensation from the Republic of Austria on a contractual base.
- **TA5:** Open source technologies are promoted in the framework of the “Internet for All” initiative.

COOPERATIONS FOR SAFE INTERNET USE (SELECTION)

- Vienna University Children’s Office (A1)
- BIV — Academy for Integrated Education (A1)
- Saferinternet (A1, Mobiltel)
- Zagreb City Libraries (Vipnet)
- Safe.si (Si.mobil)
- Organisation for Cross-Generational Cooperation 35+ (Vip mobile)

→ G4.15

Telekom Austria Group furthermore offers products that take into account social aspects: Special mobile phones with larger displays and simplified menus for visually impaired persons or discounts for socially disadvantaged people. Belarus’ velcom offers special rates to persons with impaired hearing. Likewise, Macedonia’s one.Vip offers a special rate that meets the requirements of persons with special needs. For the common goal must be to allow more and more people to participate in the digital progress — step by step.

→ EC8, PA2, 5, 7

THE ROADMAP — SOCIETY

✓ ACHIEVED ✗ NOT ACHIEVED ⚙ IN IMPLEMENTATION

TARGETS 2015

- ⚙ 100,000 participants in media literacy trainings (by 2016) (92,704)
- ✓ Increasing the number of partnerships to promote media literacy within Telekom Austria Group
- ✓ Implementation of social projects according to local needs
- ✓ Implementing and further developing cost control tools

Baseline for targets is 2012. Values in brackets represent the achievement status of the 2015 targets.

SAID 2014

- Implementation of the respective initiatives to promote media literacy in Telekom Austria Group's countries of operation as well as scientific evaluation
- Development of new workshop concepts on "coding" as well as focus on the target group of parents to promote safe media use by children and adolescents in Austria
- Continuation of social initiatives tailored to local needs
- Continuation of tools and applications for means of cost control as well as for children and youth media protection
- Publication of a parental guide focussing on children using the Internet

DONE 2015

- Workshops held at six subsidiaries in the framework of "Internet for All", redesign of a media competence programme in Belarus
- Introduction of the focus topic "coding" into the programme "A1 Internet for All" in Austria as well as four parents' evenings with 44 participants
- Publication of free brochures on safe media use for families and children in Austria
- Continuation of local social initiatives as well as continuation of cost control tools

TARGETS 2018

- ⚙ 150,000 participants in media literacy trainings
- ⚙ Promotion of social projects according to local needs

Baseline for targets is 2015.

PLANNED 2016

- More than 20,000 participants in media literacy trainings
- Continuation of social initiatives based on local needs
- Implementation of the new media literacy workshop programme in Belarus



SMALL STEPS & GREAT LEAPS

1



2



4



1 The family guide on "Safe and easy surfing" was developed and published by the Austrian subsidiary A1 in the framework of the "Internet for All" initiative. It provides helpful information and tips on safety, focussing on topics such as reasonable media use, social networks, cyberbullying, Internet pornography as well as computer and online games. This family guide is available online and in printed form.

2 Serbian subsidiary Vip mobile's project "Super Bus" is devoted to the integration of children with social or healthrelated disadvantages. In 2015, the Super Bus visited more than 15 places in the entire Republic of Serbia, staging learning and therapy workshops tailored to the respective target group and thus reaching some 2,000 children. Discussions with political representatives, NGOs and civil associations were furthermore held on a total of nine platforms to increase awareness for the local societal problems.

3 In Summer 2015, velcom initiated a partnership with the National History Museum of Belarus called "museum for kids". It focusses on imparting and preserving Belarus' cultural heritage. A first step saw the modernisation of the technical equipment such as multi-functional interactive panels and video projectors to arouse the interest of young visitors to learn more about the history and culture of Belarus.

4 In 2015, the Bulgarian subsidiary Mobitel scored a new record number of participants in "Internet for All" trainings. Using two large events, nearly 1,100 children and adolescents were trained on the safe use of the Internet. In the framework of Sofia Science Fair, Mobitel staged a so-called "Mobitel Digital Cafe" in which the teens could immediately put to use what they had learnt, supervised and instructed by Mobitel employees. Mobitel additionally provided free high-speed Internet at the fair.

GRI CONTENT TABLE

ACCORDING TO THE GRI G4 "COMPREHENSIVE" AND TELECOMMUNICATIONS SECTOR SUPPLEMENT PILOT VERSION 1.0 → G4.32

The following GRI Content Table lists all material aspects that are relevant for Telekom Austria Group as a whole. In the course of materiality reassessment in 2015, the aspects were assigned to the material topics.

Table although they are considered as material. It is necessary to introduce the relevant systems and processes which make it possible to collect data. It is expected that these relevant aspects will be gradually incorporated in the next three to five years.

The aspects "Materials", "Investments", "Supplier Environmental Assessment", "Supplier Human Rights Assessment", "Supplier Assessment in terms of Labour Practices" and "Human Rights Assessment" can currently not be reported in a GRI compliant manner. Therefore, those aspects are not listed in the GRI Content

The designations O and I represent the relevance of the aspect outside (O) and inside (I) the organisation. For extent and details of the external verification, we refer to the assurance statement on page 57.
→ G4.18–4.20

● External Audit ■ External Audit–Austria AR: Annual Report 2015

Indicator	Page	Description	Comment	Validation
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STRATEGY AND ANALYSIS

G4.1	6	Statement provided by the most senior decision-maker of the organisation about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability (strategical priorities, key events, target achievements, challenges)		●
G4.2	7, 9, 15, AR 9ff	Description of key impacts, risks and opportunities		●

ORGANISATIONAL PROFILE

G4.3	7	Name of the organisation		●
G4.4	4, 7, 60	Primary brands, products and services of the organisation		●
G4.5	7, 60	Location of the organisation's headquarters		●
G4.6	4, 7	Number of countries where the organisation operates and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report		●
G4.7	7, AR 24	Nature of ownership and legal form		●
G4.8	4	Markets served (geographic breakdown, sectors served, types of customers and beneficiaries)		●
G4.9	4, 7, AR 24ff, 54ff, 72ff	Scale of the organisation, including total number of employees, of operations, net revenues, total capitalisation broken down in terms of debt and equity, quantity of products or services provided		●
G4.10		Total number of employees by employment contract, gender, supervised employees, regions and any significant variations in employment numbers	Due to different reporting systems, disclosure in line with GRI requirements is currently not possible. Disclosure is planned within the next years.	●
G4.11	34	Percentage of total employees covered by collective bargaining agreements		●
G4.12	12, 16	Organisation's supply chain		●
G4.13	7, 16, AR 15ff, 24ff, 94ff, 125f	Significant changes during the reporting period regarding the organisation's size, structure, ownership, or its supply chain		●
G4.14	16	Handling of precautionary approach or principle addressed by the organisation		●
G4.15	14, 20, 27, 35, 40f	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organisation subscribes or which it endorses		●
G4.16	14	Memberships of associations (such as industry associations) and national or international advocacy organisations		●

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

G4.17	59, AR 141f	List of all entities included in the organisation's consolidated financial statements or equivalent documents	●
G4.18	8f, 12, 44	Explanation of the process for defining the report content and its implementation	●
G4.19	9, 44	Material aspects identified in the process for defining report content	●
G4.20	9, 44ff	Aspect boundary of each material aspect within the organisation	●
G4.21	9	Aspect boundary of each material aspects	●
G4.22	16, 59	Effect of any restatements of information provided in previous reports and the reasons for such restatements	●
G4.23	16, 59	Significant changes from previous reporting periods in the scope and aspect boundaries	●

STAKEHOLDER ENGAGEMENT

G4.24	9	List of stakeholder groups engaged by the organisation	●
G4.25	9, 16	Basis for identification and selection of stakeholders	●
G4.26	8f, 16	Organisation's approach to stakeholder engagement and indication of whether any of the engagement was undertaken specifically as part of the report preparation process	●
G4.27	8f	Topics that came up during the stakeholder process and the reactions of the organisation	●

REPORT PROFILE

G4.28	59	Reporting period	●
G4.29	59	Date of most recent previous report	●
G4.30	59	Reporting cycle	●
G4.31	60	Contact point for questions regarding the report or its contents	●
G4.32	44, 59	Report of the "in-accordance"-option, GRI index of the selected option, reference to the external audit report	●
G4.33	57f	Policies of the organisation regarding external audit of the report, scope of audit and relationship to audit company	●

GOVERNANCE

G4.34	13, AR 34ff	Governance structure of the organisation, including committees responsible for decisions regarding the economic, ecological and social impact	●
G4.35	13	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	●
G4.36	13, AR 34ff	Responsibilities for economic, environmental and social topics	●
G4.37	8f, 13	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics	●
G4.38	AR 40ff	Composition of the highest governance body and its committees	Due to personal data privacy, memberships in under-represented social groups are not disclosed. ●
G4.39	AR 40ff	Report of question whether the chair of the highest governance body is also an executive officer	●
G4.40	AR 37ff, 40ff	Nomination and selection processes for the highest governance body and its committees	Nomination and selection processes for the highest governance body fall within the remit of the owner of Telekom Austria Group. ●
G4.41	AR 40ff	Processes for the highest governance body to ensure that conflicts of interest are avoided and managed	●

G4.42	13, AR 40ff	Roles of highest governance body's and senior executives' in the development, approval and updating of the organisation's purpose, values or mission statements, strategies, policies and goals related to economic, environmental and social impacts		●
G4.43	13, AR 34ff, 41ff, 68ff	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics		●
G4.44		Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics	Due to legal requirements of the Stock Corporation Act, disclosure is not possible.	●
G4.45	AR 44ff, 68ff	Role of highest governance body in the identification and management of economic, environmental and social impacts, risks and opportunities	According to the terms of the Austrian Stock Corporation Act, the Supervisory Board has the role of a control body. The application of the indicator is therefore limited.	●
G4.46	13, AR 41ff, 66ff	Role of highest governance body in reviewing the effectiveness of the organisation's risk management processes for economic, environmental and social topics		●
G4.47	13, AR 41ff	Frequency of the highest governance body's review of economic, environmental and social impacts, risks and opportunities		●
G4.48	13, 59	Responsibilities for formal reviews and approvals of the organisation's sustainability report and fact that all material aspects are covered		●
G4.49	16, AR 40ff	Process for communicating critical concerns to the highest governance body		●
G4.50	16	Nature and total number of critical concerns that were communicated to the highest governance body		●
G4.51	AR 35ff, 40f, 131ff	Remuneration policies for the highest governance body and senior executives		●
G4.52	16, AR 35ff	Process for determining remuneration		●
G4.53	16, AR 40f	Process for taking stakeholders' views into account		●
G4.54		Ratio of the annual total compensation for the organisation's highest-paid individual in each country of significant operations to the median annual total compensation for all employees in the same country	Telekom Austria Group considers information about salary information as strictly confidential. Information exceeding the requirements of the Corporate Governance Code will therefore not be disclosed.	●
G4.55		Ratio of percentage increase in annual total compensation for the organisation's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees in the same country	see G4.54	●

ETHICS AND INTEGRITY

G4.56	15, 33, AR 9ff, 27ff	Organisation's values, principles, standards and norms of behaviour		●
G4.57	15, AR 32f	Internal and external mechanisms for seeking advice on and lawful behaviour and matters related to organisational integrity		●
G4.58	15, AR 32f	Internal and external mechanisms for reporting concerns about unethical or unlawful behaviour		●

DISCLOSURE ON MANAGEMENT APPROACH

G4 DMA	10f, 15	Details on the management approach of material aspects		
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ECONOMIC PERFORMANCE (O/I)

EC1	16	Direct economic value generated and distributed	
EC2		Financial risk as well as other threats and opportunities for the activities of the organisation posed by climate change	A disclosure in line with GRI requirements is currently in development. For information concerning risks and opportunities due to climate change, please refer to the CDP assessment 2016.
EC3	AR 122f	Coverage of the organisation's obligations defined in the performance-oriented benefit plan	
EC4	AR 98f, 113f	Financial assistance received from government	

MARKET PRESENCE (O/I)

EC5		Ratio of standard entry-level wage by gender compared to local minimum wage at significant locations of operation	The Telekom Austria Group considers information about salary information as strictly confidential. Information exceeding the requirements of the Corporate Governance Code will therefore not be disclosed.
EC6	56	Proportion of senior management hired from the local community at significant locations of operations	

INDIRECT ECONOMIC IMPACTS (O/I)

EC7	19f, AR 9ff	Development and impact of infrastructure investments and services supported	
EC8	19, 41	Type and extent of significant indirect economic impacts	

PROCUREMENT PRACTICES (O)

EC9		Proportion of spending on local suppliers at significant locations of operation	Reporting in line with GRI requirements is currently not possible. Appropriate reporting is in progress.
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ENERGY (I)

EN3	52f	Energy consumption within the organisation	■
EN4	29, 52	Energy consumption outside the organisation	
EN5	53	Energy intensity	■
EN6	26, 28, 52f	Reduction of energy consumption	
EN7	26, 28	Reductions of energy consumption for products and services	

EMISSIONS (O/I)

EN15	29, 52, 55	Direct greenhouse gas (GHG) emissions (Scope 1)	■
EN16	52, 55	Indirect energyrelated greenhouse gas (GHG) emissions (Scope 2)	■
EN17	52, 55	Other indirect greenhouse gas (GHG) emissions (Scope 3)	■
EN18	52, 54	Intensity of greenhouse gas (GHG) emissions	■
EN19	28, 55	Reduction of greenhouse gas (GHG) emissions	
EN20		Emissions of ozone-depleting substances (ODS)	ODS do not constitute a significant proportion of Telekom Austria Group's greenhouse gas emissions. Consequently, they are not reported.
EN21	52	NO _x , SO _x and other significant air emissions	

EFFLUENTS AND WASTE (I)

EN22		Total water discharge by quality and destination	The Telekom Austria Group is not a manufacturing company. Wastewater is only discharged into public sewer system due to office activities. As a result, the indicator is not considered to be significant.
EN23	29, 53	Total weight of waste by type and disposal method	Reporting in line with GRI requirements is currently not possible. Disclosure is planned within the next years. ■

EN24		Total number and volume of significant spills	see EN22
EN25	29	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel convention, Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	see EN22
EN26		Identity, size, protected status and biodiversity value of water bodies and related habitats significantly affected by the organisation's discharges of water and runoff	see EN22

PRODUCTS AND SERVICES (O/I)

EN27	29	Extent of impact mitigation of environmental impacts of products and services	
EN28	29, 54	Percentage of products sold and their packaging materials that are reclaimed by category	

ENVIRONMENTAL COMPLIANCE (O/I)

EN29	29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	
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TRANSPORT (O/I)

EN30	27	Significant environmental impacts of transporting products and other goods and materials for the organisation's operations and transporting members of the workforce	
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OVERALL ENVIRONMENTAL PROTECTION EXPENDITURE (O/I)

EN31		Total environmental protection expenditures and investments by type	This information is considered as strictly confidential and will therefore not be disclosed by Telekom Austria Group.
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EMPLOYMENT (I)

LA1		Total number and rates of new employee hires and employee turnover by age group, gender and region	Reporting in line with GRI requirements is currently not possible. Disclosure is planned within the next years.
LA2	34, AR 131ff	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	
LA3	34, 55	Return to work and retention rates after parental leave, by gender	

LABOUR/MANAGEMENT RELATIONS (O/I)

LA4	34	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	
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OCCUPATIONAL HEALTH AND SAFETY (I)

LA5		Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	Health & safety representatives are nominated in every subsidiary to monitor and coordinate health and safety aspects together with staff representatives and as representatives for the whole workforce.
LA6	56	Type of injury and rates of injury, occupational diseases, lost days and absenteeism and total number of work-related fatalities, by region and by gender	
LA7	34	Workers with high incidence or high risk of diseases related to their occupation	
LA8	34	Health and safety topics covered in formal agreements with trade unions	

TRAINING AND EDUCATION (I)

LA9	33f	Average hours of training per year, per employee, by gender and by employee category
LA10	33f	Programmes for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings
LA11	34	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category

DIVERSITY AND EQUAL OPPORTUNITY (I)

LA12	4, 55f, AR 34f	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership and other indicators of diversity
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EQUAL REMUNERATION FOR WOMEN AND MEN (I)

LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	The Telekom Austria Group considers information about salaries as strictly confidential. Salary information exceeding the requirements of the Corporate Governance Code will therefore not be disclosed.
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NON-DISCRIMINATION (O/I)

HR3	34	Total number of incidents of discrimination and corrective actions taken
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FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING (I)

HR4	34	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk and measures taken to support these rights
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LOCAL COMMUNITIES (O)

S01	41	Percentage of operations with implemented local community engagement, impact assessments and development programmes
S02	21	Operations with significant, actual and potential negative impacts on local communities

ANTI-CORRUPTION (O/I)

S03	16	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	●
S04	15f, 52	Communication and training on anti-corruption policies and procedures	●
S05	AR 43	Confirmed incidents of corruption and actions taken	

PUBLIC POLICY (O/I)

S06	Total value of political contributions by country and recipient/beneficiary	As stated in the Code of Conduct of Telekom Austria Group, political contributions are not allowed.
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ANTI-COMPETITIVE BEHAVIOUR (O/I)

S07	21	Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcomes	In the course of regular business activity, several lawsuits and other claims are pending against Telekom Austria AG and its subsidiaries. No information can be given on pending procedures.
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COMPLIANCE (O/I)

S08	AR 115ff, 139f	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	In the course of regular business activity, several lawsuits and other claims are pending against Telekom Austria AG and its subsidiaries. No information can be given on pending procedures.
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GRIEVANCE MECHANISMS FOR IMPACTS ON SOCIETY (O/I)

S011	AR 43	Number of grievances about impacts on society filed, addressed and resolved through formal grievance mechanisms	
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PRODUCT AND SERVICE LABELLING (O)

PR3	21	Type of product and service information required by the organisation's procedures for product and service information and labelling as well as percentage of significant product and service categories subject to such information requirements	
PR5	21, 52	Results of surveys measuring customer satisfaction	Reporting in line with GRI requirements is currently not possible. Disclosure is planned within the next years.

MARKETING (O/I)

PR6	22f	Sale of banned or disputed products	
PR7	16	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion and sponsorship, by type of outcomes	

CUSTOMER PRIVACY (O/I)

PR8	16	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	
PR9		Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	In the course of regular business activity, several lawsuits and other claims are pending against the Telekom Austria AG and its subsidiaries. No information can be given on pending procedures.

TELECOMMUNICATIONS SECTOR SUPPLEMENT — INTERNAL OPERATIONS

I01	20, AR 54ff	Capital investment in telecommunication network infrastructure broken down by country/region	
I02		Net costs for service providers under the Universal Service Obligation when extending service to geographic locations and low-income groups, which are not profitable	This information is considered as strictly confidential and will therefore not be disclosed by Telekom Austria Group.
I03	23, 34	Practices to ensure health and safety of field personnel involved in the installation, operation and maintenance of masts, base stations, laying cables and other outside plant	

IO4–5	23	Compliance with ICNIRP standards and guidelines on exposure to radiofrequency emissions from handsets and base stations	
IO6	22	Policies and practices with respect to Specific Absorption Rate (SAR) of handsets	●
IO7	23	Policies and practices on the siting of masts and transmission sites including stakeholder consultation, site sharing and initiatives to reduce visual impacts. Approach to evaluate consultations and quantify where possible	
IO8	21	Number and percentage of stand-alone sites, shared sites and sites on existing structures	

TELECOMMUNICATIONS SECTOR SUPPLEMENT — PROVIDING ACCESS

PA1	20	Policies and practices to enable the deployment of telecommunication infrastructure and access to telecommunication products and services in remote and low population-density areas	
PA2	40f	Policies and practices to overcome barriers for access and use of telecommunication products and services including: language, culture, illiteracy and lack of education, income, disabilities and age	
PA3	20	Policies and practices to ensure availability and reliability of telecommunications products and services	
PA4	19f	Quantify the level of availability of telecommunication products and services in areas where the organisation operates	
PA5	41	Number and types of telecommunication products and services provided to and used by low and no income sectors of the population	
PA6	20	Programmes to provide and maintain telecommunication products and services in emergency situations and for disaster relief	
PA7	41	Policies and practices to manage human rights issues relating to access and use of telecommunication products and services	
PA8	22	Policies and practices to publicly communicate on EMF related issues	
PA9	23	Total amount invested in programmes and activities in electromagnetic field research	
PA10	21	Initiatives to ensure clarity of charges and tariffs	
PA11	29	Initiatives to inform customers about product features and applications that will promote responsible, efficient, cost effective and environmentally friendly use	

TELECOMMUNICATIONS SECTOR SUPPLEMENT — TECHNOLOGY APPLICATIONS

TA1	21	Examples of the resource efficiency of telecommunication products and services delivered	
TA2	21	Examples of telecommunication products, services and applications that have the potential to replace physical objects (e.g. online telephone or video-conferencing)	
TA5	41	Description of practices relating to intellectual property rights and open source technologies	

DATA APPENDIX



NETWORK & CUSTOMERS

CUSTOMER SERVICE

	2015 Customer contacts ¹⁾ (in tsd.)	2014 Customer contacts ¹⁾ (in tsd.)	Change (in %)
Austria	21,188	20,700	2%
Bulgaria ²⁾	3,946	3,931	0%
Croatia	3,772	3,592	5%
Belarus	4,374	4,944	-12%
Slovenia ³⁾	763	1,074	-29%
Republic of Serbia	2,202	2,614	-16%
Republic of Macedonia ⁴⁾	1,930	1,735	11%
Telekom Austria Group	38,175	38,590	-1%

- 1) Includes contacts by phone, e-mail and text messages
 2) Include the company Mobilitel
 3) Include the company Si.mobil
 4) Include the company Vip operator

→ PR5

ANTI-CORRUPTION TRAINING

2015	
Austria	6,336
Bulgaria	1,795
Croatia	43
Belarus	1,488
Slovenia	484
Republic of Serbia	898
Republic of Macedonia	135
Telekom Austria Group	11,179

→ S04



ENVIRONMENT

METHODOLOGY — EMISSIONS

In its calculation method for direct, indirect and other indirect emissions, Telekom Austria Group follows the internationally recognised definition of the Greenhouse Gas Protocol of the WRI/WBCSD (World Resources Institute and World Business Council for Sustainable Development), in which all greenhouse gases are included in the calculation, i.e. not just those covered by the Kyoto Protocol. The calculation methods are based on the published data by ecoinvent (AR4 100-year (IPCC 2007-4th Assessment Report)). Figures given as CO₂ equivalents. Nature of gases reported by energy providers for Scope 2 emissions are unknown.
 → EN15-18, 21

METHODOLOGY — ENERGY

The calculation method is — as long as self provision is not concerned — based on the invoices of the respective energy providers. For the conversion into kilowatt hours factors of the ecoinvent database have been taken into account. When data was not available, estimates were made in some cases. For the energy share of fuels the heating value was considered. → EN3, 4, 6

Environmental KPIs for Slovenia include the company Si.mobil, for Bulgaria KPIs include the company Mobilitel.

VEHICLE FLEET

	Vehicles (in pcs.)	Petrol consumption (in l)	Diesel consumption (in l)	Consumption of alternative fuels (in l)	Mileage (in tsd. km)
2015					
Telekom Austria Group	4,784	378,931	6,862,782	190,711	103,595
2014					
Telekom Austria Group	4,826	343,482	6,847,508	174,762	102,870
Change (in %)					
Telekom Austria Group	-1	10	0	9	1

AIR POLLUTANTS GENERATED BY THE VEHICLE FLEET¹⁾

2015 (in g/km)	NO _x	SO ₂	PM ₁₀
Telekom Austria Group	0.665	0.189	0.067
2014 (in g/km)			
Telekom Austria Group	0.666	0.188	0.067
Change (in %)			
Telekom Austria Group	0	0	0

→ EN21

- 1) The air pollutants were aligned to the published data of ecoinvent. They include the emissions of the vehicle fleet. Reported emissions represent relevant pollutants of Telekom Austria Group.

In the Republic of Macedonia, the merger of the Macedonian subsidiary Vip operator with ONE, a subsidiary of Telekom Slovenije Group, was completed in October 2015.

DIRECT AND INDIRECT ENERGY

2015 (in MWh)	Electricity ¹⁾	Heating fuels ²⁾	District heating	Fuels ³⁾	Total energy consumption
Austria	299,530	16,226	30,766	51,060	397,582
Bulgaria	78,970	130	243	7,377	86,719
Croatia	53,549	4,489	3,455	4,129	65,622
Belarus	79,459	0	2,867	3,904	86,230
Slovenia	23,862	0	345	275	24,482
Republic of Serbia	37,778	90	762	2,489	41,119
Republic of Macedonia	24,965	2,751	0	2,579	30,295
Telekom Austria Group	598,113	23,685	38,438	71,811	732,048
2014 (in MWh)					
Austria	299,840	16,798	30,853	51,730	399,221
Bulgaria ⁴⁾	75,066	92	263	7,705	83,126
Croatia	42,864	61	3,323	4,020	50,268
Belarus	82,536	0	2,933	4,514	89,982
Slovenia	20,778	0	246	299	21,322
Republic of Serbia	34,408	70	733	2,483	37,694
Republic of Macedonia	9,234	844	0	479	10,556
Telekom Austria Group	564,725	17,864	38,351	71,230	692,170
Change (in %)					
Austria	0	-3	0	-1	0
Bulgaria	5	41	-8	-4	4
Croatia	25	7,241	4	3	31
Belarus	-4	n. a.	-2	-14	-4
Slovenia	15	n. a.	41	-8	15
Republic of Serbia	10	28	4	0	9
Republic of Macedonia	170	226	n. a.	438	187
Telekom Austria Group	6	33	0	1	6

Table may include rounding differences. 1 Joule = $2.77777778 \times 10^{-10}$ MWh

→ EN3, 6

1) Purchased and in-house production as well as diesel for emergency generators

2) Includes oil and gas

3) Includes diesel, petrol, CNG, LPG und natural gas

4) Due to increased data quality, Bulgaria's key figure "electricity" from 2014 was corrected.

ENERGY AND FUEL CONSUMPTION¹⁾

2015 (in MWh)	From non-renewable energy	From sources of renewable energy ²⁾
Telekom Austria Group	93,997	4,301

1) Oil, diesel, petrol, LPG, CNG and natural gas, including diesel for emergency generators → EN3
 2) Share of biogenic fuels in diesel and petrol

ENVIRONMENT — RELATIVE INDICATORS

2015	Energy Efficiency Index ¹⁾ (in MWh per terabyte)	Share of e-billing (in %)	Water consumption (per FTE, in m ³)
Telekom Austria Group	0.6	64	16

1) Energy Efficiency Index is defined as total electrical energy consumption within Telekom Austria Group, divided by total transported data volume of fixed and mobile telecommunication networks. → EN5

WASTE

	Recyclable			Hazardous waste			Residual waste ³⁾	Total
2015 (in kg)	Paper	Metal	Other ¹⁾	Electronic waste	Batteries	Other ²⁾		
Telekom Austria Group	1,159,898	1,800,630	558,198	671,119	255,761	263,639	2,277,007	6,986,252
2014 (in kg)								
Telekom Austria Group	1,059,060	3,485,791	605,535	774,212	72,587	233,775	2,308,188	8,539,148
Change (in %)								
Telekom Austria Group	10	-48	-8	-13	252	13	-1	-18

Quantities were defined according to invoices of waste management companies or if this was not possible according to volumina of waste containers combined with intervals of waste disposal. → EN23

1) Other recyclable waste includes plastic, glas and biological waste. 2) Other hazardous waste includes mainly mobile phones and other hazardous materials.

3) Due to increased data quality, the key figure "residual waste" from 2014 was corrected.

WASTE — PAPER CONSUMPTION

2015 (in kg)	Printing & copy paper	Other ¹⁾	Total
Austria	96,311	792,843	889,154
Bulgaria	91,175	161,809	252,984
Croatia	11,833	140,898	152,730
Belarus	40,943	40,493	81,436
Slovenia	5,042	69,209	74,251
Republic of Serbia	26,867	106,398	133,265
Republic of Macedonia	35,860	138,573	174,433
Telekom Austria Group	308,030	1,450,222	1,758,252
2014 (in kg)			
Austria	102,714	727,172	829,886
Bulgaria	92,477	186,841	279,318
Croatia	33,530	160,406	193,936
Belarus	49,700	43,429	93,129
Slovenia	6,225	98,557	104,782
Republic of Serbia	30,434	151,394	181,828
Republic of Macedonia	20,000	68,172	88,172
Telekom Austria Group	335,080	1,435,971	1,771,051
Change (in %)			
Austria	-6	9	7
Bulgaria	-1	-13	-9
Croatia	-65	-12	-21
Belarus	-18	-7	-13
Slovenia	-19	-30	-29
Republic of Serbia	-12	-30	-27
Republic of Macedonia	79	103	98
Telekom Austria Group	-8	1	-1

1) Other includes mainly paper for customer invoices and paper for packaging.

WASTE — MOBILE PHONE RECYCLING

2015 (in pcs.)	Collected old mobile phones
Austria	24,385
Bulgaria	1,345
Croatia	220
Belarus	n. m.
Slovenia	455
Republic of Serbia	n. m.
Republic of Macedonia	n. m.
Telekom Austria Group	26,405
2014 (in pcs.)	
Austria	11,794
Bulgaria	1,135
Croatia	483
Belarus	n. m.
Slovenia	5,460
Republic of Serbia	1,189
Republic of Macedonia	500
Telekom Austria Group	20,561
Change (in %)	
Austria	107
Bulgaria	19
Croatia	-54
Belarus	n. m.
Slovenia	-92
Republic of Serbia	n. m.
Republic of Macedonia	n. m.
Telekom Austria Group	28

→ EN28

WASTE — WATER CONSUMPTION

2015 (in m³)	Total
Telekom Austria Group	304,542
2014 (in m³)	
Telekom Austria Group	266,555
Change (in %)	
Telekom Austria Group	14

ENVIRONMENT — RELATIVE INDICATORS

2015	Share of renewables in the electricity consumption ¹⁾ (in %)	Recycling quota ²⁾ (in %)	CO ₂ intensity ³⁾ (per FTE)	Average paper consumption (kg/FTE)
Austria	99	67	3	11
Bulgaria	19	14	13	25
Croatia	39	42	22	10
Belarus	0.5	68	18	23
Slovenia	67	91	20	10
Republic of Serbia	24	65	38	31
Republic of Macedonia	19	90	27	38
Telekom Austria Group	60	64	12	17
2014				
Austria ⁴⁾	99	75	3	12
Bulgaria	17	13	18	37
Croatia	36	56	18	29
Belarus	0.5	61	18	26
Slovenia	31	94	22	16
Republic of Serbia	24	65	33	33
Republic of Macedonia	17	87	17	37
Telekom Austria Group	60	70	11	21

1) Derived from electricity consumption, values of A1 and Si.mobil were calculated, the others as measured by the standard national grid factor. → EN18

2) For recycling provided fractions (non-hazardous waste, electronic waste and batteries) in relation to total waste.

3) CO₂ intensity includes the CO₂ emissions from Scope 1 and Scope 2 (excluding compensation) divided by the number of employees by end of the year.

4) Due to increased data quality, the key figure "recycling quota" from 2014 was corrected.

DIRECT AND INDIRECT GREENHOUSE GAS EMISSIONS

2015 (CO ₂ in t)	Direct (Scope 1)	Indirect (Scope 2)	Total (Scope 1+2)	Total (Scope 1+2) including compensation)
Austria	17,827	10,029	27,856	11,608
Bulgaria	3,230	44,723	47,953	47,953
Croatia	2,385	24,476	26,861	26,861
Belarus	1,446	30,723	32,169	32,169
Slovenia	73	10,072	10,145	10,145
Republic of Serbia	998	32,679	33,677	33,677
Republic of Macedonia	1,486	23,484	24,970	24,970
Telekom Austria Group	27,446	176,186	203,632	187,384
2014 (CO ₂ in t)				
Austria	18,048	10,040	28,088	11,840
Bulgaria ¹⁾	3,302	42,484	45,787	45,787
Croatia	1,169	19,789	20,959	20,959
Belarus	1,589	31,921	33,510	33,510
Slovenia	80	8,755	8,835	8,835
Republic of Serbia	1,056	29,677	30,733	30,733
Republic of Macedonia	608	8,343	8,951	8,951
Telekom Austria Group	25,853	151,010	176,863	160,615
Change (in %)				
Austria	-1	0	-1	-2
Bulgaria	-2	5	5	5
Croatia	104	24	28	28
Belarus	-9	-4	-4	-4
Slovenia	-8	15	15	15
Republic of Serbia	-5	10	10	10
Republic of Macedonia	144	181	179	179
Telekom Austria Group	6	17	15	17

Scope 1 includes direct emissions from combustion of fossil fuels for heating, electricity production and mobility without consideration of cooling agents. Scope 2 measures indirect emissions from electric energy and district heating.

→ EN15, 16, 19

1) Due to increased data quality, Bulgarian's key figure "Scope 2" from 2014 was corrected.

 EMPLOYEES
EMPLOYEE AGE STRUCTURE¹⁾

2015 (in FTE)	below 30	30–50	above 50
Austria	598	4,897	3,017
Bulgaria	1,187	2,285	135
Croatia	198	984	57
Belarus	682	1,009	86
Slovenia	60	424	24
Republic of Serbia	164	702	13
Republic of Macedonia	170	732	40
Telekom Austria Group	3,059	11,033	3,372
2014 (in FTE)	below 30	30–50	above 50
Austria	870	5,286	2,478
Bulgaria	863	1,580	83
Croatia	120	970	61
Belarus	785	1,027	69
Slovenia	57	324	18
Republic of Serbia	241	680	12
Republic of Macedonia	94	434	7
Telekom Austria Group	3,030	10,301	2,728

1) Apprentices not included

→ LA12

OTHER INDIRECT GREENHOUSE GAS EMISSIONS

2015 (CO ₂ in t)	Upstream processes (Scope 3)
Austria	11,791
Bulgaria	23,443
Croatia	11,168
Belarus	16,467
Slovenia	2,613
Republic of Serbia	16,962
Republic of Macedonia	12,051
Telekom Austria Group	94,495
2014 (CO ₂ in t)	
Austria	14,546
Bulgaria ¹⁾	20,474
Croatia	9,983
Belarus	17,995
Slovenia	2,272
Republic of Serbia	16,227
Republic of Macedonia	5,059
Telekom Austria Group	86,555
Change (in %)	
Austria	-19
Bulgaria	14
Croatia	12
Belarus	-8
Slovenia	15
Republic of Serbia	5
Republic of Macedonia	138
Telekom Austria Group	9

Scope 3 takes into account the costs associated with the upstream emissions from heating energy, electricity (not included in Scope 2) and fuels (fleet) and business travel (taxi, plane, train) as well as emissions from customer's mobile phones. Upstream emissions were calculated according to ecoinvent.

→ EN17

RETURN TO WORK AND RETENTION RATE AFTER PARENTAL LEAVE BY GENDER

2015 (in HC)	Parental leaves female	male	Returned to work female	male
Telekom Austria Group	805	139	347	130

→ LA3

COMPOSITION OF THE GOVERNANCE BODY¹⁾ (AGE STRUCTURE)

2015	Total (in HC)	Share women (in %)	below 30 (in HC)	30–50 (in HC)	above 50 (in HC)
Telekom Austria Group	12	17	0	4	7

1) Capital representatives in the Supervisory Board

→ LA12

DIVERSITY

	2015 (in %) Share of female employees	2014 (in %) Share of female employees	2015 (in %) Share of female executives	2014 (in %) Share of female executives
Austria	26	26	18	17
Bulgaria	54	52	58	47
Croatia	42	39	40	41
Belarus	61	61	38	40
Slovenia	40	47	40	40
Republic of Serbia	51	52	45	43
Republic of Macedonia	45	54	60	37
Telekom Austria Group	38	38	35	29

→ LA12

ACCIDENT STATISTICS

2015 (in working days)	Accidents	Fatal accidents	Days lost to accidents
Austria	129	0	1,240
Bulgaria	3	0	45
Croatia	19	0	396
Belarus	0	0	0
Slovenia	1	0	6
Republic of Serbia	1	0	78
Republic of Macedonia	7	0	221
Telekom Austria Group	160	0	1,986

2014 (in working days)

Austria	113	0	1,026
Bulgaria	1	0	68
Croatia	15	0	305
Belarus	1	1	0
Slovenia	2	0	41
Republic of Serbia	4	0	80
Republic of Macedonia	7	0	650
Telekom Austria Group	143	1	2,170

→ LA6

SHARE OF LOCAL
MANAGEMENT

2015 (in %)	
Austria	98
Bulgaria	99
Croatia	97
Belarus	40
Slovenia	59
Republic of Serbia	98
Republic of Macedonia	100
Telekom Austria Group	90

2014 (in %)

Austria	98
Bulgaria	98
Croatia	98
Belarus	99
Slovenia	96
Republic of Serbia	96
Republic of Macedonia	94
Telekom Austria Group	97

→ EC6

EMPLOYEES IN PART-
TIME EMPLOYMENT

2015 (in HC)	
Austria	683
Bulgaria	31
Croatia	15
Belarus	30
Slovenia	10
Republic of Serbia	0
Republic of Macedonia	4
Telekom Austria Group	773

2014 (in HC)

Austria	661
Bulgaria	65
Croatia	0
Belarus	32
Slovenia	10
Republic of Serbia	0
Republic of Macedonia	0
Telekom Austria Group	768

→ LA12



A1 INTERNET FOR ALL

2015	Trainings	Participations	Recommendation rate of participants (in %)	Participating employees ¹⁾	Recommendation rate of employees (in %)
Austria	1,666	22,980	99	811	99
2014					
Austria	1,487	18,704	97	715	98
Change (in %)					
Austria	12	23	n. m.	13	n. m.

1) Employees supporting for the first time in the respective reporting year

MEDIA LITERACY TRAININGS

	2015 Participations	2014 Participations	Change (in %)
Austria	22,980	18,704	23
Bulgaria	1,055	500	111
Croatia	248	200	24
Belarus ¹⁾	n. m.	100	n. m.
Slovenia	131	1,000	-87
Republic of Serbia ²⁾	n. m.	60	n. m.
Republic of Macedonia	67	250	-73
Telekom Austria Group	24,481	20,814	18

- 1) No media literacy trainings were offered in Belarus in 2015. Work is currently underway on the implementation of a new workshop programme.
- 2) The Serbian subsidiary did conduct media literacy trainings in 2015 but could not record the number of participants.

ASSURANCE STATEMENT¹⁾

Introduction

We were requested to perform a limited assurance engagement on Specific Topics of the Sustainability Report 2015 (hereafter “the Report”) of Telekom Austria Group (hereafter “TAG”).

The Report and the underlying procedures, systems and structures including subject matters and criteria are the responsibility of the Management of Telekom Austria AG. Our responsibility is to make an assessment based on our review.

We conducted our review in accordance with the International Standard on Assurance Engagements (ISAE) 3000, “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and the “Fachgutachten des Fachsenats für Unternehmensrecht und Revision über die Durchführung von sonstigen Prüfungen (KFS/PG 13)” in order to obtain limited assurance on the subject matters. In a limited assurance engagement the evidence-gathering procedures are more limited than in a reasonable assurance engagement, and therefore less assurance can be obtained.

For this engagement the “Allgemeinen Einkaufsbedingungen für Beratungsleistungen und Services der Telekom Austria Group — Stand 1/2015” were agreed. Subsidiary the “General Conditions of Contract for the Public Accounting Professions”, as issued by the Chamber of Public Accountants and Tax Advisors in Austria on March 8, 2000, revised on February 21, 2011 (“AAB 2011”), are binding. In cases of gross negligence the maximum liability is limited to EUR 2,000,000

and in cases of ordinary negligence the maximum liability is limited to EUR 5,000. This amount constitutes a total maximum liability cap which may only be utilised up to this maximum amount even if there is more than one claimant or more than one claim has been asserted.

Subject Matters

- Review of the procedures, systems and structures for defining the Report Content.
- Review, if the disclosed information on General Standard Disclosures complies with the disclosure requirements as defined in GRI G4.
- Review of the procedures, systems and structures for collecting, gathering, aggregating and validating of the following in the Report disclosed topics:
 - Environmental Performance Indicators (only the contribution of A1, the operative subsidiary of TAG in Austria): Energy consumption within the organisation (G4–EN3), Energy intensity (G4–EN5), Direct greenhouse gas (GHG) emissions — Scope 1 (G4–EN15), Energy indirect greenhouse gas (GHG) emissions — Scope 2 (G4–EN16), Other indirect greenhouse gas (GHG) emissions — Scope 3 (G4–EN17), Greenhouse gas (GHG) emissions intensity (G4–EN18) and Total weight of waste by type and disposal method (G4–EN23)
- Social Performance Indicators: Total number and percentage of operations assessed for risks related to corruption and the significant risks identified (G4–SO3)

and Communication and training on anti-corruption policies and procedures (G4–SO4)

- Disclosed indicators regarding the social initiative “Internet for All”
- Procedure for the compliance “Policies and practices with respect to Specific Absorption Rate (SAR) of handsets” (IO6)

Criteria

Based on an assessment of materiality and risk we have evaluated the obtained information and supporting documents with respect to the conformity of the subject matters with the Sustainability Reporting Guidelines (Version G4) issued by the Global Reporting Initiative (GRI).

Proceedings

Our work included analytical procedures as well as interviews with employees from the headquarters in Vienna notified by the board of directors of Telekom Austria AG.

Restriction in use

Our engagement is limited to the above mentioned Subject Matters. We did not review any other content in the Report. We have not tested comparative data

1) The German text of the signed statement, which refers to the German version of the report, is the only binding one. The English translation is not binding and shall not be used for the interpretation of the English version of the report.

from previous years. The scope of our review was limited to samples. Our work was performed on a sample basis as deemed necessary in the particular case, but did not include any substantial testing. Therefore, the assurance that we obtained is limited.

Conclusions

Procedures, systems and structures for defining the Report Content

Based on our work described above nothing has come to our attention that causes us to believe that the procedures, systems and structures for defining the Report Content are not in conformity with the Principles for Defining Report Content as indicated by GRI G4.

Disclosure requirements (qualified conclusion)

Due to unavailability of information the General Standard Disclosure G4–10 is omitted in the report, even though GRI G4 does not provide any reasons for omission for this General Standard Disclosure. Furthermore, the information regarding General Standard Disclosure G4–2 is not provided in two concise narrative sections but on several places.

Based on our work described above with exception of the above mentioned issues nothing has come to our attention that causes us to believe that the disclosed information respectively the information

referred to in the report regarding the General Standard Disclosures are not in conformity with the disclosure requirements stipulated in GRI G4.

Procedures, systems and structures for collecting, gathering, aggregating and validating of specific topics

Based on our work described above nothing has come to our attention that causes us to believe that the procedures, systems and structures for collecting, gathering, aggregating and validating of the:

- contribution of A1 (the operative subsidiary of TAG in Austria) to the Environmental Performance Indicators: Energy consumption within the organisation (G4–EN3), Energy intensity (G4–EN5), Direct greenhouse gas (GHG) emissions — Scope 1 (G4–EN15), Energy indirect greenhouse gas (GHG) emissions — Scope 2 (G4–EN16), Other indirect greenhouse gas (GHG) emissions — Scope 3 (G4–EN17), Greenhouse gas (GHG) emissions intensity (G4–EN18) and Total weight of waste by type and disposal method (G4–EN23)
- Social Performance Indicators: Total number and percentage of operations assessed for risks related to corruption and the significant risks identified (G4–SO3) and Communication and training on anti-corruption policies and procedures (G4–SO4)
- Disclosed indicators regarding the social initiative “Internet for All”

- Procedure for the compliance “Policies and practices with respect to Specific Absorption Rate (SAR) of handsets” (IO6) were not appropriate.

Vienna, 5 July, 2016

Deloitte Audit
Wirtschaftsprüfungs GmbH

Mag. Gerhard Marterbauer
Certified Public Accountant

Mag. Christof Wolf
Certified Public Accountant

REPORT DETAILS

This sustainability report includes Group-wide activities and key figures for Telekom Austria Group, in accordance with the reporting scope and the reporting period of the 2015 annual report. For selected projects, qualitative information on the individual topics was included beyond 2015 up to the second quarter of 2016 and noted separately in the report. → G4.28

Financial key figures and staff data relate to the Group segment reporting segments defined in line with IAS 8, while environmental key figures and other social performance indicators were collected for the lead companies of the respective countries. Telekom Austria Group assumes that the subsidiaries not mentioned would have only made a minimal contribution to the published key figures, due to their size or activity (e. g. holding function). If key figures for non-lead companies were collected together with those for lead subsidiaries for organisational reasons, they were not differentiated from each other and accordingly taken into account in the overall amount. The Telekom Austria Group sustainability report is published once a year; the report for the 2014/2015 period was published in August 2015. → G4.28–G4.30

This report meets the requirements of the Global Reporting Initiative (GRI) — Guideline G4 for sustainability reports — and complies with the annual progress report as defined in the United Nations Global Compact. The report meets the regulations and requirements of the G4 version of the GRI standard “comprehensive” (with the exception of the general standard information G4.10, which currently cannot yet be reported).

During the first quarter of 2015, a new materiality analysis was conducted. This has led to a change in the scope of the reported indicators compared to the previous year (see also GRI content table starting at page 44). The selected topics and indicators were reviewed by an independent auditor (see page 57 for details on the scope of the review) as part of an external certification (see GRI content table, page 44). The certification was entrusted to Deloitte Audit Wirtschaftsprüfungs GmbH. The aspects and indicators of the GRI Sector Supplement “Telecommunications” were also taken into account in the materiality analysis. All content, topics, aspects, indicators and measures in the report refer, unless indicated otherwise, to Telekom Austria Group and its subsidiaries. The report was released by Alejandro Plater, CEO of Telekom Austria Group on 5 July 2016. → G4.17, 4.22, 4.23, 4.32, 4.33, 4.48

The report is divided into three large sections; an introductory chapter explains the devised sustainability strategy in connection with Telekom Austria Group’s core business and the key social and environmental trends. The main section of the report is dedicated to the four major action areas and deals with the strategic targets, implemented measures and current challenges. In the third part of the report, the quantitative data and key figures are recapped in the form of a data section. The GRI content table provides information on the individual aspects and indicators. The sustainability report chiefly focusses on environmental and social aspects of Telekom Austria Group’s activities. For further information on economic development, the organisa-

tion profile and corporate governance, please refer to the Telekom Austria Group 2015 annual report (www.telekomaustria.com/en/ir/annual-reports). Data collection for the sustainability report is based on the use of internal reporting processes as well as standardised questionnaires in the individual lead subsidiaries of Telekom Austria Group. This data is assessed centrally and subjected to plausibility checks. Telekom Austria Group’s Corporate Sustainability Department evaluates the questionnaires annually with regard to current developments, requirements and objectives.

Definitions and calculation methods on individual indicators and key figures set out in the report are explained in detail by means of footnotes either in the respective chapter itself or in the data section starting on page 52. To indicate that person designations in the sustainability report refer to both women and men, a gender-appropriate formulation was used in some cases. For the sake of legibility, only the masculine form was used in other cases; however, the report always addresses both women and men.

TELEKOM AUSTRIA GROUP

Telekom Austria AG
Lassallestrasse 9
1020 Vienna, Austria
Tel. +43 50 664 0

→ G4.5

OPERATING COMPANIES OF TELEKOM AUSTRIA GROUP



A1 Telekom Austria AG
Lassallestrasse 9
1020 Vienna, Austria
Tel. +43 50 664 0



Si.mobil d.d.
Šmartinska cesta 134 b
1000 Ljubljana, Slovenia
Tel. +386 40 443 000



Mobitel EAD
1, Kukush Street
1309 Sofia, Bulgaria
Tel. +359 88 8088088



Vip mobile d.o.o.
Omladinskih brigada 21
11070 Novi Beograd,
Republic of Serbia
Tel. +381 6 01234



Vipnet d.o.o.
Vrtni put 1
10000 Zagreb, Croatia
Tel. +385 14691 091



one.Vip DOO Skopje
Filip Vtori Makedonski 3
1000 Skopje,
Republic of Macedonia
Tel. +389 2 311000 77



velcom
36–2, Internatsionalnaya
220030 Minsk, Belarus
Tel. +375 17 3303303

→ G4.4

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OWNER, EDITOR & PUBLISHER

Telekom Austria AG

GROUP COMMUNICATIONS & SUSTAINABILITY

Ingrid Spörk

PROJECT TEAM

Irene Jakobi, Maximilian Rabl, Astrid Habermeyer,
Anna Schwarzbauer

ADVICE ON CONTENT

PwC Österreich

IDEA & CONCEPT

GREAT

ART DIRECTION, DESIGN & PRODUCTION

Daniel Hammer

ILLUSTRATIONS

Aleksandar Savić, Agent Azur

PRINT

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CONTACT

Irene Jakobi

Head of Group Sustainability
Telekom Austria Group
irene.jakobi@telekomaustria.com

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