Telekom Albania SHA

Corporate Responsibility Report 2015

September 2016

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1 About the Report

TELEKOM Albania has been providing extensive information to the public regarding its corporate responsibility (CR) activities, its objectives, the progress made, its achievements in the social, environment, economic and other parts of its CR reporting since 2006. This report is the tenth CR Report for the company.

Since 2010, this report (along with regularly updated CR information) is only available online at: https://www.telekom.com.al/kompania/raportet-csr. Since 2010 CR reports have been prepared according to the sustainability reporting guidelines of the Global Reporting Initiative (GRI).

Scope of the report

This report contains detailed content and indicators chosen to measure its performance in terms of principle, recommendation and methods as found within the G4 Sustainability Reporting Guidelines, in line with the Accordance-Core option. The content index at the end of the report enables stakeholders and report readers to get a quick overview of the report. Indicators related to the telecommunications sector are also included.

The report covers the operations and activity of Telekom Albania in Albania. It makes reference to objectives announced in the 2014 Corporate Responsibility Report of the company. In some of cases a restatement of the past position is provided.

This report covers the period 1 January to 31 December 2015 (unless otherwise stated in specific items). It also includes some noteworthy accomplishments during 2014 and not captured elsewhere.

A production team made up of members from within TELEKOM Albania and from outside the company have developed the elements included and considered from the perspective of stakeholders' interest, as well as awareness of the company's priority operations. The team conducted interviews with key persons, directly collected information and numeric data and compiled the report. This report is dated August 2016 with the 2016 issue planned for publication in the second quarter of year 2017.

Report data
In collecting and presenting data, the company has been guided by the definitions and parameters of the GRI G4 Indicator Protocols. The data used in this report comprise the following record systems provided by the company:

- Aggregated financial and personnel data, aggregated data on customer services, summary data on regulatory actions; and
- The environmental data have been calculated according to internationally accepted methods, on the basis of information provided by the Company Operations Divisions.

Telekom Albania uses an IT based data collection system, called IKOS, which is used by all Deutsche Telekom (DT) Group Companies as a CR controlling system and which plays an important role in steering DT Group CR activities. The system gives the company more capacity to conduct extensive analyses of CR data.

This report has not been subject to external assurance.

Feedback on this report

Telekom Albania believes the information in this report to be an accurate representation of its business operations with regard to its corporate responsibility and will be used as a mechanism for building our relationship with our Stakeholders. Your feedback, suggestions and questions are important to us. Please send them via e-mail to: contac_us@telekom.com.al or via post to: Telekom Albania, Rr."Gjergj Legisi", Laprake, Tirana, Albania.

Terminology

- The terms "we", "the company", "Telekom Albania" refer to Telekom Albania S.A.;
- The terms "Report" and "CR Report" refer to the current 2015 Corporate Responsibility Report of Telekom Albania;
- The term "CR" refers to Corporate Responsibility; and
- "CSR" refers to Corporate Social Responsibility. Both CR and CSR are used as synonyms for each other.

Limitations

The company has made substantial progress in preparation of its CR reports over the past few years. However, it is aware that there exist some limitations in this report, and aims to address them in the future. The limitations include:

- The need for an expansion of the quantitative and qualitative system;
- That not all GRI indicators have been disclosed but will be addressed in the coming years;
- The validation of quantitative elements has not been made by an independent institution, but by the company itself; and
- Areas of focus and commitment cover also other indicators and aspects of the company's approach to sustainability.

The potential to improve these in the future remains strong in terms of ensuring quality of data consistency, completeness and comparability.

Structure of this report

This report has been structured to be comprehensive and to share information on Telekom Albania initiatives with its stakeholders in a transparent manner. Goals achieved and policies adopted in the value chain are highlighted. Comparative date of this report to the previous years is used to demonstrate the sustainability of business and society in the long term.

The performance and results presented are based on a multi-stakeholder approach that addresses the:

- Indicators and guidelines of the Global Reporting Initiative (GRI) G4;
- Critical issues identified by stakeholders; and
- Benchmarks provided by local and international sustainability guidelines.

Material issues in Telekom Albania sustainable management were identified following a detailed review with stakeholders of the most important material issues. The content of this report is focused on these issues. The report is self-declared to be in accordance with the Global Reporting Initiative G4 Sustainability Reporting Framework at Core option.
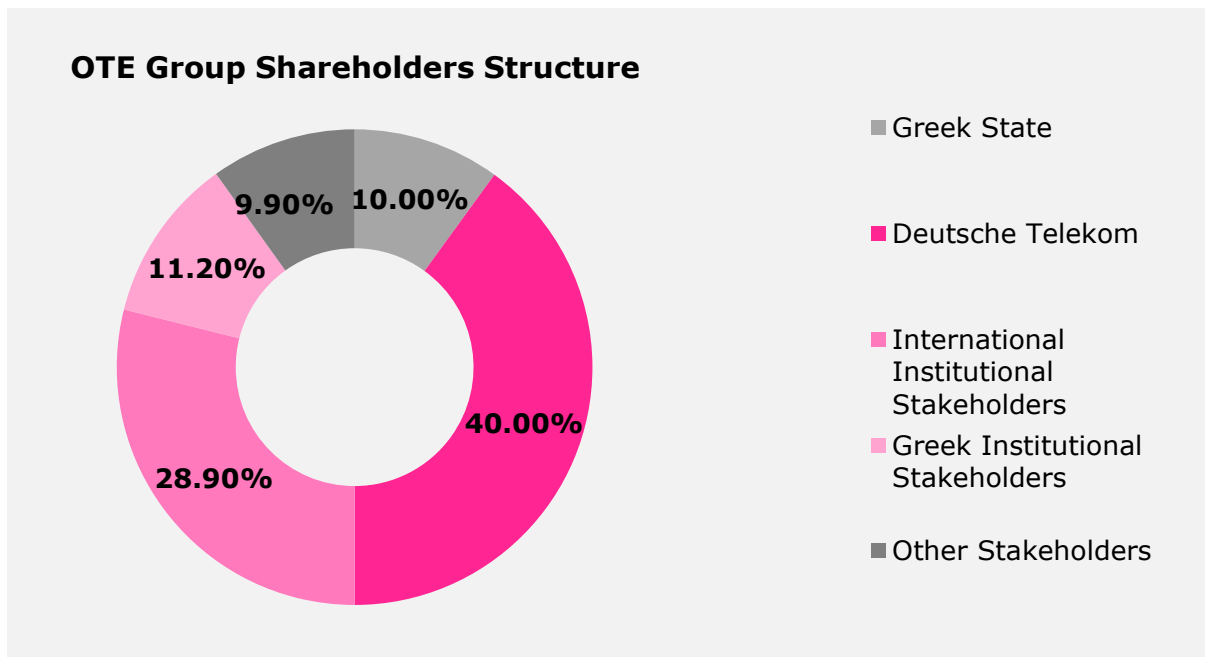
2 Telekom Albania

2.1 Shareholders Structure

Telekom Albania is the new brand of the former Albanian Mobile Communication (AMC)[1], as introduced on 23 July 2015. AMC was founded in in 1995 as the first mobile telecommunications company in Albania. With an advanced telecommunications network and a competitive commercial portfolio, as of 31 December 2015 the company has been able to offer advanced mobile telecommunication services to more than 1.7 million customers and holds approximately 33% of the Albanian telecommunication market.

Telekom Albania is a stockholding company registered in Albania under law no. 7638, dated 14 December 1992 "On trade companies" as amended. As of now, the company is 99.79% directly or indirectly owned by OTE, which is a multinational group with a wide presence in South Eastern Europe (www.ote.gr).

Telekom Albania is part of Deutsche Telekom Group (DT Group), the biggest telephony network in Europe. Telekom Albania operates according to EU norms as per best practices and local legislation, and contributes to the sustainable development, by cooperating with its stakeholders and incorporating economic, environmental and social consideration throughout its operations.

The OTE Group shareholders structure is given below:

OTE Group Shareholders Structure

	Legend
	Greek State
	Deutsche Telekom
	International Institutional Stakeholders
	Greek Institutional Stakeholders
	Other Stakeholders

Pie chart values: 10.00%, 40.00%, 28.90%, 11.20%, 9.90%

In 2015, Telekom Albania did not receive any government financial subsidies, state aid, special tax relief or other government financial payments.

DT Group connects millions of people around the world and enables them to communicate. As one of the world's leading information and communication groups, the Telekom Group takes its corporate responsibility very seriously. To live up to the trust of

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[1] AMC did not change its name until July 2015. For this reason reference to AMC's activities in 2015 may remain associated with its former name although the new name is also used interchangeably for 2015 activities.

its customers and partners, now and in the future, sustainable conduct is a fixed element of its CR strategy - in every country and in all Group units.

The DT Group operates in 50 countries of the world including within Europe and the United States of America (USA). It serves approximately 200 million customers, employs 225,000 people worldwide and has an estimated turnover of €69.2 billion. DT believes that it will only become an international leader in the field of corporate responsibility if all companies cooperate. More about Deutsche Telekom can be found at https://www.telekom.com.

2.2 Organizational Structure

Telekom Albania's organizational structure is designed to operate in the most efficient and effective way possible so as to serve its customers as best it can. The current structure is shown below.
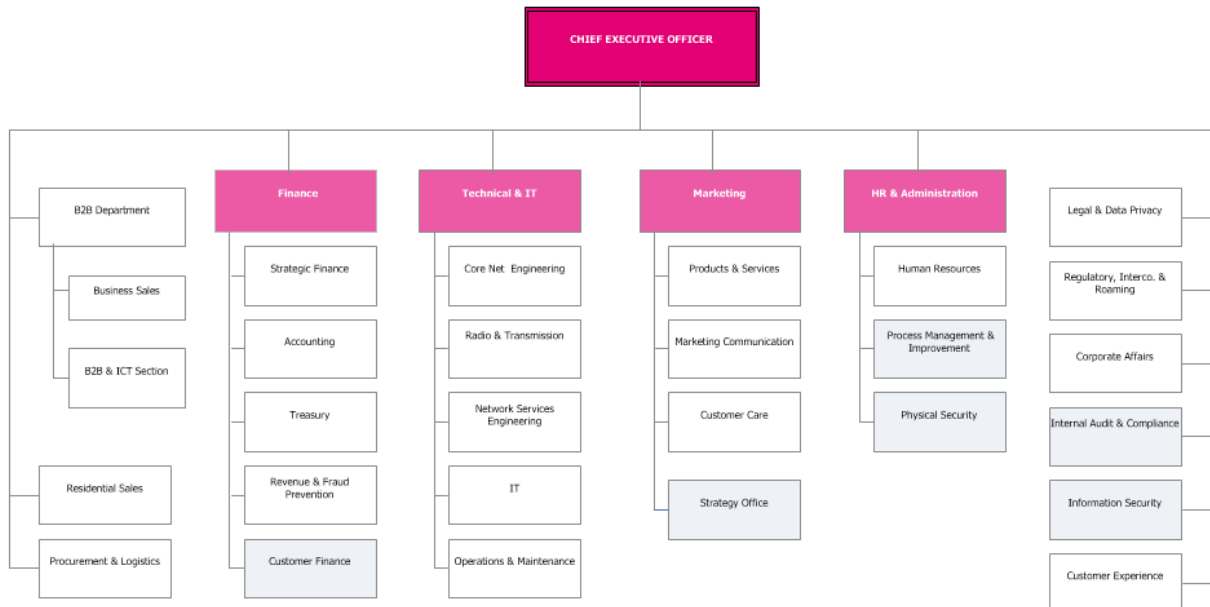
2.3 Main Products and Services

Telekom Albania offers mobile telephony and broadband services with speed up to 225 Mbps and television services, targeting businesses, public institutions, families and individuals. Full details of Telekom Albania products and services can be found in the company's website, www.telekom.com.al.

In 2015, Telekom Albania introduced new products and services and hundreds of thousands customers have been using them only in a few months. Some of the services introduced in 2015 were the following:

- Roam Like Home, which is a unique service available for the very first time and exclusively to all Telekom Albania subscribers. Through this service, subscribers have the opportunity use in 34 countries the airtime of the existing bundles they have in Albania;

- AirBnB application, which is an application that helps all company's customers who travel abroad and need an apartment or house during their stay. They receive a discount from every purchase they make;
- e-Di application, which is a family location service, allowing people to have updated information about their family members at all times, such as security zone for family members, find family members in real time, and protect their smartphones from various threats;
- Internet 4G+ with a speed up to 225 Mbps;
- Headsets at discount prices such as i-phone 6 and i-phone 6+, Samsung S6; and
- Mobile TV, available in smart phones.

2.4 Business Performance Review

Telekom Albania has introduced new products, services and has made exceptional offers to its subscribers in Albania during the year under review. In addition, the company has strongly rationalized its customer base having a solid number of active sim users. The number of active sim users in Albania is 3.4 million, which is circa 1% more than last year. Through its modern 4G+ technology and its broadband services the company has substantially increased the number of its broadband users. Telekom Albania business performance for the year 2015 is briefly given in the table below:

Telekom Albania Business Performance Review of December 31, 2015	
Customer base	Ca. 1.73 million
Internet customers	Ca. 0.28 million
Post-paid customers	Ca. 0.10 million
Prepaid customers	Ca. 1.63 million
Market share	37.3%
New/Improved Offers provided	145
New Services provided	15
Base stations	516
Population coverage	99.80%
Territory coverage	92.50%
Number of employees	433
Operators with established agreements	378
Countries that provide roaming	151
Networks that provide roaming	366
Countries that provide GPRS	98
Networks that provide GPRS	203
Number of shops	139
Total revenues (in million euro)	82.7
Payroll and employee benefits (in million euro)	Non Disclosable
Total operating expenses (in million euro)	Non Disclosable

EBITDA (in million euro)	20.6
Pro forma EBITDA (in million euro)	20.6

2.5 Memberships and Acknowledgements

Telekom Albania is a member of a number of organizations that support the company to address business challenges and disseminate the values of the corporate responsibility in Albania.

- Tirana Chamber of Commerce and Industry;
- American Chamber of Commerce and Industry;
- Foreign Investors Association of Albania;
- Hellenic Business Association of Albania;
- German Industry and Trade Association; and
- Albanian CSR Network.

In 2015, Telekom Albania did not receive any awards on Corporate Responsibility.

2.6 Significant Developments/Changes in 2015

The most significant changes in the year under review were the following:

- In March 2015, the company was granted the license to offer 4G services.
- In July 2015, the company changed its name and brand values from AMC to Telekom Albania.
- By 3rd Quarter of 2015, all company shops and assets were rebranded under Telekom Albania name.

3 Corporate Responsibility Strategy and Governance

3.1 Values and Guiding Principles

Since 2011 the company has been a member of the Deutsche Telekom Group. In July 2015 it changed its name and all branding values into "Telekom Albania". Through these changes the company has promoted common values and principles in alignment with the Deutsche Telekom Group of Companies which are present in 50 countries around the world.

Company Values
The system of values that the company wants to promote is defined by the Guiding Principles of the wider group of Companies. These Principles provide guidelines that we need to follow in our daily work, that promote ethical behaviour, mutual respect, team work, accomplishment of the best results possible in a more simple manner, open expression of opinions, assumption of responsibility and creation of an environment that encourages, recognizes and appreciates exceptional results. By promoting common standards of behaviour equally towards our customers and our co-workers, we aim to create a working atmosphere that is a pleasure to work in and contribute to the overall business success of the Company. We are all responsible for the promotion of these values. We accept the Principles, not as a set of rules that we must obey, but as values that motivate, inspire and fill us with a positive energy. They drive us to achieve the best results, each person in his work, in our teams and all together, as a company an reach. These Guiding Principles are not only meant for internal use, but also in dealing with the external environment as well. They help emphasize the company's social commitment.

Our Guiding Principles are:

Customer delight and simplicity drive our actions
Customer satisfaction drives our actions: We are aware of the responsibility that we have towards our customers. They give us their trust, and we neither want nor are we allowed breaching that trust. But, on the other hand, we want not only to satisfy our customers, but delighting them. The customers' thoughts, feelings, needs and experience drive our work at Telekom Albania.

Respect and integrity guide our behaviour
We at Telekom Albania strive to create a climate of acceptance and mutual trust by respecting the individuality of others, acting openly and honestly, and calling for and cultivating individual and cultural diversity. This principle goes beyond respecting one another as colleagues in everyday business. It is also about truly respecting customers, partners, suppliers and shareholders.

Team together team apart
This principle focuses on our Group's culture of working together. We listen to the others, discuss issues openly and professionally and seek the opinion of the others. But once a decision has been made, the decision is upheld by the entire team.

Best Place to perform and grow
Good employees are the number one factor for achieving success. To become the most highly regarded company in the industry and beyond, Telekom Albania relies on the

commitment and success of each one of its employees. This principle combines the devotion and commitment of both its management and employees in order for Telekom Albania to be the best place for them to perform and grow in their career.

I'm T – Count on me
"We deliver what we promise!" That is the only way to win our customers' trust and survive in the competitive market. That also means that every colleague is personally committed to finding a solution to a customer's problem. We can rely on each other, just as our shareholders and customers are able to rely on the company.

Our Guiding Principles are a component of our HR work and are very important when it comes to reliable collaboration and the ability to delight our customers. We conduct regular employee surveys to find out how our employees apply our Guiding Principles in their everyday work. We also assess employee satisfaction and how well they understand our corporate strategy by way of "pulse surveys". This feedback is used to embrace our Guiding Principles to make them even stronger within the Group. To achieve this, we broadcast video messages featuring our Board Members, place a focus on special aspects and address the importance of our Guiding Principles for various business processes.

Guiding Principle Day
Telekom Albania participated in the sixth Deutsche Telekom Group-wide Guiding Principle Day on 24 September 2015. All employees from the DT Group of companies were called upon to think about the Guiding Principles and come with ideas as to how to effectively implement them in their day-to-day work. The message was that we do not just live our Guiding Principles one day a year, we make them a basic principle behind our daily activities and continue to pursue them with determination.

The focus was on Guiding Principle no. 4: "Best place to perform and grow". Each year on Guiding Principles Day employees at numerous Deutsche Telekom locations worldwide participate in activities revolving around our corporate values.

3.2 CR Strategy

Although AMC adopted a new name that of Telekom Albania, the company continues its transformational change for technological and sustainable development for the society, environment, marketplace and company workforce.

Telekom Albania enjoys now a well-established tradition of CR in all its operations. As the first telecommunications company in Albania to implement the Quality Management System (ISO 9001:2008), Occupational Health & Safety System (OHSAS 18001), Environmental Management System (ISO 14001), awarded for its Business Excellence and Social Contribution, Telekom Albania is committed to conducting its business in environmentally sustainable manner.

The Deutsche Telekom Group CR strategy defines mandatory guidelines for all companies that are part of the group. Therefore, the company transmits these values and guidelines to all employees in the form of mandatory guiding principles and code of mandatory guiding principles and codes of conduct in order to guarantee a value-based corporate culture. In addition, the company communicates with external and internal stakeholders, in order to take our responsibility for the impact of our company's activities.

The responsible conduct of our operations is done through the binding rules, reflected not only in our Code of Conduct and Policies, but also in social charters where we adhere and with our partners and suppliers.

Telekom Albania defines Corporate Responsibility as:

"the commitment of the company to contribute to global sustainable development, by taking economic, ecological and social objectives into consideration in our decision-making processes, to take responsibility for the impact of our organization's activities, by working and communicating with internal and external stakeholders, while at the same time improving the competitiveness of the company".

The company defines its priorities on CR in four strategic pillars that cover the most important and material issues for operations and stakeholders:

a. Marketplace

We invest in technology, networks and infrastructure, and through our products and services provide the best technological solutions for all our customers. We strive to deliver best value for our customers, maximize their satisfaction and safeguard our CR principles that are to be followed by our suppliers and distributors. We will continue to offer world-class technological services in our Albanian market, thereby providing Albanians the same technological opportunities as in other countries where our Group companies operate. In addition, we have in place codes and policies that encourage the market development by abiding by the values and principles of transparency, fair competition and sustainable growth.

b. Employees

We encourage and contribute to the development of our employees. We recognize their performance and provide a merit-based evaluation, ensuring equality in opportunities and promotion of cooperation. On the other side, our employees are a strong voice and very important in the process of disseminating company CR values and principles within and outside the company.

c. Society

We aim to utilize sustainable technological solutions to society together with our partners. In addition, in such difficult economic times we continue to support vulnerable groups and communities in need and invite others from within and outside the company to do the same. This promotes volunteerism, solidarity and engagement to various initiatives.

d. Environment

We aim to reduce the environmental footprint of our activities and provide products and services that contribute to environmental protection. We aim to raise public awareness to adopt a more responsible behaviour towards environmental protection.

The company conducts regular assessment to define CR areas of focus. The assessment takes into consideration the opinion of individuals from within and outside the company. The findings of these and the information received from engagement with stakeholders are important for defining how the company engages in CR activities.

Commitment to climate and society
Our CR strategy focuses on three fields of activity, linked with current challenges in society, upon which our specific targets are based:

- Responsibility for connected life and work;
- Responsibility for equal opportunity to actively participate in the information and knowledge for society; and

- Responsibility for a climate-friendly society.

The target achievement process in all three fields of activity is steered and verified on an ongoing basis throughout the Group. With environmentally friendly services and social commitments, Telekom Group is already making a significant contribution towards achieving these goals today. We are taking responsibility, together with our partners and customers.

3.3 CR Governance

Corporate Governance is the legal and factual regulatory framework for governance of the company. It includes a number of principles and responsibilities distributed to corporate bodies to include Shareholders General Assembly, Supervisory Council and Board of Directors with regard to management and supervision of the company. Apart from legal requirements set by the Government of Albania, Telecommunication Supervisory Authority and other legal institutions, the company aims to uphold its performance and the interests of all its shareholders. Telekom Albania complies with well-recognized national rules of corporate behaviour, to include the corporate governance principles determined by the Corporate Governance Code (Code) for unlisted joint-stock companies in Albania.

The core governmental structure consists of the following:

General Shareholders Assembly
The highest-ranking governance board of Telekom Albania, responsible to take decisions for important corporate issues (according to Law No. 9901, date of 14.4.2008, "On Traders and Trading Companies") is the "General Shareholders Assembly".

Supervisory Board
The Supervisory Board has the responsibility to ensure that the Company's activities and operations are in compliance with all laws and regulations. It reviews and monitors any actual or potential situations of conflict of interest and compliance with the law. It receives from the Board of Directors all the notices of actual or potential conflict of interest or material interest they may have with the Company. In addition, the Supervisory Board supervises the activity of Board of Directors. The Supervisory Board consists of three members, who are appointed by the Shareholder's Assembly Meeting. The Supervisory Board meets at least once every three months. The mandate of each Supervisory Board member is two years. The last election of the Supervisory Board was in April 2014.

Name	Position	Executive Member	Non-Executive Member
Konstandinos Liamidis	Chairman		✓
Pavlos Vichos	Member		✓
Supervisory Board on the 31.12.2015.			

- Mr. Konstandinos Liamidis is Chief International Operations Officer OTE Group as of February 2011. Mr. Liamidis joined COSMOTE as Deputy Commercial Director at the time of its incorporation in 1996. In the beginning of 2000 he was appointed Retail Network Sales Director. In May 2003 Mr. Liamidis became General Commercial Director. He has been as Advisor to the COSMOTE CEO since November 2007. He started his career in OTE and later on became an executive in the Commercial Department of the organization. He has been Chairman of the Telekom Albania Supervisory Council since year 2006.
- Mr. Georgios Tsonis was appointed Technical General Director of COSMOTE in November 2005. In 2000 he joined COSMOTE as Switching Deputy Director, and in 2001 was appointed Switching and Network Management Director. He has been Vice-Chairman of the Telekom Albania Supervisory Council since year 2001.
- Mr. Pavlos Vichos has been member of the Telekom Albania Supervisory Council since year 2011.

Board of Directors

As described in the company's statue, the Board of Directors is responsible and defines the general policies and strategy of Telekom Albania as well as supervises operational management and the overall activity of the company. The Board of Directors consists of five members appointed by the Supervisory Board for a three-year term. They can each be reappointed. Board of Directors meetings are held at least once every three months. Wages and other compensation of Board members are defined according to General Assembly decisions.

Name	Position	Executive Member	Non-Executive Member
Charalampos Mazarakis	Chairman		✓
Georgios Athanasopolous	Vice-Chairman		✓
Dimitrios Blatsios	CEO/Member	✓	
Irini Nikolaidi	Member		✓
Eyriviadis Sarsentis	Member		✓

Board of Directors on the 31.12.2015.

- Mr. Mazarakis has over 20 years of professional experience, chiefly in senior management positions in Greece and abroad. Before joining the OTE Group, in July 2012, as OTE Group General Financial Director, he was Group Chief Financial Officer (CFO) of the National Bank of Greece, and from 2008 until 2010 Group Chief Financial Officer (CFO) and Member of the Group Executive Committee of TITAN Cement Company. He has been chairman of Telekom Albania BoD since November 2015.
- Mr. George Athanasopoulos is Chief Information Officer at OTE Group. Since October 2007, he has also been COSMOTE's Operations & IT Systems General Director. Mr. Athanasopoulos joined the OTE Group in 2002, as OTE Investments Information Management Executive Director. Since September 2006 he has held the position of

Operational Support Executive Director in OTE Globe. Since October 2015 he has been Vice-Chairman of Telekom Albanian BoD.

- Mr. Eyriviadis Sarsentis has been working for the OTE Group for the past 11 years, serving as IR & Strategy Director at COSMOTE and more recently as M&A Director at the OTE Group. Previously, Mr. Sarsentis worked for 15 years at investment banks in Greece and abroad. Mr. Sarsentis holds a degree in Economics from the LSE and an MBA from City University, London. Since 2015 he has been a member of the Telekom Albania BoD.

- Mr. Dimitris Blatsios has been Chief Executive Officer of the Telekom Albania since December 2010. Before joining the company, Mr. Blatsios was Executive Chief Commercial Officer in GLOBUL, a COSMOTE subsidiary in Bulgaria since March 2009 and General Manager in GERMANOS Telecom Romania, since October 2006. Before that, he was Head of the International Retail Division of the GERMANOS Group of Companies (covering Poland, Bulgaria, Romania, Ukraine, FYROM and Cyprus).

- Ms. Irini Nikolaidi has served COSMOTE since its foundation in 1996 as Legal Counsel – Competition, Legal & Regulatory Affairs General Director. Since January 2011, Ms. Nikolaidi has held the position of OTE Group Legal Counsel - Executive Director of Legal and Regulatory Affairs of OTE Group, which incorporates the General Directorate of Legal Affairs of OTE and the General Directorate of Regulatory Affairs of OTE. She also performs the duties of General Director of Legal Affairs of OTE. Before joining COSMOTE, she served OTE as an expert in telecommunications. She has been a member of Telekom Albania BoD since 2001.

Compensation of all Members of the Board of Directors is approved by the Shareholders' General Assembly. The Executive Directors' compensation, including performance–related compensation procedures, is covered by employment contracts, which are approved by the Shareholders' General Assembly.

Chief Executive Officer

The Chief Executive Officer (CEO) assumes the primary responsibility for operational management. The CEO is assisted and supported in this operation by the Internal Audit and Compliance Office.

On CR matters, the CEO seeks input from the BoD as part of the annual review of strategic objectives. Currently, the evaluation of the CEO, as well as the Boards' performance does not include specific criteria related to Corporate Responsibility. Employees may bring issues to the attention of the Boards of Directors through the formal dialogue of the Management with the employee representatives.

Corporate Affairs Office

The Corporate Affairs Office is responsible for the development and implementation of the company's CR strategy. The Corporate Affairs Manager reports to the CEO and cooperates with the latter on CR strategy issues and initiatives. This Office has in its structure the Corporate Responsibility Unit. The Corporate Affairs Office cooperates with Deutsche Telekom CR Managers Networks and other relevant structures in these organizations to share experience, practices and goals on approaching the CR agenda.

CR Unit

The Corporate Responsibility Unit works for the implementation of the CR strategy, coordinates and manages CR activities throughout the company, collects and processes the CR data, monitors the implementation of CR measures and targets, and communicates internally and externally, the company CR performance. It coordinates common CR activities of the company with the OTE and Deutsche Telekom Groups. The functions of the Corporate Responsibility Department include, *inter alia*, the implementation and management of regular communication with external experts and stakeholders. All members of the Corporate Responsibility Team contributed significantly

to raising awareness and mobilizing employees to enhancing the visibility of Corporate Responsibility, meeting CR objectives and to creating of a common corporate CR culture.

International Exchange of Expertise

The CR managers at Deutsche Telekom meet regularly for international talks at live meetings or webinar conferences. At these gatherings, they exchange their experiences on current activities and find out about the status of executing CR strategy and KPIs elsewhere.

The managers work in teams to design and implement Group-wide projects and the development of Group-wide climate protection targets. As part of these meetings, the members of the CR manager network inform themselves about best practices and the latest developments. Telekom Albania actively participates in these events which the company has embraced.
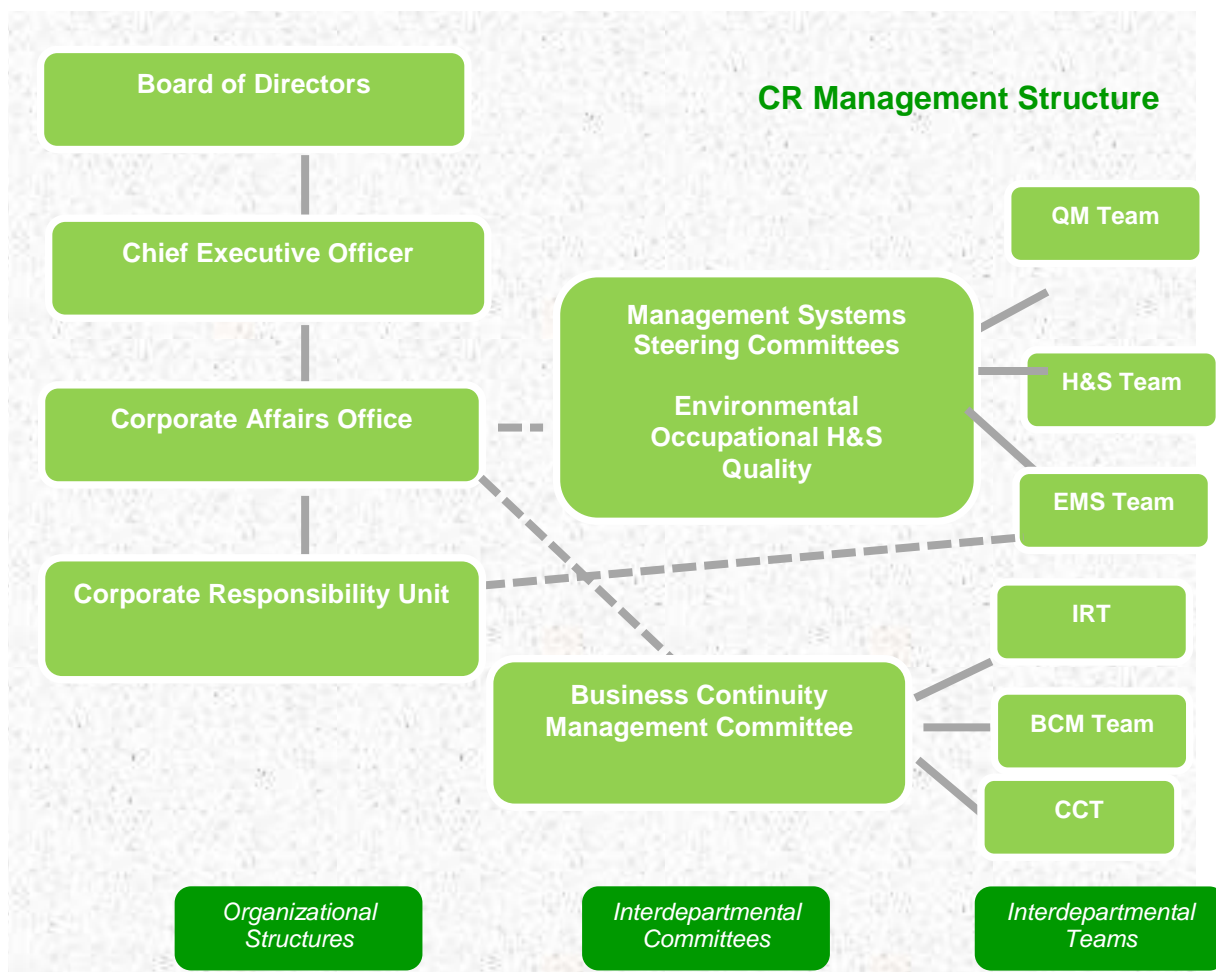
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In 2015, one of the questions addressed by the CR Manager Network was how CR managers can cooperate more efficiently and work in closer collaboration across borders. In line with this topic, the 15th CR Manager Meeting, which took place in Poland on November 23 - 24, 2015, was held under the slogan "Achieving more together." Internal cooperation was at the top of the agenda. Participants got together in small groups to discuss topics such as shared crisis management, handling environmental impacts and working on international projects. These topics were planned for 2016. The second day of the meeting focused on communicating international sustainability activities to the public.

Telekom Albanian Interdepartmental CR Structures

Inter-departmental CR Structures exist for the management of various CR issues. These structures have been created to manage systems that address quality, health and safety, and environmental issues, and altogether are incorporated into the Telekom Albania Integrated Management System, which is overseen by the Management Systems' Steering Committee. To ensure the application of several policies and issues and to coordinate the operational works and activities among many structures within the company, various interdepartmental teams have been created. These include:

a. Environmental Management Team which is responsible for the operational aspects of the company's environmental commitment;
b. Health and Safety Team, which is responsible for the operational aspects of the company's health and safety commitment;
c. Business Continuity Management (BCM) Team, which is responsible for planning and implementing Operational Continuity Pans, in order to protect the company from unexpected events. A dedicated BCM specialist has been employed within the Corporate Affairs Office to deal with BCM issues only;
d. Crisis Management Team (CMT, which is responsible for decision-making and management of activities in case of significant incidents that may occur;
e. Incident Response Team (IRT), which is responsible for responding and dealing with emergency situations in the company premises at first occurrence; and
f. Crisis Communication Team (CCT), which is responsible for public, media and internal communication in case of a crisis.

CR Management Structure

Board of Directors

Chief Executive Officer

Corporate Affairs Office

Corporate Responsibility Unit

Management Systems Steering Committees

Environmental Occupational H&S Quality

Business Continuity Management Committee

QM Team

H&S Team

EMS Team

IRT

BCM Team

CCT

Organizational Structures

Interdepartmental Committees

Interdepartmental Teams

3.4 Compliance

Compliance Management System

The Compliance Management System (CMS) guarantees compliance of all personnel and management with lawful activities, including but not limited to the Code of Conduct and internal policies, aiming to avoid risks and other legal consequences for the company. The key elements of the CMS include:

- Establishing a compliance organization in all major Group units;
- Risk-based derivation of a compliance program and its consistent implementation through policies, training, consulting offers, and communication measures;
- Compliance controls and compliance due diligence (analysing compliance risks involved in acquisitions); and
- Making sure that the company responds appropriately to violations.

Independent auditors certified Deutsche Telekom's CMS in several companies including Telekom Albania in 2013 in accordance with Institute der Wirtschaphfen (IDW) Audit Standard 980. The audits focused heavily on anti-corruption. This certification is proof that the certified CMS used by TELEKOM ALBANIA is effective when it comes to identifying corruption risks and preventing violations.

Compliance stands for a solid commitment to the principles of integrity, transparency, justice, professionalism, team spirit, and respect of the rules and principles, which are essential in governing the functions of the companies.

In 2015, a Compliance Risk Assessment was conducted to identify and assess compliance risks affecting the company. Many employees, having different core roles within the company were involved in this type of exercise aiming to assess the risks and propose relevant measures in addressing them. The Compliance Risk Assessment including Measure Plan for 2016 was finalized in September 2015 and approved by OTE Group Compliance, Enterprise Risk and Corporate Governance Committee in December 2015.

In order to provide the possibility of any "tip–off" regarding violations of policies, regulations and of the legislation in force, Telekom Albania has adopted a Whistle-blowing Policy and applicable channel to implement it. Employees and/or third parties may anonymously report to the Compliance Office a violation or express a concern or complaint regarding potential violations of the company's Policies or the legislation (e.g. corruption, abuses, theft, money laundering, financial statements matters, Policies and Procedures, discriminations, employee relations and any misconduct which could harm the company's reputation, or any attempts to conceal the above).

The Department responsible for the planning and adoption of the CMS, reports directly to the Company's Board of Directors. The implementation of the CMS is monitored by the Compliance, Enterprise Risks and Corporate Governance Committee. The main purpose of the Committee is to support and monitor the implementation of the Compliance Management and Risk Management Systems and review other issues of Corporate Governance.

In the context of implementation of the CMS, the following Policies and Codes are in force:
- Code of Conduct;
- Code of Conduct for the protection of the Individual's Right to Privacy in the handling of Personal Data within OTE Group;
- Code of Ethics for Senior Financial Officers;
- Whistle-blowing Policy;
- Policy on Avoiding Sexual Harassment within OTE Group;
- Policy on Accepting and Granting of Benefits;
- Policy on Donations and Sponsorships;
- Events Policy;
- Fraud Policy;
- Policy on Insider Trading;
- Policy on Avoiding Corruption and other Conflicts of Interest;
- Policy on Employee Relations within OTE Group; and
- Policy on Anti–Trust Law.

Telekom Albania communication channels for complaints are the following:

- Via Mail at:
  Telekom Albania sh.a.
  Compliance Office,
  "Gjergj Legisi" str., Laprake, Tirana, Albania
- Via e-mail at: complianceoffice@telekom.com.al
- Via telephone at +35542275321 (Monday through Friday: 9 am until 5 pm); and
- Via the Electronic Whistleblowing Form.

International Exchange of Expertise

Telekom Albania abides by the regulation of the DT Group. In line with the DT Group's international structure, strategic issues are discussed with an international compliance advisory team and a shared compliance approach is defined. The team is a "trend-setter" of sorts, as it provides an impetus for designing and implementing balanced compliance structures at the Deutsche Telekom Group (DT Group).

On 22 and 23 April 2015, the company staff responsible for compliance participated in the International Compliance Days 11th anniversary in Athens where representatives from 27 companies that make up the DT Group gathered and discussed compliance strategies and trends as well as new approaches to collaboration.

Preventing and fighting corruption

The Compliance Risk Assessment forms the foundation of DT Group's CMS. The assessment helps the company identify and evaluate compliance risks and develop appropriate preventative measures. Deutsche Telekom created a tool-based process that has to be applied every year throughout the Group. For this process, responsibilities are assigned, assessment criteria defined and documented.

In 2015, the company participated in the risk assessment analysis conducted for companies within the DT Group. The assessment helps the DT Group and the company identify and evaluate compliance risks and develop appropriate preventative measures. This involves defining which specific threat each risk poses to the company and identifying what has already been done to mitigate this risk. If necessary, additional measures are developed to reduce the risks to a manageable level, as defined by the risk strategy. This assessment is done every two years.

To promote the anti-corruption practices and avoid risk when working with a wide range of suppliers, Telekom Albania has adopted Integrity Checks when considering initiation of collaboration with new suppliers. The Integrity Check is done taking into account both the anti–corruption practices and company policies and procedures. Only the suppliers that have sound business practices are considered "fit" for cooperation.

In July 2015, the Compliance Torch Campaign was organised in Telekom Albania. The aim of the Compliance Torch Campaign was to raise awareness within the companies of the DT Group of corruption through a campaign statement "United against Corruption". The symbol of the campaign, the "Compliance Torch" travelled through many companies of DT Group to conclude its journey in Bonn, DT Group central offices on 9 December 2015, and marked by International Anti-corruption Day.

The campaign included a message signed by the Chairman and CEO of OTE Group and sent via e–mail to all Group employees. The message of the Chairman and CEO underlined that at the OTE Group "we implement the United Nations Global Compact Principles on human rights, labour standards, the environment and anti–corruption".

In the framework of the implementation of the Code of Ethics for Senior Financial Officers, BoD members and Senior Financial Officers signed, and submitted to the Telekom Albania Compliance Office, statements in which they declared that they are informed of the provisions of the Code of Ethics for Senior Financial Officers and that they comply with its provisions, aiming for honest and ethical business conduct.

The Annual Compliance Statement and the Conflicts of Interest Statement were signed by Telekom Albania employees. The Conflicts of Interest Statement is aligned with the requirements of the Policy on Avoiding Corruption and other Conflicts of Interest.

Investigation based on clear criteria

Telekom Albania has specified clear criteria for investigating suspected cases of corruption. The company only starts investigations if a violation of legal or internal regulations is reported with a sufficient degree of detail. The Internal Audit and Compliance Office thoroughly investigate any leads that have been identified. Any violations uncovered during the company's investigation are sanctioned appropriately and any weaknesses identified in the internal control system during the investigation are systematically analysed and corrected.

In 2015 no cases of corruption were registered. Based on Telekom Albania's policy, in 2015 the company neither funded any political party nor received financial aid from public authorities.

During 2015, from relevant channel of compliance the Telekom Albania Internal Audit received no "tip–offs" or complaints.

Internal Audit

Internal Audit is an independent, objective assurance and consulting activity, designed to add value and improve an organization's operations. It supports an organization to accomplish its objectives, by applying a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The Internal Audit function in Telekom Albania operates according to the Internal Audit Charter approved by the Board of Directors. The Internal Audit Charter is in compliance with International Standards for the Professional Practice of Internal Auditing", which is the guiding framework promulgated by "The Institute of Internal Auditors" (IIA). The IIA is an international professional association, which acts as a global body to provide internal audit professionals worldwide, with authoritative guidance. Furthermore, the company's Code of Ethics governs the minimum requirements for the conduct and behaviour of, and expectations from auditors, in the conduct of their duty.

In 2015, Internal Audit contributed to the enforcement of control environment through eight audit projects, 33 new management actions, the assessment of DT Group Internal Controls System as well as other *ad hoc* projects. The Internal Audit Team continues to participate in DT Group common audit projects, which is of great importance in the further exchange of knowledge. It fosters the cooperation of the DT Group of companies in implementing the DT Group CMS.

Audit Committee

The primary purpose of the Audit Committee is to assist the Board of Directors, in the exercise of their supervisory role and the satisfaction of their obligations towards shareholders, investors and others, particularly with respect to the integrity of financial statements, the adequacy of internal control procedures and systems, the observance and adequacy of accounting and financial reporting processes, the evaluation of the independence of the company external auditors, as well as the supervision of the Internal Audit.

An Anti–Corruption Training Programme was conducted in 2015, with the participation of company employees from several functional departments. The Training Programme covered topics such as avoiding corruption and other conflicts of interest, accepting and granting of benefits and Anti-Trust Policy. Details of the participation rates are given in the Table below.

Anti-Corruption Training Program			
Training method	**Number of targeted employees**	**Number of participators**	**Participation rate (%)**
E-Learning	225	185	82%

In 2015, Compliance Officer handled 159 queries through the "Ask me!" consultation desk. The queries were related mainly to supplier and consultants due diligence, compliance policies of conflict of interest, granting and accepting of corporate gifts, corporate events and sponsorship policy.

3.5 Stakeholders Engagement

Telekom Albania identifies its key stakeholders as those groups, which have direct impact or influence on the sustainable success of the company. These are categorized into nine groups: customers, employees, shareholders, public, regulatory authorities, value chain partners, local communities, media and not-for-profit organizations. The company regularly engages with representatives of all these stakeholders, keeps them informed and takes account of their concerns.

The interaction between the company and its stakeholders on issues related to CR is coordinated through the Corporate Affairs Office and involves the participation of the whole company. Knowledge of the views and interest of the stakeholder is of great importance for Telekom Albania.

Telekom Albania uses comprehensive communication tools with stakeholders, including this report. Other means of communication with its stakeholders include electronic and written media, phone conversations, surveys, information events/working sessions, conferences, road shows and promotions and directly through company shops.

Telekom Albania values the input of both internal and external stakeholders in the development of its CR strategy and initiatives, as well as the continuous improvement of its CR reporting. Regular reviews of its CR strategy and activities are undertaken to do this.

In 2015, various meetings were organized with national and international NGOs operating in Albania, active in the fields of child support, health, education and environment and vulnerable groups amongst others.

Specific programmes that respond to the concern of NPOs and support activities of children in need, vulnerable groups and others are illustrated in more detail in Section 7.3.

The following table provides an overview the Telekom Albania Stakeholder Engagement Dialogue, the main topics raised, and the way the company has responded to them.

Stakeholder Group	Method of Engagement	Frequency	Topic Raised	Responsiveness
Customers				
	• Customer Relations Activities	• Ongoing	• Quality of Service	
	• Customer Service Centre	• Ongoing	• Use of mobile phones	
	• Customer Satisfaction Survey	• Annually and Ongoing	• EMF	
	• Tracking Studies	• Quarterly	• Technical Support & Commercial Issues	Marketplace
			• Responsible Marketing (e.g. consumer rights)	Environment / Electromagnetic Fields
	• Call Centres	• Ongoing	• Introduction of new technologies	
	• Social Media	• Ongoing	• Data Security and Privacy	
	• Sales Network	• Ongoing	• Customer Service & Complains Handling	
	• Company's Website	• Ongoing		
Shareholders				
	• Shareholders meetings	• Bi-Annually	• Group Strategy and Results	
	• Financial reports	• Quarterly		
	• Adoption and utilization of policies and principles	• Periodic		All Sections
	• CR Report	• Annual		
	• Meetings of Executives	• Ongoing		
	• Private Meetings	• Ongoing		
	• Daily Collaboration	• Ongoing		
	• Employee Satisfaction Survey	• Annually	• Health & Safety	
	• Trainings	• Ongoing	• Employee Carrier Development	
	• Performance Reviews & Appraisals	• Annually	• Employee Participation in Company's Operations	

	• Informative Publications	• Ongoing	• Equality	CSR Strategy and Management
	• Employee Events	• Ongoing	• Fair Work	
	• Meetings with Employees	• Ongoing		Employees
	• Volunteering Activities	• Ongoing		
	• Company's website and intranet	• Ongoing		
	• CR Surveys	• Annually		
	• Pulse Surveys	• Bi-annually		
	• E-mails	• Ongoing		
Authorities / Government				
	• Consultations on regulatory framework	• Ongoing	• Meeting Regulatory Demands	Marketplace / Responsible Competition;
	• Written or Verbal Communication with Regulatory and Public Sector Bodies	• Ongoing	• Governance	Marketplace / Regulation and Competition; Marketplace / Responsible Marketing;
	• Business Meetings & Reports	• Ongoing	• Contribution to legal Framework	Marketplace / Data Security and Privacy
	• Cooperative Projects	• Ongoing	• Cooperating in CR Projects	
	• Dialogue with representative of local and national authorities	• Ongoing	• Philanthropic Issues	Environment / Biodiversity
	• Attendance in Associations and Unions	• Ongoing	• Economic and Technological Development	
Media				
(G4-24; G4-25; G4-26; G4-27)	• Media Event	• Annually	• Timely response is appreciated	All Sections
	• Corporate Announcements	• Ongoing	• Commercial issues	
	• Press Conferences	• Ongoing	• Technological issues	
	• Informative Publications	• Ongoing	• Environment issues	
	• Systematic communication and Meetings with Media Representatives	• Ongoing		
	• Company's website	• Ongoing		

Public

• Surveys	• Quarterly	• Disaster Relief	
• Community Philanthropy	• Ongoing	• EMF	Society
• Company's Website	• Ongoing	• Environmental Impact	Environment
		• Improving the lives of different communities	

Not for Profit Organizations (NPO)

• Applications	• Ongoing	• Improving the lives of different communities	
• Meetings with NPO	• Ongoing	• Cooperation in CR Projects	CR Strategy and Management
		• Social Contribution	Society
		• Meetings and Electronic	Environment
		• Internet Safety Public Education	

Value Chain Partners (Suppliers & Distributors)

• Conferences	• Periodic & Ongoing	• Transparency & governance	About this Report
• Procurement Procedure & Key account managers	• Ongoing	• Economic Development	Marketplace / Management Approach
• Meetings	• Ongoing	• Improving the lives of different communities	Responsible Procurement and Supply Chain Management
• Customer Satisfaction Surveys	• Annually	• Improving the digital gap	
• Corporate Announcements and Press Releases	• Ongoing	• Resolutions for Malfunctions and Complaints	Marketplace/ Procurement Policy
• Suppliers evaluation	• Ongoing	• Inserting CR Criteria	
• Attendance in Sector–based Unions	• Ongoing	• Tender Criteria and Competition	
		• Market Policy	

(G4-24; G4-25; G4-26; G4-27)

Local Communities

• Dialogue with local representatives	• Ongoing	• Improving the societal Needs	CR Strategy and Management
			Society
			Environment

• Visits	• Ongoing	• Support of local Business enterprising
		• EMF

3.6 Materiality Analysis

The Global Reporting Initiative defines material issues as 'those topics that have a direct or indirect impact on an organisation's ability to create, preserve or erode economic, environmental and social value for itself, its stakeholders and society at large'.

Simply, we define materiality as issues that have a significant impact of the company or influence the decisions of stakeholders, and, therefore, potentially merit inclusion in the CR Report.

Within the materiality assessment process, we used the aspects identified by OTE and DT Group and internal determined aspects.

In conducting the analysis, we made an internal assessment to determine company perceptions regarding the potential impact and importance of each issue included in the analysis. Various methods were used in such regards. The topics assessed and methods used for this were the following:

- **Environment**: 24 company members, 10 customers and tens of students were asked to assess various pre-listed issues on two main attributes: (i) the likelihood of the occurrence and (ii) severity of occurrence.
- **Employment Relations**: all company employees were asked to fill-in a questionnaire which included questions on materiality issues:
- **Health and Safety**: 24 company members, 10 customers and tens of company members were asked to assess various pre-listed issues on two main attributes: (i) the likelihood of the occurrence and (ii) severity of occurrence.
- Governance and Management; interviews with relevant company key position in each field; and
- **Marketplace**: interviews with relevant company key position in each field.

The external assessment was done only with a small number of stakeholders, and only with those the company has relations with. The information was gathered directly through meetings and indirectly through peer reports, customer feedback questionnaires, and web enquiries.

The company recognizes the fact that a more qualitative assessment of materiality issues will help its CR strategic perspective. It intends to do a comprehensive materiality analysis in the coming year, and is currently working on a methodology for broader identification of issues and stakeholder groups' inclusion.

The results of the current analysis are displayed in the graph below.

Materiality matrix

High			EMF Disaster Relief	Service Quality Information Security Ethics and Anticorruption Safe internet Responsible Competition
Medium	Sponsorship and Donation		Greenhouse Gas Emission Petrol Consumption Energy Efficiency Supply Chain Responsible Procurement Visual Impact Noise	Technical Waste Economic Contribution Taxes Fair Employment Human Rights Public Awareness
Low			Employee volunteerism	
	Low	**Medium**		**High**

Importance to External Stakeholders (vertical axis)

Importance to Telekom Albania (horizontal axis)

3.7 Risks and Opportunities Management

Telecom Albania is one of a number of prominent private sector players in Albania because of the increasing importance of communication technologies on people's lives and for the contribution of technology in social and economic aspects.

Opportunities and contribution offered to society

The contribution that major telecommunications companies can give to the community is invaluable. Some examples of this are given below:

- **Bridging the geographical digital divide**: access to broadband, and therefore the services it enables, are a very important lever for improving the quality of life of communities. Telekom Albania offers 87% territory coverage, and 96% population coverage with broadband service.
- **Contribution to digital social inclusion**: this includes initiatives for spreading knowledge of the Internet and new technologies among social groups who tend to be excluded from them, as well as projects for the development of telecommunications technologies disabled people (see Section 5.3);
- **Protection and security of communications and data of people using digital networks:** The pervasiveness of communication technologies implies risks associated with the improper use of information that is put online in good

faith, as well as risks connected with the use of the Internet to transmit information, which is illegal or otherwise harmful to various sensitivities. Telecom Albania has many instruments in place to protect the people exposed and to ensure safe data transmission (see Section 5.6); and

- **The offer of services and products that contribute to reducing the environmental impact of citizens and companies:** Services such as telecommuting, virtual conferences, travel information, cloud computing, remote monitoring of energy consumption will make an increasingly valuable contribution to reducing emissions into the atmosphere.

Even though telecommunication companies have a low environmental impact compared to other sector, responsible companies have a duty to do everything they can to reduce their environmental footprint. Telecom Albania takes many measures described in detail in the Environment chapter of this report.

Social Risks

Apart from risks that are valid for any large companies, such as those related with labour issues (these are described in chapter 2), the social risks related to telecommunication include:

- Breaches of network security and privacy systems, with consequent access to personal and sensitive data. In this regard Telecom Albania has a well-trained employees with skills to predict and combat such breaches; and
- Use of telecommunications services that causes physical and non-physical harm to children. This is mitigated by Telecom Albania through products, services and activities described in section 5.3 and 5.7;

Environmental Risks

These risks include:

- Risks that external environmental conditions can pose for business continuity (e.g. earthquakes can destroy telephone exchanges). Among such risks, some are determined by climate change, such as flooding caused by rising oceans and precipitation or increasing energy costs caused by rising temperatures; This considered and monitored carefully by means of appropriate Business Continuity Management instruments and procedures;
- Potential damage caused to the environment by the company's activities; these are not considered as serious risks.
- Indirect risks arising from energy use; the company is not an energy producer. However, it has various mitigation tools to optimize energy consumption; and
- Technological waste by company's supplies. These issues are managed from Environmental Management Systems.

4 Marketplace

4.1 Strategy

In 2015, after 20 years of success and innovation in the market, the company that introduced wireless communication to Albania started to offer its services under the Telekom brand identity, and under the name "Telekom Albania". The Telekom brand stands for competence, innovation and simplicity, but the benefits for customers go far beyond that. They enjoy an unparalleled customer experience, connected anytime, anyplace, as the company's new slogan implies: "Moments that connect us". This is the philosophy of our work, our Corporate Responsibility, to the very basic operations we aim to create a real impact and bring value to our subscribers and Albanian society.

We at Telekom Albania base the excellence of our company on customer service, and do this by placing the highest priority on transparency and ethics whist satisfying our customers. The company was the First Telecommunications Company in Albania to implement the Quality Management System (ISO 9001), the Occupational Health & Safety System (OHSAS 18001) and the Environmental Management System (ISO 14001).

Customer satisfaction and security are crucial for the business success of the industry. Along with offering end-to-end data security to customers, companies need to tailor their products and services to their customers' requirements. ICT process security and other user concerns – for businesses as well as consumers – are of paramount importance to Telekom Albania. They are essential if we want to achieve the goal of satisfying our customers.

Albania was the twelfth country across Deutsche Telekom's European footprint to turn Magenta, acquiring the Telekom brand identity and values: Innovation, Competence and Simplicity. For Albania this translates in superior services, starting with the launch of 4G, being the first to launch 4G+ in the market, and thanks to fastest 4G+ internet Telekom subscribers can enjoy the mobile TV on their smartphone display. E-Transformation projects are building strong bridges toward digital era providing to the clients seamless connectivity, internet everywhere and simplified self-care solutions.

The company aims for business excellence and to achieve this it commits itself to:

- Improve its operations by exceeding the expectations of its customers, shareholders, partners, personnel and society;
- Fully comply with ethical systems and current legal standards, and improve the effectiveness of its compliance system. All market practice is conducted in accordance with the existing laws and regulations promoting efficiency, economic development and innovation, which the company considers as elementary components to support the free-market system;
- The company collects topics that are of a great interest for its stakeholders and addresses them by amending policies and procedures and empowering people to make the company and the environment where it operates safer and more responsible. One of the issues of high interest for our customers is data privacy. For this reason customer data privacy has top priority. We use the same data privacy definition with other companies within DT Group and jointly work to guarantee a high level of data security; and
- Work systematically towards the creation of a sustainable supply chain. The basis for this is reliable, long-term relationships with our suppliers and a series of tried-and-trusted instruments, methods and measures for assessing how well we

perform. Telekom Albania runs annually the "Supplier Performance Evaluation" process, which involves the evaluation of its most important suppliers' and partners' quality of goods and services delivered, and their commitment toward the protection of the environment, health and safety and corporate responsibility. This process leads to higher standards of products and services and motivates suppliers to improve their performance and their own corporate governance initiatives.

Responsibility for the strategy and marketplace management activities lies with top management at Telekom Albania, overseen by the Board of Directors, CEO and relevant management committees. They prepare the Business Plans, which include assessments of market, regulatory and commercial risks and opportunities.

4.2 Customer Service and Satisfaction

In 2015 the company made a tremendous effort to improve and transform its customer experience. The new slogan of the Telekom Albania brand is "moments that connect us" and which stands for such change that connect people everywhere and at any time. We consider the satisfaction of our customers a strategic element for growth and we are working towards such achievement in three main levels:

- Continuously updating our technology and network;
- Providing innovative and effective solutions through our products and services; and
- Offering the best customer experience through our people.

We ensure that our people play a key role in developing satisfactory solutions for our customers. Our customer service and sales people interact with our customers by offering them products and services and receiving their feedback. The company provides easy to use tools for customers to present all their requests and feedback and process them in the shortest possible time. In addition, it continuously monitors the quality of its service and the opinion of its customers about the service they receive.

Complains Management
Telekom Albania continuously aims to improve the service delivered to its customers. The company reviews every complaint and request coming from the subscribers. The customers can make a complaint using one of the following methods:

- By letter to the Telekom Albania offices;
- E-mail sent to: complaints@telecom.com.al;
- Calls to Call Centres, calling 139, 144 or 165;
- At Telekom Albania Help Desk by placing a written claim request; and
- Personal contacts at the company's points of sale.

The claim and request form is also available and can be downloaded from the company's website.

The complaints that come from its customers are handled by the company on a regular basis, giving them absolute priority. The response time regarding further activities necessary for the complaint's resolution is provided within two days. In the case of delays, the customer is informed as to the reasons of delay and is informed when their compliant will be resolved. The handling of complaints is followed up by a "Voice of Customer" system, which modifies the flows in the customer experience prospective.

In 2015, the company received 8,452 complaints, with circa 75% of them were resolved in less than 2 days. All the complaints received by the company were resolved on average over 2.7 days.

Type of complaints 2015	Number	Complaints resolved in short-time	Average days for resolving	Issues raised by complaints
Complaints received by e-mail	3,353	2,836	3.8	Proportionality of free units after rate plan change for B2C & B2B segment. Work overload due to detailed verifications
Written complaints	1285	956	3.1	Roaming charging issues for Business rate plans. Delays on rate plan changes and offer application for B2B customers. .
Complaints received by call centre	3,814	3,700	1.3	Delays on some prepaid number configuration. Manual activation/deactivation of some services and offers
Total complaints	8,452	6,290	2.7	

In 2015 the company introduced its website, which is more attractive and provides more services that customers can access via the webpage. More, specifically, we did the following:

- Re-branded website- Deutsche Telekom branded site;
- Added e-shop, which is a a mobile device and accessories shopping, payment with credit/debit card or payment on delivery 5% discount on all articles. All items are delivered with 48 hours in Albania delivery;
- Added Prepaid eTop-up: Customers can top up any prepaid account from a pc tablet or mobile remotely with credit/debit card. Recharge for this service is instantaneous;
- Added a FAQ & Customer support area for all issues and support matters frequently asked question, feed from call center, social media, shops, etc. Improved customer support area – shop geolocation functionality, automatic internet configurations OTA;
- Added MyT site, log-in area (my account): this is used for registration and authentication. The remaining credit (check balance), active add ons, remaining units for each add on, credit expiry date, PUK code retrieval, etc;
- Electronic bill: The last bill due amount, undue amount, bill payments, traffic reports; and
- e-Payment: Electronic bill payment credit/debit card.

Customer Satisfaction
To evaluate customer satisfaction and analyse feedback, the company conducts each year a number of surveys, the main ones being:

- International Customers Contact Analysis (ICCA), which is an outbound calls sms survey conducted every day that targets customers to evaluate their experience at the customer contact point;
- Analysis for unsatisfied replies through a detailed evaluation process; and
- Corporate employees in the customer service experience, where each employee works in customer service several hours per year to better understand the customer; and
- Public surveys, telephone interviews and dedicated sessions with customers.

Research Method	Achievement
ICCA	105.7 z index 109%
Corporate Employees to Work at Customer Service	3 Person hours

The most common way to conduct a customer satisfaction survey is via SMS, which is a practice widespread through the DT Group and used by the company since 2012. It aims to measure the customer satisfaction deriving from three main contact points with Telekom Albania (call centre, self-service and shops). Every day, a number of randomly selected subscribers receive an SMS, asking their opinion about the quality of service in one of the above-mentioned contact points. Subscribers reply for free, via one SMS, using a 1 to 5 ranking (1-lowest, 5-highest).

In 2015 Telekom Albania sent out text message invitations to participate in the survey to 8.615 customers. The feedback helps us assess the level of service we deliver measured through our problem resolution speed, friendliness, and competence. We value our user opinion, appreciate positive feedback and pay serious attention to comments. We analyse the negatively marked calls and every customer comment, and try to under-stand what the reasons for dissatisfaction are. Data from our customer surveys allows us to continually monitor our service quality, analyse customers' needs and to identify areas for improvement.

In 2015, Telekom Albania conducted a survey to evaluate the customer satisfaction towards the company sales force. The results of the survey are given below:

Category	Percentage %	No. of Customers
Extremely satisfied	49.0%	70.036
Very satisfied	19.3%	27.536
Fairly satisfied	10.4%	14.836
Not very satisfied	6.1%	8.647
Not at all satisfied	15.3%	21.784

4.3 Innovative and Responsible Products, Services

The Telekom brand stands for competence, innovation and simplicity, but the benefits of customers go far beyond that, with unparalleled customer experience, connected anytime, anyplace. As a service-oriented, responsible company, we feel obliged to respond to our customers' needs and expectations. That's why we have set up a comprehensive customer relationship management system. We encourage dialogue with our customers by giving them opportunities to quickly and easily contact us at any time via the communication channel of their choice, e.g., online, via our app, phone, e-mail or at through a Telekom shop.

In 2015, Telekom Albania launched its fourth generation technology, 4G+, reaching up to 225 Mbps, enabling transmission of large data quantities over the shortest period of time and thus, giving way to numerous useful applications in everyday life. The products and services of Telekom Albania are offered via the biggest retail network in Albania.

During 2015, our company offered over 145 new and improved offers and packages, in addition to 15 new services.

With contemporary products, continuous innovation in accordance with the most recent technology developments and most competitive prices, Telekom Albania has become an important generator of qualitative communication and innovation in Albania.

MyKid Watch
This is parent control product designed for children age between 4 and 12 years old. It is equipped with a SIM card, a GPS receiver and a sensor. The watch is designed to help parents have a piece of mind other their children activities as it can be used for:

- Limitation over the persons that can call the child;
- Control over the calls and texts received by the child;
- Child location;
- Child wellbeing activity such as sleep, exercise activities, etc; and
- Notification in case of SOS situations.

Mobile TV
In October 2015 Telekom Albania introduced the mobile TV for smartphone display. This product was introduced in cooperation with Tring digital platform. The Telekom Albania subscribers initially can chose up to 40 TV programs on the screen, including premium content such as prestigious football competition like the Champions League.

Roam like home
This is a service offered to all Telekom Albania subscribers. Through this service, subscribers have the opportunity to use their phone airtime in 34 countries.

AirBnB Application
The application called "AirBnB" assists all those who travel abroad and need an apartment or house during their stay out of the country. By downloading the "AirBnB", is possible directly by phone. Thanks to the cooperation of Telekom Albania and Deutsche Telekom with this application, for every reservation the Telekom service benefit a discount from the basic fee.

E-Di application
This is a parent control application which is a family location service, allowing people to have updated information about their family members at all times, such as security zone for family members, find family members in real time, and protect their smartphones from various threats.

Explore Albania
This mobile application offers the possibility to explore and get information on various categories, e.g. tourist destinations, hotspots, trips, gastronomy, cities and hotels of the country.

Lookout
This application protects smartphones from viruses and protects personal data.

Cloud and digital billing
Telekom Albania is helping its individual and business customers to effectively lower their energy consumption and reduce CO_2 emissions. We have been offering services to

dematerialize business processes such as online billing, digitized workflows and cloud computing. This contributes to the success of our "Low-carbon society" aims.

Products and offers for vulnerable groups

We also want to give as many people as possible the chance to participate in the information society and to use the opportunities it offers. For example, we make it easier for people with age-related or physical limitations to use modern means of communication. We develop products and services that meet their needs and continue to work on improving user friendliness. Telekom Albania also offers various subsidized rates to provide low-income customers an opportunity to place calls and surf the Internet at low cost.

E-Bill

Electronic bill is offering online bill management service via web to constantly check and monitor monthly expenses for post-paid subscriber.

Cost control

Telekom Albania offers:

- Bill shock prevention service while roaming, which notifies the subscriber through a SMS as soon as he reaches a threshold of data usage while roaming for post-paid subscribers. Besides, the subscriber is redirected to a page when trying to use data while roaming in order to select the best option for the post-paid subscriber; and
- Balance, last call and expiry period can be checked via IVR/USSD from prepaid customers. Actual monthly consumption can be checked via SMS/USSD for post-paid customer.

4.4 Procurement and Supply Chain Management

One of Telekom Albania's aims is to constantly improve the effectiveness of its value chain. The company adheres to principles for socially and environmentally friendly procurement, as part of the DT Group and manages the procurement processes with the help of internal and external performance indicators and management tools.

The procurement process in Telekom Albania is very dynamic with the participation of a large number of suppliers who offer a vast array of goods and services, and which are an important part of the provision of a final product to the customer. They all affect the way the company operates and directly the way they operate in turn. This is why CR principles are incorporated in the Company's Procurement Policy to provide orientation for the company's suppliers. It streamlines this with the DT Group Code of Conduct.

Telekom Albania has social and environmental minimum standards for its corporate governance through its Guiding Principles and voluntary commitments. Specific Corporate Responsibility Clauses and Anticorruption clauses are added to the tender requirement by the initiating department. They are also binding to all company suppliers and are included in the contract with all suppliers. These are embedded in the following documents:

- Company and DT Group Code of Conduct;
- Suppliers Code of Conduct; and
- Fraud Policy.

With its Social Charter, Telekom has made a commitment throughout the Group to complying with internationally recognized employee and human rights and sets its own ethical, social and environmental standards for corporate governance. Some of these standards exceed those specified by national law in some countries and explicitly include the activities of Telekom suppliers. The ethical, social and environmental standards defined in the Social Charter together with our human rights policies are a permanent component of our general terms and conditions. We review compliance with the Social Charter by relevant units each year and report the findings online to DT Group wide. In addition to requiring each of our suppliers to complete a self-assessment, we conduct regular supplier audits to check whether our strategic suppliers, including those that are particularly prone to risk, are in compliance with our requirements.

The DT Group Social Charter commitments comply with the fundamental principles and standards set forth by the International Labour Organization (ILO) and the Organization for Economic Co-operation and Development (OECD) as well as with the Universal Declaration of Human Rights and UN Global Compact.

In addition, all bidding suppliers by submitting their proposals are required to declare that they explicitly agree to adhere to the Company's Code of Conduct, which codifies the company will to work to be environmentally friendly and socially sensitive. The Suppliers Code of Conduct is published on the company's website.

Our relationships with suppliers are based on trust and dialog combined with monitoring and providing concrete support for the implementation of sustainability standards. We have a variety of instruments, methods and measures for monitoring these in place to help us improve the sustainability of our supply chain. Our basic aim is to recognize the cause of any problems and to work closely together with our suppliers to resolve them.

CR issues included in the procurement Policy	
Labour	Freely Chosen Employment
	Child Labour Avoidance
	Working Hours
	Terms & Payment
	Humane Treatment
	Non-Discrimination
	Freedom of Association
Health and Safety	Occupational Safety
	Working environment
	Physically Demanding Work
	Health & Safety Policy by the Suppliers
Environment	Pollution Prevention and Resource Reduction
	Hazardous Substances, Wastewater and Solid Waste Emissions
	Environmental Policy by the Suppliers
Ethics	Corruption, Extortion, or Embezzlement
	Disclosure of Information
	No Improper Advantage

Protection of Intellectual Property

The company's Procurement Policy does not make a distinction between local and non–local suppliers. However, as best common practice when the work can be done by a local supplier, under the same conditions of quality and price, preference is given to them.

The company applies best standards for timely payment of its suppliers, as per each contract conditions with each supplier. In 2015, the average payment time for company suppliers was 90 days.

4.5 Suppliers Evaluation

Telekom Albania active suppliers are evaluated on an annual basis. This process is conducted at OTE Group level for all OTE Group companies since 2010 and is coordinated by Process Improvement and International Process Management Coordination Department, OTE Group. Its aim is to evaluate not only the performance of the suppliers based on the quality and efficiency of their products or services, but also their commitment in the areas of corporate responsibility and sustainability, labour and ethics, environment, health and safety, quality, and business continuity management.

Evaluation is conducted of its most important suppliers' and quality of goods and services delivered, and their commitment toward the protection of the environment, health and safety and corporate responsibility. This process leads to higher standards of products and services and motivates suppliers to improve their performance and their own corporate governance initiatives.

The suppliers to be evaluated are selected on the basis of mainly the purchase orders issued within a 12 months period. The last suppliers' evaluation was in mid-2015 and the suppliers evaluated were selected based on the total purchase orders/invoices issued in the period 1/10/2013 to 30/9/2014.

Thus, all suppliers who had received orders above €2 million and all suppliers of important commodities (as defined by the OTE Group, i.e. products/services which may have a strong impact on products and services offered to clients) with orders above €500,000 were evaluated. In addition, all suppliers that their products/services were related to OTE and COSMOTE certified management systems (i.e. management systems according to ISO 9001:2008, ISO 14001, OHSAS 18001 etc.) were evaluated, along with some suppliers, not meeting the above selection criteria, that were identified by OTE Group Directors.

The evaluation process, run in 2015, covered 20 global suppliers and 55 local suppliers. The suppliers had to return a self-assessment sustainability questionnaire. In addition they were evaluated internally by the respective departments demanding/receiving the designated products and services. This process was coordinated by the OTE Group; the results of the evaluation were incorporated in the Group's results and announced to all Group companies. The results and any consequent remediation measures to be adopted were then discussed by the Senior Management.

The five criteria used for their evaluation are:

- Company Assessment;
- Product or Service (or Both) Overview;
- Delivery Performance;
- Supplier Relationship Management; and

- Corporate Responsibility/Quality Management Systems.

Through the Supplier Evaluation Process, Telekom Albania Management Team receives a completed quantitative assessment of each supplier's performance, which is taken as reference for any future relationship with that supplier. Furthermore, if a supplier is rated as "conditional" and an active contract is in place, relevant meetings and escalation actions are initiated with the intention of resolving any identified issues as quickly as possible.

4.6 Digital Inclusion

Telekom Albania approach to the challenge of digital inclusion is focused on widening access and creating opportunities for individuals and communities to access digital services and network. Besides providing network to connect people, we also provide opportunities for young people and vulnerable groups directly through the company or through non-profit-organizations.

We have approximately 2 million mobile subscribers, who expect to be connect at all times and also have access to the newest technology and fastest network. In 2015, the number of our broadband users was 0.28 million, out of which circa 15.500 are accessing the Internet broadband service via modems and USBs.

Digital solutions are offered by the company to government local bodies to cloud services for businesses, applications for people with disabilities to technologies for reducing energy use by cities and companies.

For growth and social development to be achieved in the digital era, all citizens must be able to acquire the skills they need to make full use of the benefits offered by the Web and new technologies. Vulnerable group must also have access to such services. Telekom Albanian provides tablets to children in hospitalized in Mother Theresa Hospital in Tirana. More on this is found on section 7.3.

Due to small number of people living and working in remote areas, these would otherwise remain excluded from the mainstream plans of telecommunication operators, owing to the low profitability of investments, between 2005 and 2015, Telecom Albania has made investments in technology and network allowing coverage to be provided to around 98% of the territory, and 4G+ in initially in seven of the largest cities of Albania, just after its launch in September 2015. In December 2015 Telecom Albania had 420 active stations.

In total, investments of some EUR 29 million were made in to increase connectivity, primarily in Albania.

In a world in which technology facilitates contact with people, by disseminating broadband technology and the services it enables, Telecom Albania is making a contribution to overcoming the socio-cultural barriers that restrict the opportunity to take part in the information society and enjoy its benefits.

4.7 Data Security and Privacy

Protecting our customers is a top priority for Telekom Albania. We fulfil all national legal requirements and apply strict measures for security of personal data. Ensuring comprehensive security and extensive data protection is more than just an obligation to

meet statutory and regulatory requirements; it is also an explicit mark of quality for the services provided. This is done through various polices, rules and mechanism that are in place to safeguard customer data and assures its customers, sales partners, employees and shareholders on the security of the services and products it provides.

In 2015, all internal policies in information security were reviewed and made compatible with the new regulation of AKEP for information security. During the same period the company introduced the Binding Corporate Rules Privacy Policy (adapted from DT Binding Corporate Rules Privacy Policy).Telekom Albania has in place the General Security Policy (GSP), which is part of the Deutsche Telekom Group Security Policies Harmonisation Project. The aim of this DT Group Security Policies Harmonisation Project and of the company is to have data security and privacy compliant with the requirements of ISO 27001 and ISO 27002. This Information Security Management System is a systematic approach to managing sensitive company information so that it remains secure. It includes people, processes and IT systems by applying a risk management process. It is, in our opinion, the best known standard for providing requirements for an information security management system (ISMS).

Deutsche Telekom Group Data Protection Principles

Trust:
Your trust in us is our first principle and leads us to continuously take measures of improvement to protect your personal data.

Transparency:
We inform on our website and on demand, what personal information is used for what reason.

Responsibility:
We take the responsibility to protect your personal data and clarify open questions and issues immediately.

Avoidance:
We avoid collecting information for further purposes than contractual fulfilment. We only use information for other purposes as personal product consultancy with your explicit consent.

In 2015, the company had no complaints related to personal data protection.

As per the company Data Security Management System, the Security Audits were carried out twice per year. In 2015, the Security Risk Assessment was mostly focused on new Systems and New Products.

Data protection is a very important part of employee's presentations and trainings. All company employees receive Privacy Awareness training as part of the Induction Programme.

To assess data protection mechanism and awareness in Telekom Albanian and throughout DT group, an employee on-line survey was conducted by Deutsche Telekom in 2015. In this survey participated 83 employees from Telekom Albania, who were asked key questions on three main data protection categories:

- Use of tolls when working with personal data;
- Data privacy training; and
- Data privacy process.

The score received by Telekom Albania was 7, where the minimum scoring was 5.4 and the maximum scoring was 11.8.

Telekom Albania provides advice and tips to all its subscribers and public for online safety by publishing information on the web. The information includes the following:

- Email and security;
- Safety for children;
- How to navigate safely online?
- What can you do to protect your personal computer?
- What can you do to secure your mobile device? and
- The most important questions about storing your data.
-

4.8 Business Continuity

As one of the leading telecommunication companies in Albania, Telekom Albania considers it an obligation to both maintain stable growth and ensure a continuous supply of quality telecommunication services. Therefore, it pays great attention to Business Continuity Management (BCM). It has adopted a Business Continuity Management System (BCMS) as per guidance contained under ISO 22301, which, among other things, emphasises the importance of:

- Understanding the needs of the organisation and stakeholders in terms of Business Continuity;
- Implementing and operating the controls and measures needed to manage the capacity to deal with interruptions in operation due to accidental causes;
- Monitoring and reviewing the performance and effectiveness of the business continuity management system; and
- With this in mind, the Business Continuity Management process is divided into four main stages: Governance & Planning, Execution, Performance Evaluation and Improvement.

The company has in place a BCM Committee (BCMC). In 2015, the company released its BCMC Policy and the BDMS Framework, with clear guidelines on the steps as to what the company should do to ensure that all policies and procedures are in place and all relevant people are properly trained.

Embedding BCM in company's work
In 2015, Telekom Albania implemented various activities in this regard. These were:
- Internal launch of Business Continuity 365" innovative, interactive and informative portal, available for all company's employees in five different languages, including English and Albanian;
- Organized a BCM Internal Awareness session during the international awareness week 17th – 20th March, 2015;
- The company's BCM specialist was successfully certified as a BC Professional by the Business Continuity Institute, an independent specialized body;
- Organized internal and external awareness session. The company distributed "riskland" package to children in three elementary schools in Tirana as well as children of company staff. In total 350 children received such packages This aims to raise awareness and take preventive measures to protect the Earth;
- Organized a refresher training sessions for the Incident Response Teams and Building Incident Controllers and Crisis Communication Team;
- Organized a BCM Internal Audit Training Session covering the structure, principles and application of ISO 22301. The participants in the training were: the technical

team assigned as responsible for the DR plans, (IT & Network), one employee from Procurement, one employee from Company Care, Head of Physical Security, one from Regulatory, Interconnection. and Roaming, one from HR. The training was undertaken to help the employees who are contributing in the effectiveness of BCMS in the company;

- Organized BCM Lead Auditor training session for BCM Specialist Process Management staff; and
- Organized Evacuation drills in Lapraka & Kashar offices.

4.9 Competition

Competition is an elementary component of the free-market system because it promotes efficiency, economic development and innovation. For this reason the company pays special attention to obeying the national legislation and regulation in the telecommunication marketplace in Albania.

Telekom Albania supports fair competition, something considered to be in its interest and in the interest of all market operators, customers and all stakeholders who have an interest in the market. The company does not disseminate false information about competitor products or services or attempt to undertake any other unfair means to gain a competitive advantage. The company is explicitly opposed to using industrial espionage as a means of obtaining information about market competitors.

Telekom Albania promotes and participates in initiatives and projects, together with competitors, and other companies in the country and abroad in sector related round tables and the activities of trade associations.

The legal basis for regulating competition in Albania is outlined mainly in Law 9121 of 28 July 2003 "On competition", which aims to protect free and effective competition, as amended frequently and enriched with additional by-laws and regulations by relevant authorities.

AMC is a stockholding company registered in Albania under law no. 9901, dated 14 April 2008 "On traders and trading companies". The market is also regulated by national Laws, Presidential Decrees, Ministerial Decisions, as well as Decisions from independent administrative authorities. To ensure compliance with these, the company's legal offices and the respective departments within the company are frequently updated with changes where regulations have been changed. Specific regulation is in place relating to various issues such as: licensing, tariffs, local loop unbundling, interconnection, leased lines, universal service and privacy issues. The main law to regulate the activities of the company is law number 9918, dated 19 May 2008 "For electronic communication in the Republic of Albania".

The Authority of Electronic and Postal Communications
The Authority of Electronic and Postal Communications (AEPC) imposes several regulatory obligations, which often have a substantial impact on the company's business, such as pricing which the company applies. AEPC considers Telekom Albania as an entrepreneur with significant market power (SMP) in Albania in the following markets:

- Wholesale mobile call termination market;
- Wholesale fixed termination market; and
- Wholesale mobile SMS termination market.

In these markets Telekom Albania is committed to following regulatory obligations imposed by AECP and one of these regards price regulation (wholesale fix and mobile

voice/SMS termination rates) at the wholesale level determined by AECP which should be respected by all mobile operators affected.

ACEP imposes other regulatory obligations regarding the non-discrimination between on-net and off-net minutes/rates in the retail mobile market (residential and non-residential), more specifically the following:

- Rates charged for calls to other national mobile networks (off-net) should not be higher than on-net rates; and
- The number of on-net call minutes included in the offers/flat fee of rate plans should not be higher than the number of national off-net calls.

A summary of the regulatory obligations for Telekom Albania is shown below:

Regulatory Obligations for Telekom Albania		
Markets	**SMP Undertaking**	**Regulatory obligations**
1. Retail mobile market (residential and non-residential)	Telekom Albania	1 - Non-discrimination on net/off net (minutes and rates)
2. Wholesale fixed termination market	Telekom Albania (Telekom FIX)	1 - Non-Discrimination
		2 - Transparency (No obligation for Publication of RIO)
		3 - Access & Interconnection
		4 - Price Control
3. Wholesale mobile call termination market	Telekom Albania	1 - Non Discrimination
		2 - Transparency (RIO publication)
		3 - Cost orientation
		4 - Account Separation (AS/CA) (currently removed)
		5 - Access & Interconnection
		6 - Price Control
4. Wholesale mobile SMS termination market	Telekom Albania	1 - Non Discrimination
		2 - Transparency (no obligation for RIO publication for SMS)
		3 - Access & Interconnection
		4 - Price Control

In 2015 Telekom Albania filed an administrative complaint to AECP against its decisions on the mobile market analysis. AECP issued its decision in March 2015 on the review of Telekom Albania administrative complaint, partially accepting the administrative complaint.

Telekom Albania has appealed to the Administrative Court the issue of termination rate asymmetry with another operator, which was imposed by AECP.

Besides the above obstacles, Telecom Albania also interacts with AEPC in order to contribute to the administration of the regulatory process on matters considered concrete to the growth in value of the Company. For this purpose, Telecom Albania pursues an honest dialogue and on-going discussion with the Authorities and other institutions. Furthermore, the company makes its own knowledge available by participating in public consultations, institutional hearings, conventions, public meetings and by presenting appropriate testimony and petitions. Discussions with AEPC and other institutions ensure that Telecom Albania gathers their opinions and supplies transparent,

reliable responses, and anticipates events, creating and exploiting the best opportunities for the Company.

Telekom Albania strives to increase transparency of the services, prices and service and contractual conditions it offers to its customers and commercial partners. In this regard, it publishes information and documents on the company's website. Examples are:

- Partnering shops application form;
- Reference interconnection offer;
- General conditions of subscribers contract;
- Service level agreement;
- Indicator of mobile service quality;
- Indicator of fix service quality;
- SMS termination tariffs; and
- SMS termination decision.

Telekom Albania has been developing its network to provide high quality telecommunication services to the business community, individuals, government and public entities and community groups. It encourages fair competition, which has a substantial impact on the development of the industry and the country itself. In 2015, neither investigation nor fines for ethical or anticompetitive behaviour was imposed against the company.

Stakeholders' relations
The company audiences or stakeholders in this regard are:
- Other licensed operators, telecommunications operators, large and small, of fixed and mobile networks;
- Albanian Authority of Electronic and Postal Communication;
- Albanian Competition Authority (AGCM);
- Various association, federations and trade associations; and
- Other public institutions.

The association, Telekom Albanian is member of are given in section 3.2.

Initiatives at national and local level where Telekom Albania participate consist of actions and meetings for business development and the protection of the company's interests in the fields of economics, regulations, trade unions and labour. These initiatives are based on dialogue and comparing respective positions in order to identify, where possible, a common position for the sector to be presented to national and local institutions.

Telekom Albania offers products and services that promote growth, development and cooperation to build a fair marketplace in Albania and extensively contributes in joining and promoting initiatives that contribute in building a better communication market and more responsible environment in general. These initiatives include the following:

- Voluntarily signs and complies with the National Code of Conduct "On the Safe and Responsible Use of Electronic Communication Networks". This code guides the company towards protection of children and the general public from the risks that are associated with Internet access, in line with the protection level of other European countries;
- Telekom Albania is part of the CEO Coalition to make Internet a Safer Place for Children and Young People. AMC participated, as a member of the Deutsche Telekom Group, in this cooperative voluntary intervention for the Safe Navigation of Children and Young People on the Internet. Companies that have signed the coalition are committed to take positive action in five areas:
  o Simple tools for users to report harmful content and contact
  o Age–appropriate privacy settings;

- o Wider use of content classification;
- o Wider availability and use of parental controls;
- o Effective removal of child abuse material; and
- Telekom Albania is a member of the Albanian CSR Network. It continuously participates in CSR events and contributes to such projects as well as fosters Corporate Responsibility in Albania.

Competitive positioning
The company conducts every year a qualitative and quantitative survey to analyse the strength of the company and its brands, both in absolute terms and in comparison with its competitors. Every quarter of a year, a quantitative survey is carried out on a representative sample of the Albanian population to measure their perception of the image of mobile operators including that of the company.

5 Employees

5.1 Strategy

Telekom Albania operates in a competitive market which is in a continuous state of transformation. It is important to overcome market challenges which includes company restructuring, placement of the best people in positions and ensuring that all the people develop their professional skills to fit to their positions.

The company complies group policies and its own codes and policies to reflect the necessity of such change and development. All activities and processes involving staff, from management to training, from remuneration to organisation, have undergone a major rethink, involving numerous managers from all over the company, as to their fit with Deutsche Telekom Group-wide strategies and policies related to employees.

The DT Group Policy on Employee Relations is applicable worldwide to all employees and leaders at the Deutsche Telekom Group to the extent that the competent executive body (Management Board) has approved the validity of this policy. Meanwhile, employee relations are independently and individually crafted by national management based on the key elements described in this Group policy. A country's specific laws, cultural practices and local legislation shall always be complied with. These are reflected in the Telekom Albania Policy.

With this Group policy on employee relations, the DT Group aims to build a global cultural umbrella for our diverse and international workforce. It specifies the key elements of Deutsche Telekom's human resources policy. It describes what we stand for in our relationships with employees all over the globe. These relationships are characterized by our shared values and derive from our five Guiding Principles as well as from other Group policies. Together they represent the basis for building employee relationships within the Deutsche Telekom Group. The Guiding Principles of Deutsche Telekom Group are given in section 4.1.

The DT Group Employee Relations Policy addresses the following topics:

- Employee development;
- Handling change responsibly;
- Healthcare and sustainability;
- Fair pay;
- Achieving a good work-life balance;
- Leadership;
- Diversity;

- Ban on discrimination;
- Communication; and
- Collaboration with employee representatives.

Employees expect a healthy and safe working environment, fair promotion opportunities, promising career paths, and more importantly, respect and appreciation of their value. In view of that, Telekom Albania provides a safe, stable, and harmonious working environment to meet employee needs, and career development and employee care to improve their lives. It provides its employees training and focused instruction to obtain and retain all necessary expertise required to assure a quality service.

5.2 Employment Framework

Telekom Albania employment framework is based on the principles of full respect for human rights, fair employment, non–discrimination, equal treatment for women and men, and prevention of child or forced labour. It complies with the following:

- The national labour code and relevant regulatory framework which prohibits the use of child labour, and forced labour;
- The company's Code of Conduct and Employee on Labour Relations Policy which expressly recognizes the basic right of freedom of association and the right to engage in collective bargaining, within the framework of national laws, and expressly prohibit unlawful discrimination or harassment, on the grounds of age, gender, religion, aptitude or ancestry or sexual orientation;
- AMC employee manual, which highlights principles and guides behaviour of the company's employees; and
- The United Nations Global Compact, which is signed by the company.

Telekom Albania operates in compliance with the Code of Conduct for the Protection of the Individual's Rights to Privacy in the handling of Personal Data within the OTE Group, and Deutsche Telekom Employee Relations Policy. The approach and guiding principle of the company for its people and the guiding principle is: "Best place to work and grow".

Telekom Albania holds personal documentation of employees only as long as necessary in relation to their employment and determining remuneration, and is compliant with the stipulations set forth in data privacy laws. No proceedings or investigations were launched against the company in this regard.

Despite the fact that Telekom Albania recognizes the basic right of freedom of association and the right to engage in collective bargaining within the framework of national laws and regulations, currently no contract has been part of any collective bargaining agreement.

5.3 Telekom Albanian Team

On 31 December 2015, Telekom Albania employed 446 professionals broken down as follows:

Workforce Diversity at Telekom Albania as on 31 December 2015		
Type of employment	Number	%
Full time	446	100%
Part time	0	0%
Employees with Temporary fixed term contract	6	1.3%
Gender		
Male	174	39%
Female	272	61%
Age		
Under 30	96	21.5%
Age 30-50	337	75.6%
Over 50	13	2.9%
Region		
Ex-pat	8	1.8%
Albanian	438	98.2%
Position		
Directors (CEO, Division Director)	5	1.1%
Male	4	80%
Female	1	20%
Upper Level Managers (Department/Office)	25	5.6%
Male	13	52%
Female	12	48%
Middle Level Managers (Head of Section/Unit)	85	16.2%
Male	44	50.8%

Female	41	49.2%
Education		
High School Diploma	45	10%
University Degree	388	82.5%
Master/PhD Degree	33	7.5%

Although there is no officially formulated policy of Telekom Albania to recruit people from local communities, in practice "domestic" recruitment was taken into account in an effort to further support local communities and promote the welfare of employees. Only 1.8% of the company workforce and 26% of the high level management are expats.

No substantial structural changes occurred in 2015, and very minor changes were informed to the employees at an early stage. However, in every case the legal requirements are followed. Minimum notice period in this case is 30 days. The changes in company's workforce are illustrated below.

Changes in Company's Workforce				
Description	**Recruited**		**Departed**	
Gender	**No**	**%**	**No**	**%**
Male	16	50%	25	61%
Female	16	50%	16	39%
Age	**No**	**%**	**No**	**%**
Under 30	21	66%	12	29%
Age 30 -50	11	34%	26	63%
Over 50	0	0%	3	%
Structure	No		No	%
Technical	4	12%	9	21%
Commercial	20	63%	26	63%
Finance	3	9%	2	5%
Administration	5	16%	4	10%

5.4 Equal Opportunities and Diversity

Telekom Albania harnesses its employees' diverse experiences and backgrounds to better understand the needs of its customers, drive innovation, and enhance employee

engagement. The company's culture creates an atmosphere where everyone is made to feel welcome, valued, respected and empowered.

The aim of the DT Group is to promote and benefit from the diversity of its workforce. Telekom Albanian offers its employees various opportunities to grow professionally and personally in the company, regardless of age, gender or cultural background. A way to demonstrate this has been the increase of women in managerial positions. Approximately 50% of upper or middle management positions are occupied by women.

We use our technology to enable employees to work together wherever they are in Albania and with our partners and associates. Listening to our people and encouraging them to share ideas helps us evolve and enhance the company.

The company offers same recruitment and career advancement opportunities to national and foreign citizens. However, for certain positions which require good knowledge of the Albanian language and local environment, preference is given to local or national citizens. 68% of top management team and 100% of middle management team are Albanians.

Telekom Albania offers excellent employment opportunities for young people. 21.5% of its people fall into the age 18-30 years, and 66% of new people employed by the company in 2015 fell into this age category.

The company offers good employment opportunities to students and provides them internship programmes so they can gain work experience and training on the job with valuable skills that help them perform better on their jobs or on their studies. In 2015, 32 students were given the opportunity to apply their knowledge in a real working environment, to gain work experience, to be trained (on-the-job) and to develop skills that will help them perform better in the future.

In 2015, Telekom Albania participated in a number of carrier events which were either organized by universities and/or other prominent institutions to support young people in vocational and career planning (career events) and which also give them an opportunity to find a new job. The main events were the following:

- Job fair organized in Tirana by National Employment Service and Ministry of Social Welfare; and
- Job fair organized in one of the universities operating in Albania.

As part of the DT Group Exchange Experience Programme, where employees for DT Group companies were given a change to share their experiences by working from three to six months to other companies of the DT Group. Since 2013, five employees from Telekom Albania have been part of this programme.

Non–Discrimination
The company's Code of Conduct includes basic rules of conduct, principles and values such as equality, respect for diversity, integrity, ethics, transparency and personal responsibility, which are adopted by the company in all its operations. It also includes issues such as non-discrimination based on gender, age, religion, ability, origin or sexual orientation.

The core principle regarding issues such as recruitment, wages, growth and employee development are characterized by meritocracy, transparency and non-discrimination.

All employees can report or seek for advice on discrimination issues at the two communication channels available to them. These are either:

- "Ask Me", which provides info on the Code of Conduct, Employee Policies and other regulation; or
- "Tell Me", which is a confidential channel on information where employees may report complaints about violations of law and company's regulation, which are then addressed by the company.

In 2015, 159 employee's queries were made by through the "Ask Me" process, and none was related to discrimination issues. The company received 0 (zero) complaint through the "Tell Me" process.

Non-discriminatory remuneration

At Telekom Albania there is no gender, origin or other forms of discrimination regarding salary remuneration. As stated in the Employee Manual and Company Code of Conduct, a fair and equal pay for men and women is applicable within the company. Payment is subject to position, qualification, individual performance, market competitiveness, experience, years of employment within the company or the industry and local legal requirements.

In 2015, the lowest wage in the company was 105% higher than the legal lowest wage salary.

Parental Leave

The company provides maternity leave for childbirth and parental leave for childcare for all its employees. Parental leave is considered, and paid, as working time and is available to working mothers or fathers, immediately after the end of maternity leave. The following are the general rules:

- Working one hour per day less for two years; or
- Taking one-year full parental leave.

Men are also entitled to take the above-mentioned parental leave, provided that their spouses have not taken advantage of the specific leave from their employer. In addition, men can take up to four months parental leave to take care of their children in the first six years of their child's life.

Gender Diversity

Gender diversity is respected at all company levels, including top and middle management positions. In 2015, this diversity was maintained, and the workforce was made of 61% women, the management (upper and middle management) was made of 51% women, Board of Directors was made of 20% women, and from those reporting directly to CEO 42% were women.

Nationality Diversity

Over 98.2% of Telekom Albania employees are Albanians. The top management composition is made professionals from different countries of nationality such as Albania, Greece, Germany, and Macedonia.

The presentation of Albanian citizens and foreign nationals is given below:

AMC Structures	Year 2011		Year 2012		Year 2013		Year 2014		Year 2015	
	Local	Local	Local	Expat	Local	Expat	Local	Local	Local	Expat
Supervisory Board	0	3	0	3	0	3	0	3	0	3

Board of Directors	0	5	0	5	0	5	0	5	0	5
Upper Management	16	9	18	16	13	8	18	7	13	8
Interdepart mental Committees	5	7	5	5	8	7	8	7	8	7

Telekom Albania employees have the right and opportunity of one-to-one counselling with staff in the Human Resources Department regarding any discrimination issue. In 2015 no discrimination cases were reported.

5.5 Health and Safety

The health, safety and performance of our staff are the top priority for Telekom Albania and fundamental for its long-term success. It has a direct impact on issues such as employee satisfaction, well-being, quality of work and the corporate culture. In this regard, Telekom Albania acts proactively and goes beyond the requirements of the Albanian legislation by voluntarily adopting and complying with international recognized standards.

Since 2012, the company's Health and Safety Management System is based on OHSAS 18001 standard for Occupational Health and Safety. This system and the Health and Safety Policy also complies with Albanian national laws and regulations but also shapes a preventative culture for health and safety at work, to encourage, train and support employees' involvement in improving health and safety. All the parties, tasks and measures involved in the health and safety management system are described in a handbook and procedural instructions and have been signed by the executive management. The H&S topic is also monitored and managed at DT Group level.

The company systematically assesses the effectiveness of its measures. This includes reviewing the results or the employee survey, and other relevant performance indicators. The analysis of this data forms the basis for annual targeted measures that by far exceed legal requirements.

In 2014, the common Quality, Health and Safety and Environmental Policy was completed by the company. The policy illustrates Management's commitment to implement country regulations, and to develop values for shaping a preventive culture for Health and Safety at work.

Responsible for the implementation of H&S, is the Health and Safety Committee at Work, which consists of elected representatives of employees by company-wide vote. They meet every quarter with management representatives to discuss issues and processes related to the improvement of health and safety at work. All employees have access to health and safety policy and health and safety documents.

Health and safety at work issues are also evaluated by employees through the Employee Satisfaction Survey, which is conducted every two years and focuses on issues related to health, such as mental/physical well-being and work-life balance. The results and findings of the survey form the basis for improvement actions within the company.

The company H&S policy is based on the following principles and systems:

- Compliance with all national legislative requirements;
- Certification of all operations to comply with the requirements of OHSAS 18001;

- Updating of Occupational Risk Assessments at least every three years and additionally, w conditions change with significant risk implications, or when new activities or services are introduced;
- Have in place a comprehensive Health and Safety Committee and Team System, including employees from lower management and from top management to develop proper consultation;
- Systematic training for company employees in Occupational Health and Safety (OH&S) principles and practices, with additional specialist training for potentially hazardous work related to installation;
- Comprehensive Accident–Incident Reporting system, maintained by the AMC Occupational H&S Team, covering event investigation, recommendations and statutory reporting;
- Regular building evacuation and safety drills;
- Provision of workshops, newsletters and Intranet articles on important health and well-being topics, throughout the year; and
- Scheduled medical check–ups for all employees across the country every year, in order to develop the individual health files per employee and prevent potential health issues.

5.6 Health and Safety Performance

In 2015, the company put strong emphasis on the health and safety prevention through training, awareness activities and inspections, which are conducted frequently by the company and independent licensed bodies. The following table shows the H&S performance for 2015.

Health and Safety Performance	2012	2013	2014	2015
Fatalities				
Employee Fatalities	0	0	0	0
Contractors Fatalities	0	0	0	0
Work-Related Accidents (Employees)	0	0	0	0
Number of Employees Injured	0	0	0	0
Men	0	0	0	0
Women	0	0	0	0
Total	0	0	0	0
Injury rate[1]	0	0	0	0
Men	0	0	0	0
Women	0	0	0	0
Total	0	0	0	0
Occupational Diseases Rate[2]	0	0	0	0
Men	0	0	0	0
Women	0	0	0	0
Total	0	0	0	0
Lost Day Rate[3]	0	0	0	0
Men	0	0	0	0

(G4-DMA)

Women	0	0	0	0
Total				
Occupational Diseases Rate4	0	0	0	0

Notes
1 Injury rate = (Total number of injuries/Total hours worked) x 200,000. The factor 200,000 is derived from 50 working weeks for 40 hours per 100 employees. The data do not include minor (first–aid level) injuries.
2 Occupational diseases rate = (Total number of occupational diseases cases/Total hours worked) x 200,000. The factor 200,000 is derived from 50 working weeks for 40 hours per 100 employees.
3 Lost day rate = (Total number of lost days/Total hours worked) x 200,000. The factor 200,000 is derived from 50 working weeks for 40 hours per 100 employees. Lost days for OTE are calculated as calendar days, while lost days are calculated as scheduled work-days. Lost days count begins on the day of the injury or the next day, depending on the time of the day that the injury occurs.
4 Absentee rate = (Total number of missed absentee days/Total number of workforce days worked) x 25,000. The factor 25,000 is derived from 50 working weeks for 5 days per 100 employees.

Health and Safety Prevention and Awareness

In 2015, the company continued to give health and safety preventative measures. The development of the annual plan for H&S training is based on the general evaluation of the previous year's actions, such as inspection result performed by the medical and technician staff, records of occupational accidents, and success of training programmes. The following measures took place in 2015:

Medical Exams including Physical Check–ups, Health Promotion Tests, Clinical Examinations

A corporate programme for "Medical Examination" has been established for many years. According to this programme an annual medical examination is provided for all company employees as well as additional medical examinations for employees whose job is classified as difficult. It is included in the basic mandatory package, which includes a physical check-up, health promotion tests, clinical examination, eye sight test, and the optional package for which each employee can choose two types of examination, and specific package based on job category.

First Aid Training

According to the "First Aid Training Programme", training is provided for all employees involved in jobs classified as difficult (working at height, working with electricity, within warehouses, etc) and for all employees who are part of the Emergency Response Structure (ERT). This includes first aid treatment of small skin injuries from paper cutting, scratches, skin allergies, blood pressure measurements mainly in young people and pregnant women "suffering" from low blood pressure, etc. In 2015 the frequency of such training was circa two trainings/day.

Physical support in case of medical issues

All building in company headquarters and company owned shops are equipped with a First Aid Kit. There are 27 in total. In addition an Occupational Physician employed in the Human Resources Department is available to assist employees in case of health issues.

Occupational Hazard Studies

On a yearly bases an Occupational Risk Assessment is performed by the H&S Team, following a standard methodology according to OHSAS 18001:2007 requirements.

EMF Measurement

EMF measurement are performed indoors and outdoors per every facility on a quarterly basis. The figures of such measurements are officially reported and published in the Company's Intranet

Internal information campaigns

Information campaigns were organized via the company's intranet, internal e-mails, articles and a newsletter. They include the following:

- **World Diabetes Day –** An awareness campaign was launched on the global diabetes world day on November 14. The materials provided to the employees were focused on promoting the importance of screening to ensure early diagnosis and treatment to reduce the risk of serious complications.
- **Dignity in Mental Health (on occasion of World Mental Health Day)** – Thousands of people with mental health conditions around the world are not only discriminated against, stigmatized and marginalized but are also subject to emotional and physical abuse. For this reason, we wanted to educate our employees about mental health and an informative article was posted on intranet. In this way, employees were informed what can be done to ensure that people with mental health conditions can continue to live with dignity, through human rights oriented policy and law.
- **Heart Treatment (on occasion of World Heart Day)** - World Heart Day takes place on 29 September every year and is a chance for people across the globe to take part in the world's biggest intervention against cardiovascular disease (CVD). Our focus as a company is on creating heart-healthy environments by ensuring that our employees are able to make heart-healthy choices wherever they live, work and play. In this way, employees were informed through an article on Intranet how to take actions to reduce their and theirs family's risk of CVD where they Live, Work & Play.
- **Memories Matter (on occasion of World Alzheimer's Day)** - World Alzheimer's Day, September 21st of each year, is a day on which Alzheimer's organizations around the world concentrate their efforts on raising awareness about Alzheimer's and dementia. As worldwide efforts to find better ways to treat the disease are underway, we at Telekom
- **Be a Hero, Save Lives Article (on occasion of World First Aid Day)** – On World First Aid Day, 12 September, we at Telekom make sure that our employees are equipped with life-saving knowledge and skills, and the confidence to act when needed. This is done as part of the Health & Safety Management System and for this reason, besides the first aid training program set up for employees, some additional material was posted on intranet as well.
- **Data Protection Awareness Campaign** - We are aware that the success of our company is dependent not only on global networking of information flows, but also above all on trustworthy and safe handling of personal data. Protecting the personal data of customers, employees and other individuals connected with our company is thus a top priority for us as Telekom Albania. For this reason, we organize a Data Protection Campaign every year to raise awareness and remind our employees how to handle such information.
- **International Anticorruption Day Campaign** - December 9 is the International Anticorruption Day and just like in previous years, Deutsche Telekom Group uses this day to raise awareness on this topic and enforce its commitment against corruption group-wide. Telekom takes this day as yet another opportunity to send a clear signal to all the employees that: Clean business at all levels is very important to us!
- **Guiding Principles Day** – This is an annual day which is celebrated across all the NatCos of the Group with different awareness activities.
- **BCM International Awareness Week** - an internal communication campaign was launched for this purpose, aiming at raising employees' awareness on the role and importance of Business Continuity Management System.
- **Let's Save our Planet (Save Energy & Water Campaign)** - Natural and energetic resources are the biggest assets to mankind and they are becoming increasingly precious for each one of us. For this purpose, in compliance, our company has implemented for many years now initiatives and projects aiming at saving and

improving the use of natural resources. Through this campaign, employees were reminded to efficiently use these resources.

Working safely at heights training programme
It aims to ensure appropriate capabilities and knowledge is provided for performing work at height. Training of all new employees involved with working at height and an annual refresher training for all existing employees involved with working at height. This training includes complete education and hands-on application for security techniques whilst working at height, plus training in the use of specialised equipment. At the same time, a significant part of the training is about workers' understanding of the risk-potential of an accident and the necessity for security measures. Training covers all areas necessary for safe working conditions on overhead pylons including demonstration of required Personal Protective Equipment (PPE), theoretical training for working at heights, hands-on, practical exercises for working at heights and rescue procedures.

Workplace Safety Inspections
Regular inspections are conducted on company premises (usually monthly but also on a quarterly basis). Health and safety training is organized on a regular basis for employees particularly at risk and on yearly basis for many other employees.

Evacuation drills
Evacuation drills are organized frequently, at least once per year in all company premises. In 2015, evaluation drills were organized in the following locations:

- Headquarters (two Buildings plus its warehouse);
- Disaster Recovery Building, Kashar;
- All Telekom Albania Tirana's Stores (nine Stores); and
- All Telekom Albania Cities' Stores (seven Stores).

In 2015 the following health and safety training programmes were conducted by the company:

Health & Safety training sessions	Number of Employees	Man Hours
Health & Safety topics in induction program	32	64
Emergency drills	316	316
Fire Protection & Emergency Preparedness Training –Incident Response Team	36	36
Tower climbing & rescue	10	160
Working with electrical equipment & instalments	16	128
First Aid training	27	189
Safe driving	N/A	N/A

Store security	50	50
Occupational health & safety awareness sessions – Work Safely in PC	100	100
Total	**1.043**	**2.34**

Canteens

To meet the everyday needs of employees, two canteens are available for Telekom Albania employees in Tirana.

5.7 Employee Training and Development

The aim of the company is to create a workplace, which is safe, fair and facilitates personal and professional development of its employees. The company supports the skills, experience and talent development and aims to create appropriate systems that its employees can thrive professionally. Telekom Albania aims to identify and get talented young people on board early on in their careers. That is why we extensively support their training and continued education.

Employee development includes the following main activities:

- Performance management, as a basis of transparency and meritocracy and performance development for enhancing career opportunities within the company;
- Learning, skill enhancement and training programmes for groups of employees or individuals; and
- Opportunities for international mobility within the DT Group, knowledge and best practice sharing.

Performance Appraisal

The company uses a well-defined Performance Appraisal System, which is given in the Performance Appraisal Guidelines and is available to all employees through the company's intranet. The performance of each employee is evaluated every year by their direct Supervisor based on pre-defined objectives. Through this system the strengths and areas for improvement can be identified. All newly appointed managers attend prior to the annual performance appraisal process, a tailor-made training on how to assess the annual performance appraisal process, a tailor-made training on how to assess their own performance and create an individual development plan based on their needs. In 2015, a total of 35 managers attended the training programme.

The Telekom Albania Performance Appraisal System is adapted to the mission, vision, values, high performance culture and specific needs of the company and its employees. It is designed with an emphasis on strengthening the excellence in the customer experience (Customer Experience Excellence) and is harmonized with the Telekom Albania Guiding Principles of its Code of Conduct. It is also based on the parameters of specific and measurable objectives, professional competencies and performance criteria, which are revised as often as necessary to reflect current standards in the telecommunications sector and the corresponding required expertise.

In 2015, all company employees were appraised and middle and top managers were trained in the usage of the Performance Appraisal System before the company appraisal took place. In addition, executives of Telekom Albania (in alignment with the DT Group),

participated in the Performance and Potential Review process, which, besides evaluating executive performance, ascertained the degree of readiness to undertake more demanding duties in the future.

Telekom Albania places special emphasis to support and encourage its employees to stand out and develop, both personally and professionally in a continuously demanding and ever-changing working environment. To achieve this several Human Resources tools have been utilized.

To assess and make sure that the role content and of the profile of each employee is fully understood, the company uses the Job Families Model (JFM). JFM helps make for an efficient internal recruiting and career path. All roles in the JFM are analysed and described, taking into consideration the common functionality framework.

Emphasis was also given to the improvement of Employees Development Guide, a well-structured tool for supporting the role of managers as coaches (employees' weaknesses and strengths, developmental goals, developmental action plan, measures and resources).

Employee Selection

Telekom Albania seeks appropriate candidates for each specific position. This is done through the Human Resources Department (HRD). HRD seeks to fill all vacancies firstly from within the company candidates. In this way the selection process is a time saving process and at the same time a development process for the employees who want to look for promotion or carrier change within the company. In 2015, five positions for internal candidates were proclaimed open through five notices posted on the corporate Intranet. The internal recruitment process includes internal information/advertisement, interview and final selection and is enhanced by the application, in collaboration with an external consultant if needed, of specific evaluation/development tests. The same approach is followed for external candidates, which is based on the criteria of transparency and meritocracy.

Employee training

The need for qualified workers in the science and communication will continue to grow in the coming years. In addition, highly qualified people are fundamental for sustainable development and growth of the company. This is why Telekom Albania pays great attention to the development, satisfaction and competency of its employees. Telekom Albania Training programmes provide multiple benefits for employees and the company. They are carefully planned and properly implemented.

The employee trainings are done in-house and outside the company by highly experienced trainers and training centres well-known for the provision of professional services in the ICT industry and others. The training modules are chosen as to fit to each individual employee's professional growth. The trainings offered by the company for its employees in 2015 are summarized below:

Year	Employees Trained	Average training hours/employee
2013	88	-
2014	66	-
2015	67	3.18

The training modules are chosen as to fit to each individual employee professional growth. The statistics of employee training based on training programme is given below:

Training Module	Employee Trained	Training hours overall
Project Management	15	224
Sales & Negotiation Skills	21	504
BCM, ISO 22301	12	240
Tower Climbing and Rescue	10	160
Oracle Database, Programme with PL/SQL	5	120
Total	63	1.635

Reality-based training for everyday challenges

In 2015, Telekom employees partook in a three-day Project Management Reality Training programme together with other experienced project managers from 21 countries and all business areas of Deutsche Telekom. Altogether 140 managers participated. In this training participants learned how to deal with everyday challenges with the help of reality-based simulations, including fictional customers, employees and suppliers. One assignment was to develop a concept for effectively integrating a local telecommunications company affected by extensive market changes. Participants had help from experienced trainers and coaches and were able to expand their skills in dealing with different target groups and intercultural collaboration. The training event was also an excellent opportunity to share experiences and network with people from other segments and countries. 95% of participants stated that they would recommend the training to their colleagues. Because of the tremendous response, this training programme will be offered again in 2016.

"Light up" talent conference provides opportunity for dialog

300 talented employees from 20 countries, including Albania met at the talent conference in Bonn in September 2015 under the slogan, "Light up" or "Put your talent in the spotlight!" Conference participants had the opportunity to learn about effective strategies to help them advance their careers. The event was also an excellent networking opportunity. Around 100 top level managers from the Group's various business units were invited to attend the conference as guests.

In-house training

The company employees collaborate with each other's and other partners from the list of distributors and suppliers. They are continuously trained on the new products and services as well as new features in the industry, and company governance. This is of utmost importance for the company and partners, with the goal of satisfying customers demand and increasing their satisfaction towards the company. The table below summarizes the training offered by company and its partners in 2015:

Trainings/Core business topics	Partners trained by the company
Induction Trainings for new employees	NEPTUN
New I-phones	Intercom

Data products	Event Stories
Mobile TV	
EPOS	**Partners training the company**
SMPOS	Samsung
Promotional Activities	
Xmas Helper	
Refresh trainings of existing products	

5.8 Employee Remuneration and Benefits

Besides salary and other benefits provided by law, each year Telekom Albania offers its employees additional benefits, in order to help support the daily needs for themselves and their family and balance between work and professional life. The main categories of the benefits are the following:

Employee Benefits

Health and Insurance

- Life insurance program for all employees
- Yearly check-up
- Physiotherapist in house (twice per week)
- Free ORL and Audiogram medical visits
- Wellbeing services
- Gym benefits

Products and Services

- Corporate mobile phones are available for all employees with preferential tariffs and have free monthly phone traffic based on position;
- Preferential post-paid and pre-paid tariffs for employee family members; and
- Reduced prices on headsets and accessories purchased through the company's own shops.

At Work Benefits

- Partial refunding of lunch, served a catering company;
- Flexible daily work attendance; and
- Seniority Reward – Extra days of annual leave for those being in the company for 10 year or more.

Other Benefits

- Team event and internal championship and activities in order to balance employees' professional and personal life (6x6 volleyball championship, bowling championship, ping pong championship, etc.);
- Bus service for transportation of personnel, to and from the company offices in Lapraka and Kashar;
- Access to various socio-cultural activities, through prize draw tickets; and
- Cooperation with various companies to ensure preferential treatment of employees and special discounts for products and services.

Family

- Summer camp for children of employees
  - A Christmas gift for all employees' children up to the age of 12;
  - A special end of the year coupon to buy goods in different local stores;
  - Additional days of leave, in case of special needs; and
  - Flexible leave policy, attentive to special needs.

In principle, the company grants the same benefits to all employees, with minor changes between management staff and non-management staff.

5.9 Internal Communication

Effective internal communication is crucial to achieve good performance for the company. Telekom Albania aims to maintain a transparent, continuous and interactive communication with its employees using a range of tools to promote knowledge and an opportunity to participate in different aspects of company activities.

The main tools used by the company for internal communication are: intranet, e-mails, SMS, events, promotional campaigns, e-Newsletter, leaflets and posters, personal updates and surveys.

In 2015, to inform its employees the company did the following:
- Used its intranet for several postings and publications; Five CR topics were published in the intranet, to include: Environmental Impact Survey, Down Syndrome Albania mismatched socks, Gifts to Down Syndrome Albania Children, Recycling to Telekom Albania, Save Water & Energy Campaign;
- Sent Electronic briefings (e-mails) for corporate and other issues; some of the most important were the communication on Data Privacy Day, Guiding Principles Day, Code of Conduct, Guiding Principles Day, Recycling to Telekom Albania, Telekom Management Team Meetings, Gifts to Children of Down Syndrome Albania; In 2015, 24 e-mail related to issues covered in this report were sent to the employees via internal communication channels:
  - o Ten internal awareness campaigns were promoted via the Intranet, including banners, thematic configuration of the home page elements and campaign–related content, also via posters, leaflets, brochures and other promotional items;
  - o The intranet site was used for the presentation of analytical results of Pulse Surveys, which were announced to all employees;
  - o Eight internal company events were organized;
- Conferences and Management Team meetings.

Employee Engagement and Satisfaction
Telekom Albania considers the engagement and satisfaction of its employees as necessary to achieve the company's long-term objectives.

Employee Engagement
In today's rapidly changing business environment, it becomes more difficult to motivate employees and ensure growth and productivity. Telekom Albania considers employee engagement and loyalty vital for connecting employees with the success of the company, by giving them the feeling of belonging to the company and its success, and creating a culture that supports and builds a powerful employer brand. This can be achieved by constantly informing employees about the strategic, technological and organizational changes made and to seek the understanding and active participation of them.

Telekom Albania encourages their employees to communicate openly. Through various channels, they can choose such as meetings and presentations, workshops, internal memos and satisfaction surveys to raise their concerns. Specific e-mail addresses are available for employees to communicate as well. All these aim to create and maintain a work environment characterized by an open communication and dialogue culture.

The company uses various engagement tools to communicate and receive feedback from its employees. The following are the main ones:

Ideas for Social Projects
Employees were invited to submitted ideas for social projects they considered as relevant and important in frame of the communication campaign "Bota jone ti";

Experiencing the customers reach
Employees for non-customer service position are involved in a programme "how to reach customers experience", where they follow the customer experience in customer service points, like points of sale, customer service, etc.

Employee Satisfaction
Telekom Albania recognizes and gives special attention to the opinion of its employees. It frequently collects, analyses and monitors their opinion. The main tools used by the company to receive its employees' opinion are the Employee Satisfaction Survey conducted every two years, and the Pulse Survey conducted annually. Surveys are also a reliable tool, amongst other inputs, for alerting management to decisions about potential changes, improvements and action plans needed. The results of employee surveys are communicated through the corporate Intranet and discussed in meetings held at the organizational unit level.

Pulse survey
One of the most important indicators of employee satisfaction towards the company is the feedback collected from the Employee Survey regularly organized by the DT Group level. Telekom Albania as one company in the DT Group has the highest participation level: 95% of Telekom Albania employees participated in this survey and their satisfaction is consistently high. These results show that an upward trend over the previous year. The employee satisfaction rate from the November 2015 survey was 93%. Employer branding is significantly high at 93%. Identification with the T brand is another quite positive result: 96%. The feedback provided from employees in the employee surveys is always considered by top management in order to identify and impact areas for improvement.

2015 Pulse Survey Data		
Issues	**2014**	**2015**
Employee Participation rate	92%	95%
Employee Satisfaction rate	93%	93%
Employer branding	95%	93%
Brand Awareness	88%	96%

6 Society

6.1 Strategy

Telekom Albania continues to support various community initiatives that help people in need in cooperation with many organizations, aiming to improve the lives of many in the communities where it operates.

The company intends to contribute to the prosperity and growth of communities by delivering efficient and technologically advanced services. As private entities requiring cost-effective management, the companies of the Group, take the social impact of telecommunications services into account in decision making, responding to community needs including also vulnerable groups. The company supports social, cultural and educational projects that support the improvement of living conditions.

In order to improve the management of CR, it systematically evolves internal mechanisms and processes of social contribution. The company's strategic approach, regarding society programmes and stakeholder engagement on these issues, covers 100% of its operation.

The following summarizes the mechanism and standards applied by the company:

Main Pillars of Community Projects:
- Voluntary activities consistent with company business and goals; and
- Partnerships with various organizations to support community projects on:
  - Children Welfare and Development;
  - Vulnerable Social Groups and People with Special Needs;
  - Provide Equal Access to Education and Information; and
  - Alleviate Disasters.

Project identification
Telekom Albania identifies the projects to be implemented by the following means:
- Consultation with the stakeholders and direct contact with civil society organisations; A systematic dialogue with stakeholders is ongoing and takes into consideration needs of interested parties and new community initiatives;
- Partnership projects with stakeholders and associations;
- Involvement in industry associations;
- Sharing knowledge of industry-related issues with the other Group Functions; and
- External lobbying in response to social emergencies (e.g. earthquakes).

Project implementation
- The social contribution activities are designed and implemented by the Corporate Affairs Office with the direction and support of the CEO; and
- All sponsorships and donations approved by the company's CEO are firstly reviewed by AMC Compliance Office for their compliance with the company's regulations.

Each project is implemented in four stages:
- Planning, which identifies the objectives to be achieved, the beneficiaries of the project, the overall duration of the initiative, the methods used to monitor the project and the budget;
- Selection, which is made based on clear predefined criteria;
- Management, which is usually administered through partnership agreements, with either cash or in-kind contribution made; and

- Control, which takes place in different ways according to the specific features of the individual projects. The success is measured with specific Key Performance Indicators.

The company collaborates closely with other companies in the DT Group to share experiences and best practices across countries, or in various group wide initiatives.

A brief summary of the main community support projects implemented by the company in 2015 are shown below:

Activities in Society	Year 2015
Sponsorships - Donations (incl. in-kind) (€)	€194,537
Number of volunteering projects	7
Working hours invested to organize and run volunteering initiatives	0
Employee volunteering (number of employees)	0
People supported (estimated)	5,770

6.2 Products, Services and Offers to Special Groups

Telekom Albania contributes to vulnerable social groups through the use of technology. The company provides special products, service offers and discounts in order to facilitate access and communication by these groups. At the same time, the company implements and supports activities as well as makes a social contribution to programmes, through the use of telecommunications.

In particular, it provides:

Students
The company continues to offer students easy access to technology with various communication tools that could help their further educational development. The main tools are the following:

- Reduced communication expenses for students, with special offers and unique gifts. Students could choose among the packages of Jump with unlimited data use introduced by the company in 2015.
- Broadband connection at very attractive price offers with discount. Many people have benefited from these company offers and discounts; and
- Donation of computers and other technology equipment to schools and not for profit organizations.

6.3 Social Contribution in the Community

Telekom Albania continued to support community based organizations and activities that help closing the gaps of disadvantaged groups, overcome difficult economic or natural situations and support community development. Specific activities conducted in 2015 by the company were:

Tablets Donation for Hospitalized Children in Tirana Paediatric Hospital
In the period to June-2015 Telekom Albania donated 20 tablets for hospitalized children at the Mother Teresa University Hospital Centre in Tirana. Throughout the year these technological devices have offered some 500 young patients the chance to enjoy educational programmes in the same way as other non-hospitalized children do. The tablets feature a programme with basic school knowledge for children aged five to 16. The lessons in the programme installed by Telekom Albania are based on the educational system of the Republic of Albania. All subjects are explained in English and accompanied by videos, movies, pictures, documents or relevant maps.

Improve the Infrastructure of Tirana Paediatric Hospital
Telekom Albania equipped the pavilion of the Paediatric Hospital with a variety of books so that hospitalized children can spend their free time reading and learning. It also contributed to improving the infrastructure of a surgical ward by providing therapeutic beds, furniture and an IT infrastructure.

Educational kits for orphan children
In September 2015 Telekom Albania cooperated with the Red Cross in Albania to distribute educational kits to orphaned children at the National History Museum. The intention of this initiative was to give a full package of essential school articles to orphan children at the start of the new academic year, which began on September. About 100 orphaned children benefited from this initiative.

Virtual campaign for the abandoned babies
On New Year's Eve, Telekom Albania supported abandoned babies through a wide campaign in the social media, which aimed at raising awareness about their plight.

In this campaign Telekom Albania invited all Albanian Facebook users to join this noble mission through just one click. The campaign was launched on December 30 at their Telekom Community Store, the newest Telekom meeting place in Tirana. All users could share their post with #SHAREAHUG hashtag. The funds generated from this campaign went to the NGO the Angels' Cradle, for the abandoned babies ward at Queen Geraldine Maternity Hospital.

Our World, You Initiative
During the "Our World, You" initiative, people were invited to develop their ideas for improving the environment or living conditions in the communities they live in. The aim of the initiative was to involve the general public in the idea-generating process and to strengthen relationships as a company that tries to make its technology and human resources available to certain groups of society. Around 100 applications from all over Albania were focused primarily on increasing green areas and the social inclusion of vulnerable groups. Of the six winning projects selected by a jury and public votes in 2014, the following three projects were selected for the final held in the first half of 2015:

- Rehabilitation of the Muharrem Collaku school yard in Pogradec: The measures taken included improvements to the drainage system and creation of a sports area for pupils to enjoy their sports classes more;
- Building of a playground for children with special needs at eco-social farm by The Door organization; and

- Project at Vasil Sota School in Fier: Revitalize of the school yard by including benches and adding green areas.

Around 750 children have benefited from the completion of these three projects.

Enable Primary Health Service for Tourist and Residents of Albanian Alps

Telekom Albania in cooperation with the German Organization, GIZ, supported the supply of modern health and telecommunication equipment to three health centres in the Alps of Albania, respectively in Razem, Theth and Valbona. The three areas are well-known touristic destinations in Albania and are visited each year by a large number of visitors. Provision of adequate health service is a fundamental aspect of each touristic destination and contributes to the image and rating of these destinations. The three destinations accommodate thousands of visitors in different periods of the year. All these visitors together with local residents now have access to primary health services.

Knowing Natural Catastrophes Education Package for children

The International Strategy for Disaster Reduction reflects a major shift from the traditional emphasis on disaster response to disaster reduction, and in effect seeks to promote a "culture of prevention". In this regard Telekom Albania in cooperation with UNICEF distributed to many Tirana schools an Education Kit that aims to inform children of the risks of natural disasters. The kit is designed with games and attractive elements. It aims to be an interactive education tool about the natural catastrophes. Through this book children receive information on the risks from natural catastrophes that include earthquakes, flooding and hurricanes. Special attention in this education kit is given to disabled people and the attention to be given to them in case of natural catastrophes.

Supporting people in case of natural disasters

Natural disasters and personal tragedies often require fast, direct help. Telekom Albania supports aid organizations to help people every year - free of charge and un-bureaucratically. The company takes on a myriad commitments ranging from immediate aid and reconstruction assistance after disasters to bone marrow donations.

In 2015 Telekom Albania donated 140 household supplies to 130 families in Novosela, affected by the flooding occurred during the early part of 2015 in south Albania.

Green Ideas Competition

For a third year in a row, Telekom Albania supported an independent non-profit organization to organize a national competition named "Green Ideas 2015". The purpose of the contest was that through a competitive process, Civil Society Organizations, social enterprises and small businesses could be involved in identifying, selecting and supporting innovative green ideas that aimed towards sustainable development.

Seventeen finalists presented their project-ideas during the two days of competition, which was open for the public and business sector. An evaluation panel consisting of experts in the field of economic development, education, social responsibility, public, international institutions and a representative from Telekom Albania selected three green ideas.

Also for the third year in a row, Telekom Albania was one of the main supporters of the competition and provided financial and logistic resources to support "Zejtaret e Veriut, which aims to promote the design and production of handmade apparels from recycling materials only.

6.4 Sponsorships and Culture Initiatives

Winners of Connected Europe Campaign enjoy dream trip
Between July 3 and July 23, Telekom Albania customers participated in an online draw where they had the chance to win a trip for two to one of 12 European countries. Entry forms were available on Telekom Albania's Facebook page. Any user could choose the experience and the person he or she wanted to share that experience with. In total, 12 couples travelled to 11 European cities these being: Amsterdam, Bucharest, Budapest, Zagreb, Warsaw, Vienna, Munich (2), Athens, Podgorica, Bratislava and Skopje.

German October
Telekom Albania supported the eighth edition of the "German Octoberfest" in Tirana, which included rock concerts and classical musical shows, theatre and poetry and literature readings, exhibitions and many others.

7 Environment

7.1 Environment Strategy

Climate change and environmental protection are the main world challenges of this century. People and companies are trying to assess the impact their activities have on climate change and environment and have taken serious commitments to reduce their impact to the environment. 195 countries made a commitment to meeting mandatory climate protection goals at the UN Climate Change Conference held in Paris late in 2015. Although telecommunication companies are not considered to have a high environmental footprint compared to other industries, the Deutsche Telekom Group wants to contribute to achieving the 2-degree target that was set in Paris. This is a DT Group wide approach and includes among other companies also Telekom Albania. Notwithstanding the company's contribution to reduce the environmental footprint caused by other industries and companies, Telekom Albania has also set ambiguous targets for reducing its own GHG emission. To achieve this, the company is doing the following:

- investing in efficient network technology;
- improving energy management in the company's buildings; and
- setting clear CO_2 limits for the company and service vehicle fleet.

A brief diagram of Telekom Albania environment strategy is given below.

Climate change and telecommunications

The "SMARTer 2030" study conducted by GeSI in 2015, indicates that the telecommunications industry accounts for around 2 % of global CO2 emissions caused by mankind. However, this study makes clear that, by using solutions from the communications sectors, 20% of the global CO^2 emissions could be prevented by 2030. This can be done by a rapid growth of transferred data volumes. In turn, the increased processing and storage of data entails a rise in energy requirements. Measures to boost energy efficiency are therefore needed. In addition, the energy requirements should be met from energy sources with as minimal an impact on the climate as possible, that is to say first and foremost in a sustainable manner.

Between 2003 and 2013 global energy requirements increased by 28%. As given by the "SMARTer 2030" study telecommunications industry currently accounts for around 2% of the total global energy requirements. According to forecasts, 90% of all people worldwide will have access to a mobile communication network and 60% of those people will have LTE access, by as early as 2018. The increasing quantities of data and new applications could trigger a substantial increase in energy requirements for ICT.

The ICT sector response to climate change has involved actions aimed at mitigating its effects (e.g. by driving down emissions in the sector, reducing emissions and fostering energy efficiency in other sectors), monitoring climatic trends (e.g. through ICT-enabled data capture, processing, presentation and dissemination) and adapting to its impacts (e.g. by helping to reduce the vulnerability of various sectors, strengthening networking, decision making and resource access for adaptation). Telekom has been active by undertaking and taking part in several initiatives for environment protection. Details for this are given in the following sub-chapters.

7.2 Environment Management Systems

The Telekom Albania commitment to environment is embedded to its Integrated Quality, Health and Safety, and Environmental Policy. This policy places the highest managerial priority on activities related to the preservation of the environment. It is revised on regular basis to address the environmental potential and current environmental challenges. The detailed integrated policy is given below.

Telekom Albania Quality, Health & Safety and Environmental Policy

We, at Telekom Albania, inspired by our VISION, MISSION and STRATEGIC PRIORITIES, strive to enhance our successful customer–oriented philosophy, our competitive positioning and the provision of technologically advanced products and services. As a responsible corporate citizen, we aim at delivering value to our stakeholders and believe that quality, health–safety and environment constitute crucial concerns embedded in our company's culture. In this context, we expect our senior management to act as role models.

Aiming at Business Excellence, we therefore commit ourselves to:

- Continually improving our operations and performance by setting, monitoring and reviewing our objectives with the intent to meet and, where possible, to exceed the expectations of our stakeholders;
- Acting with foresight and comply with the requirements laid down by applicable legislation, or even exceeding these, where we can;
- Require our personnel, and our contractors and suppliers, to actively participate in achieving our objectives, regarding the quality of our operations, occupational health & safety and environmental protection, by implementing all relevant regulations and programs adopted;

Telekom Albania Quality, Health & Safety and Environmental Policy

- Injury and ill health of our personnel, partners and the general public;
- Strive to find innovative approaches for our operations, products and services, adopting preventive approaches to reduce our environmental impact & pollution, and avoid potential injury and ill health of our personnel, partners and the general public;
- Keep the public, our personnel and our stakeholders informed on quality, environmental and occupational health & safety issues;
- Voluntarily protect the public through the principles and recommendations laid down in the EMF policy, including transparency, information, participation and promotion of science; and
- Fully comply with the requirements of our Integrated Management System and continuously improve its effectiveness.

Dimitrios Blatsios,
Chief Executive Officer

In 2015, Telekom Albania was re-certified for its Environment Management System (EMS), Occupational Health and Safety System and Quality Management System by an independent accredited institution. The final report indicated that the systems fully comply with ISO standards, respectively ISO 14001:2004, ISO 18001:2007 and ISO 9001:2008, while the company has demonstrated that it operates and develops continuously its Management System effectively in order to ensure fulfilment of its own requirements, the requirements of its customers as well as the compliance with the pertinent legislation.

Environment Management System Structure and Bodies
The management of environmental aspects is overseen by the CEO. To assist him a high level Steering Committee has been established in the framework of the Integrated Management System, which is in place (Quality, Health and Safety, and Environment).

The Integrated Systems Steering Committee comprises managers from departments whose operations have a large impact on the environment, and an Environmental Management Team, which comprises key experts dealing with environmental issues. Both the Integrated Systems Steering Committee and the Environmental Management Team are strongly engaged to implement environmental programmes and coordinate the work of other employees (non-team members) to reach the targets and objectives set in advance.

The Telekom Albania Corporate Affairs Manager has been appointed as the Chairman of the EMS Steering Committee, and managers of other departments serve as Environmental Committee members. The Committee is supported by the Environmental Management Team drawn from members of relevant Telekom Albania organizational units.

The responsibilities of the Committee, with respect to the EMS, include, among others, the approval of EMS documentation including objectives, KPIs and targets set out as well as the environmental programmes to achieve these objectives/targets, EMS audit results, EMS performance results, customer and employee feedback/complaints, periodic reviews and follow up actions from previous management reviews of the EMS and the improvements deemed necessary to enhance its effectiveness.

Furthermore, members of the Environmental Management Team monitor continuously the implementation of the environmental programmes, identifies the environmental

aspects of the activities, and propose remedial actions for improvement, and analyse the data needed to determine the environmental performance of the company.

**Telekom Albania
Environment Management System**

CEO	**Management Systems Steering Committee** • Corporate Affairs Manager • Radio & Transmission Engineering Manager • Operations & Maintenance Manager Procurement & Logistics Manager • Human Resources Manager • Anyone deemed necessary (depending on the issue considered)
Corporate Affairs Office	
CR Unit	**Environmental Management Team** • Representatives from selected AMC Organisational Units

The Telekom Albania system ensures a high level of transparency in its environmental programs. Furthermore, the company encourages employee participation in many initiatives and partakes in various national and international forums that aim to share the knowledge of sustainable solutions within the ICT industry and in broader society initiatives that aim to protect environment and preserve the resources.

7.3 Prioritizing Environmental Impact

The ISO 14001:2004 based environmental management system provides a good instrument to identify and control the company's environmental impact and constantly aims to improve its environmental performance. It covers all necessary areas such as training, record management, inspections, objectives and policy.

As part of the planning process the company has examined all environmental aspects that can have a negative impact on the environment and has determined the aspect that are most significant and those that are less significant based on well-known criteria considered important in the telecommunication sector. Based on these, the company has designed programmes, which consist of an action plan, role and responsibilities, schedule for addressing these, and targets for identified environmental aspects.

Examination of environmental impacts is done under three different scenarios in normal, abnormal and emergency situations. In this exercise Telekom invited representatives from its customers and the community to participate, aiming at both ensuring transparency and increasing environmental awareness among its major stakeholders.

The company has committed to address the following aspects, based on their significance to its operations. The performance of the implemented environmental programmes further demonstrates the company's achievements in safeguarding the

environment. In 2015, Telekom Albania introduced a new environmental programme to monitor the consumption of natural resources, i.e. phone recycling in its own shops.

Activity	Environmental Aspects	Included in the EMS	Response
Mobile Network	Energy	Yes	8.5
	Technical Waste	Yes	8.7
	EMF	No	8.8
Support of Telecom Operation	Energy	Yes	8.5
	Hazardous Waste	Yes	8.7
Offices, Shops, Warehouses	Energy	Yes	8.5
	Office Waste (Paper)	Yes	8.7
	Waste Disposal	Yes	8.7
	Water	Yes	8.8
	Mobile Recycling	Yes	8.7
Vehicles	Energy	Yes	8.5

7.4 Environmental Performance

The information regarding environmental and energy performances is drawn from management data, some of which is estimated. The data shown below relate to energy use (heating, transport and electricity), eco-efficiency, GHG emission, use of water, the use of paper and waste production.

Telekom Albania uses an IT based data collection system, called IKOS, which is used by all Deutsche Telekom (DT) Group Companies as a CR controlling system and which plays an important role when it comes to steering DT Group CR activities. The system gives the company more capacity to conduct extensive analyses of CR data.

The measurement of greenhouse gas emission (GHG) levels is done using the emission factors of the International Energy Agency (IEA). Telekom Albania reports direct greenhouse gas emissions from fuel consumption for internal company needs (Level 1), indirect emissions from electrical and heating energy (Level 2), as well as other indirect emissions through the goods and services used (Level 3).

The company makes its own assessment by setting objective targets for its main activities each year and measures its performance as per such set targets (See Section 7 on targets).

7.5 Energy Consumption and Conservation

Telekom Albania contributes to mitigating the environmental issues associated with energy use by improving practices to monitor and then reduce energy consumption, selection of energy sources with lessen environmental emissions, development of products and services that contribute to a reduction of energy use and emission for other industries.

Energy consumption is presented according to the guidelines proposed by the Global Reporting Initiative regarding direct consumption for heating, power generation and transport (Scope 1, according to the Greenhouse Gas Protocol) and indirect consumption for the use of purchased electricity (Scope 2).

In 2015, the energy requirements of Telekom Albania were 28,422 MWh, which is 0.5% more than the previous year, mostly due to extension of 4G coverage which requires data centres to use more energy. The operation of the network infrastructure (base stations and data centres) accounts for 90% of these energy requirements. Accordingly, networks are a key aspect when considering how communication companies can be energy-efficient and contribute to protecting the environment and the climate.

In terms of primary energy source used, this energy consumption is equivalent to 19.43 GWh of direct energy consumption (or 70TJ), all coming from renewable sources and 8.99 GWh of indirect energy consumption (or 32.3 TJ).

The company also monitors energy consumption per each category to include: (i) company offices and warehouses. Its buildings are supplied with electricity by a public company, and diesel which is used for generators, that are activated only when there is an electricity shortage or improper power supply; (ii) company network, which consists of base stations and date centres; (iii) company owned shops; and (iv) transportation done via company and service vehicle fleet, other transportation means used to business purposes, that is buses and airplanes;

The company's energy consumption per category of means used is given in the table below.

Categories	Year 2012	Year 2013	Year 2014	Year 2015
Electricity Consumption in Mobile Networks[2] in MWh	12'013	13'269	14'303	18'401
Electricity Consumption in Buildings (Offices, Warehouses, Own Shops) in MWh	5'317	4'713	5'129	1'530
Energy Consumption from Generators in Mobile Network in MWh	9'020	8'582	7'519	7'159

[2] The electricity consumption in mobile networks for year 2015 includes data centres and base stations. For the years 2012, 2013, 2014 the energy consumption from data centres is included in the electricity consumption in buildings, because the data centres, offices and warehouses were connected on the electricity grid.

Energy Consumption from Office Generators in MWh	107	132	52	117
Energy Consumption from Road Transportation[3] in MWh	1'939	1'741	1'270	1'215
Total	**28'396**	**28'437**	**28'273**	**28'422**

Energy Consumption and Conservation in Network

In 2015, the energy consumption from the mobile network to include energy consumption form base stations and data centres was 25,560 MWh. From this energy, 18,401 MWh was electricity energy produced by public energy providers and connected to the national energy grid, and 7,159 MWh was produced by generators, via consumption of 732.962 litres of diesel fuel.

In 2015, the energy consumption of the electricity generators (used as the main electricity supply in isolated areas where grid connection is difficult or impossible and/or as back–up units in cases power disruptions) operated by the company decreased by 4.8% (from 7.519 MWh in 2014 to 7.159 MWh in 2015).

Reducing the number and/or the operating hours of the electricity generators due to connection of base stations to the electricity grid have contributed to this reduction.

Telekom Albania has been upgrading its technology network to ensure optimal and fast communication for all its subscribers. It has increased the number of base stations to cover even the most remote areas in Albania, and also its technology, offering 4G+ in the main cities of Albania, providing Internet up to 225 Mbps to its subscribers.

The 4G network requires the installation of new equipment and devices however this has resulted in increased energy consumption. In addition, 4 new base stations have been installed. However, the company has optimized its network energy consumption by increasing the number of base stations shared with another operator, and increasing the number of base stations working with flexi and hybrid systems. In the year under the review the company, specifically carried out the following:

- Connected 416 base stations in the electricity grid;
- Shared one additional base stations with other operators;
- Replaced old equipment (e.g. rectifiers) in 87 base stations, increasing energy efficiency on average by 3%;
- Implemented a maintenance program for 172 generators (for both 24-hour and emergency operation), aiming to ensure their proper operation; and
- Installed hybrid batteries to two base stations (in total are two base stations supported by hybrid batteries).

More info on the energy optimization of the company mobile network is given as summarized in the table below.

Mobile Network Energy Supply	2010	2011	2012	2013	2014	2015
Base Stations (BTS)	487	497	504	510	516	520
BTS connected on electricity grid	402	400	405	403	407	146
BTS shared with another	59	72	01	112	118	119

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[3] Road transportation includes company and service vehicles.

(G4-EN3; G4-EN6)

operator						
BTS working with 24 hours generator	18	8	4	5	5	4
BTS working with stand-by generator	215	207	214	223	222	168
BTS working with flexi system	28	107	158	144	222	250
BTS working with hybrid batteries system	7	8	7	2	2	2

Energy Consumption and Conservation in Buildings

In 2015 the energy consumption in buildings, warehouses and shops of Telekom Albania was 1.647 MWh, which is approximately 6% of company's total energy consumption.

The company did the following to affect the reduction of consumption and conservation of energy resources:

- Continued awareness campaigns among its employees about the consequences of energy consumption to environment and methods as how to save energy while at the office such as switching off the lights and turning off computers when not in use;
- Completed the remodelling and rebranding of all own and distributors shops; and
- Additional energy upgrades were made in both the company building in Lapraka and Kashar.

Energy Consumption and Conservation in Transport

After the mobile network, road transportation represents the largest fuel consuming activity of Telekom Albania. In 2015, the fuel consumption coming from road transportation decreased by 5.3% compared to last year (from 131,406 in 2014 to 124,434 litres in 2015) or decreased by 30.2% compared to year 2013.

The maintenance and development of the telecommunication network and distribution of Telekom Albania products to sales point and spreading of customer service throughout the country are the main drivers of transport activity and the most used form of transportation for the company is by road. The company owns and uses a car fleet for this purpose. Plane transportation is used only when travelling to other countries, whist rail and other forms of transportation are not appropriate for Albania, but only when travelling abroad. In 2015 the distance covered by company employees for business purposes through aeroplane, bus and trains was 358,667 km (354,827 km by airplane, 1,760 km by train and 2,080 km by bus).

The daily transportation of the employees to and from the company headquarters is done by bus though a private licensed supplier contracted by the company. Apart from this, the company uses its own mini-bus for the transportation of shift work employees working at the company offices. On average circa 200 employees use company transportation every day.

In 2015, the company operated a service fleet of 51 vehicles (24 diesel and 27 unleaded gasoline), and a company fleet of 26 vehicles (3 diesel and 23 unleaded gasoline). The total fuel consumption on vehicles was 124,406 (32,225 litres diesel and 92,209 litres gasoline).

The distance covered by the entire company fleet in 2015 was 1,574,734 kilometres, corresponding to 23% decrease compared to year 2014. The average vehicle consumption for company's car fleet was 7.76 lt/100 km, which is 24% less than the previous year.

The company has replaced some of its owned vehicles with leased vehicles which are newer and more efficient in energy consumption. In 2015, the company used 44 owned vehicles and 33 leased vehicles.to

The statistics on Telekom Albania vehicle fleet performance is given in the table below.

Telekom Albania Vehicle Fleet	2010	2011	2012	2013	2014	2015
Total vehicles	87	85	78	77	58	77
Total vehicles fuel consumption	183,400	167,100	198,095	178,245	131,406	124,434
Average fuel consumption per vehicle	2,382	1,965	2,540	2,314	2,266	1.599
Total vehicle distance in thousand km	1,770	1,773	2,067	2,050	1,290	1,575
Average distance per vehicle in thousand km	20.34	20.86	26.50	26.62	22.24	20.61
Average fuel consumption per vehicle per 100 km	10.36	9.43	9.58	8.69	10.20	7.76

To reduce the environmental impact associated with transportation, the company took the following measures:

- Reduced the size of service fleet; and
- Rational use of cars through a vehicle-sharing platform for vehicles used by company employees (non-managerial staff). This platform works via the Intranet and applies to all employees, except sales personnel, who due to the specification of their jobs use company cars everyday.

Business travel represents a significant transportation activity for the company. With a view to reduce the relevant activity and the associated emissions, Telekom Albania teleconference facilities are utilized in company offices. Audio conferences facilities are available in most of the offices and are used by all company employees. Video-conference facilities are available in two points in the company's headquarters in Lapraka. In addition, the company strives to resolve by phone as many issues (technical issues, telephone directions, connection issues, etc.) as possible, thereby avoiding substantial amounts of CO_2 emissions that would have been generated from transportation activities.

7.6 Climate Protection

Deutsche Telekom Group wide climate protection targets[4] (for more see http://www.cr-report.telekom.com/site16/climate-environment/climate-protection-measures) indicate for lower energy consultation and therefore less CO_2 emission in all areas. Similar do DT

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[4] Deutsche Telekom Group climate target is to reduce emissions by 20% by year 2020 compared to the base year 2008 (excluding T-Mobile USA).

group wide strategy, for Telekom Albania the main focus point for is the mobile network infrastructure (base stations and data centers), which make more than 80% of the company's CO_2 emission and vehicle fleet with make circa 12% of the company's CO_2 emission.

In regard to reducing CO_2 emissions, Telekom Albania finished the roll-out of its monitoring process in 2015, which had been launched the year before. The measurement of company's greenhouse gas emission (GHG) levels is done using the emission factors of the International Energy Agency (IEA). The company records and reports direct greenhouse gas emissions from fuel consumption for internal company needs (Level 1), indirect emissions from electrical and heating energy (Level 2).

The primary risks that Telekom Albania faces from climate change fall into the following categories:

- **Regulation risks** related to increased energy costs resulting from any new climate change regulations on national and global levels. Such increases will affect almost all levels of operations at the company, including building operations and supply chain costs;
- **Physical, operational and financial risks** to the company's telecommunications infrastructure resulting from extreme weather events associated with climate change. Damage to infrastructure could also carry financial implications (for example, the need for additional cooling equipment and energy consumption, or network interruption as result of floods, forest fire, etc.); and
- **Reputational risks** whose financial implications are related to a potential loss of market share as a result of consumer reaction against companies with inadequate policies as regards climate change.

The company is committed to understanding and responsibly managing the impacts of climate change on its business, with consideration given to:

- Assessing both climate change risks and opportunities at multi-levels across the company, including the Environmental Steering Committee and the Environment team through the annual carbon footprint assessment;
- Having BCM and emergency plans in dealing with events that can be influenced by climate change, such as extreme weather conditions; and
- Continuing to build on initiatives within Environmental Management System implementation, whereby "impacts" are reviewed to determine significance ("materiality").

Direct and Indirect GHG Emission

The company's total (direct and indirect) emissions of CO_2, are a result of company activities in its offices, network and transportation. The total CO_2 emission in 2014 was 2,407.9 tons. This corresponds to a 5.1% decrease compared to the previous year. The decrease in the GHG emission is attributed to company's mobile network, as result of optimization of connection to the electricity grid and increase of base stations shared with other operators, and transportation, as result of decrease of company fleet. The CO_2 emission sources for 2015 are presented below per activity and per sector.

CO2 emission and CO2 values in tons by source	2013	Δ 2014/2013	2014	Δ 2015/2014	2015
Flights	86.0	92.6%	165.6	-23.2%	127.1
Road transportation (vehicle fleet)	427.2	-27.5%	309.7	-4.0%	297.4

(G4-DMA; G4-EN19)

Electricity consumption in mobile network	28.0	9.3%	30.6	28.7%	39.4
Electricity consumption in offices, warehouses and own shops	10.1	8.9%	11.0	-70.2%	3.3
Fuel oil for generators for mobile network	2'254.5	-11.0%	2'005.7	-4.8%	1'909.6
Fuel oil for generators for buildings and warehouses	24.7	-44.1%	13.8	126.1%	31.2
Total	2'830.5	-10.4%	2'536.4	-5.1%	2'407.9

The graph below shows the contribution of CO_2 emission by source.

CO_2 Emission by Source
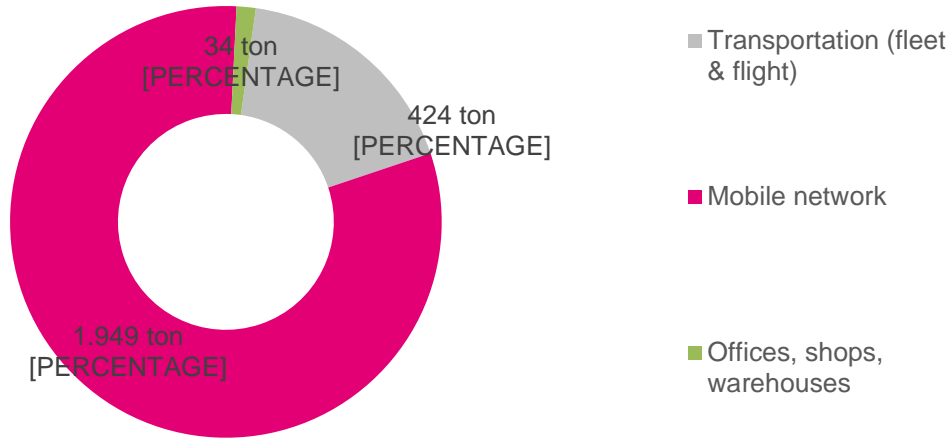
The direct GHG emissions (covers emissions due to fleet, generators used to supply electricity to network and generator used to supply electricity to buildings and for heating) were 2.238 tons of CO_2 and the indirect GHG emission (covers emissions due to electricity consumption, and flights taken) were circa 170 tons of CO_2. Contribution to CO_2 emission sources per category of direct and indirect emission is given in the graphs below.

CO₂ Emission by Source

31 tons
[PERCE
NTAGE]

421
tons
[PERCE
NTAGE]

1.910
tons
[PERCE
NTAGE]

- Vehicle Fleet
- Mobile network
- Offices, shops, warehouses

CO₂ Emission by Source

3 tons
[PERC
ENTAG
E]

39 tons
[PERC
ENTAG
E]

127
tons
[PERC
ENTAG
E]

- Flights
- Mobile network
- Offices, shops, warehouses
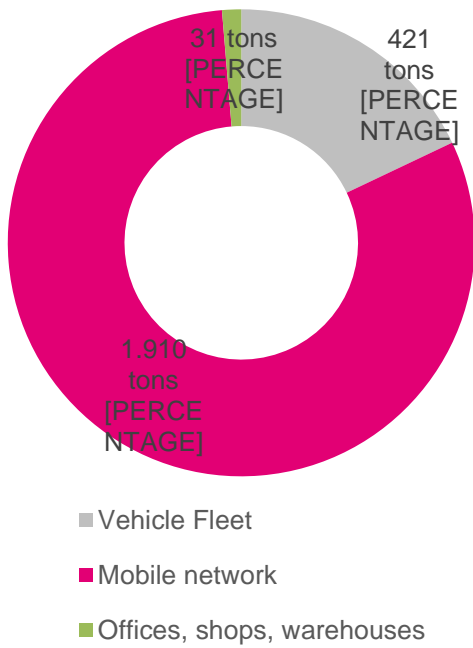
7.7 Waste Management and Resource Utilisation

Waste data varies over time according to the quantities and types delivered to the companies contracted to treat it. Highly important for Telekom Albania is the ratio between the waste produced and waste consigned for recycling which has reached a significant level for major type of waste.

It should be noted that as the company is not manufacturing any products but provides telecommunication services with the use of materials is limited.

Telecom Albania has entered into contracts aimed at recovering or recycling used, faulty and end-of-life products and materials, in order to allow components and raw materials to be reclaimed. The company works only with licensed contractors who subcontract with certified waste management companies in order to ensure legal and environmentally friendly treatment is done. In addition, substantial effort is done to increase public awareness of responsible use of natural resources and encourage participation in waste recycling.

Hazardous Waste management
In order to continuously provide telecommunication services to customers, in many base stations the company has installed batteries, which are activated when electricity supply problems occur. When the life of these batteries is complete they will need to be replaced. Telekom Albania considers the management of waste accumulators of great importance.

Accumulators provisionally stored in the warehouse upon de-commissioning are tested in order to determine their operational status. The accumulators categorized as faulty by those responsible are triggered as ready for disposal.

Lubricants are used in generators in Base Stations and seldom partially in office buildings. The company recognizes the fact that they might pollute landfill and water sources. It considers their proper management of great importance, and for this reason is considering the development of a programme for recycling of oil lubricants and filters.

Year	2013	2014	2015
Lead batteries withdrawn from service in ton	120.70	26.00	45.56
Consigned[5]/Recycled	100%	100%	100%
Lubricant oil sent for recycling in 000 litter	7.60	4.53	6.03
Air filters sent for recycling in piece	1'803	1'076	1'159
Oil filters sent for recycling in piece	1'803	1'076	1'159

Technical Waste Management

Telecommunication companies generate different types of waste to conduct their daily operations. The company is aware of the technical waste it generates and has developed a waste management programme to address these issues. This programme is upgraded continuously to address waste issues as much as possible. Currently the company manages the Electrical and Electronic Equipment Waste and Headsets Waste.

In end of 2014 the company introduced headsets recycling as a new Environmental Management Programme. In January 2015 Telekom Albania started collection of headsets in company offices Lapraka and Kashar and own shops, available for all its employees, customers and other stakeholders.

The company technical waste is summarized below.

Year	2013	2014	2015
Telco Equipment (WEEE and Accumulators) in ton	0.74	1.56	59.08
IT Equipment in ton			4.06
Handsets "take back" (mobile, fix and accessories) in tons	NA	NA	1.61

Some of the hardware used at the Company's offices (computers, printers, monitors, other peripherals) that is out-dated technology for telecommunication companies can still be used for other purposes. This equipment is either donated to schools, institutions and Non-Government Organizations. In 2015, 24 IT pieces were donated (PCs, monitors, faxes, and servers).

Paper Waste management

Office paper is extensively used in the company for various purposes: billing, promotion, communication campaign, etc. The company makes substantial effort reduce the use of office paper needed for many other activities. More specifically, the company does the following:

- Offers paper saving services to company customers and employees, such as e-billing solutions. This is paperless electronic billing. All company employees in

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[5] "Waste consigned" refers to the waste delivered to carriers for recycling or reclamation or disposal.

(G4-EN1)

possession of corporate mobile numbers and company benefits use only e-bills as a billing service. This service is offered for free. Due to legal constraints, mobile operators must issue also a printed hand-out to the customers;

- Embeds a paper saving message in the official e-mail signature of all company employees, reminding them of the importance of environmental preservation;
- Documentation is exchanged electronically (e.g. offers, purchase orders, contracts, qualification documentation, surveys), thus reducing the environmental impact resulting from the use of paper and from transporting and storing documents.
- Since 2011 the CR Reports have been available only in electronic form;
- The company uses an internal e-mail communication policy and e-archiving practice. The "System Application and Programmes" (SAP) programme used by the company minimizes the necessity for hard-copies;
- The printers used are only centralized ones (one per each floor in each of the buildings);
- Two–sided printing is set by default by the company to all its employees starting from 2014 for all printing;
- Telekom Albania offers prepaid customers are given the option to charge their accounts using e-vouchers. The company also encourages customers to use the Telekom Albania e-voucher option system, and offers bonus airtime to many of those who do; and
- Increases internal awareness to reduce paper usage and increase recycling of wasted paper.

The office paper consumption and recycling statistics starting from year 2010 is given below.
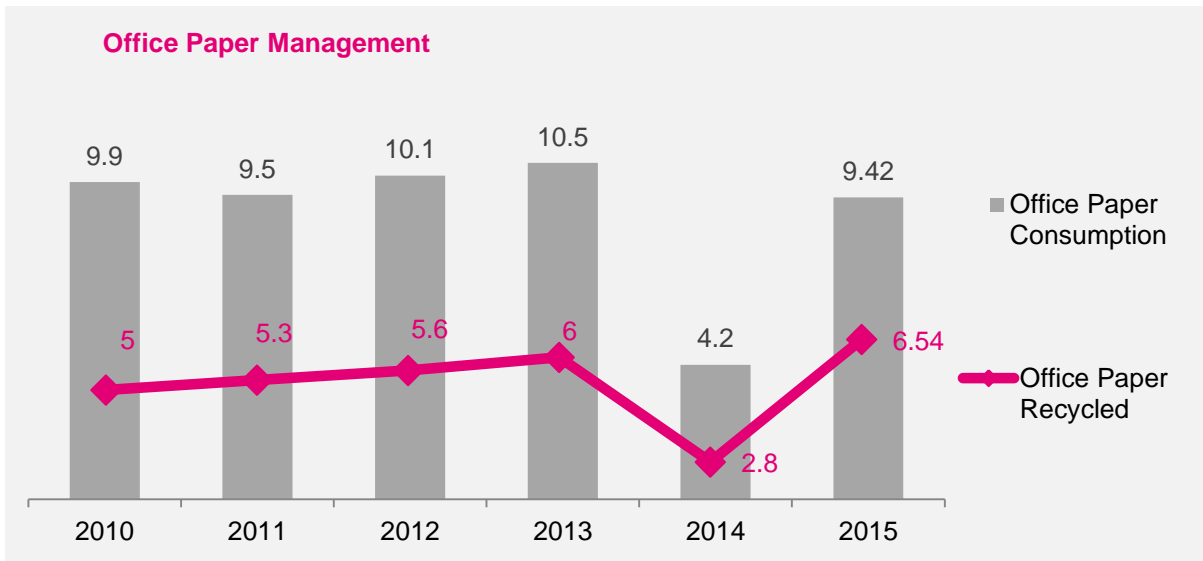
Bags

Bags used in the company shops are important for protecting the environment. To overcome their effect to the environment, the company uses only paper bags and biodegradable bags, made of polyethylene with reverted technology. The bags if not recycled completely degrade after a few years. The company uses such bags within all of its shops. In 2015, 15.000 paper bags and 50.000 biodegradable bags were produced.

In 2015, two new waste management programmes were introduced, mobile headsets management and recycling and plastic waste management and recycling. More on these programmes will be reported next years.

7.8 Management of Other Environmental Aspects

The environmental strategy of Telekom Albania includes the monitoring of their environmental performance and the development, where necessary, of environmental programs not only for material issues but for all identified environmental aspects of their operation, to the extent possible. Therefore, the following environmental aspects are being considered by the company.

Water Management

Telekom Albania uses the water solely for the employees' hygiene, watering of plants and cleaning of the workplaces. The water the company consumes is acquired from the public water suppliers, which are responsible not only for water supply but also for the sustainable uptake of water from the available water resource system. The water consumption in company's main building Lapraka and Kashar is given below.

Year	2013	2014	2015
Water consumption (in m³)	12,071	13,073	12,122
Δ in % compared to previous year	+56%	+8.3%	-7.3%

Wastewater is directed through the sewerage to urban wastewater treatment plants and is treated in the municipality wastewater facilities. No planned or unplanned water discharges to the environment as well as no significant spills occurred during 2014.

Drinking water is purchased in bottles and/or churns by the company and is available for all company employees and guests.

Biodiversity

The company is aware that because the provision of high quality telecommunication services everywhere and at any time necessitates the operation of a geographically extensive network of telecommunication installations (base stations and wireless communication stations) it might include also NATURA 2000 sites. It is also known that the company activities in biodiversity have an insignificant influence. Nevertheless, the company does the following:

- It conducts Environmental Impact Studies for base stations, through which it identifies the potential impact of base station construction on the natural environment and strives to integrate base stations within the environment, with the least possible impact. All potential impacts are addressed in the Environmental Impact Assessment studies carried out and submitted for approval to the designated authorities as foreseen by national legislation in force.
- Some of the base stations, which are necessary to ensure telecommunication services in Albania, are located outside populated areas. The sealed surface area per each station is a few square meters and when demolished, the land is put back as it was prior to the base station instalment, or upon the request of the land owner the concrete instalment is left for their use. Usually they are without permanent personnel and with limited transportation activities at the operational stage; and
- It is committed to restore some of the negative repercussions the company offices and Base Stations might have on the ecosystem.

According to Law 8990, dated on 23.1.2003 "For environmental assessment" all mobile telephony base stations antennas in Albania have to be retroactively accompanied by an Environmental Impact Study approved by state authorities. The company complies with the laws and regulations and has not been subject of any fine for noncompliance with the regulation. All company's Base stations are licensed by the relevant authorities as authorised by the National Ministry of Environment.

Noise
The noise impact of Telekom Albania is insignificant, because:

- Its buildings are located within urban areas (while generators are used only in cases of electricity failure);
- Base Stations powered by electricity have practically zero noise emission;
- Base Stations using generators are located in remote areas. In urban areas, the company uses "Closed Type Power Generator Systems", with noise levels of 64dB at a distance of 7m. In rural areas, we use Open Type Power Generator Systems, with noise levels of 105dB at 7m distance. These noise levels are in line with the provision set by legislation; and
- In special cases where the noise level from generators should be reduced, the company has installed noise isolation or hybrid systems, to reduces or eliminates the noise. Two hybrid systems have been installed so far.

Visual Impact
Mobile telecommunication companies have relatively small visual impact on the environment compared to company's operating in other industries. However, Telekom Albania takes this issue into consideration and to minimize this, it does the following:

- Builds new Base Stations, which are smaller in size compared to the old construction design;
- Makes serious efforts to collocate Base Stations in common installations with other mobile telephony companies so as to reduce overall visual impact of mobile Base Stations; and
- Makes appropriate modifications to existing telecommunication infrastructure.

In 2015, the company built 10 new base stations (new sites and re-installed sites), with one being co-located with other companies. In total, more than 80 base stations were built as collocations will other companies.

Data	2010	2011	2012	2013	2014	2015
New Base Stations (number)	46	24	20	4	4	10
Collocations (number)	49	72	78	79	79	80

Electromagnetic Field
Electromagnetic fields used in mobile communications have given rise to concerns among the general population about the potential health risks during the last years. In mobile communications, this affects network build-out and the use of devices.

Over the past few years, recognized expert organizations such as the World Health Organization (WHO) and the International Commission on Non-Ionizing Radiation Protection (ICNIRP) have repeatedly reviewed the current limit values for mobile communications and confirmed that the use of mobile technology is safe based on current scientific knowledge. In addition, relevant legislative framework has been developed.

Following by Design the Precautionary Principle
The company recognizes public concerns about mobile technologies related to both devices and base stations potential consequences of electromagnetic radiation on health.

Telekom Albania is determined to take those concerns seriously in order to address participation, environmental and consumer needs in an open, constructive and honest manner. Working with other operators, governments and the scientific community the company encourages independent scientific studies in health-related research, participates in a wide array of consultation, communication and information dialogues with public and political decision-makers at all levels. Telekom Albania follows the EMF policy of T-Mobile developed in this regard. The EMF Policy can be found on: https://webcache.googleusercontent.com/search?q=cache:f33UOkRQsXEJ:https://www.telekom.com/static/-/15624/3/Emf-policy-short-si+&cd=3&hl=de&ct=clnk&gl=ch.

Monitoring the Levels of EMF Radiation
Since 2011, the company has supported a project of the Polytechnic University of Tirana, Faculty of IT to measure the Electromagnetic Waves Emissions in critical spots high density populated areas, (such as hospitals, schools, etc.). During the period 2011-2014 measurements were done in over 80 hot-spots close to the company's base stations in the main cities of Albania. The measurements for these sites showed that all company's base stations are significantly lower than the limits recognized by the International Commission for Non-Ionizing Radiation Protection Guidelines. The results were published in the form of a report by the Faculty of IT.

In 2015, four *ad hoc* measurements were conducted by specialized scientific personnel of the company, because of licensing application procedures requirements or public sensitivities regarding Telekom Albania antennas. Public exposure safety limits were not found to be exceeded (in points of free public access), in any of these measurements.

Frequent on site measurements conducted by the company, upon request by local communities, and continuous dialogue with them where Base Stations are installed. The radiation level, in all company Base Stations are significantly lower than national limits and internationally recognized limits. In 2015, four measurements were conducted by company's specialized personnel, as results of requests coming from the community; and

SAR
Every mobile phone emits radio frequency electromagnetic energy. The SAR (Specific Absorption Rate) value of a cell or smart phone indicates the maximum degree to which the head may absorb electromagnetic fields during a phone call with the device. SAR is expressed in units of watts per kilogram (body weight) (W/kg). All manufacturers check to ensure that their cell and smart phones comply with the exposure limit and publish the maximum values measured as the "SAR value" in their operating guides.

All SAR levels below the limit guarantee that it is safe to use the cell phone. Telekom Albania is committed to trade only handsets that comply with the defined exposure limits. According to World Health Organization (WHO), there is no need for any special precautions when using a mobile device, because the radiofrequency fields people are exposed to are below the limits for continuous exposure of the general public specified by the International Commission on Non-Ionizing Radiation Protection (ICNIRP). All headsets sold in Telekom Albania shops have their SAR values displayed in their price-tags. Telekom Albanian also provides for all individuals concerned about this issue with useful information and tips for steps they can follow to reduce the exposure limits. These are also given in the company website.

7.9 Companies Awareness Raising Environmental Initiatives

Internal campaigns

In 2015, the company organized several campaigns that aim to increase the awareness of its employees about Corporate Responsibility and Environmental issues. The main ones were:

- Save water and reduce energy consumption campaign; the campaign included posters placed in the company premises, e-mail sent to all company employees and information shared via intranet;
- Campaign to recycle all items with old brand was conducted in July and the following months; and
- Paper and plastic recycling in all company shops, targeting employees and clients.

8 Targets and Objectives

The following table shows the targets set by the company how these have performed in 2015. Targets for 2016 are also included here.

Said in 2014	Done in 2015	Planned in 2016
CR Strategy		
Certify/audit our operations according to ISO 14001 for Environment Management, and ISO 18001 for Occupational Health and Safety Management	Successfully audited Quality, Occupational Health and Safety, Environment Management Systems, to comply with ISO 9001:2008, ISO 14001:2004, ISO 18001:2007.	Audit Quality, Occupational Health and Safety, Environment Management Systems, to company with relevant ISO standards.
Expand the collection and data control system, related to our Corporate Responsibility Report.	Not Applicable to the target set in 2014.	
Increase the reference to GRI Indicators in the Report.	The CR report is prepared to be in accordance with the Global Reporting Initiative G4 Sustainability Reporting Framework at Core option.	
Extend usage of new environment friendly technological solutions.	Telekom Cloud on online bills are services used to dematerialize business processes such as online billing, digitized workflows and cloud computing.	Extend usage of new environment friendly technological solutions. Introduce a new environmental friendly product/service.
Marketplace		
Print and distribute 2 types of informative booklets on Mobile Telephony & Electromagnetic Field.	The booklet on Mobile Telephony and EMF were available only online.	Organize/participate in safety/security event.

Handle 85% of complaints related to customer service in less than 5 days.	75% of complaints were resolved in less than 2 days, while all the complaints received by the company were resolved in an average of 2.7 days.	Handle 85% of complaints related to customer service in less than 5 days.
Conduct a customer or public based survey on CR topics.	A brand survey which includes some CR questions was conducted.	Conduct a customer or public based survey on CR topics.
Have the BCM system successfully certified by an independent auditor to comply with the ISO22301 compliance by British Standards Institution.	BCM Policy and BCM Frameworks have been developed to comply with ISO22301 by British Standards Institution. Independent auditing of the system will take place next year.	Have the BCM system successfully certified by an independent auditor to comply with the ISO22301 compliance by British Standards Institution.
Employees		
Conduct a pulse survey.	The pulse survey was conducted in November 2015.	Conduct a pulse survey.
Continue developing an employee volunteering culture. Organize three volunteering actions.	Seven volunteering projects were organized.	Continue developing an employee volunteering culture. Organize four volunteering actions.
15% of employees to receive development training.	67 company employees (15% of the total) participated in development trainings.	15% of employees to receive development training.
Print and distribute informative leaflets/brochures on safety and security for school pupils.	Printed and distributed one safety brochure "risk land" to three schools in Tirana.	
Society		
Support equipment or rehabilitation of a health centre	Three health centres were donated basic equipment to provide primary health service	Support equipment or rehabilitation of a health centre/hospital.
Offer job practices to at least 20 students studying in Albanian Universities.	The company offered 20 internship positions for students from Albanian Universities.	Offer job practices to at least 20 students studying in Albanian Universities.
Conduct a competition for innovative project/ideas	One contest to support best green idea was organized.	
Financially support innovative green ideas in the Green Awards and Green Contest.	One Green Ideas Contest has been organized and three projects were rewarded, as supported by the company.	
Provide internet access to students in at least three schools in remote areas.	Not achieved.	
Organize an awareness campaign to support children in need	One awareness campaign to support children of Dawn Syndrome Albania was organized	Organize an awareness campaign to support children in need

Environment		
Reduce energy consumption in the buildings (consumption per m² of building) by 1%.	Unable to compare as in year 2014 was included also the data centres.	Reduce energy consumption in the buildings (consumption per m² of building) by 1%.
Reduce C02 emission from operations by 2%.	CO2 emission from direct and indirect sources was reduced by 5.1%.	Reduce C02 emission from operations by 2%.
Reduce office paper consumption by 3%.	Not achieved	Reduce office paper consumption by 3%.
Increase office paper recycled as compared to office paper consumed by 3%.	The ratio paper recycled to paper consumption was increased by 4.1% compared to previous year.	Increase office paper recycled as compared to office paper consumed by 3%.
Recycle 100% WEEE materials withdrawn.	100% of all WEEEs withdrawn were sent for recycling.	Recycle 100% WEEE materials withdrawn.
Recycle 100% accumulators withdrawn.	100% of all accumulators withdrawn were sent for recycling.	Recycle 100% accumulators withdrawn.
Enhance green areas by planting 100 trees.	Not achieved.	Enhance green areas by planting 100 trees.
Recycle 100% oil-lubricants withdrawn.	100% of all oil-lubricants and filters withdrawn were sent for recycling.	Recycle 100% oil-lubricants withdrawn.

9 Appendices

9.1 Summary of key performance indicators

CR Performance	2013	2014	2015
Financial Performance			
Total Revenues (in million euro)	86.2	81.5	82.6
EBIDA (in million euro)	33.7	29.8	20.6
Social Security contribution (in million euro)	0.52	NA	NA
Investments (million euro)	10.53	NA	NA
Taxes paid (million euro)	8.73	NA	NA
Marketplace			
Customer base (in millions)	2.06	2.06	1.73
Market share (based on customer base)	37%	39%	37.3%
Internet subscribers (in millions)	0.28	0.28	0.28
Number of complaints received by customers	2,906	7,084	8,452
% of complaints resolved in a short time	83.1	88.8%	74.4%
Employees			
Employees	471	452	446
% of females	59	60	61
% of females in management position	54	52.4	49
Number of employees trained (number)	58	-	-

Fatal Accidents (number)	0	0	0
Trainings hours (number)	3,966	1,344	1,6
Employee volunteering (person x times in number)	255	35	-
Internal coverage of open position (%)	35	35	-
Number of Complaints received regarding Discrimination requiring corrective actions	0	0	0

Society

People Supported	1,485	1,000	5,770
Number of volunteering projects	4	1	7
Working hours invested in employee volunteering activities	3,300	80	-

Environment

Overall CO2 emission (from offices, transportation, backbone networks, BTS) (ton)	2,841	2,536	2,408
Direct (scope 1) CO2 emissions (t)	-	-	2,365
Indirect (scope 2) CO2 emissions (t)	-	-	42.7
Overall electricity consumption (from offices, shops, backbone network, BTS) (GWh)	17.98	19.5	19.43
Bio-degradable/paper bags purchased (thousand)	14	-	-
	12,071	13,073	13,073
Petrol consumption for heating and generators used for BTSs (thousand litres)	858.6	858.6	733
(G4-EN 15; G4-EN16) Hazardous Waste (ton)	12.7	26	45.6

Non–hazardous Technical Waste from Telecom Operations (ton)	0.74	1.56	59.08
Recycling of phones and accessories (ton)	-	-	1.61
Fuel consumption from vehicles (thousand litres)	178.2	131.4	124
Road transportation distance (thousand km)	2,050	1,290	1,575
Office paper consumption (ton)	10.5	4.2	9.42
Office paper recycling (ton)	6	2.8	6.54

9.2 GRI Content Index

The Telekom Albania CR Report is based on the requirements defined by the Global Reporting Initiative (GRI). GRI has confirmed that the GRI content index of 2015 CR Report of Telekom Albania is accurate, and all included disclosures are labelled correctly in the Report, in accordance with the GRI G4 Guidelines.

ADD GRI Content index here

General Standard Disclosures		
General Standard Disclosures	**Location in the report**	**Index Summary Description**
Strategy & Analysis		
G4-1	Section 1 / Page 3	Statement from the most senior decision-maker of the organization
Organizational Profile		
G4-3	Section 3.1 / Page 6	Name of the organization
G4-4	Section 3.3 / Page 7-8	Primary brands, products, and services
G4-5	Section 2 / Page 5	Location of the organization's headquarters
G4-6	Section 3.1 / Page 6 Section 3.4 / Page 8	Number of countries where the organization operates, and names of countries where either the organization has significant operations.
G4-7	Section 3.2 / Page 6-7	Nature of ownership and legal

		form
G4-8	Section 3.2 / Page 6 Section 3.4 / Page 8-9	Markets served
G4-9	Section 3.4 / Page 8-9	Scale of the organization
G4-10	Section 6.3 / Page 44-45	Total number of employees by type
G4-11	Section 6.2 / Page 44	Percentage of total employees covered by collective bargaining agreements
G4-12	Section 5.4 / Page 33-35	Description of organization's supply chain.
G4-13	Section 3.6 / Page 9	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.
G4-14	Section 4.2 / Page 11 Section 4.3 / Page 16-17 Section 8.1 / Page 66-67 Section 8.8 / Page 82	Whether and how the precautionary approach or principle is addressed by the organization
G4-15	Section 3.5 / Page 9	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.
G4-16	Section 3.5 / Page 9	Memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization has a position.
Identified Material Aspects & Boundaries		
G4-17	Section 2 / Page 4-5 Section 3.1 / Page 6	Entities included in the organization's consolidated financial statements or equivalent documents.
G4-18	Section 2 / Page 4-5 Section 4.2 / Page 6	Process for defining the report content and the Aspect Boundaries.
G4-19	Section 4.6 / Page 25-26	The material Aspects identified in the process for defining report content.
G4-20	Section 4.6 / Page 25-26	For each material Aspect, the Aspect Boundary within the organization.
G4-21	Section 4.6 / Page 25-26	For each material Aspect, report the Aspect Boundary outside the organization.
G4-22	Section 2 / Page 4-5	The effect of any restatements of information provided in previous reports, and the reasons for such restatements.
G4-23	Section 2 / Page 4-5	Significant changes from previous reporting periods in the Scope and Aspect Boundaries.
Stakeholder Engagement		

G4-24	Section 4.5 / Page 21-25	List of stakeholder groups engaged by the organization.
G4-25	Section 4.5 / Page 21-25	The basis for identification and selection of stakeholders with whom to engage
G4-26	Section 4.5 / Page 21-25 Section 4.6 / Page 25-26	The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.
G4-27	Section 4.5 / Page 21-25 Section 4.6 / Page 25-26	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.
Section: Report Profile		
G4-28	Section 2 / Page 4	Reporting period (such as fiscal or calendar year) for information provided.
G4-29	Section 2 / Page 4	Date of most recent previous report (if any).
G4-30	Section 2 / Page 4	Reporting cycle.
G4-31	Section 2 / Page 5	The contact point for questions regarding the report or its contents.
G4-32	Section 2 / Page 5	"In accordance" option, GRI Index and report assurance.
G4-33	Section 2 / Page 5	The organization's policy and current practice with regard to seeking external assurance for the report.
Governance		
G4-34	Section 4.3 / Page 13-17	The governance structure of the organization, including committees of the highest governance body.
Ethics & Integrity		
G4-56	Section 4.1 / Page 10-11 Section 4.2 / Page 11-13 Section 4.4 / page 17-21 Section 8.1 / Page 66-67	The organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.

Specific Standard Disclosures			
DMA and Indicators	**Location in the report**	**Omissions**	**Index Summary Description**
Category: Economic			
Economic Performance			
G4-DMA	Section 4.2 / page 11-13		Disclosures on Management Approach (DMA)
G4-EC1	Section 3.4 / page 9 Section 7.1 / page 62		Direct economic value generated and distributed
G4-EC2	Section 4.7 / page 26-27 Section 8.1 / page 66-67		Financial implications and other risks and opportunities for the organization's activities due to climate change
G4-EC4	Section 3.1 / page 6		Financial assistance received from the government
Indirect Economic Impacts			
G4-DMA	Section 5.6 / page 37-38		Disclosures on Management Approach (DMA)
G4-EC7	Section 5.6 / page 37		Development and impact infrastructure investments and services supported
Procurement Practices			
G4-DMA	Section 5.4 / page 33-35		Disclosures on Management Approach (DMA)
G4-EC9	Section 5.4 / page 34-35		Proportion of spending on local suppliers
Category: Environmental			
Materials			
G4-DMA	Section 8.1 / page 66-67 Section 8.2 / page 67-69		Disclosures on management approach (DMA)
G4-EN1	Section 8.7 / page 77-80		Materials used by weight or volume
Energy			
G4-DMA	Section 8.1 / page 66-67 Section 8.2 / page 67-69 Section 8.4 / page 70-71		Disclosures on management approach (DMA)

G4-EN3	Section 8.5 / page 71-74		Energy consumption within the organization
G4-EN6	Section 8.5 / page 71-74		Reduction in energy consumption
Emissions			
G4-DMA	Section 8.1 / page 66-67 Section 8.2 / page 67-69 Section 8.6 / page 75-76		Disclosures on management approach (DMA)
G4-EN15	Section 10.1 / page 88		Direct greenhouse gas (GHG) emissions (Scope 1)
G4-EN16	Section 10.1 / page 88		Energy indirect greenhouse (FHG) gas emissions (Scope 2)
G4-EN19	Section 8.6 / page 75-77		Reduction of greenhouse gas (GHG) emissions
Category: Social **Labour Practices & Decent Work**			
Employment			
G4-DMA	Section 6.1 / page 43 Section 6.2 / page 44 Section 6.5 / page 49-50		Disclosures on management approach (DMA)
G4-LA2	Section 6.4 / page 46-48 Section 6.8 / page 57-58		Benefits provided to full-time employees that are not provided to part-time employees
Training and Education			
G4-DMA	Section 6.1 / page 43 Section 6.7 / page 54-57		Disclosures on management approach (DMA)
G4-LA9	Section 6.7 / page 55-57		Average hours of training per year per employees by gender and category
G4-LA11	Section 6.7 / page 54-55		Percentage of employees receiving performance and career development reviews
Category: Social			
Non-discrimination			
G4-DMA	Section 6.2 / page 44		Disclosures on management approach (DMA)
G4-HR3	Section 6.4 / page 47-48		Total number of incidents of discrimination and corrective actions taken

Category: Social			
Anticorruption			
G4-DMA	Section 5.1 / page 28-29 Section 4.4 / page 17-21		Disclosures on management approach (DMA)
G4-SO4	Section 4.4 / page 20-21		Communications and training on anti-corruption policies and procedures
G4-SO5	Section 4.4 / page 20		Confirmed incidents of corruption and actions taken
Anticompetitive Behavior			
G4-DMA	Section 5.1/ page 28 - 29 Section 5.9 / page 39 -40		Disclosure on Management Approach (DMA)
G4-SO7	Section 5.9 / page 39-42		Total number of legal actions for anti-competitive behaviour, anti-trust and monopoly practices and their outcome
Compliance			
G4-DMA	Section 4.4 / page 17 -21		Disclosure on Management Approach (DMA)
G4-SO8	Section 5.9 / page 41		Monetary value of signification fines and total number of non-monetary sanctions for non-compliance with laws and regulations
Category: Product Responsibility			
Customer Health and Safety			
G4-DMA	Section 5.1/ page 28-29 Section 8.1 / page 66-67 Section 8.8 / page 82-83		Disclosure on Management Approach (DMA)
G4-PR1	Section 8.8 / page 82-83		Percentage of significant product and service categories for which health and safety impacts are assessed for improvement
G4-PR2	Section 8.8 / page 82		Total number of incidents of non-compliance with regulations an voluntary codes concerning the

			health and safety impacts of products and services
Customer Privacy			
G4-DMA	Section 3.7 / Page 37-38		Disclosure on Management Approach (DMA)
G4-PR8	Section 3.7 / page 37-38		Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data