

CORPORATE RESPONSIBILITY REPORT 2017

Telekom Albania

*Embracing Responsibility
for a better Tomorrow*



ÇASTE QË NA LIDHIN.

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A. MESSAGE FROM OUR CEO

Dear all,

After a much stronger-than-anticipated global economic growth in 2017, the global economy is expected to continue to grow even further and all major regions of the world are expected to experience continuous economic growth for the first time since the global financial crisis started back in 2007.

Telekom Albania is one of the largest companies in the country as the result of emphasizing to create superior value and experience for its customers. Operating within a difficult national economic environment, we have to set the foundations for a better future for ourselves and the future generations, a belief completely aligned with the concept of responsible operations.

By incorporating the principles of Corporate Responsibility in our processes and procedures, we operate responsibly for our Stakeholders, positively influence the markets we operate and support society beyond financial aid. On top of that, we create a safe, fair and engaging work environment and reduce our environmental impact. To achieve these, we have adopted or developed a set of principles that shape our corporate culture and guide our daily activities, such as our Guiding Principles, as well as aligning our business with internationally recognized standards of responsible operation, such as the Global Reporting Initiative and the United Nations' Global Compact. As a result, we decided to adhere to our commitment to systematically engage with our Stakeholders and issue our Corporate Responsibility Report 2017, which describes our numerous initiatives and achievements, as well as areas we have to strive further to fully meet our planned objectives.

However, we recognize that we have to do even more to meet the needs and expectations of all those affected by our operations. The challenges we face or will face in the immediate future, do not allow complacency. New technologies which fundamentally change the way our customers use the Internet, increasing digitization of our competitors' core business with the potential to set new benchmarks in terms of customer experience, new business applications such as the Internet of Things (IoT), demand for new applications due to the arrival of 5G networks, advancements in Virtual Reality (VR) technology and new network technologies for ever more connected devices, are indicative challenges we will face and have to tackle head on.

As a closing remark, I would like to express my sincere appreciation to all our employees and partners for operating successfully as a business, as well as reinforce our long-term commitment to support the development of a more responsible business environment and society in general.

Have a pleasant reading,

Dimitrios Blatsios
Chief Executive Officer

B. ABOUT THIS REPORT

Telekom Albania's present Corporate Responsibility Report is the twelfth Report our company issues. Since 2006, we display in our annual Corporate Responsibility Report our approaches, programs and initiatives to understand and effectively manage our impacts, as well as the results related to our company's responsible operation.

Principles

This Report follows the Global Reporting Initiative's G4 Guidelines, while the following have also been used:

- The UN's Global Compact, for the principles of the Report.
- The EFQM's RADAR Card, for the presentation of quantitative data within the Report.

Scope

The Corporate Responsibility Report:

- Refers to the period 1/1/2017 – 31/12/2017 (unless indicated otherwise in certain points).
- Refers to all activities of Telekom Albania SH.A. (referred as "Telekom Albania" or "company").
- Addresses all operations in Albania (management, provision and support of telecommunication solutions, mobile telephony, mobile broadband, roaming, mobile applications and services, as well as sales of mobile phones, tablets and smartwatches).
- Contains, as a norm, quantitative results for the last five years.
- Contains, as a norm, quantitative data from direct measurements, with exceptions of estimations and any restatements of data presented in the previous Corporate Responsibility Report 2016 clearly noted.

Development

The Report has been developed in collaboration with STREAM Management (www.stream-eu.com)



Terms

For convenient reading, please pay attention to the following terms and symbols:

- The terms "Telekom Albania", "company" or "we" refer to Telekom Albania SH.A.
- The terms "Deutsche Telekom Group" or "DT Group" or "Group" refer to all companies of the Deutsche Telekom Group, namely Deutsche Telekom AG and its subsidiaries worldwide (including Telekom Albania).
- The terms "OTE Group" or "OTE" refers to OTE Group of Companies, which has operations in Greece (through OTE S.A. and COSMOTE S.A.), Romania (through Telekom Romania) and Albania (through Telekom Albania).
- The term "Customers" refers to the final users of Telekom Albania's products and services.
- The terms indicated as "III-2A", "VI-2B" etc. refers to the Area, Section and Subsection of this Report (e.g. used in the GRI, Global Compact and Stakeholder Tables). For example, the term "III-2A" makes reference to Area III (Our Customers & Suppliers), Section 2 (Responsible Marketing) and Subsection A ("Applying Responsible Marketing practices").

Restrictions

Telekom Albania recognizes limitations in the Report it publishes, which intends to handle in future publications, such as:

- Presentation of more quantitative data and objectives.
- External assurance of the Report's principles and content.

Option of Report

This Report was prepared in accordance with the GRI G4 Guidelines, "Core" option.

Your feedback

Telekom Albania welcomes any questions, enquiries, clarifications or proposals to improve its Corporate Responsibility reporting. Kindly forward your comments, enquiries or suggestions to:

Telekom Albania SH.A.
Corporate Affairs Department
Rruga Gjergj Legisi, Laprake, Tirana, Albania
E-mail: contact_us@telekom.com.al

Main symbols

For convenient reading of this Report, please pay attention to the following symbols, which are widely used:

Good Practice...

Highlights examples of good practices implemented by Telekom Albania.

Group Good Practice...

Highlights examples of good practices implemented by Deutsche Telekom Group.

Policy...

Highlights sections from formal corporate Policies.

Did You Know...

Highlights information of particular interest.

Your Opinion...

Highlights findings from customer surveys.

Benchmarks...

Highlights benchmarks within the Deutsche Telekom Group.

I. INTRODUCTION

1. The ICT Sector

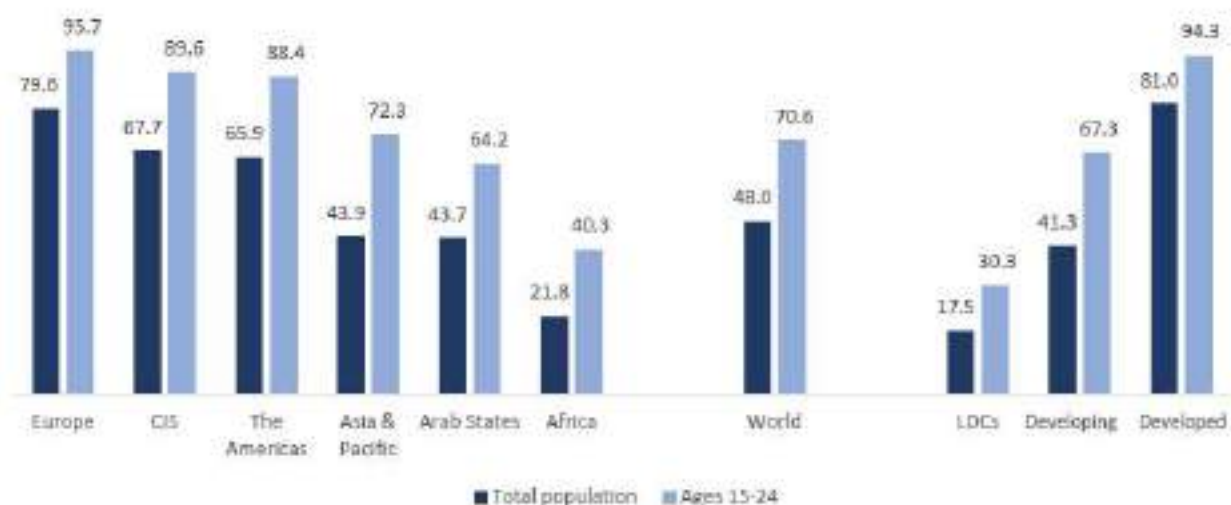
A. The International ICT sector

Information and Communication Technology (ICT) extends beyond the typical Information Technology (IT), as it encompasses all devices, components, applications and systems that allow people and organizations to network and interact in the digital world, such as mobile networks, Internet, satellite communications, as well as the more traditional landline communications, radio and television broadcast.

The sector has the potential to provide high quality communication for everyone (despite differences in age, physical health etc.), contribute to economic growth and facilitate business operations. On the other hand, the sector's potential negative impacts are related to its operations, such as energy and resources consumption, waste creation from products and their packaging, as well as personal data protection and the use of Internet by children.

According to data from the International Telecommunication Union (ITU), the United Nations' specialized agency for ICT, the growth rate of mobile broadband subscriptions has exceeded 20% annually in the last five years, which is significantly higher than the 9% growth rate of fixed broadband subscriptions and is expected to reach 4.3 billion by the end of 2017. At the same time, mobile broadband prices have dropped by 50% on average over the last three years, which allows the global population to remain connected online and utilize cheaper mobile services at much higher speeds. The cornerstone of Internet users are young people aged 15-24 years old, as ITU estimates that the proportion of young people globally who use the Internet stands at approximately 71%, significantly higher compared to the 48% of global population who use the Internet.

Proportion of people using the Internet



Source: ITU's ICT Facts and Figures 2017 report, estimated figures for 2017

According to the "SMARTer 2030" report by the Global e-Sustainability Initiative (GeSI), the international strategic partnership of ICT companies and industry associations, by 2030 the adoption of ICT sector's solutions from other industries will:

- Allow 75% of the global population to be connected via smart devices and broadband Internet.

- Generate over \$11 trillion in economic benefits per year, the equivalent of China's GDP in 2015.
- Connect 2.5 billion extra people to the "knowledge economy".
- Deliver e-health services to 1.6 billion people across developing and developed countries and access to e-learning solutions to 500 million people.
- Increase agricultural crop yields by 30% (approximately 900 kg per hectare per year).

B. The Albanian ICT sector

Over the past few years, the Albanian Government has recognized the sector's importance for greater economic and social development, through a series of Policies and initiatives to enhance supply of ICT services. There were over 200 IT companies operating within the country and over 8,000 IT professionals, with 10 Universities teaching IT-related subjects and approximately 500 IT graduates each year. According to the Albanian ICT Association's (AITA) qualitative data:

- Albanian ICT companies specialize in software design and development, system integration and hardware distribution.
- The majority of Albanian ICT companies are small and medium-sized companies.
- The increasing quality of national IT education strongly supports the sector's future growth.
- Approximately 80% of ICT companies work with international companies in the domestic market.
- ICT companies gradually expand their presence in EU markets.

In this respect, at the end of 2017, according to AKEP, the Albanian regulator in the field of electronic communications and postal service, the average monthly consumption of calls and SMS from mobile service subscribers decreased by 11.8% and 19.5% respectively. On the other hand, the average active mobile broadband user consumed approximately 2.3 GB of Internet data per month, which corresponds to approximately 38.8% increase compared to 2016. Furthermore, there were approximately:

- 5.5 million mobile service subscribers, an increase of 5.2% compared to 2016.
- 2 million broadband active users for Internet access from mobile networks, an increase of 20.4% compared to 2016.
- 247,000 subscribers to fixed telephone lines, a decrease of 0.7% compared to 2016.
- 294,000 broadband subscribers with Internet access from fixed networks, an increase of 10.6% compared to 2016.
- 198,000 subscribers to fixed networks with access to integrated services (telephone / Internet / TV), an increase of 6.2% compared to 2016.

2. Telekom Albania

A. Who we are

Founded in 1995 as Albanian Mobile Communication (AMC), the first mobile telecommunications company in Albania, Telekom Albania SH.A. is a telecommunications company that operates in Albania. The company is registered in Albania under Law no. 7638/14.12.1992 "On trade companies" as amended and its headquarters are located in Tirana. Telekom Albania has been part of OTE Group since 2000 and in 2008 joined Deutsche Telekom Group (DT Group), the leading telecommunications company in Europe, and has adopted common values and principles. At the end of 2017, Telekom Albania offered its services to over 1.9 million subscribers.

Market Performance

	2015	2016	2017
Customer base (million)	1.73	1.84	1.94
Internet customers (million)	0.28	0.37	0.49
Post-paid customers (million)	0.1	0.1	0.12
Pre-paid customers (million)	1.63	1.73	1.82
Customer market share (%)	37.3	38	39.5
Population coverage (%)	99.8	99.8	99.8

Territory coverage (%)	92.5	92.5	92.5
Data traffic volume (terabytes)	NR	6,881	12,609
New/improved offers provided (number)	145	75	45
New services provided (number)	15	31	30
Shops (number)	139	152	136
Own shops (number)	20	18	7
Partner shops (number)	119	134	129

NR: Not Reported

We increased our subscribers by 5.4%

B. Our Culture

Telekom Albania's Vision and Guiding Principles reflect its strong customer focus:

Vision

"To be the leading integrated operator in the Albanian market in all segments and geographic areas, in order to provide an excellent customer experience".

Guiding Principles

Customer delight and simplicity drive our actions

Respect and integrity guide our behaviour

Team together team apart

Best Place to perform and grow

I'm T – Count on me

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 satisfying 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 to Telekom Albania to be the best place to perform and grow in 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.



T Group Good Practice... Guiding Principles Day

Within 2017, Deutsche Telekom Group organized the 8th Guiding Principles Day across all companies worldwide, under the motto “Proud to be T”. The event featured various campaigns and team events, such as competitions, workshops and panel discussions, through which all employees could think about the Guiding Principles independently and suggest ideas to implement them in their day-to-day activities.

As part of the Guiding Principles Day, Telekom Albania encouraged employees to:

- Create their own videos to state why they were proud to be a member of DT Group and post them on the company’s social network.
- Make graphic images (gif pictures) with the “Proud to be T” slogan in the dedicated photo booth at Telekom Albania’s headquarters and share them on their social media profiles.



C. Our History

1996

•Albanian Mobile Communciation (AMC) launches commercial operations, being the first mobile telecommunications company in Albania.

2000

•COSMOTE acquires 85% of AMC's share capital, through COSMO-HOLDING ALBANIA S.A., COSMOTE's 97% owned subsidiary.
•AMC introduces the ALBAKARTA pre-paid card.

2002

•AMC launches ALBAKARTA roaming services.

2003

•AMC's network reaches 90% population coverage and 80% geographic coverage.

2004

•AMC launches "AMC Wireless Internet" via GPRS.

2005

•AMC launches MMS services.
•AMC adopts COSMOTE corporate identity, being the first COSMOTE subsidiary to visually consolidate its position in the Group.

2006

•AMC introduced business programs for corporate customers, addressing both SMEs and large companies with integrated solutions.

2007

•AMC is the first operator to introduce EDGE technology in the Albanian mobile market.
•AMC introduces WHAT'S UP pre-paid brand.

2010

•AMC adopts COSMOTE's corporate positioning and new communication campaign under the slogan "We see the world as you do".

2011

•AMC is the highest bidder for the second mobile telephony license in Albania.
•AMC introduces "AMCFix" fixed services.

2012

•AMC launches 3rd generation services in Albania, with the highest market data speeds (up to 48 Mbps).
•AMC's 3G infrastructure extends to approximately 95% of Albania.
•AMC is awarded with the Business Excellence prize for its 3G service, as well as the Partners Albania's Philanthropy 2012 prize for its continuous social contribution.

2015

•AMC was granted the license to offer 4G services.
•AMC changes its branding to Telekom Albania and rebranded all company shops and assets.
•Telekom Albania becomes the first mobile operator to launch the 4G+ service in Albania.

2016

•Telekom Albania introduces the mobile payment service and the One Life free healthcare program.
•Telekom Albania is awarded with the "Best in Test" certificate for its mobile network during the P3 performance assessment.
•Telekom Albania is awarded with the Superbrand award in the category "Mobile Telephony".

2017

•Telekom Albania is awarded with the Superbrand award.
•Telekom Albania is awarded with the "Best Data Network" certificate for its performance during the P3 performance assesment.
•Telekom Albania is awarded as the "Best Company in Customer Service" in Europe within DT Group.
•Telekom Albania is awarded with the "Contribution to National Level" Prize for its major contributions to support healthcare, social and environmental development in Albania.

D. Our Shareholders

The majority of Telekom Albania’s share capital belongs to COSMOTE Mobile Telecommunications S.A., as indicated in the following table:

Shareholder Structure

Shareholder	Share
COSMOTE Mobile Telecommunications S.A.	99.757%
Other small shareholders (employees or former employees of Telekom Albania SH.A.)	0.243%

Data refer to 31/12/2017.

E. Our Strategy

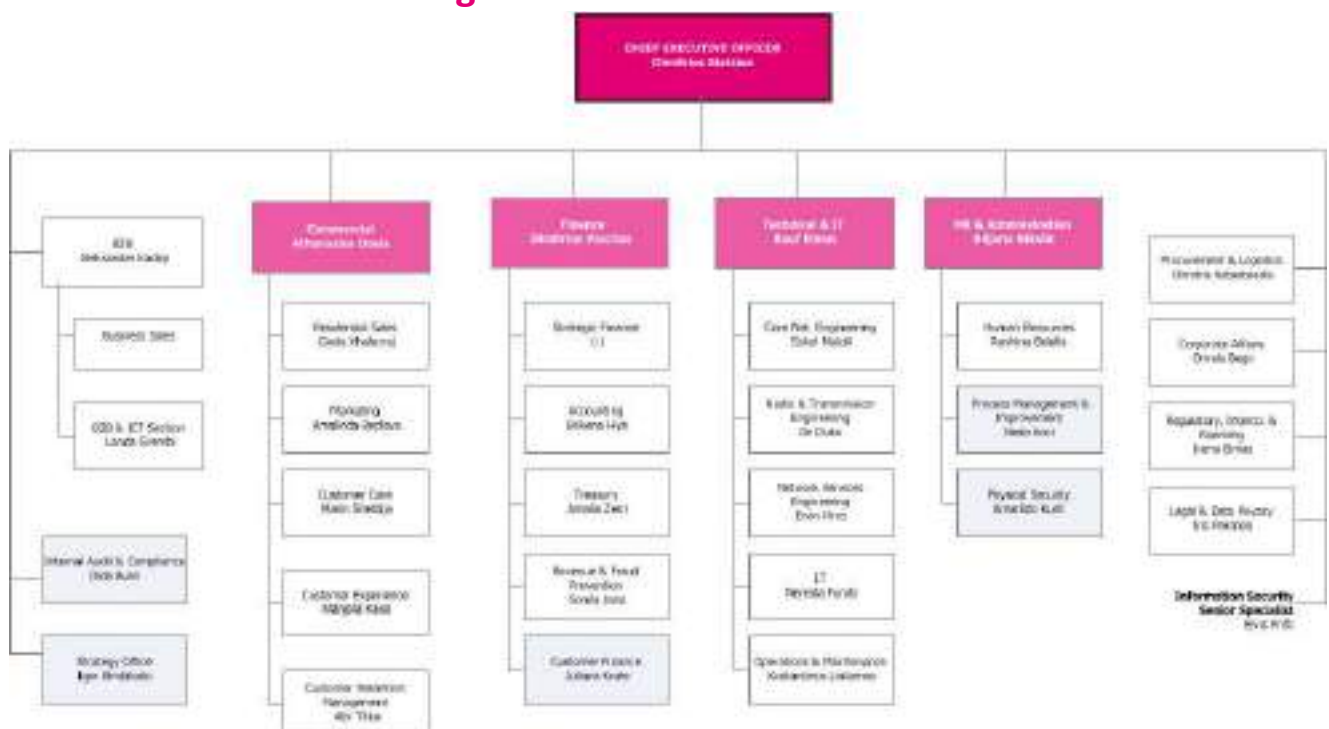
Our philosophy is all about to ensure an unparalleled customer experience and service. Our aim is to have our customers connected anytime and anyplace, which is the basis of our slogan “Moments that connect us”. Albania was the twelfth European country to acquire the Telekom brand identity and what it stands for (Innovation, Competence and Simplicity), which drives our commitment to offer innovative services to our customers. As part of our strategic plan, we focus on remaining a financially robust company and strengthening our technologically advanced telecommunications network, in order to:

- Enhance our digital transformation.
- Strengthen our operational and commercial performance.
- Continuously offer a unique customer experience.

F. Our Structure

Telekom Albania’s management consists of highly qualified professionals in the mobile telecommunications industry with extensive technical, commercial and brand development knowledge. The company’s organizational structure is depicted below:

Organizational Structure



3. Deutsche Telekom and OTE

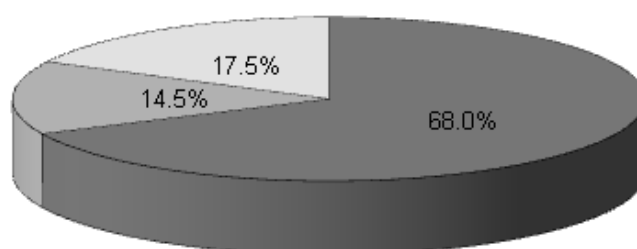
A. About Deutsche Telekom Group

Deutsche Telekom is one of the world's leading integrated telecommunications companies, with headquarters in Bonn, Germany, and presence in over 50 countries worldwide. The Group provides fixed-network/broadband, mobile communications, Internet and IPTV products and services for consumers, as well as ICT solutions for business and corporate customers. DT Group employs over 217,000 employees worldwide and connects millions of people around the world, as it has approximately 168 million mobile customers, 28 million fixed-line customers, 19 million broadband connections and 7.4 million TV customers. On average, DT Group manages annually 90 million customer contacts and 68.4 million phone calls and responds to approximately 20 million letters/faxes/e-mails.

Worldwide Presence



Deutsche Telekom Shareholder Structure



- Free float
- Federal Republic of Germany
- KfW Banking Group

Data refer to 31/12/2017.



T Group Good Practice... Sustainable Finance

According to analysts from Deutsche Asset & Wealth Management and researchers from the University of Hamburg, who analyzed over 2,000 studies related to sustainable finance, companies which rely on sustainable business practices are more competitive in the long-term and investors interested in sustainability tend to focus more on long-term yields than short-term profit.

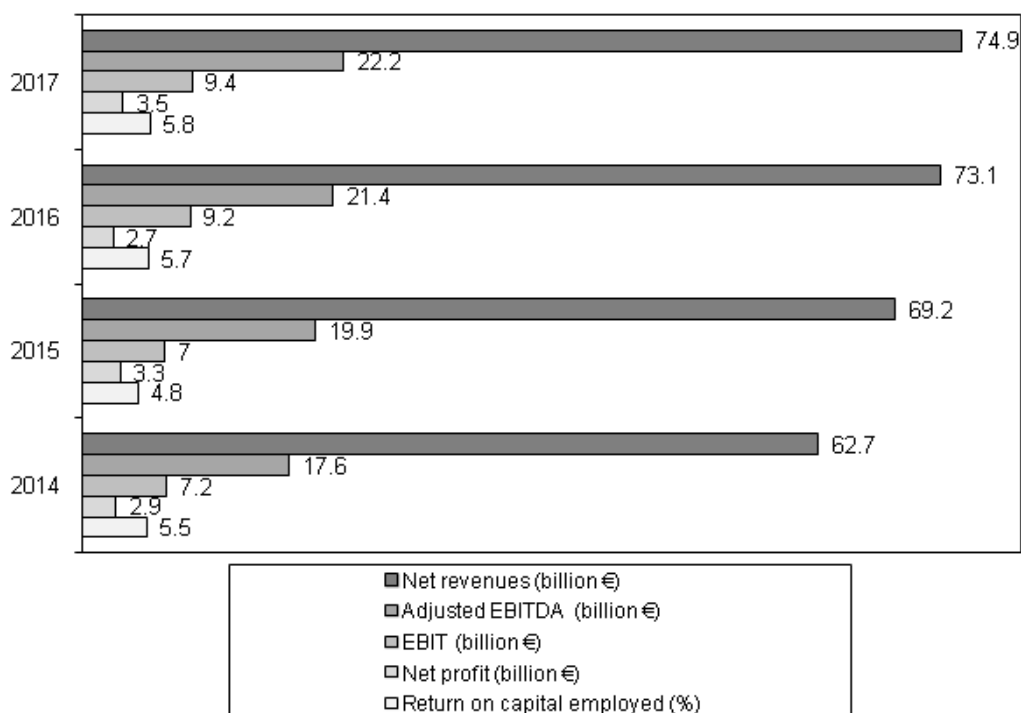
Responding to this trend, the Group:

- Has created a dedicated Socially Responsible Investment (SRI) section on its investor relations portal.
- Publishes SRI-related information in its Annual and Corporate Responsibility Reports.
- Organized several joint interdepartmental SRI roadshows in various locations around the world (e.g. France, United States of America).
- Held conference calls and organized web conferences to inform rating agencies, analysts and investors and respond to their direct requests for information.
- Attended various SRI conferences.

Approximately 21% of Deutsche Telekom Group shares are held by SRI investors

Within 2017, DT Group's net revenues reached €74.9 billion (out of which 67.2% was outside Germany) and the Group achieved improved financial results due to its continuous investments in technology applications and innovative services to its customers around the world (for further information, please visit <https://www.telekom.com>).

DT Group Financial Results

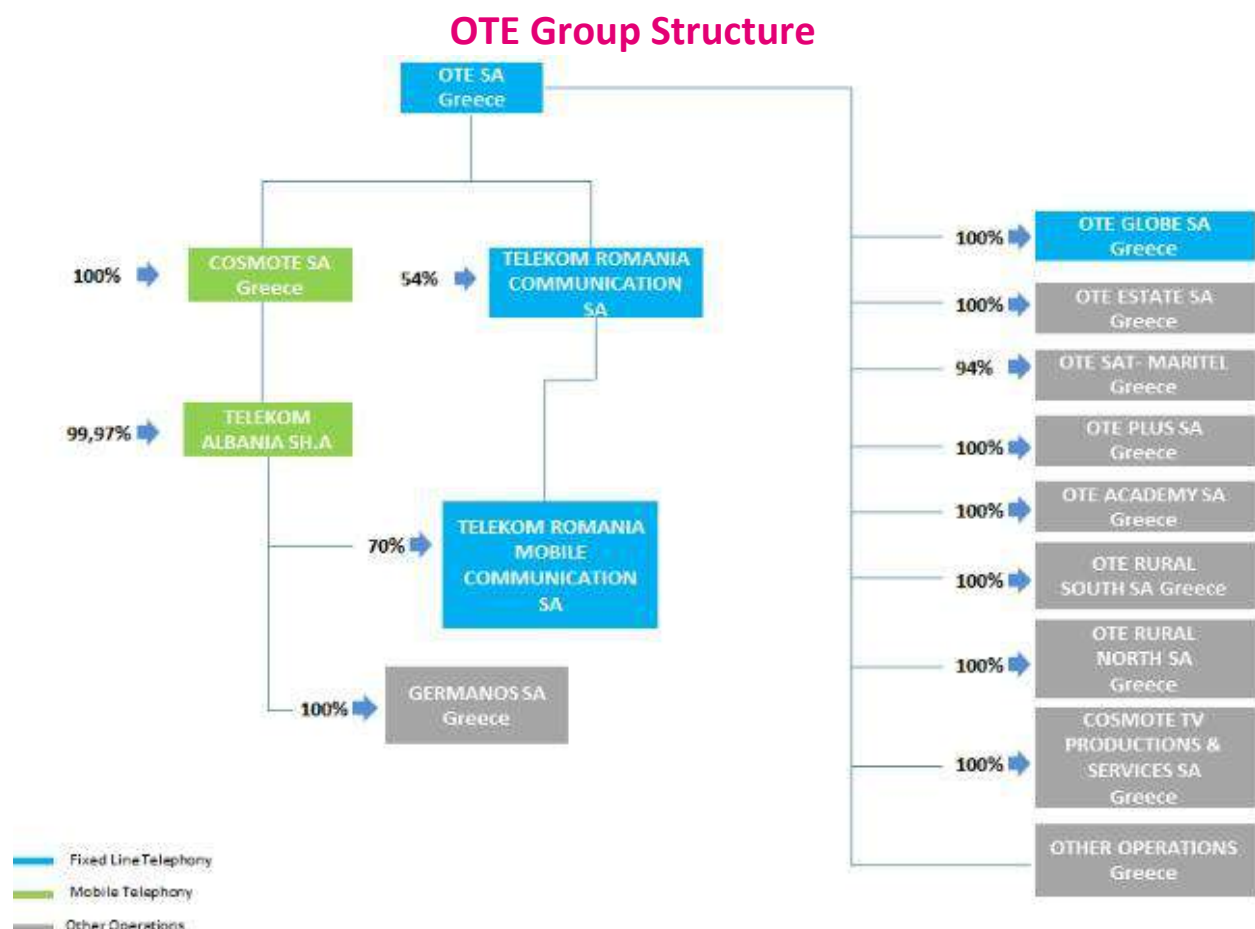


As a result of its strategy, market presence and long-term focus in network quality, innovation and customer service, in 2017 Deutsche Telekom Group:

- Was once again listed in main sustainability indexes/ratings, such as RobecoSAM's DJSI World and DJSI Europe, STOXX Global Climate Change Leaders and STOXX Global ESG Leaders, UN Global Compact 100 and FTSE4Good.
- Was once again included in the Brand Finance Global 500 ranking as the most valuable European telecommunications brand with a brand value of approximately \$36.4 billion (the highest brand value in its history), increased by 9.6% compared to 2016. At the same time, Deutsche Telekom is the second most valuable German brand in the world after BMW, for the third year running, followed by Mercedes-Benz in third place.
- Recorded the highest investments worldwide in its history with over €12 billion, 55% of which were outside Germany (over €6.6 billion).
- Was awarded with TÜV technical inspection service's "good" seal for customer service.
- Received the European Business Award for its operational excellence and its innovative and successful business model throughout Europe.
- Received the 2017 National German Sustainability Award from the Stiftung Deutscher Nachhaltigkeitspreis e. V. Foundation in the "Large Companies" category for its comprehensive, Group-wide sustainability management.

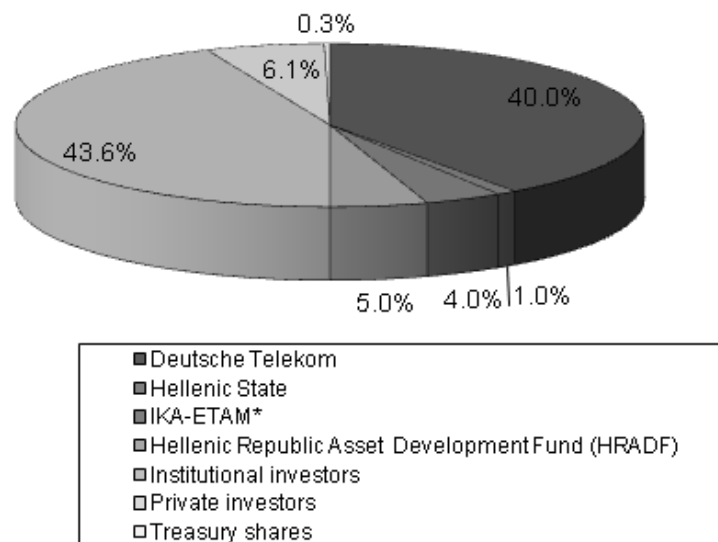
B. About OTE Group

OTE Group is the leading telecommunications provider in Greece and one of the largest telecommunications companies in the South East Europe, with presence in Greece, Romania and Albania.



In terms of market capitalization, OTE is among the largest listed companies in the Athens Stock Exchange and its share capital is divided into 490,150,389 shares.

OTE Group Shareholder Structure



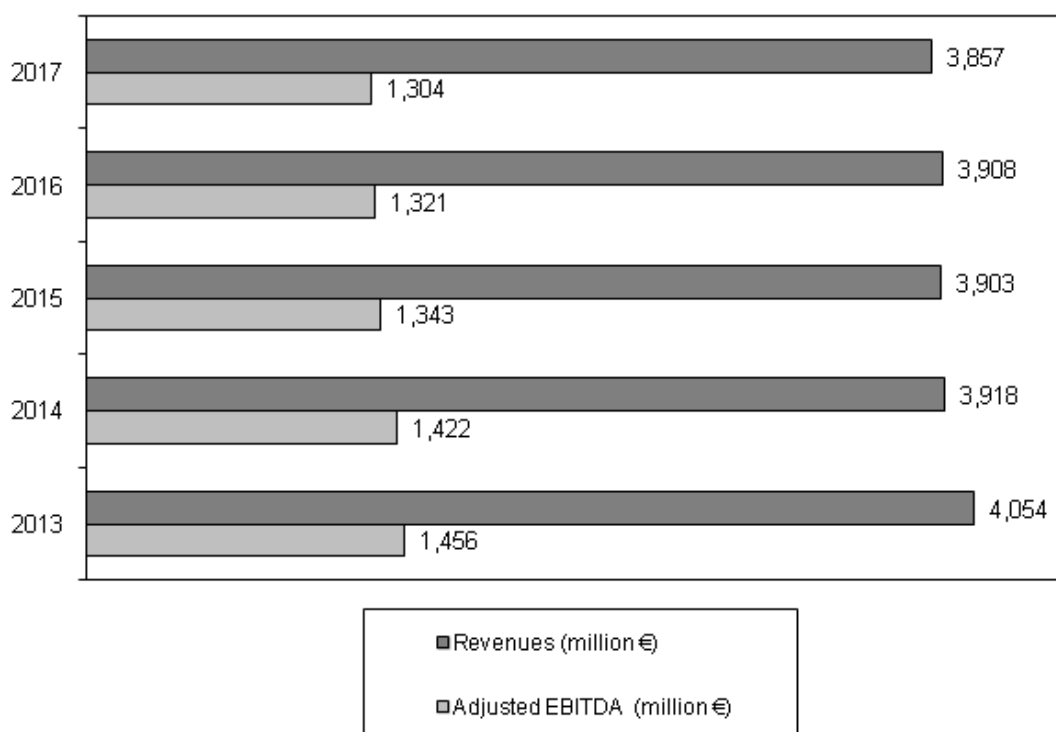
*Refers only to the transfer of 4% from the Hellenic State.
Data refer to 31/12/2017.

OTE's business objectives are to rapidly expand its New Generation Networks and gradually cover the entire Greek territory with VDSL and high speed 4G networks. Currently, OTE is the leading operator in Greece with over 2.6 million retail lines and 8 million mobile subscribers and implements the largest optical fiber network in Greece with 43,000 km of fiber-optic cables. Furthermore, OTE was the first operator in Greece to roll out LTE network (being currently the leader with superior coverage capacity), the first to launch 4G+ mobile broadband network and the first to demonstrate a live 5G network, featuring speeds up to 4.5 Gbps.

Within 2017, OTE managed to achieve:

- 20% increase in revenues from mobile data services compared to 2016, as the result of the Group's extensive 4G/4G+ networks.
- 62% increase in the number of VDSL subscribers compared to 2016.
- 98% population coverage with its 4G network, compared to 93% in 2016.
- 92% population coverage with its LTE advanced (4G+) network, compared to 82% in 2016.

OTE Group Financial Results



4. Products and Services

A. Our Products and Services

Telekom Albania offers telecommunication services to individuals, families, public institutions and companies. Our main products and services are described below (for further information, please visit www.telekom.com.al):

- **Post-paid (contract) and pre-paid services**, for retail and business customers with various rate plans, including unlimited packages and specially targeted products, such as Electronic Beats for millennials. The company provides dedicated offers to business customers, which are customized based on each customer's need and company size, as well as partnering benefits such as the One Life program.
- **Broadband Internet services**, with speeds of up to 225 Mbps in 4G+ network.
- **Roaming services**, where customers can travel abroad, connect to one of our partner networks and stay in touch with their families and friends, with preferred prices in DT Group networks.
- **Mobile phones, devices and accessories** such as tablets, laptops, headsets, Bluetooth products, headphones, chargers and mobile phone cases.
- **Mobile TV for smartphone display**, which is offered in cooperation with Tring digital platform and allows subscribers to choose up to 40 TV programs on their screen, including premium content such as prestigious football events (e.g. Champions League).
- **Cloud services**, which include Office 365 and Dentem (CRM solution). Telekom Albania is an Office 365 Partner for Albania and offers Microsoft's Office solution and other cloud services (e.g. Skype for businesses), which can be installed in desktop PCs, notebooks, tablets and smartphones and eliminate the need for local IT infrastructure. On the other hand, Dentem is a SaaS (Software as a Service) platform to help dentists to better manage their patient's files with digital records and stay in touch with their patients via e-mail / SMS notifications, as well as with their digital agenda. The solution is designed in the following two packages, which allow better time management, replace most of paper records and simplify all customer relation management:
 - Dentem Agenda, which serves as an appointment schedule and focuses on handling meetings of dentists and clinics.

- Dentem Pro, which includes the agenda CRM and an electronic health card with the patient's folder in a specific clinic.
- **Fixed-line broadband**, which is offered through partners and covers all Albania, using three different technologies: ADSL, fiber and satellite.
- **B2B (Business-to-Business) solutions**, such as Dentem and Microsoft's services (e.g. "Office 365", "Storage", "E-mail").
- **M2M (Machine-to-Machine) solutions**, such as the Cash Registers project.
- **RCS Messaging**, which includes use of Rich Communication Services (RCS) service features through a mobile application in a network/group and allows interconnection with Vodafone counterparts, featuring free-of-charge communication with only network data charges.
- **RCS Rich Call**, which allows rich call features (e.g. call video, file sharing) for all our subscribers, featuring the same charges as in RCS messaging.
- **Telekom Hotspot**, which is offered through free WiFi passes for all our subscribers in universities during spring and autumn months, as well as in the seaside during summer months.
- **MyKid Touch Watch**, the second generation of MyKid Watch for children between 4-11 years old.
- **One Family App**, which creates a family platform through a mobile application to communicate with family members, securely share personal photos with family members, as well as manage schedules and activities.
- **Other value added services**, such as the electronic bill application e-Bill, various mobile applications (e.g. Explore Albania, AirBnB, Telekom Extra App and Lenz), Telekom Transfer, Telekom Extra Credit, Conference Call, Electronic Recharge, Talk 2 Me, HD Voice, M-Pay, Missed Call Identification, Lookout.

Sales of Products

	2016	2017
Total sales of products (number)	24,441	16,173
Smartphones (number)	15,809	9,435
Feature phones (number)	6,004	6,417
Fixed phones (number)	2,392	214
Tablets (number)	214	94
Netbooks (number)	22	13

Sales conducted through on line channels in 2017 increased by 25% and reached approximately 10% of total sales

✓ Good Practice... Cash Registers

Telekom Albania is the exclusive holder of the Cash Registers project, which started in 2009 and daily transmits all the sales activity from all cash registers in various shops and points of sale to the General Directorate of Tax Authority's main server, through the company's secured 2G/3G/4G networks and a dedicated APN (Access Private Network).

Within 2017, Telekom Albania offered over several new and improved offers and services, which include the following:

- The My Telekom App, which allows customers to manage their account anywhere and anytime, including control their balance, check and pay their bills and activate packages and/or services. It

must be noted that the application had approximately 96,000 downloads and over 100,000 active users per month, while approximately 11% of smartphone users manage their accounts through this application.

- The SMS parking service for business customers, which has been launched in Tirana and allows electronic payment of parking lots via SMS (see section IV-2C).
- The GPS Tracking service (via partners), which enables users to see in real time a vehicle's location, route, speed and idle time, enable geo fencing and monitor energy efficiency parameters, such as engine running time, estimation of fuel consumption, driving behaviour.
- Cooperation with a major retail chain in Albania to offer IT equipment with installments.

B. Our Infrastructure Network

We have designed our telecommunication network with sufficient communication channels (network capacity) and simultaneous elimination of all interferences, in order to provide high quality services to our subscribers. At the same time, we continuously monitor network performance and strive to optimize quality of communications, through suitable and innovative technologies. The fundamental elements of the company's telecommunication network are its Base Stations (BTS), which handle the communications interface between the user's device (either caller or receiver) and the network. A wide range of the necessary signal transmission and reception systems are installed in BTS, which connect them with the network's central points (i.e. Base Station Controllers and Mobile Switching Centers).

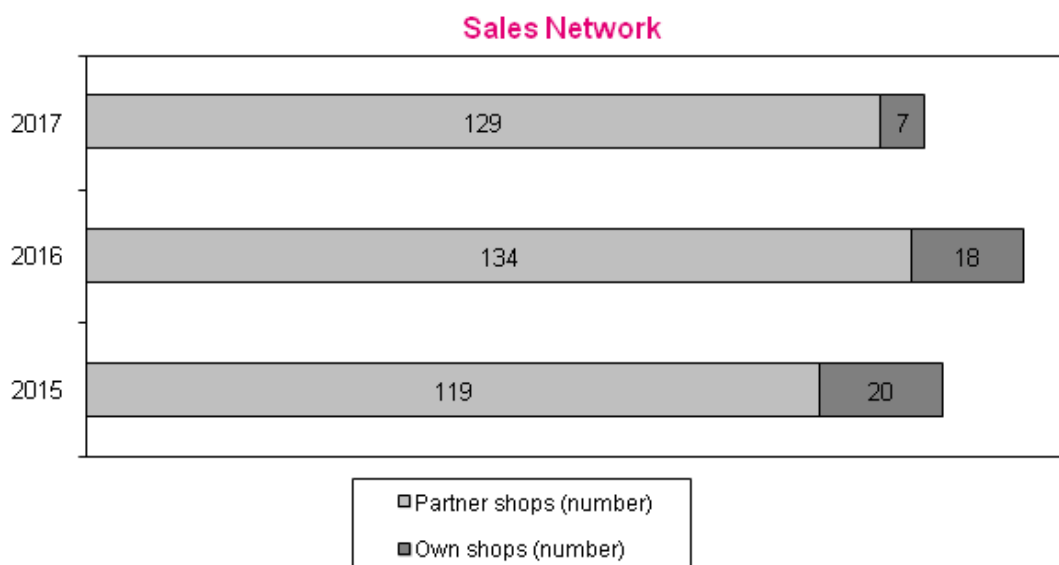
Currently, Telekom Albania has 535 sites for its 2G network and has achieved 88% territory coverage and 96.5% population coverage in its 3G network, compared to 87.8% and 96.4% respectively in 2016, as the result of being further deployed in 13 new sites, for a total of 493 sites. Additionally, the company continued to deploy its services in the 1.8 and 2.6 GHz spectrum (4G) and managed to achieve 55.6% territory coverage and 84.5% population coverage, compared to 38% and 73.3% respectively in 2016, as the result of being further deployed in 116 new sites, for a total of 316 sites.

In September 2015, Telekom Albania was the first mobile operator to launch the 4G+ service in Albania reaching up to 225 Mbps, which enables faster Internet access and data transmission. During 2017, the service had 52.2% population coverage and is currently available to every municipality across Albania in 130 sites, with 52.4% urban population coverage, compared to 48.9% in 2016.

We achieved 96.5% and 84.5% population coverage and 52.4% urban population coverage through our 3G, 4G and 4G+ network respectively

C. Our Sales Network

Telekom Albania continuously invests to develop its nationwide sales distribution network, in order to effectively serve its customers. Our sales network at the end of 2017 included 136 shops across the country, compared to 152 in 2016, while it must be noted that we performed 190 hours of physical security checks/inspections and installed high security locks for mobile phones in own shops in 2017.



We strive to ensure that our sales network is properly trained and to develop their employees' skills, though:

- Trainings, either in-class or on-the-job.
- Regular information provided through various channels, with over 182 communications prepared and sent within 2017, compared to 300 in 2016.

Trainings in our Sales Network

	2016	2017
Total training hours (hours)	12,005	11,323
Induction for sales representatives and promoters (hours)	2,898	4,576
New products and services (e.g. One Life, One Family) (hours)	4,475	1,736
New platforms and features (e.g. UFT, Retail, ePOS) (hours)	1,763	2,432
Sales Techniques (hours)	2,869	1,715
Train the trainer (hours)	NR	864
Type of training		
In-class training hours (hours)	8,919	9,384
On-the-job training hours (hours)	3,086	1,939

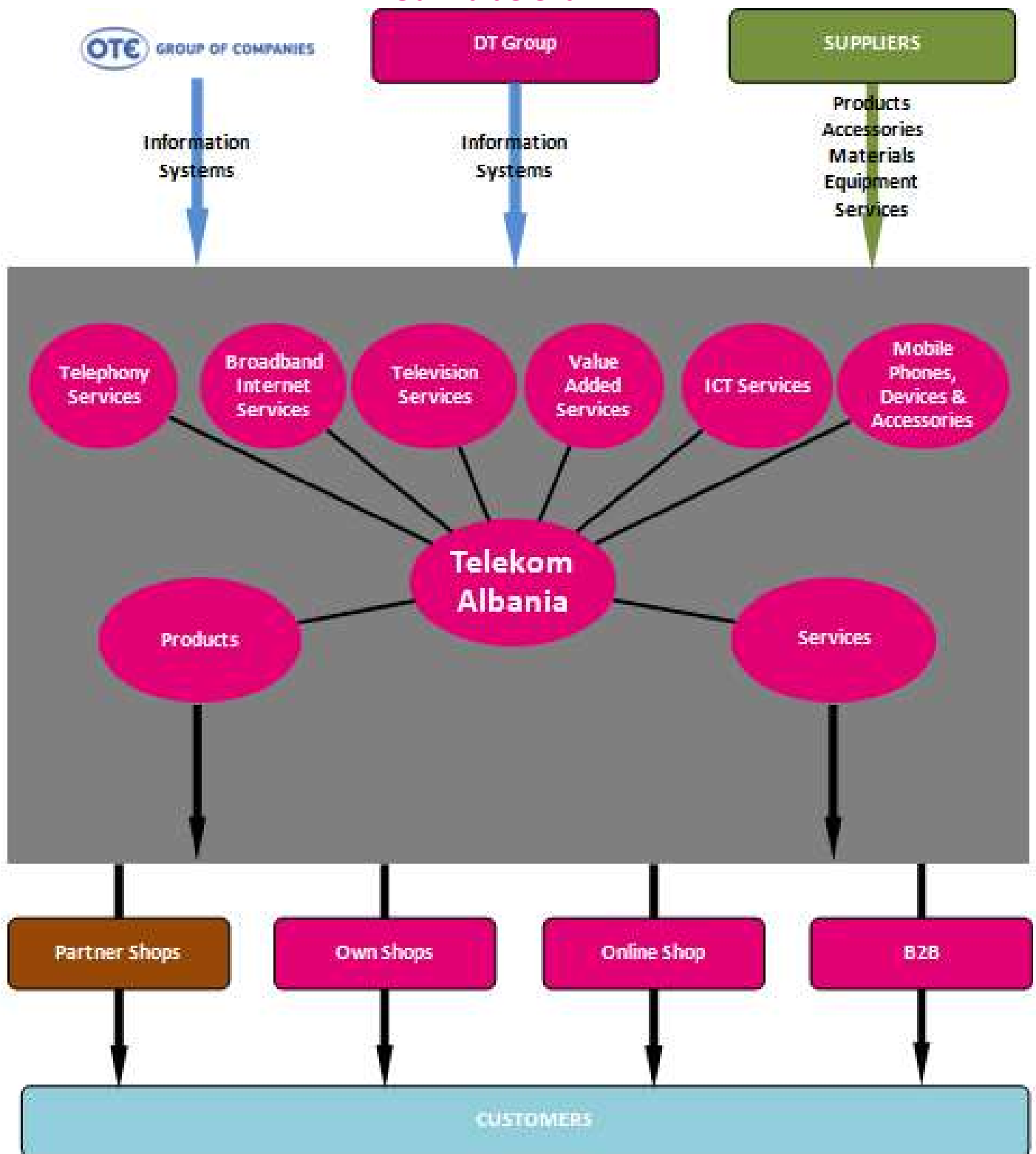
NR: Not Reported

We delivered over 11,000 training hours to our sales network

D. Our Value Chain

For our operations, we utilize inputs from Deutsche Telekom Group and OTE Group (information systems) and our suppliers (products, accessories, equipment, materials and various services). The available products, such as mobile phones, devices and accessories, as well as telecommunication services are distributed and provided to our retail customers through various sales channels, which include partner and own shops and our online shop, as well as the B2B channel for business customers.

Our Value Chain



5. Memberships and Recognition

A. Our Memberships

We are members in the following institutions and organizations:

- Hellenic Business Association of Albania.
- German Association of Industry and Trade in Albania (DIHA).
- American Chamber of Commerce.
- International Chamber of Commerce Albania (ICCA).
- Foreign Investors Association of Albania (FIAA).
- Telemangement TMForum Member.

B. Our Awards and Recognitions

Recognition of the company's efforts to become more responsible is our moral reward and satisfaction to continue and implement our long-term programs and initiatives. In 2017, Telekom Albania received the following awards and distinctions:

- The **Superbrand** award for being one of the brands with the strongest impact in the Albanian market.
- The "**Contribution to National Level**" Prize by Partners Albania for the company's major contributions to support healthcare, as well as social and environmental development in Albania, such as the provision of medical equipment to various hospitals and the contribution for researches against dementia.
- The **1st Place** among mobile operators in Albania for the data performance in the P3 performance test for mobile networks, as a recognition of the quality and offered services within its mobile network, following an independent assessment from P3 communications (see section III-3B).
- The distinction "**Best Company in Customer Service**" in Europe within DT Group, as a result of its leading position regarding Call Center services within DT Group (see section III-3A).



II. OUR STRATEGY & MANAGEMENT

Operate responsibly for our Stakeholders

Introduction and Summary

Our Size:

5 areas of Corporate Responsibility

10 Stakeholder groups

30 quantitative targets in the Report

87 GRI indicators in the Report

“Core” option Report, according to GRI G4 Guidelines

Our Objective:

To incorporate responsibility into our business operations and daily management activities, as well as create measurable and tangible results to create value for our Stakeholders.

Our Achievements:

- We have communicated our Code of Conduct to 100% of our employees.
- No violation cases concerning our Code of Conduct occurred.
- We trained 87% of managers and directors and 100% of new hired employees on Compliance Policies.
- We trained 45 employees on anti-corruption issues and procedures.
- We had no incidents of corruption.
- We had no non-conformities from audits regarding the operation of Management Systems.
- We increased by 10.8% the number of quantitative indicators and by 25% the number of targets we make reference to within the Report.

1. Corporate Governance

A. Embedding responsibility into the way we operate

Code of Conduct: The company has adopted OTE Group's Code of Conduct, which constitutes a statement of our values and principles and sets the framework for our behaviour and business relationships with various Stakeholders. The Code strongly depends on the five Guiding Principles, as they guide its implementation in our daily work and states the Code's requirements on the following issues:

- Guiding Principles.
- Behavioral Requirements Pertaining to Integrity.
 - Business relationships with customers.
 - Business relationships with competitors.
 - Business relationships with suppliers.
 - Relationships with third parties.
 - Handling of information.
 - Preventing conflicts of interest.
- Adhering to Behavioral Standards.
- Questions, Advice and Outlook.

It must be noted that the Code of Conduct:

- Is available on the corporate website and Intranet and has been communicated to all employees via e-mail during the Telekom Albania Compliance Office campaign, as well as via a message from OTE Group's CEO who highlighted the role of the Code of Conduct in guiding employees' behaviour. All employees have signed the Compliance Statement to formally commit and accept the company's Compliance Policies, including the Code of Conduct.
- Applies to all BoD members, directors, managers and employees of Telekom Albania (despite contract type), as well as other partners, such as consultants and contracted employees.
- Is incorporated in all employment contracts.
- States that disciplinary actions for violations apply to individuals with intentional and unlawful misconduct, regardless of their rank or position, especially in cases of corrupt behaviour or severe damage to the company's assets.
- Respects local laws and regulations, as well as related cultural customs.
- Specifically states adherence to the regulations regarding contracts for public sector orders, especially to avoid public officials' undue influence.
- Requires from employees not to pursue personal interests that conflict with corporate interests, such as the result of any employment outside the company, in which an employee is available to a third party, regardless paid or unpaid work, including self-employment (secondary employment).
- Does not permit the private use of company's property, unless otherwise stated in each individual's rights, in collective or personal agreements or according to operational procedures and regulations.
- Is communicated to Telekom Albania Partners and Suppliers through the corporate website.

**We have communicated our Code of Conduct to
100% of our employees**

V Good Practice... Seeking Advice and Reporting Violations

All employees can seek advice on questions they may have during their day-to-day work activities and are not covered in detail by the Code of Conduct. For such issues, employees can either contact their supervisor or turn to the consultation desk "Ask me!", which answers questions submitted to the Compliance Office about the Code of Conduct (in case of legal issues, the Legal Department provides its a legal opinion and input). The "Ask me!" process can be conducted via the following channels:

- Send an e-mail to: complianceoffice@telekom.com.al or complianceoffice@ote.gr.
- Contact the number: +355 4 2275321 (Monday to Friday, 8 AM - 5 PM).

All employees are obliged to adhere to the Code of Conduct's principles and provisions and if they identify any actual or potential violations (e.g. non-compliance with the Code of Conduct, policies and procedures, Sarbanes-Oxley and financial statements matters, employee relations, abuses, discrimination, corruption, theft, money laundering, any misconduct which could harm the company's reputation or any attempts to conceal any of the above), they can report them to their immediate manager or via telephone or regular mail, as well as by fax or e-mail. In cases where employees fear of serious personal, professional or social harm, they can anonymously report violations, through any of the following "Tell me!" communication channels:

- Send a mail to: Telekom Albania SH.A., Internal Audit & Compliance Office, Rruga Gjergj Legisi, Laprake, Tirana, Albania.
- Send an e-mail to: complianceoffice@telekom.com.al.
- Contact the number: +355 4 2275321 (Monday to Friday, 9 AM - 5 PM).
- Use the Electronic Whistle-blowing Form at: https://www.cosmote.gr/mobile/complaintsform/default_en.aspx.

In any case, the company:

- Protects the confidentiality of anyone who reports any violations.
- Ensures that all information submitted are handled and investigated only by specially trained individuals.
- Ensures that there will be no direct or indirect retaliation for the whistle-blower who, on good will, reports any violations.

During 2017, there were no employees' inquiries through the consultation desk "Ask Me!" and no reports or complaints raised through the "Tell me!" communication channels.

No violation cases concerning our Code of Conduct occurred

✓ Good Practice... Prohibiting Gifts and Donations

Telekom Albania's Code of Conduct strictly prohibits employees to offer, promise or grant illegal benefits to national or international public officials or to decision-makers in the private sector, in order to achieve preferential treatment or to influence a decision in favor of the OTE Group companies. At the same time, employees are not allowed to be influenced or accept any offers by suppliers or request illegal offers from our suppliers, in order to gain illegal advantages.

In cases of doubt whether or not accept a gift or in cases of accepting a gift (other than flowers, sweets, drinks, coffees and music CDs/DVDs) of over €150 per calendar year per business partner, an invitation to a business meal or to an event from a customer or supplier, employees can consult the Compliance Office through the consultation desk "Ask me!". Likewise, if there are any illegal gifts or benefits from or to our employees, they are required to inform their immediate managers or report the incident through the "Tell me!" communication channel.

During 2017, there were 27 cases related to events and 6 cases related to donations raised by the Corporate Affairs Department and the Marketing Department through the consultation desk "Ask me!", which were reviewed for compliance with corporate policies and possible conflicts of interest, without any of those considered as non-compliant with our corporate policies in force.

V Good Practice... Training on Compliance Policies

Telekom Albania conducts trainings on its Compliance Policies, in order to communicate the company's culture of ethics and compliance. During 2017, we:

- Conducted classroom trainings on the main Compliance Policies (including the Code of Conduct) to Top and Middle Management members, with an 87% participation rate.
- Trained all new hired employees trained on the company's Compliance Policies and the Code of Conduct, as part of their Induction Training.
- Launched the Compliance Corporate Culture campaign with a survey for all our employees to promote compliance among DT Group values.



We trained 87% of managers and directors and 100% of new hired employees on Compliance Policies

B. Upholding corporate governance principles

Telekom Albania complies with the legal requirements as defined by the Government of Albania, Telecommunication Supervisory Authority and other legal institutions regarding corporate governance. At the same time, the company complies with well-recognized national rules of corporate behaviour and adheres to the corporate governance principles determined by the Corporate Governance Code for unlisted joint-stock companies in Albania.

General Shareholders Assembly: The General Shareholders Assembly is the highest-ranking governance board of Telekom Albania and is responsible to take decisions for important corporate issues, according to Law no. 9901/14.04.2008 "On Traders and Trading Companies".

Council of Supervisors: The Council of Supervisors meets at least quarterly and is responsible to:

- Ensure that the company's activities and operations comply with laws and the respective legislative provisions.
- Review and monitor any actual or potential situations of conflict of interest and compliance with the legislation.
- Receives and reviews all notices of actual or potential conflict of interest they BoD members may have.
- Supervise the BoD's activity.

Council of Supervisors

Name	Role	Executive member	Term start date	Term end date
Stefi Konstantinou	Chairman	X	19/06/2017*	29/05/2018
Georgios Tsonis	Vice-chairman	X	29/05/2016	29/05/2018
Pavlos Vichos	Member	X	29/05/2016	29/05/2018

*Appointed as the new Chairman of the Council of Supervisors on 19/06/2017 until 29/05/2018, following the release of Mr. Konstatinos Liamidis, former Chairman of the Council of Supervisors.

Board of Directors: The Board of Directors (BoD) Directors meets at least quarterly and is responsible to define Telekom Albania's general policies and strategy, as well as supervise the company's operational management and overall activity.

Board of Directors

Name	Role	Executive member	Term start date	Term end date
Charalampos Mazarakis	Chairman	X	01/05/2016	01/05/2018
Georgios Athanasopoulos	Vice-chairman	X	01/05/2016	01/05/2018
Dimitrios Blatsios	Chief Executive Officer (CEO)	√	01/05/2016	01/05/2018
Evryviadis Sarsentis	Member	X	01/05/2016	01/05/2018
Erini Nikolaidi	Member	X	01/05/2016	01/05/2018



- As described in company's statute, the BoD consists of five members for a three-year term and each BoD member can be re-appointed.
- The Chief Executive Officer (CEO) is responsible for the company's operational management.
- Employees may bring economic, environmental and social issues to the attention of the BoD through the formal dialogue of Top Management with employee representatives and the formally established processes (e.g. environmental issues are reported to the Environmental Management Team, which reports directly to the Top Management). However, it must be noted that there were no critical concerns communicated to the BoD within 2017.
- Wages and other compensation of BoD members are defined according to General Shareholders Assembly's decisions.
- The General Shareholders Assembly approves the employment contracts of Executive Directors, which define their compensation, including performance-related compensation procedures.
- BoD members are nominated by Telekom Albania's Majority Shareholder (COSMOTE S.A.) and elected by the Council of Supervisors. At the moment, there are no diversity factors considered for their nomination in pursuance to the Albanian Law requirements.
- The **Audit Committee** supports and assists the Board of Directors to exercise its supervisory role and obligations towards shareholders, investors and others Stakeholders regarding the:
 - Integrity of financial statements.
 - Adequacy of internal control procedures and systems.
 - Observance and adequacy of accounting and financial reporting processes.
 - Evaluation of the external auditors' independence.
 - Supervision of the Internal Audit process.

C. Conducting Internal Audits

The Internal Audit and Compliance function supports and assists Telekom Albania to accomplish its objectives through a systematic approach to evaluate and improve the effectiveness of risk management, control and governance processes, with the following main responsibilities:

- Continually assess the adequacy of internal controls.
- Perform internal audits in all corporate functions.
- Audit specific objectives according to management requests.
- Confirm compliance with the company's policies and procedures, as well as the respective regulatory framework.
- Report any deviations related to the above.

Telekom Albania's Internal Audit function operates according to the Internal Audit Charter and complies with the "International Standards for the Professional Practice of Internal Auditing", as published by "The Institute of Internal Auditors". Furthermore, our certified Internal Auditor Team assesses the correct implementation of ISO standards' requirements, within the scope of our Integrated Management System. Within 2017:

- Telekom Albania conducted internal assessment of all corporate processes, premises and functions, in order to ensure compliance of management systems with the International Standards (namely ISO 9001:2015, ISO 14001:2015 and OHSAS 18001:2007), as well as compliance with the respective legislation.
- The Internal Audit Team participated in two DT Group common audit projects to further exchange knowledge and practices, as well as enhance constructive cooperation along DT Group companies.
- A mixed Team of Auditors from Telekom Albania and OTE assessed and facilitated the successful certification of the new Standards ISO 19600:2014 and ISO 37001:2016, within the scope of the integrated Management Systems.
- The Internal Audit was utilized for the assessment of DT Group Internal Controls System.

2. Risk, Compliance and Business Continuity

A. Identifying and managing risks

Technology advancement and proliferation of technological innovation, as well as globalization of economies, have set corresponding challenges for the telecommunications sector. Due to the nature of the sector's activities, Telekom Albania is exposed to certain risks, which can be outlined below:

Risks

Category	Description
Strategic	Long-term effects on brand and reputation or delivery of strategic corporate objectives
	Effect on brand and reputation due to negative media reports
	Impact to delivery of strategic initiatives and strategic priorities
Financial	Conditions of the macroeconomic environment, such as credit, interest rates and foreign exchange rates
	Delayed payment of customer obligations
	Intense competition in the telecommunications sector
Operational	Supply chain impact (i.e. negative impact on operating service level, time to market delays due to over dependency on a specific supplier, internal inefficiencies in purchasing and logistics cycles)
	IT systems' service and availability (i.e. critical IT systems failure, service unavailability)
	Conditions which affect network quality and availability (i.e. unavailable network to subscribers, low call quality)
Compliance with Legal and Regulatory Framework	Non-compliance with laws, regulations and standards
	Negative publicity and business impact due to legal and regulatory sanctions
	Risk for life
Labour	Conditions which affect normal working operations and work-life balance
	Health and Safety hazards of employees engaged in work activities of the supply chain, especially for high-risk job profiles such as climbers, electricians and call center operators
Social	Economic and social inequalities regarding access or use of telecommunication services (digital divide)
	Breaches of network security and information systems, which can result to access to personal and sensitive data

	Use of telecommunications services with physical and non-physical hazards to children
Environmental	External environmental conditions for business continuity (e.g. earthquakes, floods)
	Impact to the environment caused by the company's activities (generation of hazardous waste and other associated materials, consumption of natural resources, CO ₂ footprint)

B. Maintaining compliance

The Group has implemented an extensive Compliance Management System (CMS), which ensures shareholders' and Stakeholders' interests are protected, as well as all Directors, managers and employees comply with the legislation in force, the Code of Conduct and internal policies, in order to avoid risks and other legal consequences. Telekom Albania has adopted this system, which defines employees' responsibility boundaries and the behavioural rules required to avoid legal implications and potential conflict of interests. More specifically, we have applied the following Policies and Codes:

- 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.
- Policy on Anti-Trust Law.

Deutsche Telekom's CMS was certified by independent auditors in several Group companies (including Telekom Albania) in 2013 and in 2016, according to the German Institute of Public Auditors (Institut der Wirtschaftsprüfer) Assurance Standard 980 (IDW AssS 980). The audits were mainly focused on anti-corruption and demonstrated the CMS's effectiveness to identify corruption risks and prevent violations.

During 2017, Telekom Albania utilized the Risk Landscape and the Tool provided by DT Group Compliance Management to conduct a Compliance Risk Assessment, in order to identify and assess compliance risks with direct or indirect impact to the company. The Assessment involved various employees with different roles within the company, who assessed the various risks and proposed relevant measures to address them. In December 2017, OTE Group Compliance, Enterprise Risk and Corporate Governance Committee and OTE Audit Committee approved the Compliance Risk Assessment and its Measure Plan for 2018, which has been sent to DT Group Compliance Management.

✓ Good Practice... Compliance, Enterprise Risks and Corporate Governance Committee

In order to ensure our effective operation, we have established the Compliance, Enterprise Risks and Corporate Governance Committee to support the Compliance and Risk Management functions on Compliance, Enterprise Risk and Corporate Governance issues. The Committee is responsible to:

- Define the strategic issues related to Corporate Governance, Compliance and Enterprise Risks.
- Review international Corporate Governance and Compliance best practices.
- Determine and monitor the implementation of programs related to Compliance Management (CMS), Enterprise Risk Management (RMS) and Corporate Governance Systems.
- Ensure the effective internal communication regarding the CMS and RMS programs' implementation.
- Support the Compliance Officer and Enterprise Risk Management & Insurance appointee of Telekom Albania to plan and improve the strategy related to their responsibility, as well as coordinate issues related to human rights.
- Support our business units to analyze their procedures, in order to identify any risks and propose a Measure Plan to mitigate relevant risks.
- Assign responsibilities regarding investigations of potential cases of non-compliance, monitor the investigations' implementation and completion and is entitled to recommend appropriate measures and sanctions, within the context of the CMS Program.
- Review the Compliance and Enterprise Risks procedures' reports and results and assess the completeness, correctness and accuracy of the relevant reports submitted to the competent corporate bodies for approval.
- Submit briefings/reports to the competent corporate bodies regarding Compliance, Enterprise Risks and Corporate Governance issues.
- Propose measures/procedures/policies to the competent corporate bodies within the areas of its responsibilities.

The Committee consists of the following members:

- The Enterprise Risk Management & Insurance appointee of Telekom Albania (Chairman of the Committee), who also participates in any respective Committees that may be established in other Group companies.
- The Legal Manager & Data Privacy Officer.
- The Head of Internal Audit & Compliance Office.
- The Corporate Affairs Manager.
- The Chief Financial Officer.
- The HR & Administration Director.



T Group Good Practice... International Exchange of Expertise

During 2017, Telekom Albania employees responsible for compliance issues participated in the International Compliance Days 13th anniversary, where representatives from DT Group companies gathered and discussed compliance strategies and trends, as well as new approaches to collaboration.

C. Contributing to anti-corruption

Within the context of our efforts to combat and eradicate corruption, the company implements policies and practices to effectively prevent and tackle corruption:

- We have communicated our anti-corruption policies and procedures to all employees through our corporate Intranet.
- All employees have signed the individual "Compliance Statement" where they confirm to be aware and accept all Compliance Policies.
- We have adopted Integrity Checks prior to initiate collaboration with new suppliers (see section III-5B).

- We require that BoD members and Senior Financial Officers sign individual statement to declare that they are informed and comply with the Code of Ethics for Senior Financial Officers' provisions, which are submitted to the Compliance Office.
- All employees have signed the Conflicts of Interest Statement, which is aligned with the Policy on Avoiding Corruption and other Conflicts of Interest.
- We organize internal awareness campaigns for our employees regarding anti-corruption. Within 2017, we organized the following campaigns:
 - Corruption Perception Index Campaign.
 - Compliance Guidelines for Easter.
 - International Fraud Awareness Week.
 - Anti-Corruption Day Campaign.
 - Code of Conduct Communication Campaign.
 - Compliance Guidelines for Christmas and New Year.
- Our Internal Audit and Compliance Office thoroughly investigate any actual or potential cases of corruption, through clearly defined criteria.
- We require sufficient degree of detail in any allegations regarding actual or potential cases of corruption, in order to initiate investigation.



Anti-Corruption Training Program

	2015	2016	2017
Targeted employees (number)	225	124	51
Employees trained (number)	185	110	45
Participation rate (%)	82	89	88

It must be noted that within 2017, there were:

- No public policy positions and participation in public policy development and lobbying.
- No incidents of corruption.
- No legal actions related or pending legal actions related to corruption and fines or other non-monetary sanctions imposed by the respective authorities.

We trained 45 employees on anti-corruption issues and procedures

We had no incidents of corruption

✓ Good Practice... Prohibiting Political Involvement

Telekom Albania's Code of Conduct firmly dismisses any monetary donation or granting any monetary value-added benefits to political parties or elected public officials. The company has established transparent procedures regarding sponsoring of State institutions and bodies, which can verify the associated marketing effect (e.g. clearly indicating the company as a sponsor). It must be noted that in 2017, no donations were made to politicians, public officials and political parties.



T Group Good Practice... Preventing and Fighting Corruption

Deutsche Telekom Group conducts a wide range of internal activities and measures to prevent and fight corruption, which include risk-oriented and target group-specific training programs on compliance and avoiding corruption. Furthermore, the Group has established its Compliance Management System based on the Compliance Risk Assessment (CRA), which allows the Group to identify and assess compliance risks and develop appropriate prevention measures. The outcome of the assessment process is the Group risk map to systematically analyze and assess particularly significant risks in core risk categories, including corruption, anti-trust law violations and Group Code of Conduct violations.

Upon completion of the assessment, the subsidiaries' managing boards are informed of the respective CRA results and define the compliance program for the following year, including specific measures and responsibilities, and approve the program. The Group-wide assessment process was conducted to 73 companies in 2017, covering approximately 98% of the Group's workforce.

D. Complying with legislation

We closely monitor the regulatory and legal framework related to our activities, in order to apply its relevant provisions. It must be noted that within 2017, there were no written notices regarding compliance issues by respective authorities, while no fines or other non-monetary sanctions were imposed for non-compliance with laws and regulations.

E. Ensuring business continuity

Telekom Albania recognizes its legal commitments, as well as its responsibility, to maintain stable growth and a continuous supply of quality telecommunication services. Therefore, the company strives to ensure its business continuity, in order to secure prompt and efficient recovery of essential operations from any incident or physical disaster. For this reason, we:

- Have established a framework and supporting plans to apply a consistent and systematic method to identify threats and incidents, as well as a common process to assess their potential or actual impact and the respective persons to inform and manage any adverse situation.
- Have developed our Business Continuity Policy.
- Have established a Business Continuity Management Committee (BCMC) and have created a Crisis Management Team, which is responsible for decision-making and management of activities to mitigate the adverse effects of crisis events.
- Have defined an Incident Response Structure and have informed and properly trained its members to their role through various exercises and drills.
- Design the appropriate Business Continuity Strategies through regular Business Impact Analyses, during which we assess the impact over time of any interruptions to our activities, as well as Risk Assessments, during which we identify, analyze and assess potential threats that could interrupt our business activities and apply proper measures to mitigate or eliminate the associated risks.
- Have developed Business Continuity Plans with documented priorities, procedures, responsibilities and resources.
- Have communicated our policies, procedures and activities related to business continuity to all employees, as part of the induction sessions for new hired employees and relevant publications on our corporate Intranet.
- Regularly organize awareness and training sessions, in order to ensure that our employees are aware and understand the respective structure and objectives.
- Have adopted and implement a Business Continuity Management System (BCMS), aligned with the ISO22301 international standard, which emphasizes the importance to:
 - Understand the organization's and Stakeholders' needs in terms of Business Continuity.

- Implement and operate the necessary controls and measures to deal with interruptions in our operations.
- Implement a systematic approach to manage the Business Continuity Management process.
- Continuously monitor and review the Business Continuity Management System's performance and effectiveness.

Within 2017, we:

- Informed relevant parties about our updated Business Continuity Management System, as a result of the changes in the Company's organization chart.
- Participated in DT Group's International Crisis Exercise to ensure proper communication, information flow and cooperation in crisis situations, with the respective feedback sent to both OTE Group and DT Group Situation centers accordingly from the local Incident Director.
- Organized a Business Continuity Management Internal Awareness session during the International Awareness Week on May 2017, during which we sent an information newsletter via e-mail to all employees and posted a relevant poster and article on our Intranet.
- Implemented refresher trainings to 28 Incident Directors, Building Incident Controllers and Incident Response Team members.
- Organized several relevant induction training sessions for all new employees.
- Conducted evacuation drills in our facilities in Lapraka and Kashar.

3. Corporate Responsibility Management

A. Utilizing appropriate organizational structures

Telekom Albania has adopted OTE Group's definition of Corporate Responsibility, in order to align its business operations with our Stakeholders' needs and facilitate a homogeneous understanding by its employees, as well as create value for all our Stakeholders.

Corporate Responsibility for OTE Group

"Corporate Responsibility is 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".

Deutsche Telekom Corporate Responsibility Mission

"We take responsibility. We enable sustainability...
 ...in our processes
 ...with and for our employees
 ...for our customers
 ...in society".

Deutsche Telekom Corporate Responsibility Action Areas

- Connected life and work – enabling a sustainable lifestyle
- Connecting the unconnected
- Low-carbon society

Benchmarks... Corporate Responsibility Commitment

Telekom Albania is the best company within Deutsche Telekom Group regarding satisfaction of employees with Corporate Responsibility commitment and the second best company regarding identification of employees with Corporate Responsibility commitment with 96% and 91% respectively in 2017 (averages for DT Group were 79% for both indicators).

The company has established suitable organizational structures to manage Corporate Responsibility at a strategic, organizational and operational level. The same structure is also used for data collection, in order to report our performance to shareholders.

Managing Corporate Responsibility



- The overall responsible for Corporate Responsibility issues is the Chief Executive Officer, who seeks the respective input from the BoD, as part of the annual review of strategic objectives.
- The Manager of Corporate Affairs reports directly to the CEO and is responsible to develop and implement the company's Corporate Responsibility strategy, as well as cooperate with the CEO on Corporate Responsibility strategy issues and initiatives and with the interdepartmental Committees to ensure proper implementation of related programs. The Corporate Affairs Department cooperates with Deutsche Telekom Corporate Responsibility Managers Networks and other DT Group relevant structures, in order to share experience, practices and targets related to the Corporate Responsibility program and it must be noted the Corporate Affairs Department employs a dedicated BCM specialist.
- The Head of Corporate Responsibility Unit is responsible to support the Corporate Responsibility strategy's implementation, coordinate and manage Corporate Responsibility activities throughout the company, collect and process the respective data, monitor the implementation of related measures and targets and communicate the company's Corporate Responsibility performance to external and internal Stakeholders.
- At the same time, we have established the interdepartmental Integrated Management System Committee to facilitate proper implementation of issues related to quality, health and safety and

environment, which are incorporated into our Integrated Management System (IMS), as well as the interdepartmental Integrated Management System Team to ensure application of our policies and coordinate operational activities.



T Group Good Practice... Corporate Responsibility within Deutsche Telekom Group

Deutsche Telekom has established an integrated structure to closely link strategic management and operational implementation of its Corporate Responsibility Strategy throughout the Group:

- Deutsche Telekom Board of Management is the overall responsible for all Corporate Responsibility issues and objectives.
- The Group Corporate Responsibility unit develops Group-wide Corporate Responsibility guidelines and principles and is also responsible to position and align Corporate Responsibility with the Group's strategy, as well as monitor all respective processes.
- The Group Corporate Responsibility Board with Heads of key Group areas advises the Group Corporate Responsibility unit, in order to ensure direct feedback from the Group's core business.
- The Corporate Responsibility managers from the different business units and national companies are responsible to implement the Group's Corporate Responsibility Strategy. They collaborate closely together within the international Corporate Responsibility Manager Network, which features regular face-to-face and online meetings or webinar conferences, in order to coordinate their activities, exchange experiences and share practices implemented in other Group companies, as well as review the status of Corporate Responsibility strategy and related KPIs.

B. Operating based on Management Systems

In 2012, Telekom Albania became the first company in the telecommunications market in Albania to hold a triple ISO certification for its integrated Management System (IMS) on Quality, Environment and Occupational Health & Safety, based on ISO9001, ISO14001 and OHSAS18001 respectively, in order to respond to long-term challenges. Throughout 2017, Telekom Albania fully implemented the Integrated Management System to manage all ISO Standards already implemented or to be implemented in Telekom Albania, leading to integrate management structure into one Committee, one team and one internal audit. Furthermore:

- We updated our IMS Policy, which was published on our corporate Intranet and official website and communicated to all involved parties for the IMS System's implementation.
- The IMS Committee approved the proposed integrated objectives and targets to ensure that we:
 - Deliver high quality products to our customers.
 - Embed the highest standards of customer care and overall customer satisfaction into all interactions with our customers.
 - Continuously train and inform our employees, as well as create a safe working environment which respects work-life balance.
 - Apply responsible procurement processes and uphold our principles throughout our supply chain.
 - Monitor and strive to reduce our environmental impact, as well as implement appropriate recycling processes.
- We implemented one integrated risk assessment approach for the entire IMS and one risk approach as per the ISO 31000 Risk management Standard.
- TÜV Hellas (TÜV Nord) provided the relevant certificates for the newly issued versions of ISO 9001:2015 and ISO 14001:2015 as well as for OHSAS 18001:2007, following the annual external

surveillance audit focusing on the company’s main operations and processes, during which no non-conformities were identified.

- We were certified for the new ISO 19600 Anti-corruption and ISO 37001 Anti-bribery Standards, as part of the Integrated Management System.



We had no non-conformities from audits regarding the operation of Management Systems

4. Stakeholder Engagement and Materiality Analysis

A. Focusing on five main Areas to operate responsibly

Our company transforms its commitment to operate responsibly into action and focuses on the following five main Areas, in order to respond to our Stakeholders’ long-term needs and expectations.

Strategy & Management

Our objective is to incorporate responsibility into our business operations and daily management activities, as well as create measurable and tangible results to create value for our Stakeholders.

Customers & Suppliers

Our objective is to develop products and services which are safe and correspond to the needs of our customers, as well as facilitate the responsible operation of the markets where we conduct our business.

Society

Our objective is to combine our business success, with prosperity and quality of life, for citizens in local communities we conduct our business in.

Employees

Our objective is to create a work environment, which ensures long-term career opportunities and facilitates our employees’ development.

Environment

Our objective is to successfully manage our direct and indirect environmental impact, as well as raise our fellow citizens’ awareness to act more responsibly regarding environmental protection.

These Areas compose our Corporate Responsibility Framework, which is used by our company to manage systematically all respective subjects linked to our business operation and formulate concrete strategic objectives.

Corporate Responsibility Framework



B. Identifying Material Aspects

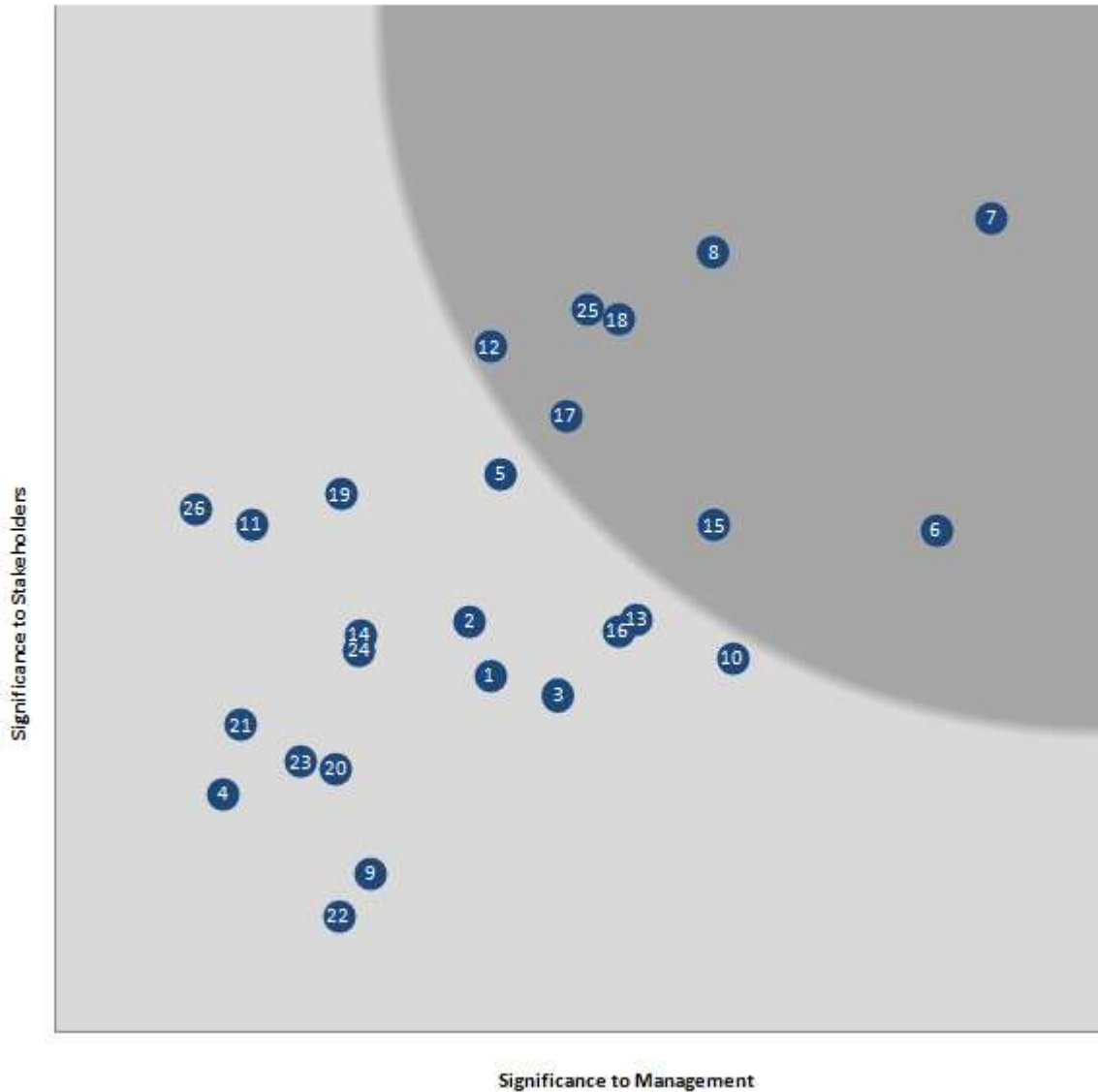
The company focuses on Material Aspects it identifies through a process managed centrally by OTE Group for all of its subsidiaries. In total, 26 potential aspects were prioritized in 2017 according to:

- The Significance to Management, as identified through a respective Risk Evaluation derived through Telekom Albania’s Management defining the Likelihood and Impact of each aspect separately.

- The Significance to our Stakeholders, as identified through an online questionnaire sent out to all Stakeholder Groups (see Table in Section C for details).

Through this analysis, we have identified the following 8 Material Aspects for 2017 (all Aspects that were not deemed Material are not mentioned in detail):

Corporate Responsibility Materiality Analysis



No	Issue
1	Economic performance
2	Governance and management
3	Corporate compliance policies
4	Employees' compliance and grievance mechanisms
5	Human rights
6	Business resilience
7	Data security and privacy
8	Safe and responsible use of technology
9	Responsible procurement and supply chain management
10	Employment
11	Fair employment and equal opportunities
12	Employee health, safety and wellness
13	Employee training and skills development
14	Products and services for sustainability
15	Research and innovation
16	Responsible competition
17	Responsible communication with customers
18	Customer service and satisfaction
19	Digital inclusion
20	Support education on ICT
21	Managing impacts to society and the local community
22	Stakeholder engagement
23	Energy and climate change
24	Circular economy
25	Electromagnetic fields (EMF)
26	Other environmental aspects

C. Interacting with our Stakeholders

We define Stakeholders as anyone who directly or indirectly influences or is influenced by our activities and operations. As these groups require not only transparency but also active involvement of companies in issues related to society development and environmental protection, we systematically identify our Stakeholders' expectations and questions, in order to effectively respond to them.

Stakeholder Categories



The following table describes our Stakeholder groups, methods we apply to have a dialogue with them and their frequency, main issues of interest related to Corporate Responsibility, as well as the respective sections in this Report, where our related programs and answers to these issues of concern can be found. The Corporate Affairs Department is responsible to coordinate the interaction between Telekom Albania and its Stakeholders on issues related to Corporate Responsibility, which is a process that actively involves the entire company, as it is conducted throughout the year:

Stakeholder Engagement

Stakeholder	Methods of interaction through continuous and ongoing activities (unless indicated otherwise)	Main issues of interest	Section in this Report
Customers (retail and business)	<ul style="list-style-type: none"> Stakeholder Engagement Survey (129 participants in 2017) (annual) Sales network (frequent regional conferences) Customer Service Center Customer Satisfaction Survey (quarterly) Tracking Studies for retail customers (quarterly) Tracking Studies for business 	<ul style="list-style-type: none"> Data security and privacy Safe and responsible use of technology Customer service and satisfaction EMF Human rights' respect Responsible communication with customers 	Customers & Suppliers: III-2,3,4 Society: IV-2,3 Employees: V-3 Environment: VI-4,5

	<p>customers (quarterly)</p> <ul style="list-style-type: none"> • Call Centers • Social media • Website 	<ul style="list-style-type: none"> • Other environmental aspects 	
Sales Network	<ul style="list-style-type: none"> • Stakeholder Engagement Survey (30 participants in 2017) (annual) • Customer Satisfaction Survey (quarterly) • Information systems • Verbal communication • Interaction 	<ul style="list-style-type: none"> • Data security and privacy • Responsible communication with customers • Customer service and satisfaction • Business resilience • Safe and responsible use of technology • Employee health, safety and wellness 	<p>Strategy & Management: II-2 Customers & Suppliers: III-2,3,4 Society: IV-2,3 Employees: V-2 Environment: VI-4</p>
Suppliers	<ul style="list-style-type: none"> • Stakeholder Engagement Survey (9 participants in 2017) (annual) • Procurement activities • Contracts • Meetings • Corporate announcements • Press releases • Supplier Performance Evaluation (annual) 	<ul style="list-style-type: none"> • Customer service and satisfaction • Human rights' respect • Digital inclusion • Safe and responsible use of technology • Employees' compliance and grievance mechanisms • Fair employment and equal opportunities • Employee training and education • Other environmental aspects 	<p>Customers & Suppliers: III-3 Society: IV-2,3 Employees: V-1,3,4 Environment: VI-4,5</p>
Employees	<ul style="list-style-type: none"> • Stakeholder Engagement Survey (158 participants in 2017) (annual) • Pulse Surveys (semi-annual) • Trainings • Performance Appraisal (annual) • Informative publications • Events • Meetings • Volunteer activities • Website • Intranet • E-mails 	<ul style="list-style-type: none"> • Data security and privacy • Human rights' respect • Customer service and satisfaction • Employee health, safety and wellness • Economic Performance • Corporate compliance policies 	<p>Strategy & Management: II-1,2 Customers & Suppliers: III-3,4 Society: IV-1 Employees: V-2,3</p>
Government & Authorities (e.g. AKEP)	<ul style="list-style-type: none"> • Stakeholder Engagement Survey (10 participants in 2017) (annual) • Consultations on regulatory framework • Formal communication • Business meetings and reports • Cooperative projects • Dialogue with representatives at local and national level 	<ul style="list-style-type: none"> • Human rights' respect • Data security and privacy • Safe and responsible use of technology • Employee health, safety and wellness • Responsible communication with 	<p>Customers & Suppliers: III-2,4 Society: IV-2,3 Employees: V-2,3 Environment: VI-4</p>

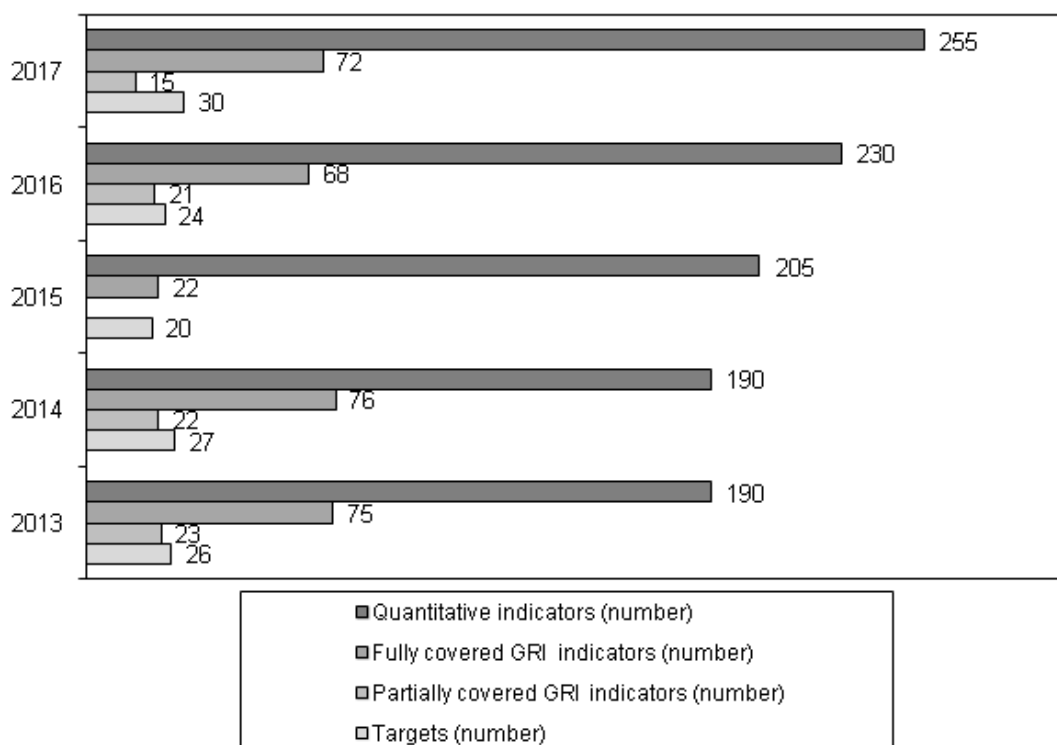
		customers	
Local Communities	<ul style="list-style-type: none"> • Dialogue with local representatives • Visits • Local events, festivals and projects • Meetings 	<ul style="list-style-type: none"> • Contribution to the local community • EMF • Products and services for sustainable development • Employment • Digital inclusion • Safe and responsible use of technology 	Customers & Suppliers: III-4 Society: IV-2,3,4 Employees: V-1 Environment: VI-4
Citizens	<ul style="list-style-type: none"> • Social Responsibility Surveys (quarterly) • Website • Social media 	<ul style="list-style-type: none"> • Data security and privacy • Products and services for sustainable development • Digital inclusion • Support education on ICT • Safe and responsible use of technology 	Customers & Suppliers: III-4 Society: IV-2,3,4 Environment: VI-4
Non-governmental organizations (NGOs) & Not-for-profit organizations (NPOs)	<ul style="list-style-type: none"> • Stakeholder Engagement Survey (10 participants in 2017) (annual) • Meetings • Collaborations 	<ul style="list-style-type: none"> • Data security and privacy • Products and services for sustainable development • Responsible competition • Customer service and satisfaction • Responsible communication with customers • EMF • Safe and responsible use of technology 	Customers & Suppliers: III-1,2,3,4 Society: IV-2,3 Environment: VI-4
Media	<ul style="list-style-type: none"> • Stakeholder Engagement Survey (7 participants in 2017) (annual) • Corporate announcements • Press conferences • Press releases • Informative publications • Meetings • Website • Information upon request 	<ul style="list-style-type: none"> • Safe and responsible use of technology • Employee health, safety and wellness • Responsible communication with customers • Employees' compliance and grievance mechanisms • Employment • Fair employment and equal opportunities • Employee training and education • Responsible competition 	Strategy & Management: II-4 Customers & Suppliers: III-1,2 Society: IV-2,3,4 Environment: VI-4 Employees: V-1,2,3,4

		<ul style="list-style-type: none"> • Digital inclusion • Support education on ICT • Contribution to the local community • Stakeholder engagement 	
Shareholders	<ul style="list-style-type: none"> • Stakeholder Engagement Survey (7 participants in 2017) (annual) • General Shareholders Assembly • Meetings • Financial reports • Adoption and utilization of policies and principles 	<ul style="list-style-type: none"> • EMF • Business resilience • Safe and responsible use of technology • Employee health, safety and wellness • Energy and climate change • Circular Economy • Other environmental aspects 	Environment: VI-2,4,5 Strategy & Management: II-2 Society: IV-1,2,3,4 Employees: V-2

D. Focusing on quantitative results

Telekom Albania strives to include quantitative indicators and targets in its Report, in order to be transparent to its Stakeholders, as indicated in the following graph. As a result, in the last years we have gradually included more quantitative indicators (both general and GRI-related) and targets in our Report.

Quantitative Data within the Corporate Responsibility Report



We increased by 11% the number of quantitative indicators and by 25% the number of targets we make reference to within the Report

5. Achievements 2017 and Targets 2018

We said	Progress	We will	By
Integrate the supporting structures and management programs related to the Quality, Occupational Health & Safety and Environment Management Systems.	100%	Refine the programs and unify the objectives related to the Integrated Management System.	2018
Integrate the Internal Audit Plan.	100%		
Integrate the IMS processes and procedures.	100%	Introduce new performance indicators related to our environmental performance.	2018
Conduct a customer or public-based survey on Corporate Responsibility topics, based on best practices of DT Group.	100%		
Implement two awareness sessions related to Business Continuity.	100%	Organize a Business Continuity Management awareness session.	2018
Organize one wide rehearsal, two evacuation drills and one DT Group international crisis exercise, in order to test our Business Continuity Plans and Strategies.	100%	Conduct two evacuation drills in our facilities in Lapraka and Kashar.	2018
		Participate in the DT Group international crisis exercise.	2018
Ensure that appropriate parties have received updated Business Continuity documentation.	100%	Test and update (if necessary) our Disaster Recovery plans and strategies.	2018

III. OUR CUSTOMERS & SUPPLIERS

Positively influence the markets we operate

Introduction and Summary

Our Size:

1.94 million customers

99.8% population coverage

3,232 complaints resolved within 5 days

292 suppliers

82% spending on local suppliers

Our Objective:

To develop products and services which are safe and correspond to the needs of our customers, as well as facilitate the responsible operation of the markets where we conduct our business.

Our Achievements:

- We trained 87% of our managers and directors on competition legislation and anti-competitive behaviour.
- Our quality index for Call Center service increased by 28.2%, compared to our base results.
- Our quality index for retail's and digital channels' customer experience increased by 15.8% and 49% respectively, compared to our base results.
- We reduced the drop call rate on our 2G and 3G networks by 10.9% and 14.7% respectively.
- The number of received complaints decreased by 35.2%.
- We resolved 88% of complaints received within 5 days.
- We had no incidents regarding customer privacy issues or loss of personal data.
- We successfully blocked 54,338 Internet security threats and malicious URLs.
- We increased the percentage of procurement expenses allocated to local suppliers to 82%.

1. Responsible Competition

A. Operating within the regulatory framework

The Electronic and Postal Communications Authority (AKEP) is the regulatory authority regarding electronic communications and postal service, which supervises the regulatory framework in the respective areas (as defined by Law) and the development policies (as defined by the Council of Ministers).

Since Telekom Albania is designated as a significant market power (SMP) in the wholesale markets, the company follows AKEP's respective regulatory obligations, which can be summarized below. These obligations often have a substantial impact on its activities and operations, such as the obligation of price control (setting a national mobile and fixed termination rate and SMS termination rate), which directly affects the wholesale interconnection prices in traffic measurements between Telekom Albania and other mobile and fixed operators.

Regulatory Obligations per Market

Markets	SMP Undertaking	Regulatory obligations
Retail mobile market (residential and non-residential)	Telekom Albania	<ul style="list-style-type: none"> • Non-discrimination on-net/off net (minutes and rates)
Wholesale fixed termination market	Telekom Albania (Telekom FIX)	<ul style="list-style-type: none"> • Non-discrimination • Transparency (no obligation for publication of Research Ideas and Outcomes – RIO) • Access and Interconnection • Price Control
Wholesale mobile call termination market	Telekom Albania	<ul style="list-style-type: none"> • Non-discrimination • Transparency (RIO publication) • Cost orientation • Access and Interconnection • Price Control
Wholesale mobile SMS termination market	Telekom Albania	<ul style="list-style-type: none"> • Non-discrimination • Transparency (no obligation for RIO publication for SMS) • Access and Interconnection • Price Control

Within 2017:

- AKEP approved the granting of Individual Authorization to Telekom Albania regarding the transfer of the frequency usage rights from Plus Communications to Telekom Albania, following the closure of Plus' activity in Albania and the market consolidation process.
- There were no written notices from AKEP for non-compliance with its decisions and Telekom Albania did not file any complaints against AKEP's decisions.
- Telekom Albania was not filed with any lawsuits, recourses, appeals or other legal actions related to its operation.
- There were no fines or other non-monetary sanctions imposed by AKEP.
- Regarding a previous administrative complaint filed to AKEP from Neofone regarding an increase in international mobile termination rates as part of the interconnection contract with Telekom Albania (which has been rejected by AKEP) and a respective legal case sent to the Administrative Court of First Instance on September 2017, with a following specification on November 2017, the lawsuit was rejected. Neofone has filed an appeal through the Tirana Administrative Court of Appeal.

B. Abiding by fair competition rules

We recognize the importance of fair competition, since it promotes efficiency, economic development and innovation. Within this context, we:

- Comply with national legislation and regulation in the Albanian telecommunication market, as outlined mainly in Law no. 9121/28.07.2003 “On competition”, which aims to protect free and fair competition, as well as the respective Presidential Decrees, Ministerial Decisions and Decisions from independent administrative authorities, such as the Albanian Competition Authority (CAA).
- Comply with the specific regulation related to issues, such as licensing, tariffs, local loop unbundling, interconnection, leased lines and universal service, as well the Law no. 9918/19.05.2008 “For electronic communication in the Republic of Albania”, which regulates the company’s activities.
- Conform to the principles of fair competition for all our operations.
- Support fair dealing with our business partners and competitors.
- Do not engage in price fixing or illegal attempts to gain market influence.
- Do not disseminate false information about our competitors’ products or services.
- Do not utilize unfair means to gain a competitive advantage.
- Do not use industrial espionage to obtain information about market competitors.
- Do not unnecessarily communicate information from and about the company to any third parties.
- Our legal office and the respective departments are frequently updated with the changes in the relevant regulations and legal provisions.
- Train managers and directors on competition law and the application of the Anti-Trust Policy requirements, as part of the Annual Compliance Classroom Training.

We trained 87% of our managers and directors on competition legislation and anti-competitive behaviour

✓ Good Practice... Adhering to Fair Competition

During 2017, a Code of Conduct prepared by the Committee of Customer Protection and AKEP related to the protection of customers came into force as a self-regulatory initiative. The four mobile operators of Albania, including Telekom Albania, have signed the Code, which states the main principles of fair competition in the electronic communications market and aims to:

- Set ethical behaviour standards.
- Define neutral and reasonable actions.
- Promote transparency and fair competition.

Within 2017, there were:

- One claim filed to the Commission on Consumer Protection (CCP) and AKEP related to another Albanian operator’s misleading advertisement with inaccurate statements regarding higher network speeds and higher customer base. After the respective hearing, CCP decided the statement regarding customer base is inaccurate, without yet examining the first statement regarding network speeds, while the operator’s advertisement was still broadcasted and easily found on the Internet, despite its removal from the media. AKEP officially stated that the statement regarding higher network speeds is very problematic and has not been proven with speed tests conducted. However, as the operator continued to use the confusing, misleading and inaccurate statement regarding higher network speeds, Telekom Albania filed a complaint to the CCP, AKEP

and the Competition Authority and requested to remove all advertisements found on Internet and prohibit the false and misleading statement broadcasted in any audiovisual media, for which the company also requested the Albanian Authority on Audiovisual Media's intervention to prevent its broadcasting. As a result, CCP started an administrative proceeding and requested from the operator to provide the information related to the respective case.

- No complaints for anti-competitive behaviour on behalf of Telekom Albania.
- No investigations or legal actions for anti-competitive behaviour or anti-trust practices.
- No relevant fines or other non-monetary sanctions imposed by the respective authorities.

2. Responsible Marketing

A. Applying Responsible Marketing practices

Our communication material is legal, appropriate, fair, sincere, corresponds to reality and respects peoples' diversity, in terms of age, gender, race, religion and physical or mental status. Within this context:

- We comply with the contractual obligations regarding communication and marketing activities as defined by the Audio Visual Media Authority, AKEP and the Competition and Consumer Protection Authority.
- Our Marketing Communications Sector reviews all promotional material (e.g. advertising messages and campaigns), as well as network communications (e.g. SMS, notifications) before publicly launching them, in order to ensure proper implementation and compliance.
- Our Legal Department reviews crucial materials and confirms their compliance with applicable laws and legislative provisions.
- We do not sell or provide any products and services which are either banned or disputed in foreign markets.

✓ Good Practice... Responsible Communication

According to our Code of Conduct, we keep in mind the long-term impact of customers to our operations. Therefore, we are committed to ensure that communication and interaction with our customers adheres to the respective regulations and ethical standards. Therefore, we only call our customers for promotional reasons during hours permitted by law and we don't recommend any products or services that our customers do not need.

In 2017, there were:

- No cases of non-compliance with regulations and voluntary codes concerning marketing, advertising, promotion, product and service information and labeling.
- No cases of campaigns being withdrawn (after their initial release).
- No investigations or legal actions for non-compliance concerning marketing, advertising, promotion, product and service information and labeling.
- No relevant fines or other non-monetary sanctions were imposed by respective authorities.

B. Providing information for our services

We communicate with clarity and transparency on our services, pricing policies and charges, as well as contractual conditions. Within this context, we publish information and documents on our website regarding:

- Partner 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.
- SMS termination decision.
- Conditions and terms of use for our services.



C. Ensuring transparent pricing practices and affordability of our services

We strive to offer reduced prices or discounts to contribute in our own way to the difficult financial condition many of our fellow citizens face due to the current economic environment. At the same time, we proactively review handset prices to provide the most competitive options in the market, as well as provide a variety of bundles/offers to our subscribers, in order to meet their demands and needs, taking into account market trends, dynamics and competition. For example, some of the practices are mentioned below:

Pricing information: Telekom Albania provides extensive pricing information about its products and services in its website and respective advertising materials, as well as through its customer service centers. These include information about pricing of products and services, tariff options and charging schemes, such as fees or prices, minimum step charge for calls and Internet data and program or offer validity. Customers can control or informed on their use and pricing through various channels, which include:

- Short code SMS.
- USSD menu.
- IVR.
- The Telekom App.
- Our website.
- Our shops.

Furthermore, we publicly notify all changes in tariffs of services or new tariffs or their amendments at least 7 days before their implementation, which has to last at least 3 days in succession, except in cases of price reductions, where changes can be done immediately. At the same time, we notify subscribers for any modification at least 30 days before their implementation and inform them about their right to refuse the new terms and conditions and end their contract without any further penalty.

Development of roaming services: Telekom Albania has established agreements with 385 operators worldwide and the company's post-paid and pre-paid customers can use the roaming services in 143 countries worldwide, through 377 networks, compared to 142 countries and 371 networks in 2016. At the same time, GPRS service is available through 226 networks in 104 countries, compared to 213 networks in 102 countries in 2016.

Cost control: Our bill shock prevention service while roaming notifies the post-paid subscriber through a SMS in case the data usage threshold while roaming has been reached. At the same time, the subscriber is redirected to a page in order to select the appropriate option. Furthermore, pre-paid subscribers can check their balance, last call and expiry period via IVR/USSD and post-paid subscribers can check their actual monthly consumption via SMS/USSD.

One Family: We enhanced our One Family prepaid proposition and added the MyKid device in our offering, with free-of-charge communication with the smartwatch each time the family leader activates one of the standard bundles. Furthermore, we introduced the new upgraded MyKid device (MyKid Touch) in the Albanian market within 2017 and offered subsidized schema for One Family postpaid leader, as well as the same bundle offers for One Family prepaid subscribers.

Data usage: We provide data add-ons for 2GB and 4GB at very low prices.

3. Customer Satisfaction

A. Aiming for customer satisfaction

Your Opinion... Customers' Opinion

According to TRI*M Survey results in 2017, **82.4%** of participants believe Telekom Albania makes them feel they are in good hands.

Our "Moments that connect us" slogan stands out for what our customers mean to us. Therefore, we consider our customers' satisfaction a strategic growth element and focus our efforts on three main categories:

- Continuously update our technology offering and network.
- Provide innovative and effective solutions.
- Offer the best customer experience through our employees.

Indicatively, within 2017, we:

- Implemented over 45 offers/campaigns.
- Introduced the My Telekom App (see section I-4A).
- Launched the KAM ICCA (International Customer Contact Analysis for Key Account Managers) and Web ICCA (International Customer Contact Analysis for the Digital Channel) surveys.

Good Practice... Customer Experience

Customer Experience refers to the interactions between a customer and an organization throughout their business relationship. Recognizing its importance and impact on customer satisfaction and loyalty, we have introduced the Customer Journey concept since 2016, in order to find areas for improvement throughout all customers' phases/steps during a product's or service's lifecycle and, ultimately, improve our performance. Within this context, we have:

- Defined new products with mandatory Customer Journey requirements.
- Initiated the pilot phase of Customer Journey.
- Introduced Customer Journey as part of the product development stage.
- Conducted Customer Journey exercises for existing services and tools (namely IVR, Internet, new activation and business roaming).

V Good Practice... Corporate Website

We provide a wide a range of services to our customers via our corporate website, which include:

- A fully functional e-care/e-shop online portal aligned with DT standards and functional blueprint, where customers can purchase their products and either pay with credit/debit card or on delivery, with all items being delivered within 48 hours, as well as purchase a mobile device with a bundle.
- A Pre-paid eTop-up service, where customers can use a credit/debit card to remotely add an amount to any pre-paid account.
- Frequently Asked Questions and Customer Support areas, where we inform our customers about related issues, such as shop location and automatic Internet settings.
- The My account (Llogaria ime) log-in area, where customers can register and receive real-time information (e.g. remaining credit, credit expiry date, PUK code retrieval), activate or deactivate services and purchase bundles.
- Electronic bill and e-Payment, which includes the last bill's due amount, the undue amount and traffic information, which customers can use a credit/debit card to pay their bill.
- A product bundling option, where customers can purchase a premium product and get free accessories or another discounted device.
- A promo code for different promotional campaigns.

We seek to cultivate a reciprocal, sincere and trustful relationship with our customers, in order to be their preferred choice. For this reason, we closely monitor our performance regarding customer satisfaction, through a series of surveys, which include:

- An annual qualitative and quantitative survey to analyze our company's and brands' strengths, both in both in absolute terms and compared with our competitors.
- The quarterly quantitative TRI*M Survey on a representative random sample of the Albanian population to measure their perception about the image of mobile operators, including our own.
- The quarterly quantitative NG ICCA (Next Generation International Customer Contact Analysis) research to monitor the quality of the customer care services as experienced by our customers and assess their experience from specific touchpoints (namely retail, Call Center and IVR). It must be noted that during 2017 Telekom Albania:
 - Managed to continuously improve its performance related to customer satisfaction from the retail channel and Call Center.
 - Was awarded as the "Best Company in Customer Service" in Europe within DT Group, as a result of its leading position for Call Center services within DT Group according to the NG ICCA results.
 - Implemented the e-Transformation program to enhance its self-service approach to customers, through an automated Facebook ChatBot (being the first company and the only one in the telecommunications industry in Albania), as well as its new My Telekom App for all self-service actions required by customers.
- The monthly quantitative KAM ICCA survey (introduced in August 2017) and the monthly quantitative Web ICCA survey (introduced in February 2017), which assess our customers' experience from additional touchpoints.



Customer Satisfaction

	Q1'16	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17	Q4'17
TRI*M Survey for residential customers*							
Telekom Albania results (index)	100	115.5	-	120.7	-	93.1	-
Average competitor results (index)	-	-	-	100	-	97	-
TRI*M Survey for business customers**							
Telekom Albania results (index)	-	-	100	94.5	95.9	87.7	86.3
Average competitor results (index)	-	-	-	-	100	97.1	100.7

*Q1'16 and Q1'17 results have been used as base results (100) for Telekom Albania and competitors respectively.

**Q4'16 and Q2'17 results have been used as base results (100) for Telekom Albania and competitors respectively.

Due to the survey redesign within 2017, TRI*M results for 2017 are not entirely comparable to past data, as a new TRI*M Index is calculated and calibrated since Q2'17, leading to lower results. Among others, the survey indicates:

- The impact of pricing in customers' evaluation of telecommunication companies.
- The increasing importance of network quality in terms of connection speed and coverage.
- Customer's strong loyalty to Telekom Albania.
- Customers' overall satisfaction in terms of:
 - Value for money.
 - Pricing.
 - Propositions.
 - Experience from call center and shops.
- The increasing emphasis that both residential and business customers require in terms of being rewarded and feeling in good hands.

Customer Satisfaction

	ICCA Survey*	Retail**	Call Center***	KAM ICCA (business)****	Web ICCA *****	IVR*****
Telekom Albania ICCA results (index)						
January 2017	100	85.4	-	-	-	116.1
February 2017	103	88	-	-	143.7	107.8
March 2017	101.8	87	-	-	136.3	91.2
April 2017	71.6	61.2	88.4	-	59.8	107.8
May 2017	109.4	93.5	102.9	-	104.3	114.4
June 2017	113.4	96.9	101.1	-	103.9	104.5
July 2017	121.3	103.7	107.4	-	120.4	109.4
August 2017	121.6	103.9	120	100	133.3	117.7
September 2017	122.1	104.4	118.2	100	159.4	117.7
October 2017	130	111.1	127.3	94.5	136.6	106.1
November 2017	137.2	117.2	125.5	96.4	135.8	111.1
December 2017	135.4	115.8	128.2	99.4	149	154.2

*January 2017 result has been used as base result (100).

**Target set since January 2017 has been used as base result (i.e. 100).

***Target set since April 2017 has been used as base result (100). Since May 2017, the methodology has been further improved with the implementation of RADAR tool.

****August 2017 result has been used as base result (100).

*****Target set since May 2017 has been used as base result (100).

*****Target set since January 2017 result has been used as base result (100).

During 2017, we managed to improve our ICCA index, as a result of the following initiatives:

- Analysis of customer feedback and call back activities.
- Restart of IVR channel monitoring and adjustment of contribution weight.
- Sales incentive related to ICCA performance.
- Operational changes in shops.

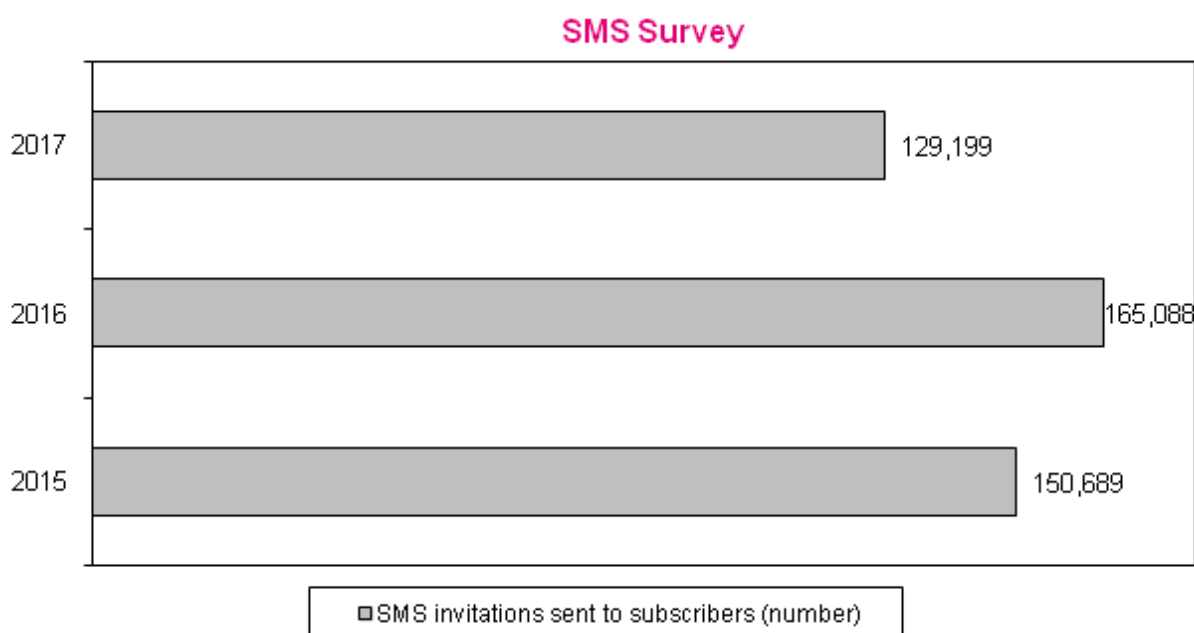
Our quality index for Call Center service increased by 28.2%, compared to our base results

Our quality index for retail's and digital channels' customer experience increased by 15.8% and 49% respectively, compared to our base results



V Good Practice... SMS Survey

Following the respective practice from DT Group, since 2012 we conduct a customer satisfaction survey via SMS, in order to measure customer satisfaction from three main contact points (call center, self-service and shops). Every day, randomly selected subscribers receive an SMS to participate in the survey and can reply free-of-charge using a scale of 1 to 5 (1 being the lowest, 5 being the highest) to evaluate the quality of service in one of these contact points and we utilize survey results to assess the level of service, in order to continuously monitor service quality, analyse customers' needs and identify areas for improvement. Within 2017, we expanded the SMS survey with two new questions regarding Internet performance and customer satisfaction with the new offer activated in the shop.



B. Ensuring service reliability

An important parameter of customer satisfaction is our ability to offer reliable and uninterrupted services, which we consider one of our main obligations. As a result of our efforts, we received the first place among mobile operators in Albania regarding data performance during the P3 performance test, an independent benchmarking assessment regarding quality of mobile networks and offered services from P3 communications. At the same time, we have replaced 85% of total old MW links (microwave links) with new IP MW links and we launched a project to deploy IP Multimedia Subsystem (IMS) core technology to support VoLTE (Voice over Long-Term Evolution).

Network Reliability

	2015	2016	2017
Network availability			
2G (%)	99.86	99.77	99.68
3G (%)	99.89	99.92	99.97
4G (%)	99.98	99.98	99.84
4G+ (%)	NR	NR	NR
Call success rate			
2G (%)	99.88	99.84	99.89

	3G (%)	99.46	99.44	99.65
	4G (%)	99.01	99.83	99.75
	4G+ (%)	99.01	99.83	99.75
Drop call rate				
	2G (%)	0.97	0.82	0.73
	3G (%)	0.33	0.34	0.29
Data drop rate				
	4G (%)	0.21	0.17	0.17
	4G+ (%)	0.21	0.17	0.17

NR: Not Reported

We reduced the drop call rate on our 2G and 3G networks by 10.9% and 14.7% respectively

C. Monitoring our performance

To improve customer service, we:

- Have adopted unified procedures and practices to manage customer complaints.
- Implement tailor-made negotiation strategies and effective communication methods.
- Manage customers with a fixed and mobile connection from a separate team, in order to receive a single, integrated service.
- Have established personalized service with increased telephone communication.
- Seek to increase First Contact Resolution.
- Seek to further utilize digital channels (e.g. chat).

We have established mechanisms to communicate and receive comments and complaints, in order to effectively serve our customers, which include:

- Written communication to our offices or to Telekom Albania Help Desk.
- The e-mail address complaints@telekom.com.al.
- Our Call Centers (139 for pre-paid customers, 144 for post-paid customers and 142 for both pre-paid and post-paid customers).
- Personal contact at the company's points of sale.

Within 2017:

- We received 2,757,677 customer requests, with 69.5% of those being automated answered via our IVR system.
- We received 3,672 complaints (e.g. post-invoicing, contractual relationship), compared to 5,671 in 2016, without any of them resulting in a fine or other non-monetary sanction, as well as 9,105 issue-related calls (i.e. network incidents, system failure and configurations, which are often solved during the call).
- Approximately 91% of issue-related contacts were resolved within 2 days and approximately 88% of complaints were resolved within 5 days, compared to 93% in 2016, as in many cases are influenced by the need to wait for the bill cycle ending.
- The average time to resolve complaints was 3 days, compared to 2.2 days in 2016.

In case of delays, we inform the customer for the reasons of delay and the expected time to resolve his/her complaint.

Customer Service

	2015	2016	2017
Customer requests received			
IVR (number)	NR	NR	1,916,782
Facebook (number)	NR	NR	31,547
Chatbot (number)	NR	NR	4,859
My T application (number)	NR	NR	4,646
Website (number)	NR	NR	1,586
Call center agents (number)	NR	NR	798,257
Complaints received			
By e-mail			
Complaints (number)	3,353	3,925	2,311
Complaints resolved within 5 days (number)	2,836	3,812	2,034
Average days to resolve (days)	3.8	1.2	3
In written			
Complaints (number)	1,285	1,428	778
Complaints resolved within 5 days (number)	956	1,165	685
Average days to resolve (days)	3.1	2.6	3
Through Siebel and Protocol			
Complaints (number)	3,814	318	583
Complaints resolved within 5 days (number)	3,700	302	513
Average days to resolve (days)	1.3	2.5	3
Complaints category			
Product and services (number)	NR	1,818	666
Cost of products and services* (number)	NR	1,778	1,732
Policies and procedures** (number)	NR	2,001	1,235
Product and service reliability*** (number)	NR	74	39

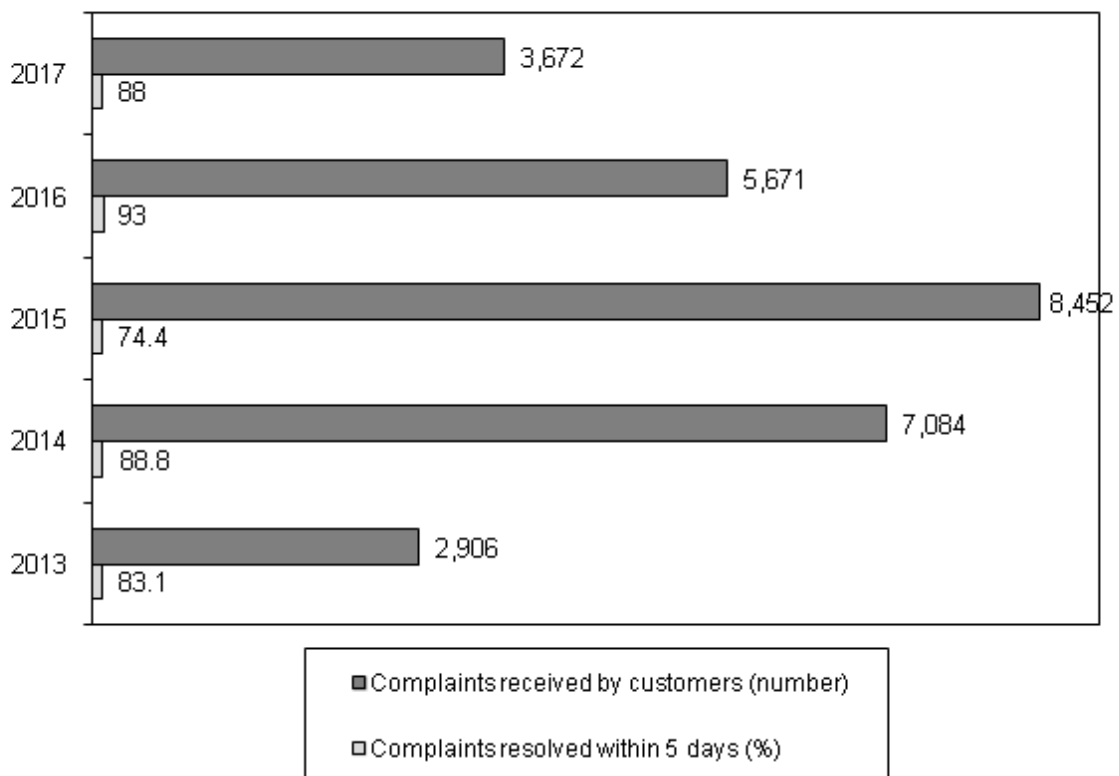
*Includes billing and charging complaints, i.e. tariffs charging (voice, messages, national and international) and roaming charging.

**Includes contract claims, bad debt notification and payment clarification.

***Includes technical issues, such as network coverage (GSM, 3G and 4G), as well as internet service speed and status.

NR: Not Reported

Complaints Management



**The number of received complaints decreased
by 35.2%**

**We resolved 88% of complaints received within
5 days**

4. Data and Internet Security

A. Protecting personal data

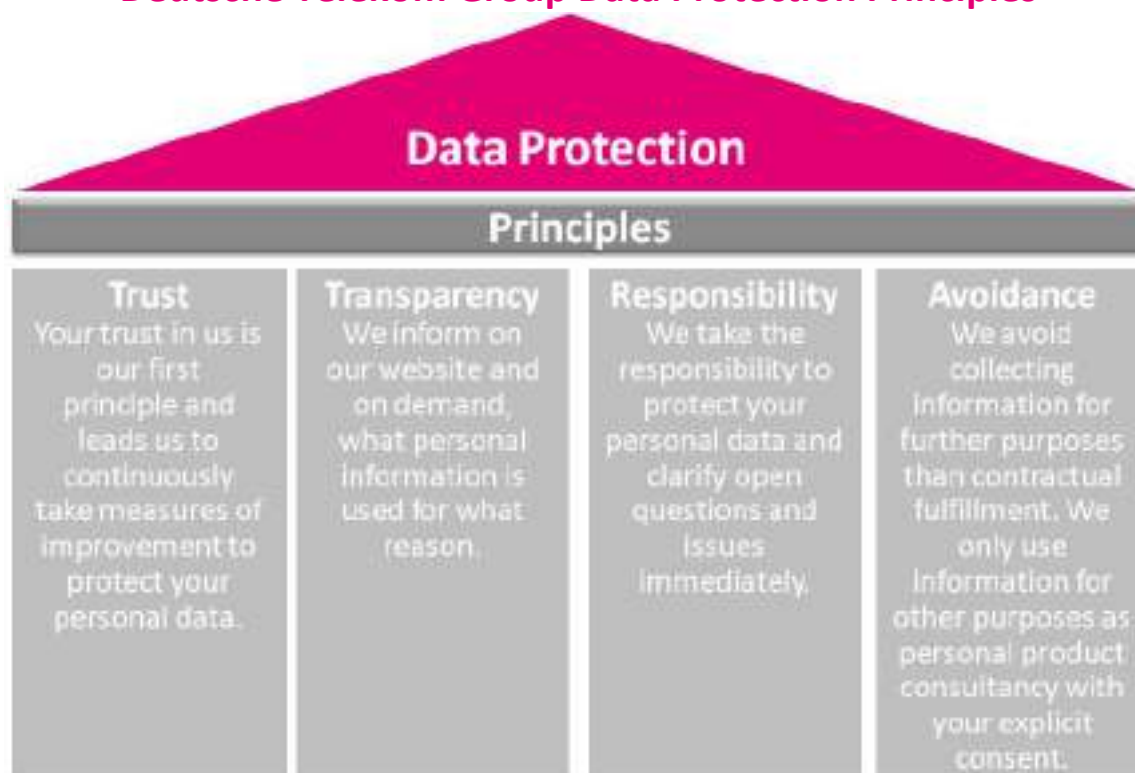
Security of personal data and communication content is not only an important commercial issue, but also a legal and ethical obligation. Therefore, we:

- Have adopted the same definition for data privacy and collaborate with other DT Group companies to guarantee a high level of data security.
- Comply with the DT Group Data Protection Principles and national legal requirements concerning personal data security, including handling of requests by the competent judicial, prosecutorial and police authorities to lift customer confidentiality and disclosure, with data traffic records for 4,306 telephone numbers and subscriber master data for 1,531 cases requested within 2017. This information is communicated to DT Group Security Governance and is included in the Group's International Transparency Report.
- Require personal consent to collect, process and use any personal data only for their designated purpose.
- Have established the Information Security Steering Committee, which is responsible to provide management direction and guidance for the company's information security efforts, in order to

ensure that they are appropriately prioritized, funded and supported by the involved organizational units, as well as address realistic business needs. The Committee consists of:

- The Chief Executive Officer, as the Committee's Chairman.
 - The Chief Financial Officer.
 - The Chief Commercial Consumer Officer.
 - The IT & Technical Director.
 - The HR & Administrative Director.
 - The Information Security Senior Specialist.
- Have adopted and introduced the DT Group Binding Corporate Rules Privacy Policy and have developed the General Security Policy, which is part of the DT Group Security Policies Harmonisation Project, in order to have data security and privacy systems compliant with the requirements of ISO 27001 and ISO 27002.
 - Have introduced our Customer Privacy Code, which specifically describes:
 - The type of customer information collected.
 - The methods to collect customer information.
 - The use of customer information.
 - Disclosure of customer information.
 - Storage and protection of customer information.
 - The methods for customers to update their information and select how to be contacted.
 - Communication of policy changes and updates, as well as contact information for questions or comments about our privacy practices.
 - Have reviewed and modified (where necessary) all internal policies on information security, according to the information security regulation introduced by AKEP in 2015.
 - Utilize suitable and appropriate organizational and technical means and infrastructures.
 - Have developed the Information Security Annex with the set of rules and technical requirements that vendors or third parties should accept and implement on the new technical implementations, in order to ensure that they accept, implement and correctly follow our security requirements.
 - Implement Privacy and Security Assessments for every new technical implementation within our technical infrastructure on all the security requirements that should be implemented.
 - Perform semi-annual Security Audits of our Data Security Management System, with no cases of non-compliance identified during these audits in 2017.
 - Handle and perform various audits related to information security, such as the IT Network Security Outer Border Audit, a DT Group-wide audit to assess the level of IT network security, as well as the Users Access Reconciliation Audit, in order to ensure that systems' user access process is correctly managed.
 - Have included a dedicated Privacy Awareness section in our Induction Program and inform our employees on information security and data privacy, through Information Security Awareness Sessions we organize every year. Within 2017, we organized 10 respective sessions in all our departments.
 - Have introduced and implement technical solutions for system and network devices security and security vulnerabilities scanning (such as secure web file transfer solution, data leakage protection for virtual desktop workstations, hard drive encryption for corporate laptops and data classification portal), as well as protect the users' e-mail from spam mails and other Internet malwares that are delivered via e-mail.

Deutsche Telekom Group Data Protection Principles



Policy... Protection of Personal Rights on Handling Personal Data

The Binding Corporate Rules Privacy Policy has been adopted on a legally binding basis from all Group companies (including Telekom Albania) regarding processing of personal data by all DT Group companies. Every other organizational policy and procedure is developed to comply with this Policy, which applies to all types of personal data, regardless of where they are collected.

The Policy ensures data privacy throughout the DT Group, as it describes the measures taken to manage and share personal data, respected individuals' rights and manage liability Group-wide, through its provisions in the following issues:

- Transparency of Data Processing: Duty to Inform, Content and Form of Information, Availability of Information.
- Conditions of Admissibility for the Use of Personal Data: Admissibility of Personal Data Use, Consent by the Data Subject, Automated Individual Decisions, Use of Personal Data for Direct Marketing Purposes, Special Categories of Personal Data, Data Minimization, Data Avoidance, Anonymization and Aliasing, Prohibition of Tying-in.
- Transfer of Personal Data: Nature and Purpose of Transfer of Personal Data, Transmission of Data, Commissioned Data Processing.
- Data Quality and Data Security: Data Quality, Technical and Organizational Measures for Data Quality.
- Rights of Data Subjects: Right to Information, Right of Protest, Right to Have Data Erased or Blocked and Right to Correction, Right to Clarification, Comments and Remediation, Right to Question and Complain, Exercising of Rights of Data Subjects, Hard copy of the Binding Corporate Rules Privacy.
- Data Privacy Organization: Responsibility for Data Processing, Data Privacy Officer, Group Data Privacy Officer, Duty to Inform in Case of Infringements, Review of the Level of Data Privacy, Employee Commitment and Training, Cooperation with Supervisory Authorities, Responsible Contacts for Queries.



T Group Good Practice... Online Data Protection Survey

DT Group implements the annual employee Online Awareness Survey to identify security vulnerabilities and provide feedback on the awareness measures' effectiveness in three main categories:

- Use of tools when working with personal data.
- Data privacy training.
- Data privacy process.

The survey assesses the following topics:

- Security Awareness.
- Security Competence.
- Security Behaviour.
- Security Competence.

Based on the 2017 Information Security survey with the participation of all DT Group Business Units, Telekom Albania was ranked on the:

- 1st place in the Participation Ranking Index.
- 1st place in the Security Awareness Index.
- 3rd place in the Information Protection Index.

In 2017, there were:

- 15 incidents regarding Internet mail spams reported to Information Security Office by Telekom Albania employees.
- 557 actions blocked to prevent data leakage from our Data Leakage Prevention System.
- 20 cyber threats investigation cases related to discovered threads and bugs that can affect technical systems and services.
- No complaints or cases of non-compliance with regulations and voluntary codes regarding privacy issues or loss of personal data.
- No incidents or legal actions for non-compliance related to personal data protection.
- No relevant fines or other non-monetary sanctions imposed by respective authorities.

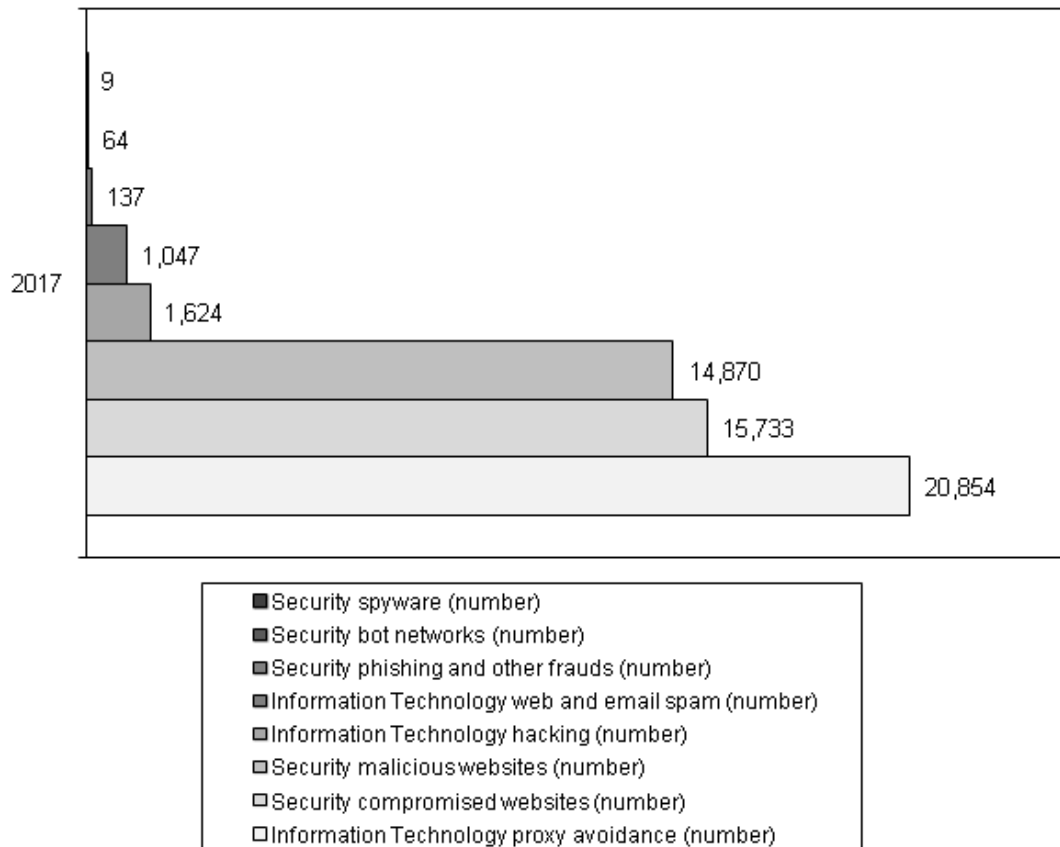
We had no incidents regarding customer privacy issues or loss of personal data

B. Upholding Internet security

As the issues of safe Internet use and information security are among our top priorities, we have included respective advices and practices on our website (<https://www.telekom.com.al/suport/faq/details/si-t-lundroni-t-sigurt-online/amcbusiness1026>) to inform our subscribers and the general public regarding:

- E-mail 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.
- Important questions about storing personal data.
- Mobile phones and security.

Blocked Internet Security Threats



We successfully blocked 54,338 Internet security threats and malicious URLs

C. Protecting minors

We believe that parents should be properly informed about mobile telephony features and functions, such as access to services, voice calls, SMS, sending and receiving photographs and videos, as well as Internet access, in order to promptly decide what services their children are permitted to have access to. For this purpose, we:

- Comply with the contractual obligations as defined by the national legislation regarding provision of services to minors.
- Have voluntarily signed and comply with the National Code of Conduct for “Safe and Responsible Use of Electronic Communication Networks”, which outlines the principles to protect children and the general public from the risks associated with Internet access.
- Participate in the CEO Coalition to Make Internet a Safer Place for Children and Young People, as a member of the DT Group, along with other companies which are committed to support safer navigation on the Internet, through:
 - Simple tools for users to report harmful content and contact.
 - Age-appropriate privacy settings.
 - Wider use of content classification.
 - Wider availability and use of parental controls.
 - Effective removal of child abuse material.

- Cooperate with the Ministry for Technology and Information and ALO 116 (National Line of Child Consultancy), a joint initiative of UNICEF Albania and the Children's Rights Center in Albania, which offers social advice and support to children and people all over Albania and reports related incidents to the responsible authorities.
- Have prepared printed materials for children, parents and teachers to highlight safety in the digital world and the risks associated with Internet.
- Conduct awareness campaigns regarding Internet dangers, without however conducting a relevant campaign within 2017.
- Have published a set of Guidelines related to Information Security and Privacy on our website.
- Do not offer any adult, chatting or horoscope services.

As a result, within 2017 there were:

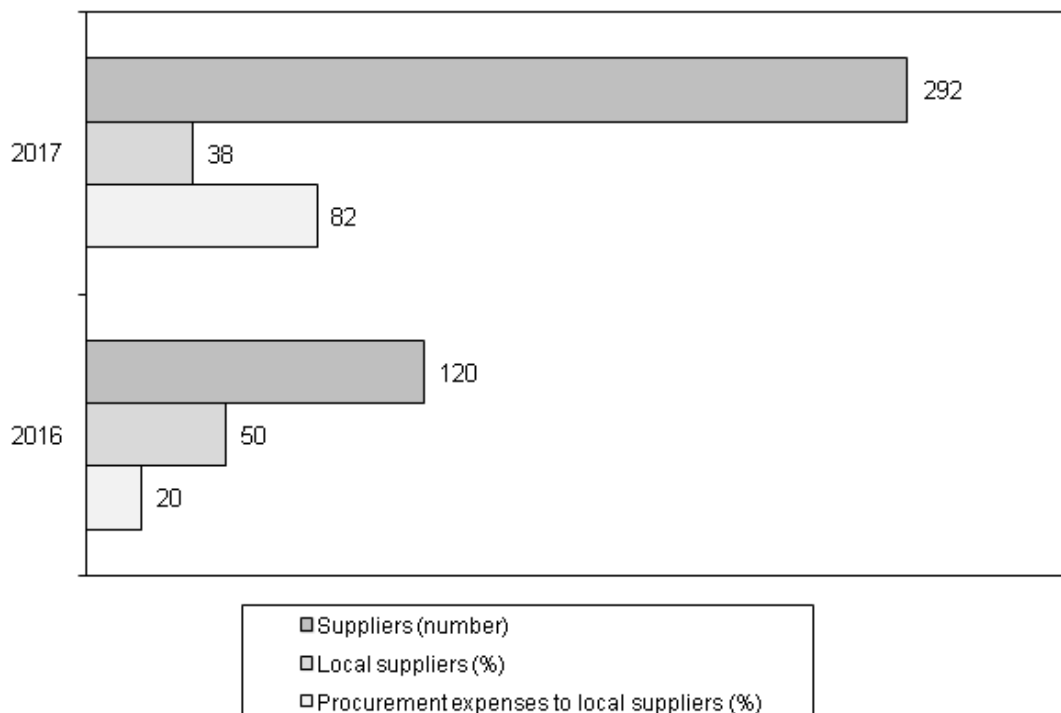
- No cases of non-compliance with laws and regulations regarding product and service use or their health and safety impacts.
- No recalls of products and services regarding health and safety impacts.
- No incidents or legal actions for non-compliance related to product and service use or their health and safety impacts.
- No relevant fines or other non-monetary sanctions imposed from respective authorities.

5. Responsible Procurement

A. Supporting suppliers

During 2017, Telekom Albania cooperated with 292 suppliers, out of whom 38% are local suppliers. Despite the globalization of procurement, the company strives to involve local suppliers in its supply chain for products and services. It must be noted that the company's activities and operations over the years have encouraged international partners to establish their own presence in Albania. In 2017, the percentage of procurement expenses allocated to local suppliers reached 82%.

Suppliers and Procurement



We increased the percentage of procurement expenses allocated to local suppliers to 82%

B. Influencing our supply chain

Since our size can significantly influence our suppliers' responsible operations, we adhere to socially and environmentally friendlier procurement practices as part of the DT Group and utilize internal and external performance indicators and management tools to systematically manage our procurement process. Furthermore, we:

- Have adopted the DT Group Social Charter, which includes internationally recognized employee and human rights, as well as ethical, social and environmental corporate governance standards. The Social Charter complies with the fundamental principles and standards of the International Labour Organization (ILO), the Universal Declaration of Human Rights and the UN Global Compact, as well as the Organization for Economic Co-operation and Development (OECD).
- Have adopted a set of core values and business principles to evaluate our suppliers regarding Corporate Responsibility issues in the areas of labour, Health and Safety, environment and ethics, which are included in our Supplier Code of Conduct.
- Require from all suppliers who submit their proposals to explicitly declare that they agree to adhere to the Supplier Code of Conduct, which is published on the corporate website at <https://www.telekom.com.al/company/compliance/>. The Code was also sent via e-mail to 62 local suppliers included in the annual Supplier Evaluation process for 2017, who were requested to sign the "Acceptance Form with the Supplier Code of Conduct" and state their acknowledgement and acceptance of requirements included. At the moment, suppliers who do not provide their feedback regarding the Supplier Code of Conduct receive only lower overall evaluation score, without suppliers being rejected in case the overall performance of provided products or services is considered satisfactory.
- Have adopted Integrity Checks to consider prior to initiate collaboration with new suppliers, which are performed according to our anti-corruption practices and company policies and procedures.
- Include Corporate Responsibility and anti-corruption clauses to the tender requirements by our Departments, which are binding for all company suppliers and are included in the contracts with all suppliers and other parties.
- Expect from our suppliers to take all necessary actions in order for their sub-contractors to comply with the Supplier Code of Conduct's obligations.

Corporate Responsibility Issues Included in the Supplier Code of Conduct

Categories	Issues
Labour	Freely Chosen Employment
	Child Labour Avoidance
	Working Hours
	Terms & Payment
	Humane Treatment
	Non-Discrimination
	Freedom of Association
Health and Safety	Occupational Safety
	Facilities
	Physically Demanding Work
	Health & Safety Policy
Environment	Pollution Prevention and Resource Reduction
	Hazardous Substances, Wastewater and Solid

	Waste Emissions
	Environmental Policy
Ethics	Corruption, Extortion, or Embezzlement
	Disclosure of Information
	No Improper Advantage
	Protection of Intellectual Property

V Good Practice... Respecting our Suppliers' Rights

Within our Code of Conduct, which has been communicated to all of our employees, we have included principles which underline the way we interact with our suppliers. Within this frame, our company:

- Maintains relationships with our suppliers based on trust and fairness.
- Behaves towards partners and suppliers with respect and transparency.
- Favors collaborating with environmentally friendlier and socially responsible suppliers.
- Generally separates any related purchasing and sales activities.



T Group Good Practice... Strengthening Corporate Responsibility in the Supply Chain

As the supply chain poses a key aspect for its reputation and future business success, the Group:

- Has appointed the Heads of the Corporate Responsibility and Procurement units responsible to implement sustainable procurement practices (including the implementation of the Global Compact principles for human rights and labour standards), who report to the Chief Human Resources Officer and Chief Financial Officer respectively and escalate decisions in severe cases to the Group's Board of Management.
- Has created the Sustainable Procurement Working Group to support international procurement units and meet responsible procurement requirements.
- Has developed the Coltan Statement and the Statement on Extractives, which state its requirements from manufacturing suppliers to use ores and similar materials sourced from conflict zones, which are an integral part of its contracts with manufacturing suppliers.
- Has established limits for devices regarding use of hazardous substances, such as antimony, beryllium and arsenic, and requires detailed findings from suppliers to prove that these limits are being met.
- Is open to receive reports from employees along its supply chain regarding any human rights issues, concerns or complaints they may have, through a dedicated e-mail address or an anonymous whistle-blower mechanism.

As a result of the above practices, the Group managed to be one of the 29 companies qualified for the Supplier Engagement Leader Board of CDP's supplier engagement rating, out of the over 3,000 companies participated in the rating, which assesses the integration level of climate protection into their supply chains.

Approximately 81% of Deutsche Telekom Group procurement volume has been reviewed according to sustainability criteria

C. Monitoring suppliers

Since 2010, the annual Supplier Evaluation Process is conducted at OTE Group level for all OTE Group companies (including Telekom Albania) and is coordinated by the Group's Process Improvement and International Process Management Coordination Department. The process's objectives are to evaluate the suppliers' performance based on the quality and efficiency of their products or services, as well as evaluate their commitment towards environmental protection, employee health and safety and Corporate Responsibility.

In 2017, the following types of suppliers were evaluated throughout the process:

- Global suppliers with a total spending of over €2 million at Group level (except suppliers of roaming and interconnection services, donations and sponsorships).
- Global suppliers of important commodities (i.e. products/services with a potential significant impact on products and services offered to customers) with a total spending between €500,000 and €2 million at Group level.
- Local suppliers with a total spending between €20,000 and €390,000.

The 2017 Supplier Performance Evaluation process was conducted to 25 global suppliers and 62 local suppliers, compared to 35 and 58 suppliers respectively in 2016, during which the responsible Business Owners conduct an Internal Evaluation and suppliers are required to complete and return a self-assessment questionnaire. Furthermore, during the self-assessment questionnaire's completion, suppliers were prompted to complete and sign the company's Code of Conduct, in order to assure that they also comply with legislation and the Group's core business values and principles.

The five criteria categories used for their evaluation and their corresponding weighting factors are:

Supplier Evaluation Criteria Categories

	Weighting factor
Company Assessment (Financial Health, Past Performance / Citations, Compliance to Contract Terms, Conflict of Interest, Legal Proceedings)	15%
Product / Service Overview	25% Product 30% Service or Both
Delivery Performance	20% Service or Both 25% Product
Supplier Relationship (Integrity Intention to Cooperate, Shared Risk & responsibility, Price Negotiation, Invoice Management, Payment Behaviour)	25%
Corporate Responsibility (Corporate Responsibility / Sustainability, Ethics, Environment, Health & Safety, Quality)	10%

OTE Group incorporated the evaluation results in the Group's results (which were discussed by the Group's Senior Management for any required remedial actions and measures) and communicated them to all Group companies. Throughout the Supplier Performance Evaluation process, our Management Team receives a quantitative assessment of each supplier's performance, which is taken as reference for any future relationship with that supplier, while a more detailed analysis is performed for conditional suppliers, in order to design relevant action plans. The Supplier Evaluation Process's results were the following:

Supplier Evaluation Results for Telekom Albania

	2016	2017
Suppliers to be excluded – suppliers should be excluded from the Group Suppliers' list (%)	0	0
Suppliers under supervision – suppliers should be under supervision and chosen only in special cases, following approval from the responsible Director and CEO (%)	0	2.6
Conditional suppliers – suppliers do not fulfill a considerable number of Telekom Albania's requirements (%)	9.7	9.2
Approved suppliers – suppliers satisfactorily fulfill Telekom Albania's requirements, weak points are noticed (%)	87	85.5
Reliable suppliers – suppliers fulfill Telekom Albania's standards and could also become a Partner (%)	3.2	2.6

It must be noted that:

- In case a supplier with an active on-going contract is rated as “conditional”, we conduct meetings with the supplier, in order to discuss and implement relevant actions to resolve any identified issues as quickly as possible. No conditional suppliers for issues related to ethics were identified within 2017.
- There were no new potential suppliers with whom we did not initiate collaboration during 2017 for issues related to product/service quality and Corporate Responsibility, such as ethics, environmental protection and labour practices.
- We conducted an awareness Health & Safety program to 7 suppliers and over 40 employees, who are engaged in daily operations with Telekom Albania, such as providers of implementation and support activities for network operations, archiving and logistics, physical safety and security of premises and shops, sanitary and catering services. The program also included a briefing about our responsibility and commitment towards environmental protection, health and safety, labour issues, ethics and data protection.
- So far, we have not identified any suppliers with significant actual or potential negative environmental, labour practices and human rights impacts or impacts on society, while no relevant incidents have been reported to date.

D. Ensuring product safety

The provision of safe products is a particularly important issue for Telekom Albania and the company applies a wide range of practices to ensure that they are manufactured according to international standards and conventions. For example:

- Equipment sold in Telekom Albania sales network:
 - Carries the statutory CE labeling, which is mandatory in the European Union.
 - Complies with the applicable European regulations, i.e. the Radio Equipment Directive (RED), the Restriction of Hazardous Substances (RoHS) Directive and the EU packaging and packaging waste legislation.
 - Complies with the national legislation regarding WEEE and waste packaging materials.
- All equipment and products sold include detailed installation instructions in their packaging and we have included technical specifications and instructions for the equipment's safe use and installation in our website.
- Telekom Albania inquires suppliers about data regarding SAR levels of mobile devices, data which are made available to our customers.
- Mobile phones sold comply with the internationally acceptable SAR levels (Specific Absorption Rate).
- Mobile phones' SAR levels are included in the product manual or user guide for each device.

6. Achievements 2017 and Targets 2018

We said	Progress	We will	By
		Have at least 80% of procurement volume reviewed according to sustainability criteria (Group-wide target).	2020
Handle 95% of complaints related to customer service in less than 5 days.	75%	Handle 95% of complaints related to customer service in less than 5 days.	2018
Deploy IP Multimedia Subsystem (IMS) core technology to support VoLTE (Voice over Long-Term Evolution).	100%	Launch VoLTE (Voice over Long-Term Evolution).	2018
Launch an information leaflet about the risks associated with Internet access and the required actions to protect children.	100%	Distribute print materials on safe Internet throughout our own shops.	2018
Develop information material on safer Internet and secure online experience.	100%	Organize and implement awareness campaigns in schools regarding safe Internet and risks of the digital world.	2018
		Launch our new Supplier Code of Conduct.	2018

IV. OUR SOCIETY

Support society beyond financial aid

Introduction and Summary

Our Size:

€68.1 million turnover

€107.5 million economic value distributed

€76,012 social contribution

31,899 people supported through our social contribution activities

20 organizations supported through social contribution activities

Our Objective:

To combine our business success, with prosperity and quality of life, for citizens in local communities we conduct our business in.

Our Achievements:

- We contributed approximately €9.3 million to the Albanian State for taxes, insurance contributions and regulatory fees.
- We distributed over €107 million in economic value: €6.6 million to employees, €6.6 million for taxes, €85.5 million to suppliers, €0.1 million to society and €8.7 million for investments.
- We quadrupled the number of people supported through our social support activities.
- The total time allocated to social contribution activities reached 281 working hours.
- We provided internships to 108 students in the last three years.

1. Economic Value Generated

A. Supporting Albanian economy

Telekom Albania contributes to the development of the Albanian economy through investments in telecommunication infrastructures, creation of job positions and introduction of products and services. The company achieves positive financial results, which are indicatively presented below for the period 2013-2017, while Telekom Albania managed to maintain its position during 2017 in the country's highly fragmented and competitive market.

Financial Results

	2013	2014	2015	2016	2017*
Total revenues (million €)	86.2	81.5	82.6	77.2	68.1
Earnings before interest, taxes, depreciation and amortization (EBITDA) (million €)	33.7	29.8	20.6	16.1	8.7
Capital expenditures (including spectrum payments) (million €)	NR	NR	NR	16.2	15.7
Net profits (million €)	NR	NR	NR	0.03	(4.9)
Corporate taxes (million €)	NR	NR	NR	1	4.1
Total taxes (including VAT) (million €)	8.7	NR	NR	2.1	6.6
Payments to suppliers (million €)	NR	NR	NR	79.2	85.5
Cost of employees (including salaries, benefits and insurance payments) (million €)	NR	NR	NR	6.7	6.6
Investments (million €)	10.5	NR	NR	12.6	8.7

*Adjusted values for 2017, excluding Special Factors.

NR: Not Reported

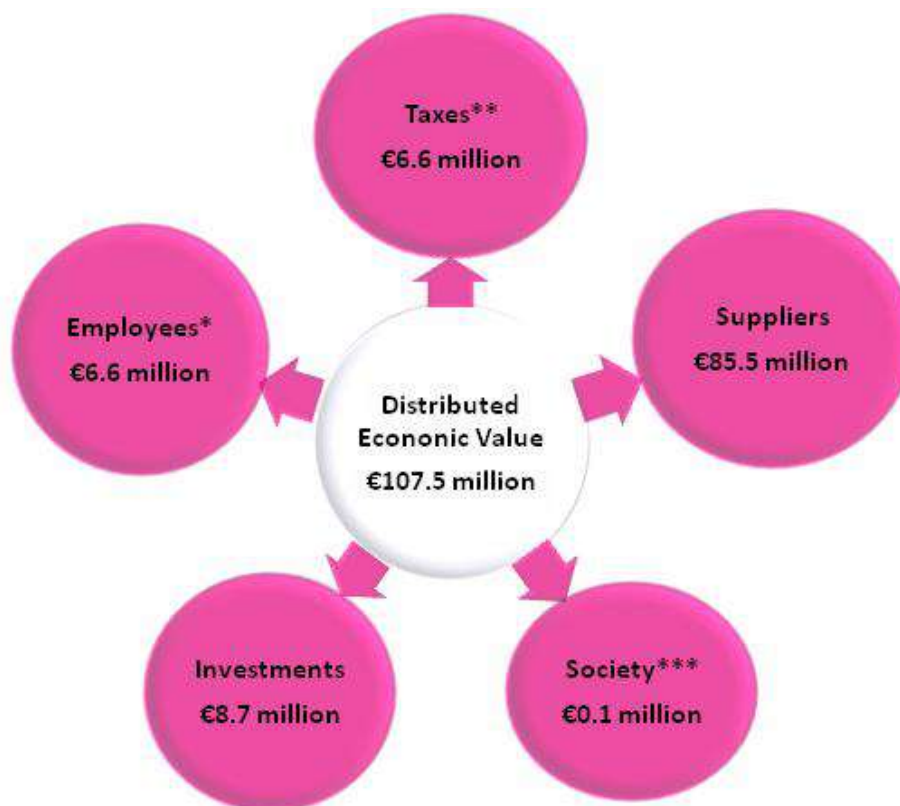
Contribution to the Albanian State

	2017
Direct taxes (excl. payroll tax on employee salaries) (thousand €)	856.1
VAT (thousand €)	2,279.2
Income tax paid (thousand €)	3,330
Indirect taxes (excl. mobile and pay-TV fee) (thousand €)	148.3
Property taxes (for the company's properties) (thousand €)	25.5
Fees to telecommunications regulatory authorities (thousand €)	1,642.1
Insurance contributions (thousand €)	1,004.8
TOTAL TAXES, INSURANCE CONTRIBUTIONS AND REGULATORY FEES (thousand €)	9,286

We contributed approximately €9.3 million to the Albanian State for taxes, insurance contributions and regulatory fees

Our business operations ensure we generate and return significant economic value back to our Stakeholders, mostly through purchases (towards our suppliers), salaries, benefits and insurance payments (towards our employees), taxes (towards the State), social contribution (towards society) and investments.

Economic Value Distribution



*The amount refers to gross salaries, benefits and insurance payments.

**The amount refers to total taxes, including VAT.

***The amount refers to value of sponsorships and donations.

We distributed over €107 million in economic value: €6.6 million to employees, €6.6 million for taxes, €85.5 million to suppliers, €0.1 million to society and €8.7 million for investments

2. Digital Divide and Smart Cities

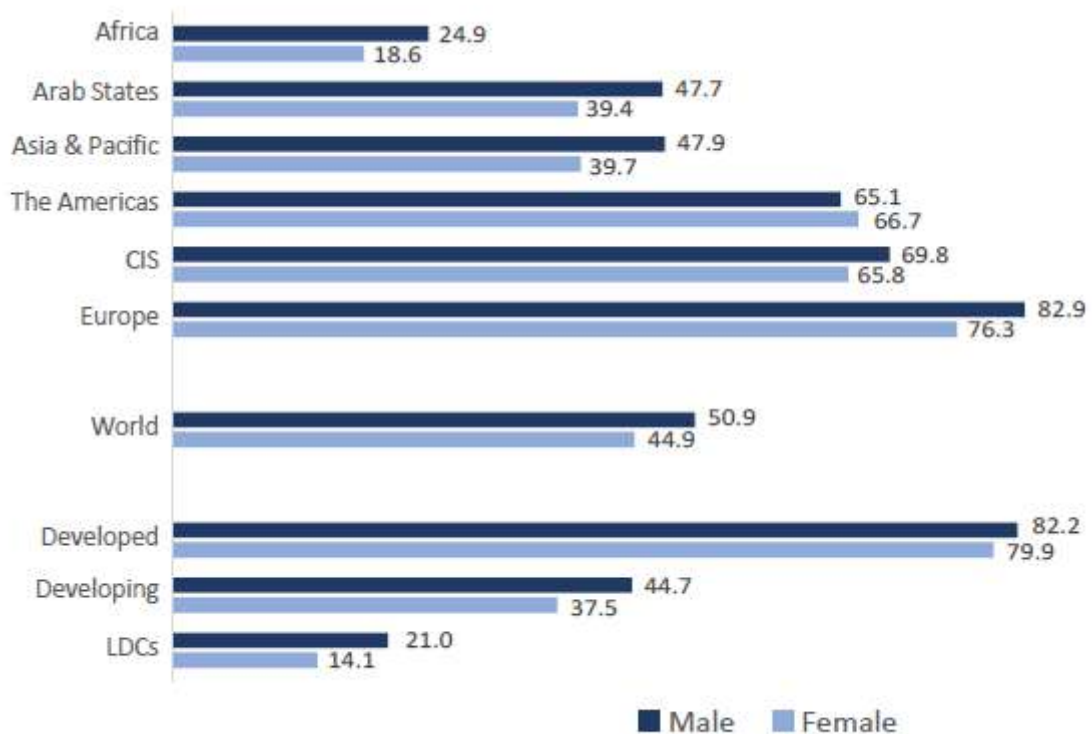
A. Understanding the digital divide

Despite the large proliferation of information and technology services, approximately 52% of global population does not use the Internet. European countries feature the smaller percentage of non-Internet users, followed by the CIS countries (the former Soviet Union countries) and the Americas, while the highest percentage is found in Africa. Currently, there are twice as many mobile-broadband subscriptions per 100 inhabitants in developed countries compared to developing countries and four times as many compared to LDCs (Least Developed Countries). Similar divide also exists in the fixed-broadband subscriptions, with 31 subscriptions per 100 inhabitants in developed countries, compared to 9 subscriptions per 100 inhabitants in developing countries and only one subscription per 100 inhabitants in LDCs.

Another highly representative indicator of the digital divide's extent is the fact that 84.2% of households in Europe have Internet access, while the respective figure for households in Africa is 18%, with a global average of 53.6% (84.4% in developed countries and 14.7% in LDCs). At the same time, Internet

penetration rates for men are higher compared to women in almost all regions of the world, with the exception of the Americas, where the percentage of female Internet users is slightly higher.

Internet Penetration Rates per Gender



Source: ITU's ICT Facts and Figures 2017 report, estimated figures for 2017

Despite the continuous efforts to bridge the digital divide, Albania faces corresponding challenges to provide modern ICT services to a wider population and the country ranks in the 89th place worldwide and the last place in Europe in the ICT Development Index (IDI) 2017, an index that monitors and compares developments in information and communication technology over time. The efforts to advance ICT development and growth are undermined by the fact that approximately only 38% of the total population over 15 years old had a bank account (data refer to 2014) and the country's overall unemployment and youth unemployment were 15.2% and approximately 38% respectively in 2016, based on World Bank's estimates. Therefore, the respective communications and Internet penetration rates are significantly lagging. According to ITU's ICT Indicators in 2016, there were:

- Approximately 8.5 fixed-telephone subscriptions per 100 inhabitants, while the respective average for European countries was 37.7.
- Approximately 115.2 mobile-telephone subscriptions per 100 inhabitants, while the respective average for European countries was 118.
- Approximately 7.2 fixed-broadband subscriptions per 100 inhabitants, while the respective average for European countries was 30.2.
- Approximately 57.6 active mobile-broadband subscriptions per 100 inhabitants, while the respective average for European countries was 82.1.
- 27.7% of households have a computer and 37% of households have Internet access at home, while the averages for European countries were 79.6% and 82.5% respectively.
- 66.4% of individuals use the Internet (compared to 63.2% in 2015), while the respective average for European countries was 77.9%.

B. Reducing the digital divide

Our approach related to reduce digital divide is to ensure proper geographical and demographic coverage, as well widen access and create opportunities for individuals and communities to utilize digital services, even in the country's remote areas. Telekom Albania strives to connect people all over the country and contribute to overcome the socio-cultural barriers that restrict the opportunity to participate in the information society and enjoy its benefits.

Currently, Telekom Albania has over 1.9 million subscribers, who expect to remain connected at all times, and offers 88% territory coverage and 96.5% population coverage in its 3G network, compared to 87.8% and 96.4% respectively in 2016, as well as 84.5% and 52.2% population coverage in its 4G and 4G+ networks respectively.

C. Shaping the transformation of cities



T Group Good Practice... Innovative Solutions for Smart Cities

The intense urbanization and the population increase in cities mean that they can become the field for innovative solutions to help reshape them into smart urban areas. Deutsche Telekom Group aims to become the leading provider of smart city solutions in Europe and is actively involved in various smart city projects. The Group has already equipped 18 European cities in 10 countries (such as Bonn and Hamburg in Germany, Dubrovnik in Croatia, Bucharest in Romania and Skopje in FYROM) with digital solutions, which include smart parking solutions, smart electric vehicle charging, traffic and passenger management systems, smart waste management, smart lighting, smart metering and smart public safety solutions. Furthermore, THE Group has developed the web application "Mayor's Dashboard", which allows city administrators to monitor, control and optimize their city infrastructure and applications conveniently from any device.

Within this context, Telekom Albania has launched the following projects:

- The SMS parking service in Tirana, which allows citizens to pay for parking lots in specific city areas via SMS. Users can send their license plates to a short code and receive an hourly ticket and renew it without going back to the parking lot and pay in cash, which reduces the need for print tickets and benefits citizens' daily lives. The service is synchronized with the Tirana Municipality and allows cross-checking and archive reports. Following the service's success in Tirana, Telekom Albania plans to extend the SMS parking to other cities.
- Electrical power supply for vehicles through a new EV charging system for everyone who owns an electric car. Telekom Albania has provided the EV charging station for public usage at the underground parking of Scanderbeg Square and people can charge their cars free-of-charge. Telekom Albania collaborated with the Municipality of Tirana and provided two electric vehicle chargers in the city centre.

3. Social Products and Services

A. Introducing products and services for vulnerable social groups

At Telekom Albania, we strive to introduce and expand services for vulnerable groups, in order to improve their quality of life. Indicative examples include:

Improved user interface: We have introduced improvements to user friendliness for various products and services, which ensure that people with age-related or physical limitations are able to effectively

use modern means of communication. At the same time, large keypad phones are available for sale in our shops, which are best suited for the elderly people.

MyKid Watch: This smartwatch is specially designed for children between 4 and 12 years old and is equipped with a SIM card, a GPS receiver and an accelerometer, which allow parents to:

- Control and limit the individuals that can call the child.
- Control the calls and SMS received or originated by the child.
- Locate their child and access a detailed record of the child's location in the past month.
- Monitor various activities, such as sleep and exercise activities.
- Be notified in case of emergency situations and every time the child enters or leaves a designated safe area.

E-Di application: This cloud-based application (<https://edi.telekom.com.al/family-safety/#/>) allows parents to:

- Create closed groups of family members, such as children and parents.
- Use GPS to assign safe areas and receive notifications when children walk outside these designated areas.
- Locate children and elderly family members in real time.
- Send alarms, notifications and messages to group members.

B. Supporting services for the broader well-being

Our main objective is to utilize technology to serve people and offer communication services, which support wider needs of society.

Emergency Services: We allow free-of-charge calls in our network to emergency numbers, such as 127 (Ambulance), 128 (Fire Brigade) and 129 (Police).

Public Awareness: During 2017, we offered services to facilitate communication of citizens through short codes to provide support for various good causes, namely the line to:

- The Ministry of Interior related to support children of police officers killed in the line of duty (50100).
- The Ministry of Health related to support families affected by the floods of December 2017 in several areas of the country (55355), as well as the similar joint fund-raising campaign in cooperation with Municipality of Tirana and "Dritan Hoxha" Foundation (55099), whose proceedings were offered to the affected people and their families.

4. Social Contribution

A. Supporting society

Your Opinion... Importance of Society Support

According to a survey conducted to 952 citizens in July-September 2017, **75%** of participants believe it is important for Telekom Albania to actively support community initiatives.

Your Opinion... Societal Support Awareness

According to a survey conducted to 952 citizens in July-September 2017, **64%** of participants have heard, saw or noticed a Telekom Albania's societal support activities (e.g. sport, festivals, cultural/social events) through various means, excluding television programs.

🔍 Your Opinion... Commitment to Society

According to a survey conducted to 952 citizens in July-September 2017, **70%** of participants believe Telekom Albania is committed to support initiatives and organizations, in order to facilitate society development.

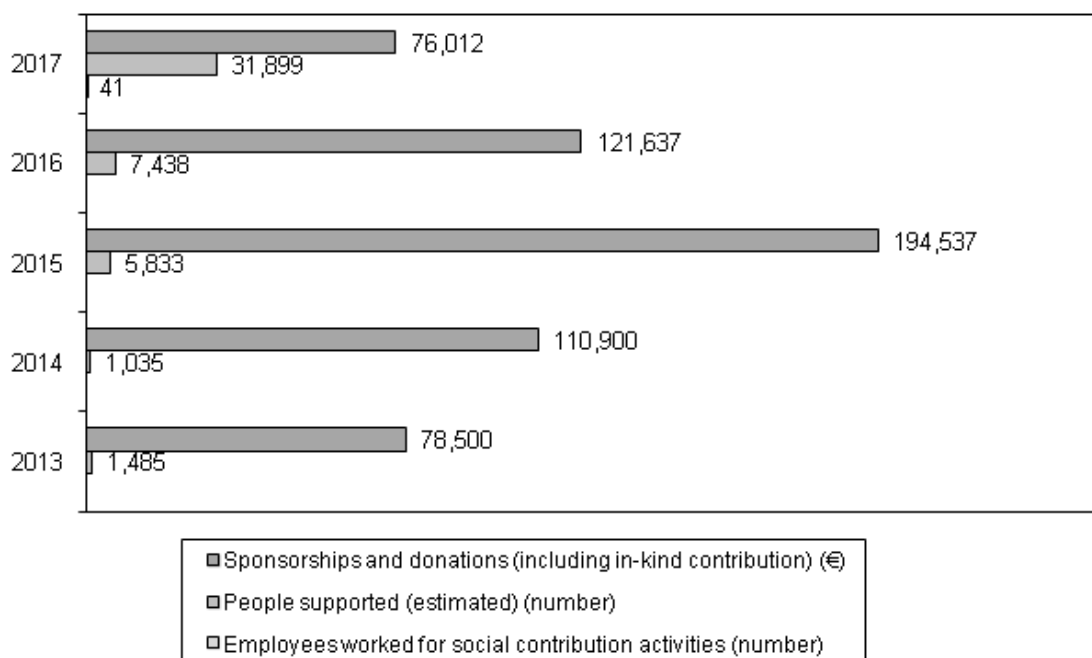
🔍 Your Opinion... Societal Support Activities

According to a survey conducted to 952 citizens in July-September 2017, **31%** of participants believe Telekom Albania is the most active company in Albania regarding societal support activities.

We focus on the following areas to support society, in order to help people in need and improve their quality of life:

- Children welfare and development.
- Vulnerable social groups and people with special needs.
- Entrepreneurship and equal access to education and information.
- Culture.
- Disaster Relief.

Social Contribution



We quadrupled the number of people supported through our social support activities

The total time allocated to social contribution activities reached 281 working hours

Children welfare and development

Support to kindergartens and Day Care Centers: Telekom Albania cooperated with the Municipality of Kamza to partially reconstruct the internal premises in one of Kamza's main kindergartens, in order to provide better conditions for over 150 children. At the same time, the company equipped one of Saranda's main kindergartens with kitchen utensils and cooperated with the Municipality of Lezha to reconstruct the building in one of the city's main Day Care Center, which serves approximately 110 children annually.

Support to the American Hospital: Telekom Albania collaborated with the American Hospital in Tirana to support the "Foundation to help patients" and organized the charity concert "More sounds now, and forever" at Palace of Congresses, whose proceedings helped the hospital to provide cochlear implants to children born with hearing problems.

Vulnerable social groups and people with special needs

Donation of medical equipment: Telekom Albania provided the first CPAP and BiPAP machines to the Neurovascular Service at Tirana's Mother Teresa University Hospital, which is the largest medical center of its kind in Albania and offers specialized health care treatment to 1,400 patients annually. At the same time, we provided 7 additional BiPAP machines to the Shefqet Ndroqi Hospital, which specializes in respiratory and pulmonary diseases and treats over 13,500 patients annually.

Tackling social issues: Telekom Albania supported the project "Social Glow" of the "Act Now" organization, which aims to tackle social issues such as unemployment, poverty and involvement of vulnerable groups in the city of Tirana. Within the context of this project, the organization has established a coffee bar to employ persons with disabilities and financial problems, as well as divorced women from rural areas, which will serve as a social center to continuously organize workshops, reading nights and social events and also features a specially designed area where children with special needs and special talents can perform in front of the audience.

? Did You Know... Alzheimer's Disease and Dementia

According to Alzheimer's Research UK, over 130 million people will suffer from dementia by 2050, which has been recognized as one of the most important challenges in the health sector, since it disrupts the formation of new memories and affects older memories; thus, leaving people isolated and disorientated.

To support research against Alzheimer's disease and dementia, Deutsche Telekom has launched the multi-platform online game "Sea Hero Quest" since 2016, in collaboration with university researchers and the Alzheimer's Research Organizations, who requested the help of the gaming community. It is estimated that 100,000 gamers can generate the equivalent amount of data from 50 years of lab-based research just by playing for two minutes, which will significantly assist researchers in their work.

DT Group actively promotes the game across its platforms in all countries of operations, including Albania, and has introduced the "Sea Hero Quest" VR, the world's first consumer focused Virtual Reality (VR) game, where anyone can help scientists fight dementia. This initiative aims to utilize VR gameplay combined with the data collected from almost 3 million players to advance dementia research, as it allows scientists and researchers to cross validate the data collected through the Sea Hero Quest mobile game. The VR game allows for more immersive and intuitive diagnostic assessment of navigation

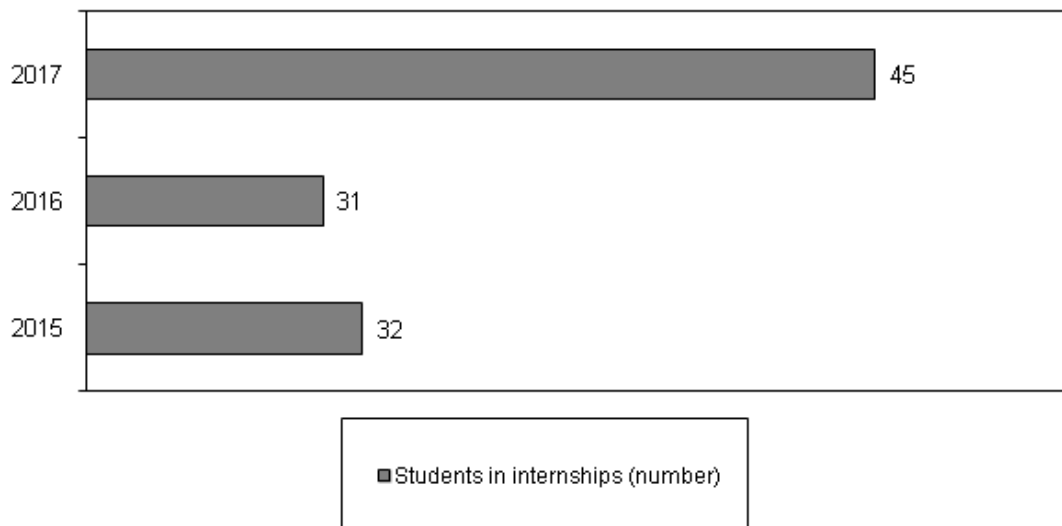
problems in people who may potentially develop dementia. Telekom Albania has introduced the game in the Albanian language, in a country where 50% of the Albanian population of at least 80 years old is affected by dementia.



Entrepreneurship and equal access to education and information

Internship programs: We offer internship programs to students, in order to give them the opportunity to gain work experience and develop valuable skills which help them perform better on their future jobs or on their studies. Within 2017, we provided internship programs to 45 students, who applied their knowledge in a real working environment and acquired professional experience to develop skills and competencies, in order to advance their personal and professional development.

Internship Programs



We provided internships to 108 students in the last three years

Green Ideas: Telekom Albania and the non-profit organization “Partners Albania, Center for Change and Conflict Management” organized the “Green Ideas” competition for the sixth time, which aims to identify, select and support innovative ideas to promote social and sustainable development. The competition is open to local communities, social enterprises and small businesses and an evaluation panel of experts in various fields, members of the general public, officials from international institutions and a company’s representative select the winning ideas. In 2017, the organization “Gjirokastra Conservation and Development Organization” was awarded with the winning Green Idea for its project to create awareness about the Gjirokastra region’s tradition, help sustain its economic, cultural and traditional development, as well as promote and support the regions’ artistic, culinary and touristic potential.

Albanian Communication Forum: We supported the first Albanian Communication Forum “Challenges of the Millennials”, which mainly focused to identify and demonstrate successful communication strategies between young people, professionals and corporations in Albania. Throughout the Forum, several business and media representatives stated their personal examples, in order to facilitate students, graduated students and very young professionals to expand their knowledge about effective communication as a mechanism of professional growth.

Internet for tech community: Telekom Albania provided internet connection for the entire year to Oficina, an entrepreneurship and innovation laboratory which aims to connect young developers and all people interested in technology. Oficina organizes several events that focus on start-ups, new business models and technology-related courses, implements mentoring and coaching programs and provides physical space to host activities.

IT infrastructure: Telekom Albania assisted the Polytechnic University of Tirana, which specializes in Information Technology and Engineering, to build a network of devices to circulate information between academic staff and students. Within the context of this program, 14 laptops and a server (previously donated) were combined into a complete network to improve academic quality.

V Good Practice... Organizing Visits

During 2017, Telekom Albania launched an initiative to strengthen its connection with young people and organized a visit from 28 employees’ children between 12 and 18 years old to its headquarters. Among others, children were informed about the:

- Company’s background.
- Telecommunication market.
- Rapid advancements of technology to people’s methods of interaction and communication.
- Monitoring of base stations and the operations behind a simple phone call.
- Smart Cities projects, where children shared their own ideas about reshaping cities into smart urban areas.

Following their visits to our offices and outdoor premises, children also visited our flagship store and answered a short quiz about the information presented to them earlier.

Culture

Weeks of German culture: Telekom Albania supported the festive activities “30 Years of Diplomatic Relations between Germany and Albania”, which included several cultural and artistic events about this anniversary during October 2017, such as exhibitions from well-known artists, live music performances, public literature readings, workshops and in-field visits, in order to strengthen relationships and cultural exchange between Albania and Germany. Furthermore, the German Chamber of Commerce and Industry in Albania organized the Oktoberfest and gathered several of its members (including key personalities and artists) and public institutions, in order to facilitate socializing and networking.

City of Readers: Telekom Albania collaborated with the Municipality of Tirana and the “Art, Kulture, Integrim” Center for the project “City of Readers”, which aims to transform Tirana into a city of reading, raise the youth’s reading desire and culture and promote the city’s cultural values. The project managed to revitalize and build a functional library network for all age groups, as well as transform the city’s libraries into a cultural and interactive environment with cultural and recreational events.

Supporting local communities: Telekom Albania supported the “Days of Northern Tradition” in Tirana, where four municipalities in the northern-east part of Albania (Diber, Klos, Mat and Bulqize) organized a fair in Tirana. During the fair, various companies from this relatively isolated and marginalized region exhibited their activities and promoted the region’s cultural heritage, touristic resources and various cultural traditions.

Disaster Relief

Communication support: Telekom Albania supported the people who were affected by the floods of December 2017 in several areas of the country. In particular, the company:

- Offered 100 minutes of free airtime to thousands of people in the affected areas, in order to remain in contact with their families and receive the necessary instructions by the Committee of Coordinating and Managing the National Emergencies.
- Offered home appliances and other everyday items to the affected people.

✓ Good Practice... One Life

Since 2016, Telekom Albania has launched the One Life free healthcare program, which allows its customers to benefit from a package of medical examination and personal consultation with doctors in selected private hospitals:

- Mobile customers who recharge their pre-paid account by €7.3 are rewarded with the Silver package, which includes free unlimited medical visits to a surgeon, pediatrician, orthopedist, gynecologist or pathologist.
- Mobile customers who recharge their pre-paid account by €7.3 for three consecutive months are rewarded with the Gold package, which includes an annual package of complete blood examinations, cholesterol, glycaemia and cardiac tests, as well as dental control and dental cleaning.

It must be noted that post-paid customers can simply register into One Life and become part of the program and all post-paid customers of another mobile operator can simply transfer and number and benefit from the program’s healthcare services. The program is also available to all employees from companies engaged in business contracts with Telekom Albania. By the end of 2017, there were approximately 321,113 users of the One Life packages.

B. Ensuring transparency of society support activities

Our approach for each project’s implementation utilizes the following four-stage process:

- Planning, where we identify the project’s:
 - Objectives.
 - Beneficiaries.
 - Duration.
 - Monitoring methods.
 - Budget.
- Selection, where we select the projects based on clearly predefined criteria.

- Management, where we usually conclude partnership agreements with either cash or in-kind contribution with various organizations.
- Control, where we utilize specific Key Performance Indicators to measure its success, based on the project's specific features.

It must be noted that:

- We take into account the needs of interested parties during consideration of new social support activities.
- The CEO and Senior Management oversee the objectives and strategy of the major social support activities and are systematically informed about the activities implemented.
- The Corporate Affairs Department is responsible to design and implement social contribution activities, with the CEO's direction and support.
- The CEO approves all sponsorships and donations after their review and approval by the company's Compliance Office regarding their compliance with the company's regulations.
- We collect data to measure the impact of social support activities.
- We collaborate closely with other DT Group companies, in order to share experiences and best practices across countries or engage in various Group-wide initiatives.

V Good Practice... Transparency of Donations and Sponsoring

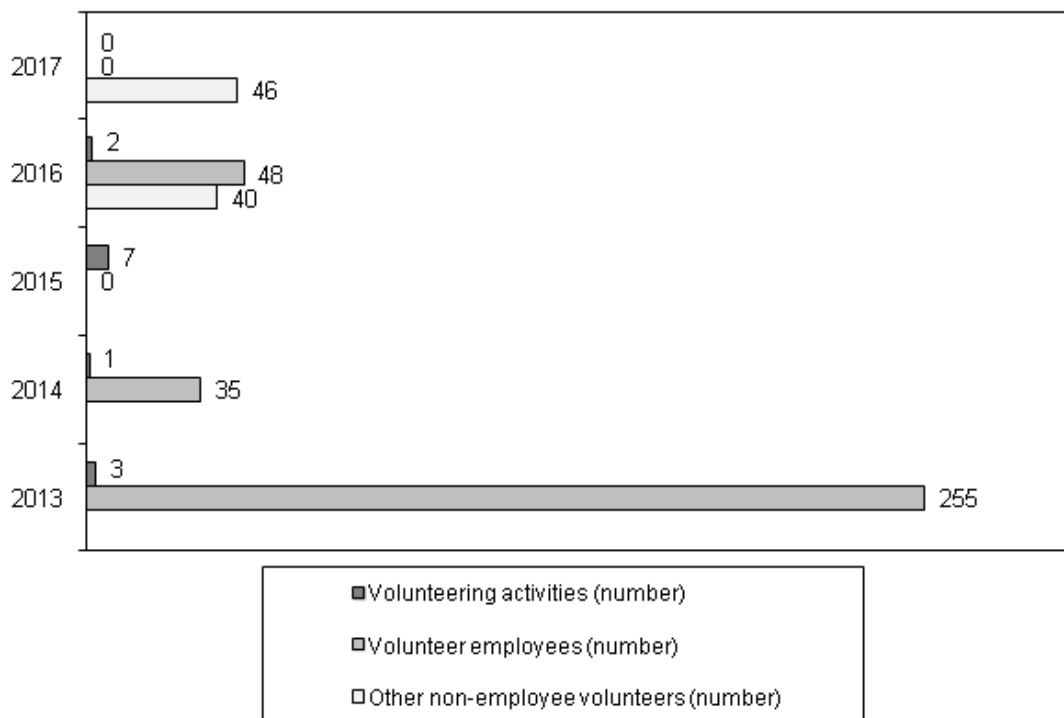
According to our Code of Conduct, we comply with the legal and financial frameworks regarding our support to education, science, culture, social causes, sports and the environment with financial and in-kind donations, as well as services. As a result, we:

- Do not proceed with any donations to obtain business advantages.
- Comply with the respective legal requirements and internal policies.
- Record the recipient's name and the donation's purpose for all donations.
- Do not perform any donations to individuals or private accounts, as well as to individuals or organizations that could potentially damage the OTE Group companies' interests or image.
- Require that sponsoring partners/organizers deliver appropriate and verifiable communications and marketing services.

C. Encouraging volunteerism

We cultivate volunteerism and strive to involve our employees, customers, suppliers and business partners in various initiatives and programs, in order to develop responsible and active citizens. During 2017, we implemented one blood donation program and gathered 36 blood units, to support needs of employees and their families, as well as needs of society in general.

Volunteerism



D. Caring for the impact of our operations

Local communities are directly related with our company and activities. Therefore, we aim to identify our operations' impacts on local communities and ensure that our operations respect the well-being of Albanian citizens. It must be noted that, within 2017:

- We have not identified any operations with significant actual or potential negative impacts on local communities.
- There were no complaints filed through formal grievance mechanisms regarding the impact of our operations on local communities.
- There were no cases of dispute with the local communities.
- There were no accidents with significant impact on the local communities.
- There were no fines or other non-monetary sanctions imposed by the respective authorities regarding the impact of our operations on local communities.

✓ Good Practice... Impact on Local Communities

Based on our extensive Risk Assessment, we evaluate potential risks from our operations to early detect the impact of potential incidents or accidents to local communities. As a result, we have established a range of preventive measures which include:

- Fire detection systems.
- Fire alarms to report and monitor incidents through the Network Monitoring Center in real time.
- Proper fuel accumulating infrastructure with concrete basins around fuel containers to prevent any potential fuel discharges into the premises and surrounding areas.
- Dedicated spill kit to properly respond in cases of oil or fuel spills.

5. Achievements 2017 and Targets 2018

We said	Progress	We will	By
Provide medical equipment to health institutions.	100%		
Organize a volunteering activity to support an institution dedicated to children, with the participation of 50 volunteer employees.	0%	Organize two volunteering activities.	2018

V. OUR EMPLOYEES

Create a safe, fair and engaging work environment

Introduction and Summary

Our Size:

385 employees

62.6% women

35 years old average age of employees

0 accidents

1,192 hours of training

Our Objective:

To create a work environment, which ensures long-term career opportunities and facilitates our employees' development.

Our Achievements:

- We employ 100% of our employees with full time employment contracts.
- We increased health and safety training hours by 3.7%.
- We had no accidents within our workplace.
- We maintained the percentage of women employees to over 62% of total workforce.
- We increased the percentage of women in Upper Level Manager position and Director position to 56% and 50% respectively.
- Our lowest employee salary is 88% higher than the legal basic salary.
- We assessed 100% of applicable employees.
- We trained at least once 40% of our employees.
- We achieved 28.1% higher employee satisfaction rate than the average rate of EU based DT Group companies.

1. Employment and Communication

A. Depending on our employees

Operating in a constantly changing business environment, it is imperative for us to be recognized as an attractive employer, who creates the appropriate opportunities for personal and professional development, establishes a healthy and safe work environment and respects the human rights and diversity of our employees.

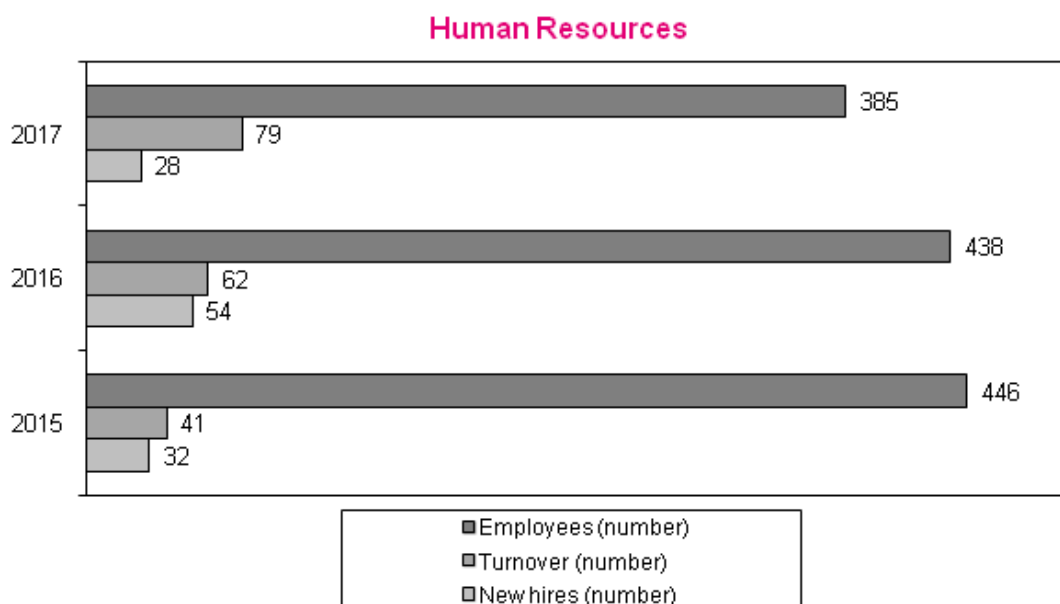
Therefore, we comply with Deutsche Telekom Group Human Resources strategies and policies, such as the Group Policy on Employee Relations, which addresses the following topics:

- Employee development.
- Handling change responsibly.
- Healthcare and sustainability.
- Fair pay.
- Achieving a good work-life balance.
- Leadership.
- Diversity.
- Ban on discrimination.
- Communication.
- Collaboration with employee representatives.

The Policy applies to all employees and leaders worldwide and aims to build a global cultural umbrella for the Group's diverse and international workforce. However, as in other countries, we have additionally crafted our employee relations in compliance with the country's specific laws, cultural practices and local legislation.

B. Maintaining job positions

At Telekom Albania, we directly occupy 385 employees, while due to our business activity we have leveraged the creation of additional indirect job positions in Albania, an aspect especially important due to the economic challenges.



Human Resources*

Hierarchy	Chief Executive Officer / Directors	Upper Level Managers	Middle Level Managers	Employees	Total	
Employees (number)	5	22	90	268	385	
Employment Type	Permanent	Temporary		Full time	Part time	
Employees (number)	385	0		385	0	
Gender	Female	Male				
Employees (number)	241	144				
Age	<30	30-50		>50		
Employees (number)	81	292		12		
Categories	Nationalities	Disabilities		Expats		
Number	3	1		5		
Education Level	Public School / High School	University Education		Postgraduate Education		
Employees (number)	2	330		52		
Employment Tenure	<5 years	5-10 years		>10 years		
Employees (%)	25.4	24.2		50.4		
Type of Work	Office	Retail		Fieldwork/Other		
Employees (number)	340	27		18		
New Hires	Female	Male		<30	30-50	>50
Employees (number)	22	6		14	14	0
Turnover	Female	Male		<30	30-50	>50
Employees (number)	53	26		17	62	0
Turnover	Resignations	Redundancies		Other		
Turnover reason (%)	49.4	50.6		0		

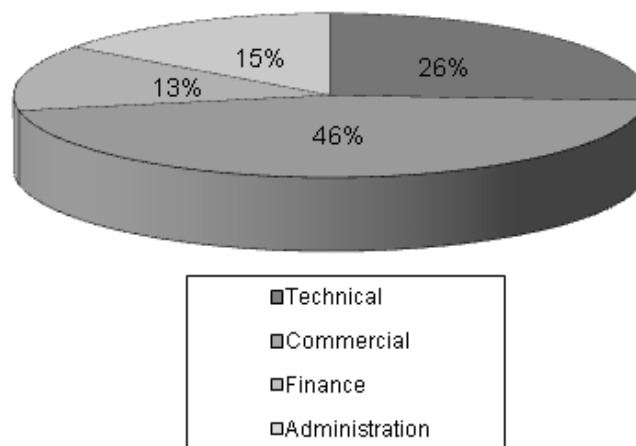
*Data refer to 31/12/2017.

It must be noted that:

- There are no variations in employment numbers due to seasonality.
- The average age is 35 years.
- The average employment tenure is 9 years.
- Approximately 30% of employees are in management positions within Telekom Albania (e.g. Chief Officers, Executive Directors, Heads of Divisions, Heads of Departments, Heads of Sections).
- The employee turnover rate was 18.9%, out of which 1% remained within Deutsche Telekom Group, while the employee turnover rate for male and female employees was 16.4% and 20.4% respectively.
- There were 2 employees who left before completing 12 months of employment.
- During 2017, Telekom Albania implemented a Voluntary Exit Program for its employees with financial incentives and personalized support throughout the process, group private insurance and preferential offers for the Group's products and services, which were offered to motivate employees to leave a company on their own accord. The program was utilized by 76 employees (approximately 96.2% of all employees who left Telekom Albania within 2017).

We employ 100% of our employees with full time employment contracts

Allocation of Employees per Function



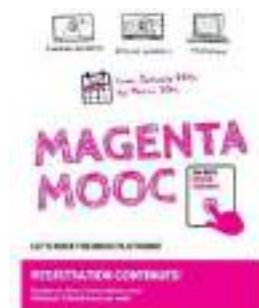
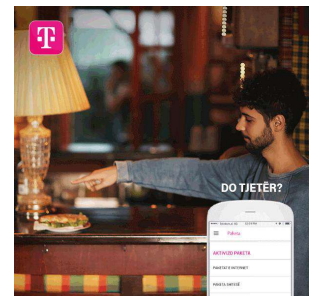
V Good Practice... Supporting Youth Employability

Responding to our commitment to support young people in their career planning and allow them to find a new job, we participated in 2 job fairs organized in Tirana by the Chamber of Commerce and Tirana Municipality, during which we interviewed over 400 candidates (mainly young people) and created a candidate pool for future vacancies, without any of them hired within 2017.

C. Communicating with employees

As we recognize the importance of effective internal communication, we utilize a wide range of means to maintain a transparent, continuous and interactive communication with our employees. Within 2017, we:

- Utilized various communication channels (e.g. articles on our corporate Intranet, e-mails to all employees, posts on DT Group's YAM internal social network) for various corporate and Corporate Responsibility issues, which included:
 - The Compliance Corporate Culture campaign (see section II-1A).
 - Introduction of our internal communication tools Jaber and webex.
 - An invitation to register and participate in DT Group's Magenta MOOC (massive open online course) "Tap into Design Thinking".
 - The new features of Message + and encourage employees to download the application.
 - Introduction of TelekomBot, a new Customer Service tool.
 - An augmented reality application launched with Gorillaz's concept.
 - A corporate bootcamp in September 2017.
 - Launch of Sea Hero Quest VR.
 - A Group-wide campaign to increase awareness on the Group's Guiding Principles.
 - Launch of My Telekom mobile application.
 - A message from OTE Group's CEO about corruption.
 - An awareness raising campaign about the importance of recycling.
- Organized two offsite Management Team meetings.
- Organized two Performance Dialogue Roundtables between Telekom Albania, OTE Group and DT Group.



- Sent personalized electronic briefings (e-mails), for corporate and other issues.
- Sent electronic newsletters for recent news.
- Organized a formal event to reward three employees who have been working with our company for over 20 years.

As a result of our practices, all employees have been informed at least once regarding Corporate Responsibility issues within 2017.



2. Health and Safety

A. Ensuring Health and Safety

Having as a priority to offer our employees a safe workplace, we strive to ensure suitable work conditions and follow health and safety rules, in order to protect our employees. For this reason:

- We exceed the requirements of the Albanian legislation and voluntarily adopt and comply with international recognized standards.
- Since 2012, the company's Health and Safety Management System is based on the OHSAS 18001:2007 standard for Occupational Health and Safety and we describe in detail all parties, tasks and measures involved within the system's context in a handbook and procedural instructions, which have been signed by the executive management.
- We have certified all our operations according to the requirements of OHSAS 18001:2007.
- Our Health and Safety Management System and the Health and Safety Policy comply with the respective Albanian national laws and regulations.
- We have adopted a common Quality, Health and Safety and Environmental Policy, which illustrates our commitment to implement country regulations and shape a preventive culture for Health and Safety at work.
- We have established the Health and Safety Committee at Work, which represents approximately 2.1% of employees, consists of 4 appointed Telekom Albania representatives and 4 elected employee representatives and is responsible to implement health and safety measures, in accordance with the Albanian legislation in force. The Committee meets quarterly with management representatives to discuss issues and processes related to improve health and safety at work.

- Our Health and Safety Team conducts monthly and quarterly Workplace Safety Inspections on company premises and performs annual Occupational Hazard Studies for each facility, following a standard methodology according to OHSAS 18001:2007 requirements.
- We have equipped our buildings and own shops with a First Aid Kit.
- We employ an Occupational Physician, who is available to assist employees in case of health issues.
- We measure noise, lighting, humidity and temperature levels in our headquarters and own shops.
- We conduct quarterly EMF measurements in our headquarters in Lapraka and Kashar, as well as in our own shops, whose figures are officially reported and published in our Intranet.
- We train our employees in Occupational Health and Safety principles and practices.
- We have established a comprehensive Accident–Incident Reporting system, which is maintained by the Occupational Health and Safety Team and covers event investigation, recommendations and statutory reporting.
- We issue access control cards to our employees and have installed HD DVR in our premises in Lapraka and Kashar.
- We conduct evacuation and safety drills for each facility once per year. Within 2017, we organized 20 evaluation drills in our headquarters and warehouse, as well as in all own shops.
- We inform our employees on health and well-being issues, through workshops, e-mails and Intranet articles.
- We have included health and safety issues in the Employee Satisfaction Survey, such as mental/physical well-being and work-life balance.
- We immediately take care of our employee’s health in first aid treatment cases, such as small skin injuries from paper cutting and scratches, skin allergies and blood pressure measurements (mainly in young employees and pregnant women with low blood pressure).
- We provide an annual medical examination to all employees (including new hired employees) as part of our corporate Medical Examination program, which includes eye sight test, physical check-ups, health promotion tests and clinical examinations, with additional medical examinations for employees whose job is classified as difficult. During 2017, we performed the respective medical examinations to all our employees.
- We systematically assess the effectiveness of health and safety measures and we review the employee survey’s results and the relevant performance indicators.
- We record and respond to physical security incidents, with 6 incidents reported within 2017, out of which 4 shop thefts, one forgotten package by a customer in an own shop and one internal quarrel, without any impact on our employees’ health and safety or high financial or reputation impact.
- We encourage our employees’ ideas and comments to improve health and safety within the workplace or express their concerns through the dedicated e-mail address health&safety@telekom.com.al or contact directly the Occupational Health and Safety Team.



✓ Good Practice... Internal Health and Safety Information Campaigns

We implement regular internal information campaigns to raise awareness on Health and Safety issues, mainly through the company's Intranet and internal e-mails. Within 2017, we:

- Utilized our Intranet for seven articles related to Health and Safety issues, such as to celebrate World Days (World No Tobacco Day, World Hepatitis Day, World Obesity Day) and to inform our employees on heat stress protection and heatstroke prevention, as well as promotion of safe work.
- Organized the "Blood Pressure?" campaign, which included blood pressure measurements to all employees and raising awareness on the main factors which cause blood pressure problems. The official launch and the results of the campaign were communicated to all employees through the company's Intranet.

✓ Good Practice... Health and Safety Trainings

Indicating our efforts to establish a safe work environment, we implement various health and safety trainings, such as:

First Aid Training: We provide a First Aid Training Program to all employees involved in jobs classified as difficult (such as working at height, working with electricity or within warehouses) and to all employees of the Emergency Response Structure (ERT).

Working Safely at Heights Training: The program aims to ensure appropriate capabilities and knowledge and consists of training all new employees involved with working at height, as well as an annual refresher training for all existing employees. The training covers all areas of safe working conditions on overhead pylons and includes:

- Briefing and theoretical training for working at heights.
- Practical exercises for working at heights.
- Hands-on application for security techniques whilst working at height.

- Training in the use of specialized equipment.
- Demonstration of required Personal Protective Equipment.
- Understanding of an accident's possibility and the necessity for security measures.
- Rescue procedures.

To develop our annual plan for Health and Safety trainings, we evaluate the previous year's actions, such as inspection results and records of occupational accidents. Within 2017:

- We implemented technical health and safety inspections and occupational health inspections, with a total duration of 190 and 120 hours respectively.
- The average health and safety training reached approximately 2.7 hours per employee, compared to 2.5 hours in 2016, in the following training sessions:

Health and Safety Training Sessions

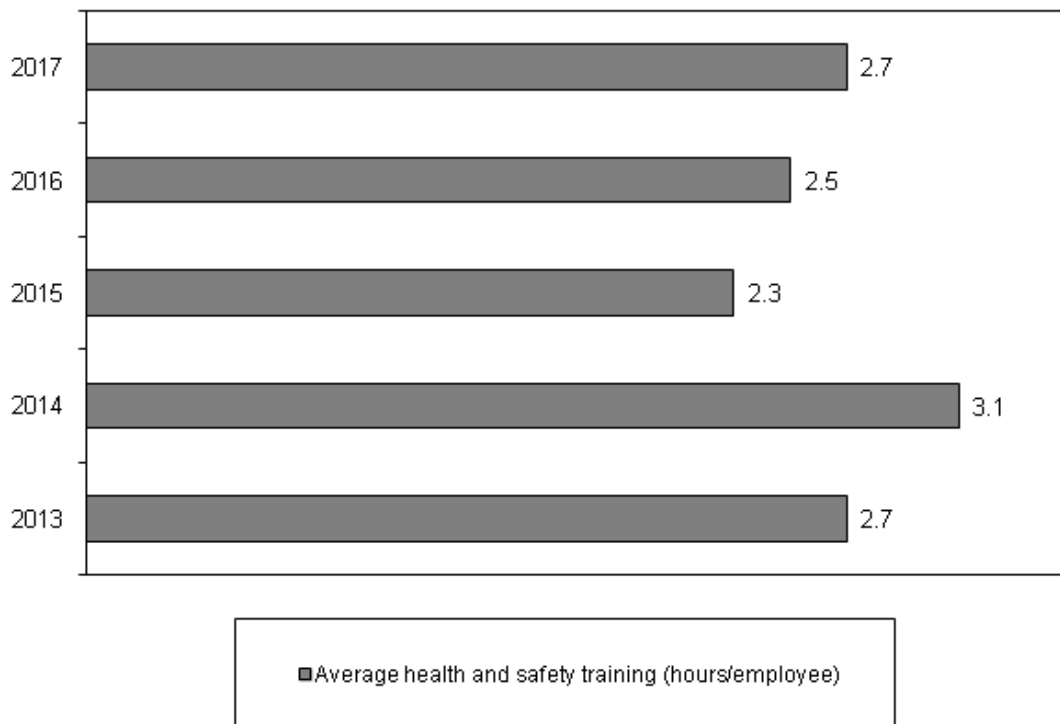
	2015		2016		2017	
	Employees trained (number)	Employee training (hours)	Employees trained (number)	Employee training (hours)	Employees trained (number)	Employee training (hours)
Health & Safety topics in induction program	32	64	55	110	28	56
Emergency drills	316	316	369	369	335	355
Fire Protection and Emergency Preparedness Training – Incident Response Team	36	36	17	17	85	43
Tower climbing and rescue	10	160	NR	NR	10	160
Working with electrical equipment and installments	16	128	17	136	14	112
First Aid training	27	189	44	308	52	364
Shop security	50	50	49	49	32	16
Occupational health and safety awareness sessions	100	100	100	100	146	24
Occupational health and safety awareness session – Working on Warehouse	NR	NR	NR	NR	7	7*
TOTAL		1,043		1,089		1,130

*Duration not included in the total health and safety training hours as courses were conducted to contracted employees, not Telekom Albania employees.

NR: Not Reported

**We increased health and safety training hours by
3.7%**

Health and Safety Training



B. Monitoring our performance

The results of the above approaches are reflected in the following table, where incidents related to Health and Safety are summarized. It must be noted that:

- There are no employees with high incidence or risk of disease associated with their work, while there were no occupational diseases among our employees.
- There were no complaints or legal actions for health and safety issues.
- There were no relevant fines or other non-monetary sanctions imposed by the respective authorities.

Health and Safety

	2013	2014	2015	2016	2017
Fatalities (number)	0	0	0	0	0
Employee fatalities (number)	0	0	0	0	0
Collaborators' fatalities (number)	0	0	0	0	0
Work-related accidents (number)	0	0	0	0	0
Calendar days lost due to accidents (number)	0	0	0	0	0
Employee injuries (number)	0	0	0	0	0
Men injured (number)	0	0	0	0	0
Women injured (number)	0	0	0	0	0
Missed absentee days (number)	NR	NR	NR	NR	1,148
Injury Rate (rate)*	0	0	0	0	0
Men (rate)	0	0	0	0	0
Women (rate)	0	0	0	0	0
Occupational Diseases Rate (rate)**	0	0	0	0	0
Men (rate)	0	0	0	0	0
Women (rate)	0	0	0	0	0

Lost Day Rate (rate)***	0	0	0	0	0
Men (rate)	0	0	0	0	0
Women (rate)	0	0	0	0	0
Absentee Rate (rate)****	1.21	1.02	1.06	1.10	1.17

*Injury Rate (IR) = (Total number of injuries/Total hours worked) x 200,000. The factor 200,000 is derived from 50 working weeks of 40 hours per 100 employees. The data do not include minor (first aid level) injuries.

**Occupational Diseases Rate (ODR) = (Total number of occupational diseases cases/Total hours worked) x 200,000. The factor 200,000 is derived from 50 working weeks of 40 hours per 100 employees.

***Lost Day Rate (LDR) = (Total number of lost days/Total hours worked) x 200,000. The factor 200,000 is derived from 50 working weeks of 40 hours per 100 employees. 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.

****Absentee Rate (AR) = (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 of 5 days per 100 employees. This rate is not monitored per gender.

NR: Not Reported

We had no accidents within our workplace

3. Fairness and Diversity

A. Establishing a fair work environment

Our commitment towards meritocracy follows the principles of respect for human rights, fair employment, prevention of child or forced labour, non-discrimination, equal treatment for women and men, in decisions related to employment aspect (e.g. salaries), as expressed through:

- The national Labour Code and relevant regulatory framework which prohibits the use of child and forced labour.
- The company's Code of Conduct and Employee on Labour Relations Policy, which prohibits unlawful discrimination or harassment due to age, gender, religion, competence, origin, cultural background or sexual orientation.
- The company's Employee Manual, which highlights principles and guides employee behaviour.
- The United Nations Global Compact, which we have signed.

Based on these principles:

- Under no circumstances, will we employ any individual below the legal age limit (as defined by the Albanian legislation).
- We commit ourselves not to follow, or even tolerate, coercive work in our premises.
- We anticipate our suppliers not to occupy individuals below the legal work age or to tolerate practices of physical harassment and exploitation or use of coercive work in any of their premises.

V Good Practice... Respecting Diversity

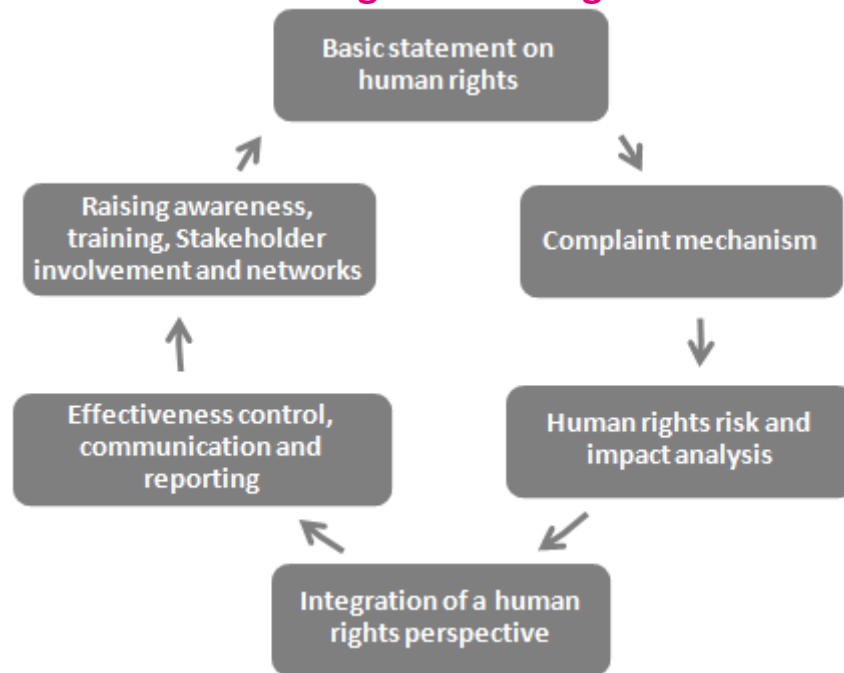
According to our Code of Conduct, we respect the individuality of our employees and cultivate individual and cultural diversity. As a result, we do not tolerate any form of unlawful discrimination or harassment within our company or in our business relationships. It must be noted that all Telekom Albania employees have the right and opportunity of one-to-one counseling with the Human Resources Department regarding any discrimination issue.



T Group Good Practice... Protecting Human Rights

Deutsche Telekom Group commits to the UN Guiding Principles on Business and Human Rights published by the United Nations Human Rights Council in 2011 and has established comprehensive processes related to the protection of human rights, in order to systematically identify the impact of its operations on human rights and to prevent, mitigate or compensate these, if necessary. The Group has developed the following extensive process to implement the UN Guiding Principles, which utilizes several interconnected measures and tools.

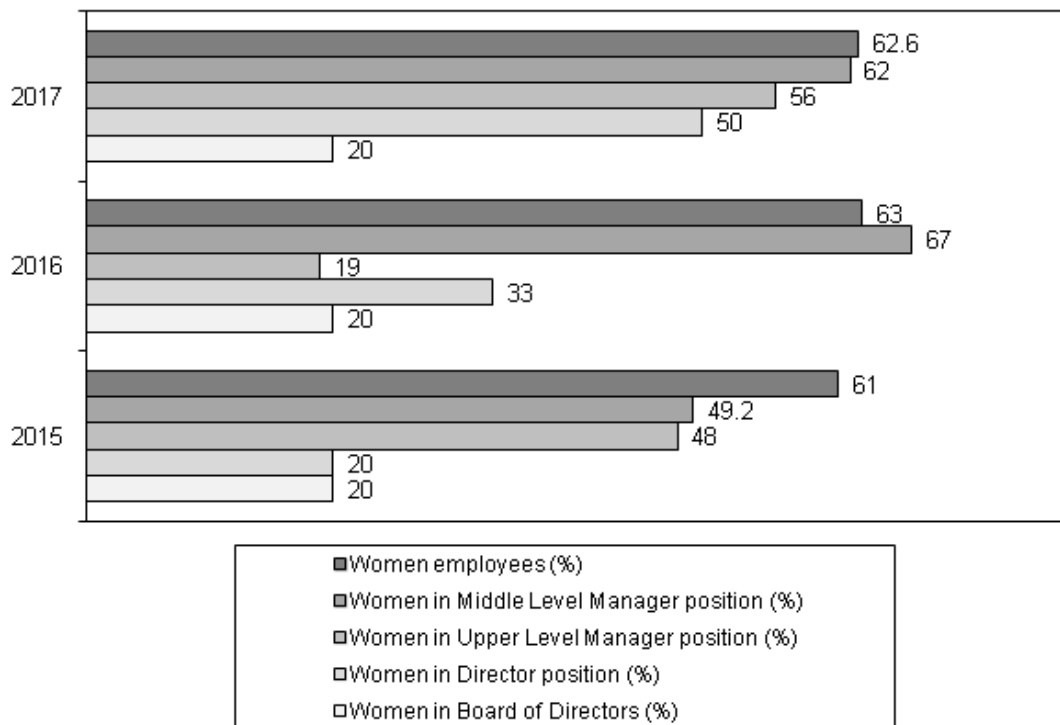
Human Rights Due Diligence



Within 2017:

- The percentage of women in management positions (e.g. Chief Officers, Executive Directors, Heads of Divisions, Heads of Departments, Heads of Sections) was 59%.
- There were no operations identified as having significant risk for incidents of child labour or forced and compulsory labour.
- There were no significant investment agreements and contracts with clauses on human rights.
- There were no complaints or grievances regarding discrimination incidents or unfair treatment or human rights violation or labour practices.
- There were no legal actions regarding human rights issues or labour practices and no fines or other non-monetary sanctions were imposed by the respective authorities.
- Regarding six previous legal cases related to labour issues with former employees, which were trialed by Tirana District Court:
 - Telekom Albania filed two appeals to the Supreme Court (but fully indemnifying the employee in one occasion), as well as one appeal to the High Court against the Appeal Court of Tirana and Tirana District Court decisions for one case.
 - Two lawsuits were rejected by the Supreme Court and Tirana District Court, for which the employees have appealed to the Supreme Court and Appeal Court of Tirana respectively.
 - One case is ongoing at Tirana District Court.

Percentage of Women



We maintained the percentage of women employees to over 62% of total workforce

We increased the percentage of women in Upper Level Manager position and Director position to 56% and 50% respectively

Although we do not have an official policy to hire people from local communities, local employability is taken into account for certain positions which require good knowledge of the Albanian language and local environment.

National Diversity in Management Structures

	2013	2014	2015	2016	2017
Supervisory Board					
Locals (number)	0	0	0	0	0
Expats (number)	3	3	3	3	3
Board of Directors					
Locals (number)	0	0	0	0	0
Expats (number)	5	5	5	5	5
Senior Management					

Locals (number)	NR	NR	NR	NR	1
Expats (number)	NR	NR	NR	NR	4
Upper Management					
Locals (number)	13	18	13	20	20
Expats (number)	8	7	8	5	2
Interdepartmental Committees					
Locals (number)	8	8	8	NR	NR
Expats (number)	7	7	7	NR	NR

NR: Not Reported

B. Offering fair salaries

Our Employee Manual and the Code of Conduct include the issue of fair remuneration, according to which we provide fair and equal salaries to men and women employees, which depend on position, qualification, individual performance, market competitiveness, experience, employment tenure within the company or the industry and local legal requirements and do not depend on the employees' gender.

As a result:

- The minimum salary was in all cases higher than the legal basic salary, as defined by local legislation.
- The proportion of salary for men and women is almost equal within similar hierarchical level, employee category or area of activity, with statistically insignificant variations, as salaries do not depend on the employees' gender.
- The ratio of annual total compensation for our highest-paid individual to the median of annual total compensation for all employees (excluding the highest-paid individual) is 5:1.
- There was no variation in the ratio of annual total compensation increase for our highest-paid individual to the median annual total compensation increase for all employees (excluding the highest-paid individual), as there were no salary increases during 2017.

Our lowest employee salary is 88% higher than the legal basic salary

C. Respecting the right of association

We respect the right of employees to engage in collective bargaining and express openly and freely, individually or in groups their opinion, as described in our Employee on Labour Relations Policy and the internationally recognized principles of human rights. While there is no employee union within Telekom Albania, no operations in which the respective rights may be at significant risk have been identified. It must be noted that:

- There are no contracts that have been part of any collective bargaining agreement.
- According to the respective legal requirements, the minimum notice period regarding operational changes for our employees is 30 days.
- Our employees did not participate in any strike or lock-out.

D. Ensuring confidentiality of employees' personal data

We respect the right of employees to safeguard their personal data and we implement various organizational and technical measures, which include:

- Compliance with the provisions of data privacy laws.
- 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.
- Hold personal documents (such as identification cards, passports or any other personal papers) only as long as it is necessary related to their employment and to determine remuneration.

As a result of our practices, within 2017:

- We did not receive any formal employee complaints regarding privacy issues or personal data security.
- There were no proceedings or investigations against the company related to confidentiality of employee personal data.

4. Training and Development

A. Appraising employees

In order to identify strengths and areas for improvement, we use a Performance Appraisal System, which is available to all employees through the company's Intranet. The System:

- Aligns with the Guiding Principles of our Code of Conduct.
- Has been designed with an emphasis on Customer Experience Excellence.
- Is based on 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.
- Takes into account Corporate Responsibility principles, such as treatment of employees with respect and integrity.
- Includes Top Management Performance Evaluation by superiors, self-assessment and feedback from colleagues.

Every year, each employee's performance is evaluated by their direct supervisor, based on pre-defined objectives. It must be noted that, prior to the annual performance appraisal process, all newly appointed managers attend tailor-made trainings, in order to:

- Assess the annual performance appraisal process.
- Assess their own performance.
- Create an individual development plan based on their needs.

Within 2017:

- 4 managers attended the training program on the performance appraisal process.
- 100% of our employees, who fulfilled the criteria of the respective appraisal procedure (i.e. employees not in long leave during the entire year and new hired employees), have been appraised.

We assessed 100% of applicable employees

B. Developing employees

Internal Advancements: Our priority is to develop our own employees and prefer to cover job openings from existing employees. All job vacancies are posted on the corporate Intranet, to which all employees have access. As a result, the percentage of permanent job openings covered by internal candidates reached 13% within 2017, compared to 12% in 2016.

Role Descriptions: A Job Families Model (JFM) has also been applied to Telekom Albania, mirroring the respective system implemented in OTE Group, through which all roles are described. The Model assesses and ensures that the role content and each employee's profile are fully understood and facilitates efficient internal recruiting and career path.

Manager Support: We utilize an Employees Development Guide to support the role of managers as coaches, which allows them to identify employees' strengths and areas for improvement, set objectives and action plans related to employee development.

✓ Good Practice... Mentoring Programs

We implemented a Mentoring Program for our employees in 2017, during which 9 employees (mentees) received targeted guidance from 4 Telekom Albania executives (mentors), in order to develop their skills and knowledge and advance their professional and personal development. During the 12-month program, there were 12 meetings and 24 mentoring hours between mentors and mentees.

C. Training employees

Induction training: Through our Induction Program, we familiarize our new colleagues with the:

- Code of Conduct and compliance issues.
- Corporate principles.
- Corporate structure.
- Corporate culture (including Corporate Responsibility).
- Group's internal policies and procedures.

Within this context, we informed all new hired employees within 2017 about our operations and the proper communication channels to receive further information.

Training programs: As the need for qualified employees in the telecommunications industry will continue to grow in the coming years, Telekom Albania implements a wide range of training programs for its employees, either in-house or external by experienced trainers and specialized training centers for professional training services in the ICT industry. Main training areas include:

- Project Management.
- Sales & Negotiation Skills.
- Products and Services.
- Human Resources Management.
- Customer Service.
- Leadership.
- New Technology.

Within 2017:

- We launched a new platform for e-learning training programs.
- We conducted 34 training programs with a total duration of 1,192 hours (814 training hours from in-class training programs and 378 training hours from e-learning training programs), compared to 33 programs and 5,054 hours in 2016, without however conducting any trainings on human rights.
- 74 employees participated in e-learning training programs.
- The average training cost per employee was €175, compared to €185 in 2016.

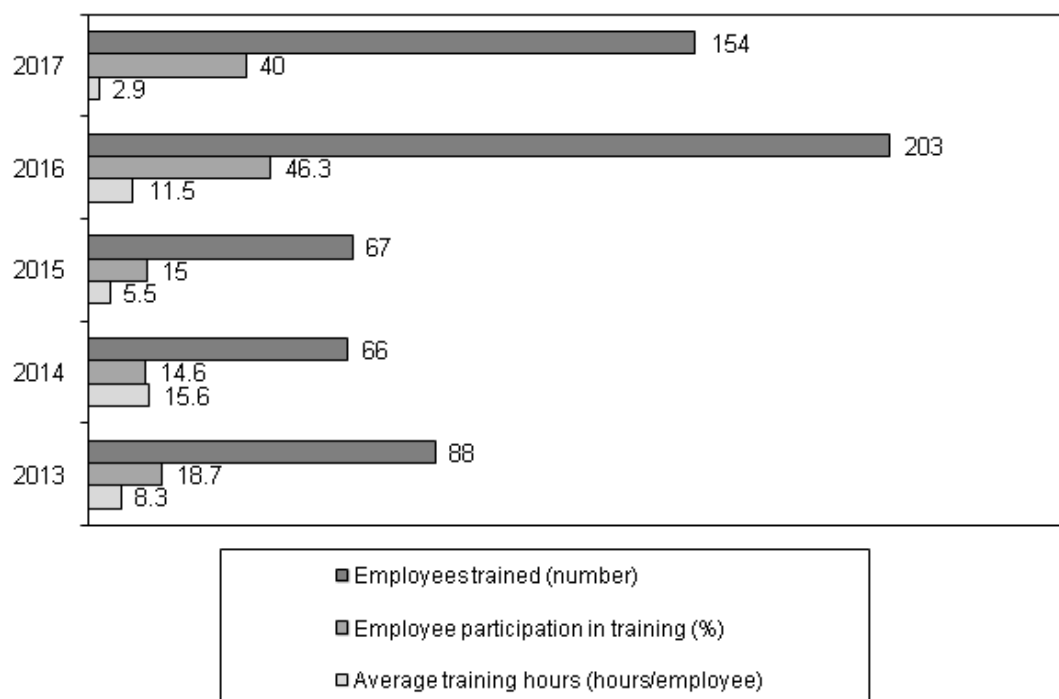
Breakdown of Employees Trained

	2017		
	Employees trained (number)	Employee training (hours)	Average training per employee (hours)
Gender			
Men	59	564	3.6
Women	95	628	2.4
Hierarchy			
Employees in management positions	42	NR	NR

Employees	112	NR	NR
Type of work			
Office employees	122	664	2
Retail employees	24	432	16
Fieldwork/Other employees	8	96	5

NR: Not Reported

Employee Training



*Average training hours for 2015 have been restated.

We trained at least once 40% of our employees



T Group Good Practice... DT Group Training Programs

Deutsche Telekom Group implements various training programs for its employees worldwide, such as the Exchange Experience Program, where employees can work from three to six months to other companies with the DT Group and share their experiences with their colleagues. Since 2013, 491 employees from Telekom Albania have participated in this program.

5. Life at Work

A. Handling work-life balance

Indicating our commitment to maintain work-life balance and support our employees:

- We ensure that all employees receive their entitled leaves (such as paid leaves and sick leaves).
- We compensate overtime work.
- We do not force employees to work overtime, under the threat of any sanction (e.g. salary reduction or dismissal).
- All employees are entitled to maternity leave for childbirth and parental leave for childcare, which is considered and paid as working time and is available to working mothers or fathers immediately after the maternity leave has ended. This leave can be either working one less hour per day for two years or taking one-year full parental leave, with men also entitled to this leave, provided that their spouses have not utilized the specific leave from their employer. In addition, up to four months parental leave is available to male employees, in order to take care of their children during the first six years of their child's life. It must be noted that child care leave has been extended to working fathers under the same conditions, regardless of the type of activity performed by their spouse (e.g. self-employed), even if their spouse is unemployed.

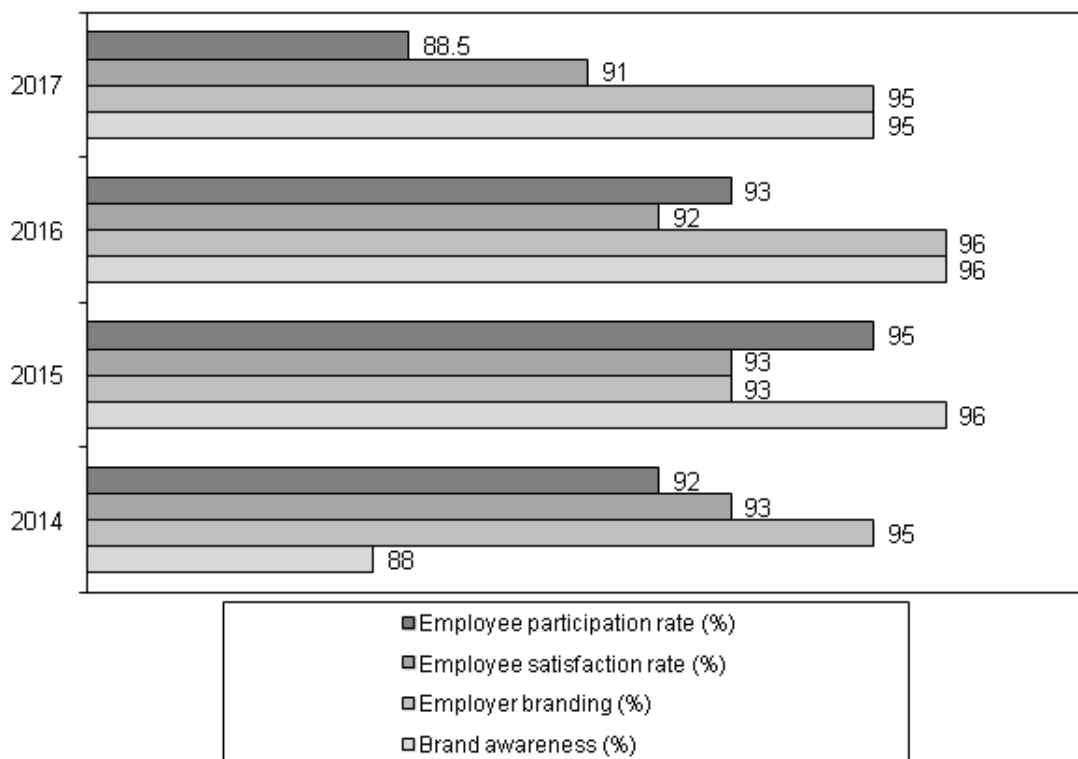
Within 2017:

- There were no complaints or grievances regarding our employees' labour conditions.
- 98% of employees received their annual leave, as initially planned.
- 32% of employees worked at least once beyond the typical work hours and all overtimes were paid.
- The average overtime work was 3 hours per employee.
- All 42 women employees who received their parental or maternity leave, returned and continued their work within our company.
- 40 women employees were granted two less working hours per day due to raising a child until they are 1 year old.

B. Measuring employees' engagement

Telekom Albania considers its employees' engagement and satisfaction as necessary to enhance the feeling of belonging to the company and create a culture that supports and builds a powerful employer brand, in order to achieve the company's long-term objectives. We frequently collect, analyze and monitor our employees' opinion through the Pulse Survey (conducted semi-annually), in order to identify areas for improvement and alert management about decisions regarding potential changes, improvements and action plans needed. Survey results are communicated through the corporate Intranet and discussed in meetings held at the organizational unit level.

Pulse Survey Data



Employees' Engagement

	Difference between Telekom Albania and average of EU based DT Group companies
Employee participation rate (%)	+26.4
Employee satisfaction rate (%)	+28.1
Employee branding (%)	+25
Brand awareness (%)	+30.1

We achieved 28.1% higher employee satisfaction rate than the average rate of EU based DT Group companies

C. Offering additional benefits

Besides salary and other benefits provided by law, our company offers employees an extensive additional benefits package to all employees, which covers the following categories. In principle, the company grants the same benefits with minor changes between employees in management positions and non-management positions.

Health and insurance:

- Health and Life insurance program.
- Yearly check-up.
- One Life program for all employees and two relatives.
- Free ORL medical visits.

- Well-being services, as part of One Life program.
- Gym benefits for Middle and Top Management.

Benefits at work:

- Partial refunding of lunch.
- Two canteens for employees in Tirana.
- Flexible daily work attendance.
- Seniority reward – extra days of annual leave for employees with 10 or more years within the company.

Family benefits:

- A Christmas gift for all employees' children up to 12 years old.
- A special end-of-the-year coupon to purchase goods in different local shops.
- Additional days of leave for special cases.

Products and services:

- Corporate mobile phones for all employees with preferential tariffs and free monthly phone traffic, based on their position.
- Preferential post-paid and pre-paid tariffs for employee family members.
- Reduced prices on mobile phones and accessories purchased through our own shops.
- Bus service to transport employees to and from the company offices in Lapraka and Kashar.

Other benefits:

- Company credit card for managers.
- Team events and internal championships and activities, in order to balance employees' professional and personal life (such as 6x6 volleyball championship, bowling championship, ping pong championship).
- Access to various socio-cultural activities, through prize draw tickets.
- Cooperation with various companies to ensure preferential treatment of employees and special discounts for products and services.

6. Achievements 2017 and Targets 2018

We said	Progress	We will	By
Achieve 30% of women in Middle and Upper Management by 2020 (Group-wide target).	75%	Achieve 30% of women in Middle and Upper Management (Group-wide target).	2020
Conduct two Pulse Surveys.	100%	Conduct two Pulse Surveys.	2018
		Maintain the high employee participation rate in the Pulse Surveys.	2018
Train all new hired employees.	100%	Train all new hired employees.	2018
		Introduce Digital Induction for new hired employees.	2020

VI. OUR ENVIRONMENT

Reduce our environmental impact

Introduction and Summary

Our Size:

9,128 tons total CO₂ emissions

453,493 liters diesel consumption

7.3 tons office paper consumption

85,000 biodegradable bags

13,207 m³ water consumption

Our Objective:

To successfully manage our direct and indirect environmental impact, as well as raise our fellow citizens' awareness to act more responsibly regarding environmental protection.

Our Achievements:

- We reduced electricity consumption in our mobile network by 4.3%.
- We reduced electricity consumption in our buildings by 2.2%.
- We reduced our total energy consumption from diesel by 27.5%.
- We reduced our vehicles' fuel consumption by 12.2%.
- We reduced the total distance travelled for business purposes by 20.6%.
- We improved our energy intensity and GHG emissions intensity by 50.8% and 58.1% respectively.
- We reduced our Scope 1 and Scope 2 carbon dioxide emissions by 23.5% (equal to 498 tons of CO₂).
- We reduced our total office paper consumption by 13.1%.
- We forwarded for recycling 100% of lead batteries, oil-lubricants, WEEE materials and accumulators collected.
- We reduced our water consumption by 3.4%.

1. Strategy and Management

A. Committing to environmental management

Since 2009, Telekom Albania started to analyze its activities, products and services, in order to identify and effectively reduce their environmental impact. As of 2011, the company implements an Environmental Management System (EMS) according to ISO 14001. Within this frame, we analyze our main activities and operations regarding their environmental impact and set objectives, determine indicators and implement initiatives, in order to improve our environmental performance.

Telekom Albania follows the DT Group's guidelines regarding environmental protection and uses the IKOS IT-based system, which is used by all DT Group companies as a data collection and reporting system regarding environmental performance and features increased capability to conduct extensive analyses of environmental data.

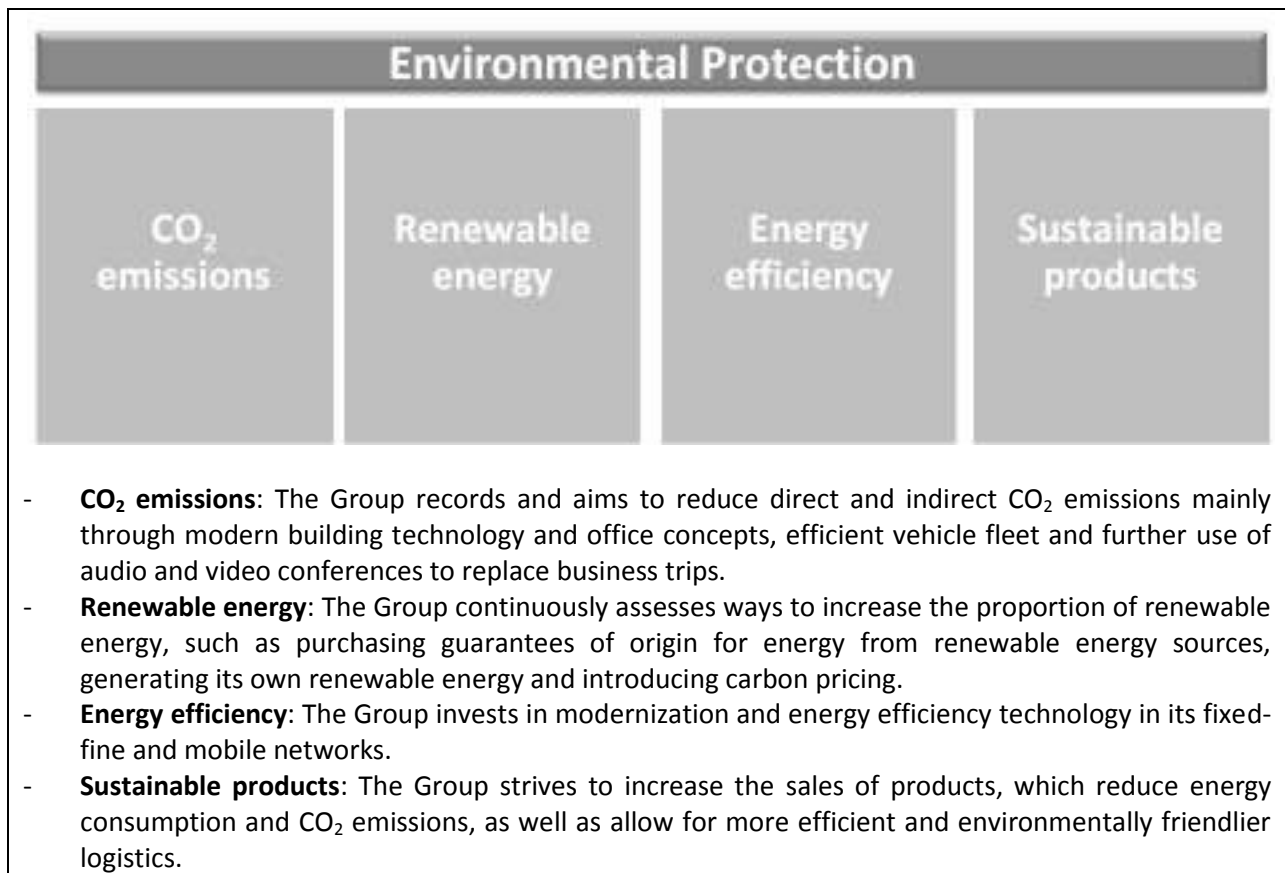
Telekom Albania Environmental Strategy



T Group Good Practice... Integrated Climate Strategy

The Group has developed its integrated climate strategy on four pillars, which include the environmental protection aspects that are closely connected with its activities and significantly influence its business operations. The Group has defined specific targets and KPIs in all these pillars, in order to systematically engage in environmental protection activities and regularly review its progress.

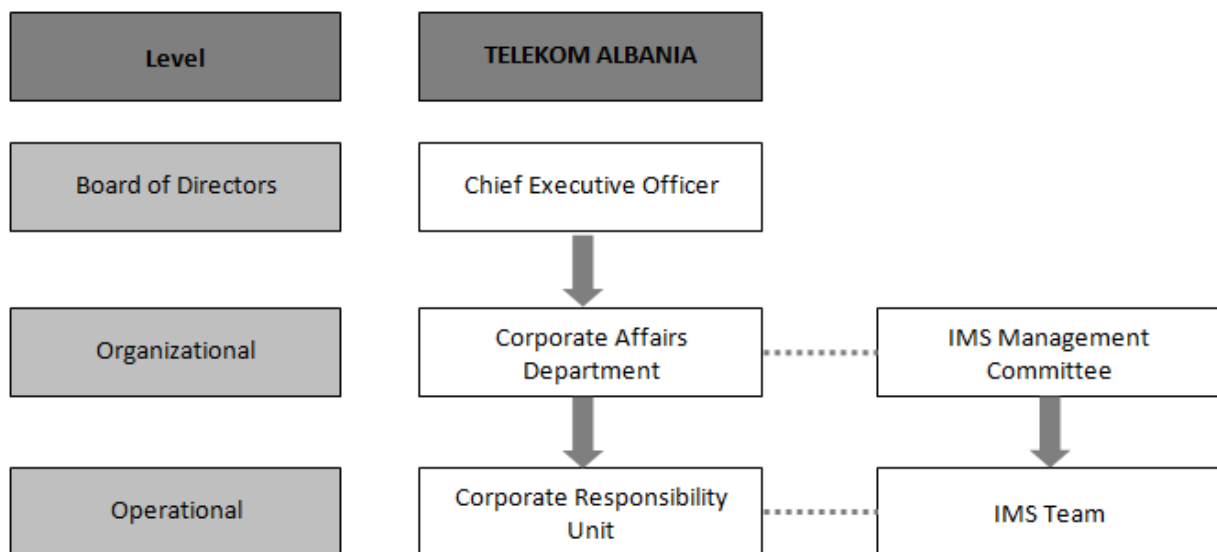
Integrated Climate Strategy



Carbon dioxide emission reductions due to use of Deutsche Telekom products and services were 21.1% percent higher than the Group's actual CO₂ emissions in Europe (representing an enablement factor of 1.21:1)

To manage environmental aspects, Telekom Albania has created organizational structures, as described in the figure below, which ensure a high level of transparency in the respective programs.

Environmental Management System Structure



- The CEO oversees management of environmental aspects and is assisted by the Integrated Management Systems (IMS) Committee, who is responsible to approve the respective documentation (such as objectives and KPIs) and the environmental programs to achieve these objectives, EMS audit and performance results, as well as the necessary improvements to enhance the System's effectiveness.
- The Integrated Management Systems (IMS) Team supports the IMS Committee and consists of members from selected Telekom Albania organizational units, who are responsible to:
 - Continuously monitor the environmental programs' implementation.
 - Identify the environmental aspects of various activities.
 - Analyze the necessary data to determine the company's environmental performance.
 - Propose remedial actions for improvement.
- Furthermore, Telekom Albania strongly encourages employee participation in its respective initiatives and programs.

? Did You Know... Climate Change and Environmental Protection

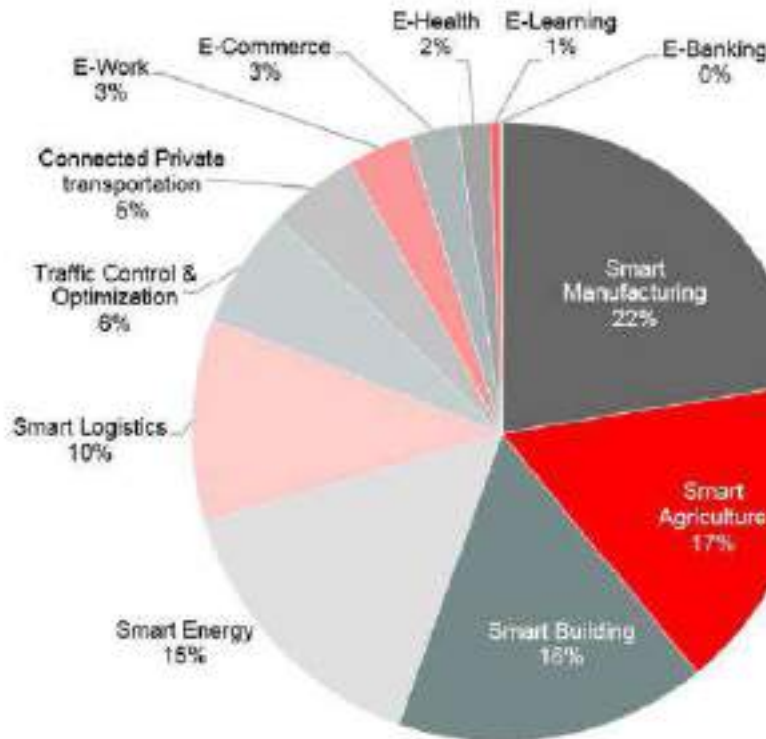
Climate change and environmental protection are highlighted as the main future challenges and countries and companies are seriously committed to assess the environmental aspects of their activities and reduce their overall environmental impact. A clear demonstration of this approach was the 2017 United Nations Climate Change Conference in Bonn, Germany, where over 25,000 political leaders and activists participated to review the progress of the Paris Agreement's implementation on GHG emissions mitigation and offset of global warming effects and confirm their determination to accelerate the work program's completion, as well as discuss decisive actions to address the underlying causes of global climate change. The Agreement sets out a global action plan to keep the increase in global average temperature to well below 2°C above pre-industrial levels.

According to the 2015 "SMARTer 2030" report by the Global e-Sustainability Initiative (GeSI), the international strategic partnership of ICT companies and industry associations, the ICT sector's GHG emissions are expected to reach 1.27 Gt eCO₂ (approximately 2.3% of global GHG emissions) in 2020 and it will decrease to 1.25 Gt eCO₂ (approximately 1.97% of global GHG emissions) by 2030. By 2030, the

adoption of ICT sector's solutions from other industries (in areas such as data collection, processing, presentation and dissemination, as well as networking and decision making) can potentially:

- Save over 300 trillion liters of water per year, mostly from smarter agricultural practices.
- Save 25 billion barrels of oil per year.
- Remove 135 million cars from circulation worldwide.
- Have nearly 10 times higher emissions savings than the sector's expected footprint.
- Reduce global eCO₂ emissions by 20%.
- Retain emissions at 2015 levels.
- Effectively decouple economic growth from emissions growth.

eCO₂ Potential Savings per Use



Source: SMARTer 2030 report

Despite the fact that telecommunication companies are considered to have a lower environmental footprint compared to other industries, the DT Group 2020 target is to reduce GHG emissions by 20% compared to 2008, excluding T-Mobile USA.

B. Prioritizing environmental aspects

As part of Telekom Albania's ISO 14001:2004 based Environmental Management System, the company systemically identifies and reviews its environmental impact and aims to improve environmental performance, structured around the following steps:

- Examine environmental aspects that can have a negative environmental impact, under three different scenarios: normal, abnormal and emergency situations. It must be noted that the company invited representatives from its customers and community to participate in this step, in order to ensure transparency and increase environmental awareness among its major Stakeholders.
- Determine each aspect's significance, based on well-known criteria considered important in the telecommunication sector.
- Design and implement programs for identified environmental aspects, which consist of an action plan, role and responsibilities, time schedule and targets.

Through the above procedure, Telekom Albania addresses the following aspects, based on their significance to its operations:

Environmental Aspects

Activity	Environmental Aspects	Included in the EMS
Mobile Network	Energy	√
	Technical Waste	√
	EMF	X
Support of Telecommunications Operations	Energy	√
	Hazardous Waste	√
Offices, Shops, Warehouses	Energy	√
	Office Waste (Paper)	√
	Waste Disposal	√
	Water	√
	Mobile Recycling	√
Vehicles	Energy	√

Risks Associated With Climate Change

Risk	Description
Regulation risks	They often result to increased energy costs, due to new climate change regulations on national and global level, which affect almost the entire range of operations.
Physical, operational and financial risks	They often affect the company's telecommunications infrastructure, due to extreme weather events associated with climate change, as well as increased infrastructure expenses (e.g. need for additional cooling equipment).
Reputational risks	They result to potential loss of market share, due to customer reaction against companies with inadequate policies regarding climate change and environmental protection.

C. Expressing commitment to protect the environment

Telekom Albania's commitment to protect the environment is also expressed in its Integrated Quality, Health & Safety and Environmental Policy and is transformed into action through the development of environmental programs described within this chapter:

Policy... Telekom Albania Integrated 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.
- 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.
- Fully comply with the requirements of our Integrated Management System and continuously improve its effectiveness.

Dimitrios Blatsios,
Chief Executive Officer

It must be noted that in 2017:

- Total expenditure for the environmental management system certification and the environmental impact assessment studies for the new BTSs we will construct in 2018 exceeded €3,000.
- Total expenses for electricity and all fuels (including fuels for vehicles, BTS and buildings) reached approximately €1.8 million and €585,000 respectively, compared to approximately €2.1 million and €774,000 respectively in 2016.
- There were no complaints or grievances regarding environmental issues and no cases of non-compliance with environmental protection regulations.
- We did not receive any written notices by relevant authorities regarding environmental issues.
- We were not accused of violating any environmental legislation and there were no investigations or legal actions for non-compliance related to environmental issues.
- No relevant fines or other non-monetary sanctions were imposed during the scheduled and ad-hoc audits conducted by relevant authorities.

2. Energy and Climate Change

A. Measuring electricity consumption in mobile network

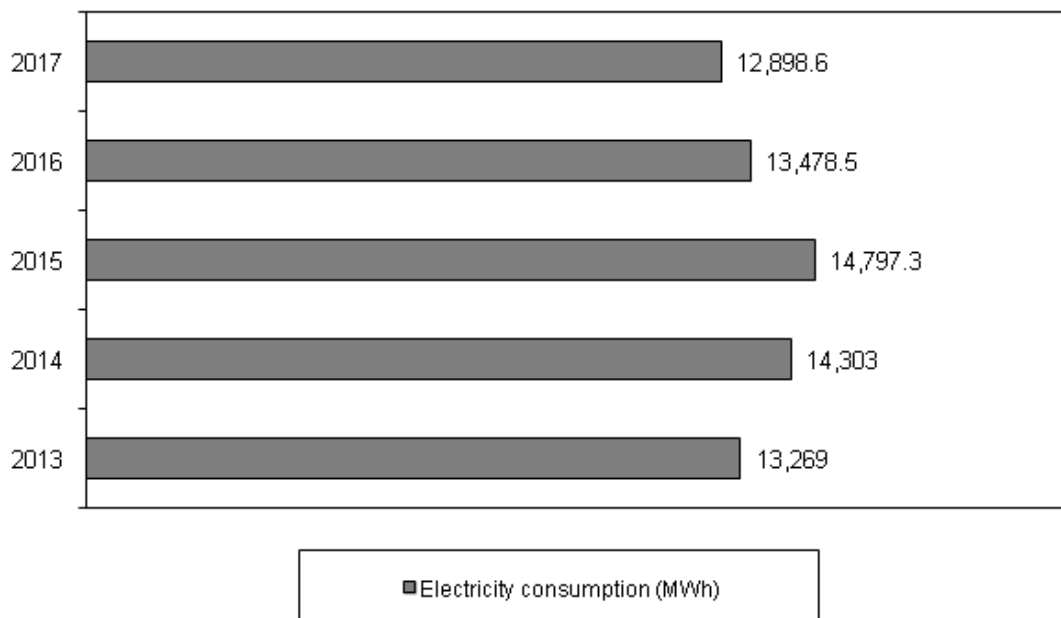
Reducing energy consumption in mobile networks is a challenging goal for any telecommunication company, as deployment of a growing network requires installation of new Base Stations (BTS) and new equipment added within the mobile network. In order to reduce electricity consumption in its mobile network, Telekom Albania:

- Has 429 BTS connected in the electricity grid, compared to 424 in 2016.
- Replaced old equipment (e.g. indoor rectifiers with high efficiency outdoor rectifiers) to transform 40 sites from indoor to outdoor, which increased energy efficiency by 2% on average.
- Has activated hybrid operation to reduce total working hours with electricity from the public grid (see section VI-5B).

- Continued the Telekom Network Single Radio Access Network (SRAN) modernization project to move from separate installations for each radio technology to single installations with a common transport and operational and management system, which allows the efficient use of the frequency spectrum, simplifies network architecture and facilitates efficient shared use of hardware. Within 2017, we removed shelter HVAC, installed higher efficiency outdoor DC power systems in 40 sites and installed SRAN equipment on masts and towers.

In 2017 we managed to reduce electricity consumption in our mobile network, as a result of the newer and energy efficient equipment installed in our sites, despite the significant increase in their number (especially for the 4G and 4G+ service) to ensure optimal and fast communication for all our subscribers.

Electricity Consumption in Mobile Network



*Electricity consumption in mobile network for 2015 has been restated.

We reduced electricity consumption in our mobile network by 4.3%

B. Measuring electricity consumption in buildings

As every company, we also consume electricity in our buildings (which include our offices and data centers) and therefore strive to reduce this impact through programs, as we:

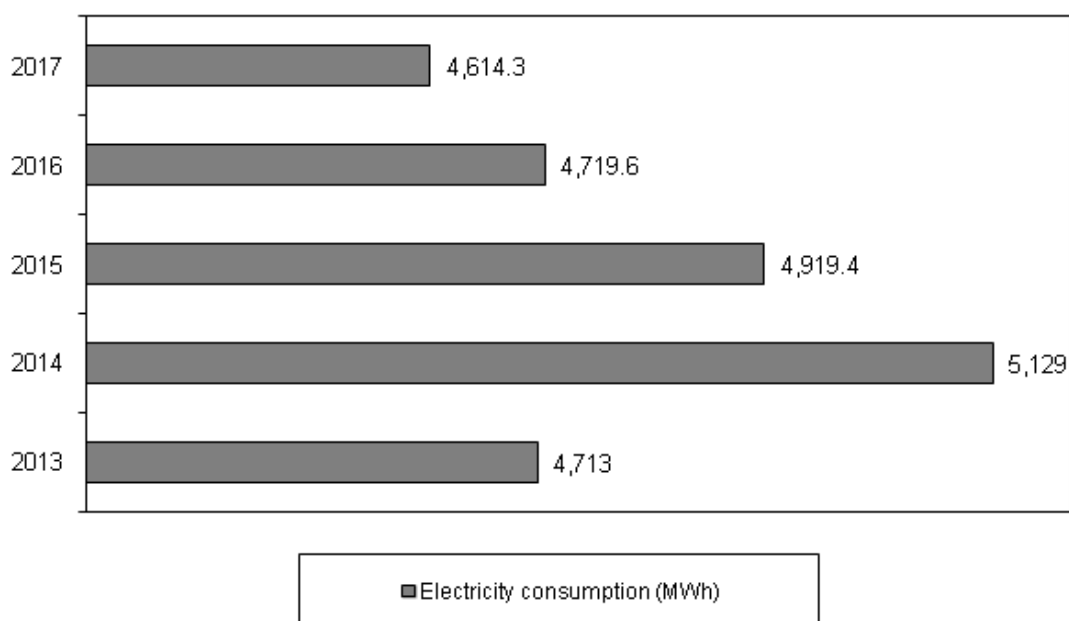
- Have enabled Power Saving Mode in all desktop computers to shut down after a certain idle time, except for a few computers operating continuously.
- Have enabled turning off idle and decommissioned equipment inside our data centers (e.g. DNS servers, Excel switches).
- Have installed a smart automation feature to centrally control the office air-conditioning system.
- Have initiated the pilot operation of an HVAC Centralized Intelligent Controller in one of our buildings, in order to automatically and effectively control air conditioning and temperature setting, which also includes individual thermostats in each floor with fixed temperature for cooling and heating, as well as smart automation to start and stop the office air conditioning system.

- Have installed window sun protection films in three buildings and our own shops, in order to minimize UVA/UVB radiation risks, improve working conditions and increase energy efficiency.
- Have replaced the existing lighting systems in corridors and offices in our premises with energy efficient LED lighting.
- Have installed LED outdoor lighting in our premises in Lapraka.
- Installed smart light switches to switch on/off our logo in own shops and replaced all lamps with LED lights.
- Utilize desktop virtualization technology and have replaced old desktop PCs with 320 thin clients (terminals with fewer hardware components and lower energy requirements).
- Consider virtualization and/or consolidation of servers and storage systems using low consumption equipment in our data centers.
- Replaced 3 air-conditioning units with HVAC units in data centers and installed higher efficiency rectifier and UPS units in 2 data centers during 2017.
- Implement employee awareness campaigns to reduce energy consumption, including posters in company premises, e-mail sent to all employees and information posted on Intranet, which were effectively communicated to all employees during 2017.

In 2017:

- We managed to reduce our overall electricity consumption in buildings as a result of the significant decrease of electricity consumption in offices by 29.8%, despite the fact that electricity consumption in data centers increased by 12.9% due to the additional equipment installed to handle the increased data traffic volume.
- Electricity consumption per employee was approximately 11,985.2 KWh, compared to 10,775.3 KWh in 2016.
- Electricity consumption per m² in our offices and own shops was 170.5 KWh and 1,012 KWh respectively, compared to 220 KWh and 506.8 KWh respectively in 2016.

Electricity Consumption in Buildings



*Electricity consumption in buildings for 2017 includes offices, data centers and 7 own shops; electricity consumption in buildings for 2016 includes offices, data centers and 17 own shops; electricity consumption for 2014 and 2013 includes offices, data centers and warehouses in Lapraka and Kashar, as well as an own shop in Lapraka.

**Electricity consumption in buildings for 2015 has been restated; includes offices, data centers and 18 own shops.

We reduced electricity consumption in our buildings by 2.2%

Benchmarks... Renewable Energy

Telekom Albania is the best company within Deutsche Telekom Group regarding proportion of renewable energy in the national energy mix with 100% from renewable energy sources (average for DT Group is 30%).



T Group Good Practice... Renewable Energy

The Group has indicated renewable energy as one of the four main pillars of its climate strategy, since energy from renewable energy sources increases energy efficiency and reduces electricity consumption and greenhouse gas emissions. As part of its strategy, the Group has established targets and strategies related to renewable energy and:

- Encourages its European national companies to exceed the share of renewable energy in their total electricity consumption by at least 10% compared to the national energy mix.
- Continues to acquire energy from renewable sources and buy renewable energy power certificates.
- Invests in cogeneration plants and solar systems, with over 300 solar photovoltaic plants installed in technology sites in Germany, which managed to reduce CO₂ emissions by over 1,700 metric tons each year.

C. Measuring diesel consumption

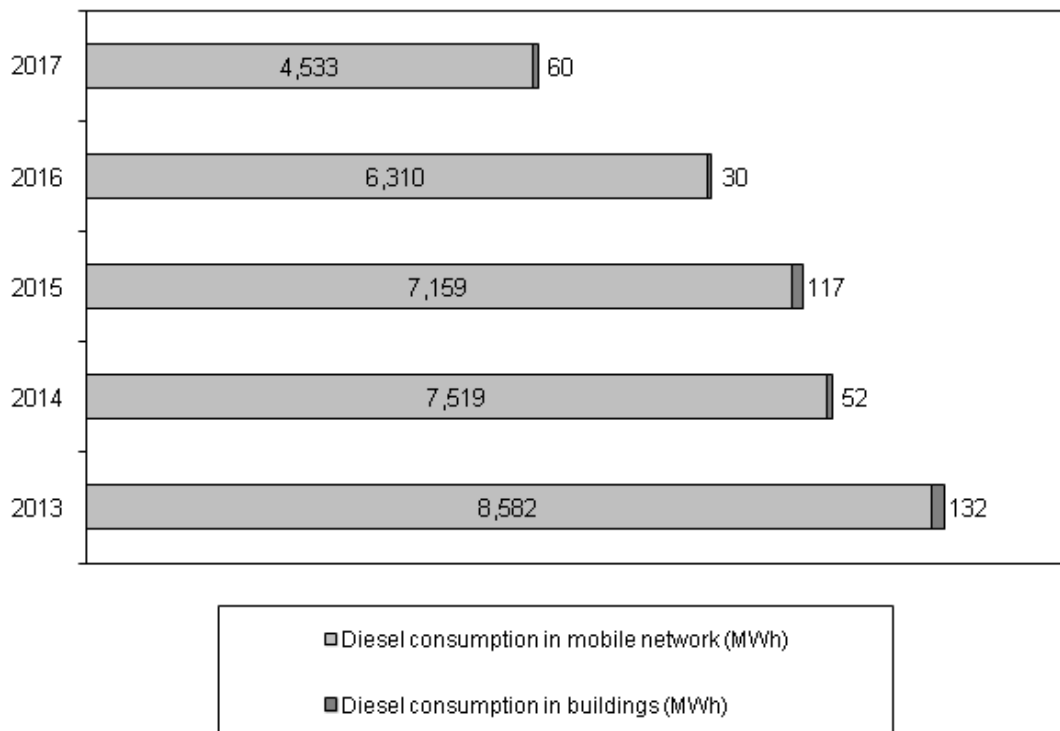
We use diesel generators to produce electricity in cases electricity supply via the public energy providers is infeasible for periods of time or as the main electricity supply in isolated areas where grid connection is difficult or impossible.

In 2017, the total diesel consumption reached 459,493 lt (453,493 lt from generators in mobile network and 6,000 lt from generators in buildings), which corresponds to approximately 4,593 MWh (4,533 MWh in mobile network and 60 MWh in buildings), compared to 6,340 MWh in 2016. The overall decrease in diesel consumption is mainly the result of our network modernization initiatives within 2017, as the company:

- Switched off 15 stand-by generators.
- Constructed medium voltage power lines for 2 sites and transformed them to sites with stand-by generators, instead of 24-hour continuously operating generators.
- Has activated hybrid operation to reduce total working hours from stand-by generators (see section VI-5B).
- Implemented a maintenance program to over 119 generators for both 24-hour and emergency operation.

The overall decrease in diesel consumption is mainly the result of the reduced use of generators to produce electricity, as they were used less frequently due to fewer power disruptions compared to 2016.

Diesel Consumption



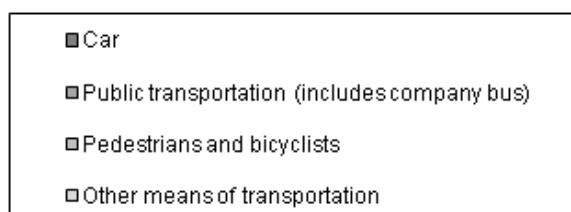
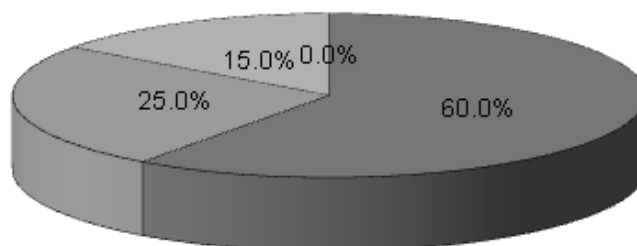
We reduced our total energy consumption from diesel by 27.5%

D. Reducing transportation impact from vehicle fleet

Our company operates a number of vehicles, which are used to service and develop Telekom Albania's telecommunication network, distributes its products and service its customers throughout the country. In order to reduce the impact of this activity, we:

- Apply a system to monitor vehicle routes and record monthly information such as kilometers performed and fuel consumed.
- Regularly service the entire vehicle fleet to ensure compliance with the manufacturers' technical standards.
- Gradually replace company-owned vehicles with leased vehicles, which are newer and have lower energy consumption.
- Utilize a private-licensed contractor to daily transport employees to and from the company's headquarters.
- Operate our own mini-bus to transport employees working on shifts at company offices.
- Encourage rational use of company vehicles through a vehicle-sharing platform via the Intranet for vehicles used by non-managerial employees, which applies to all employees, except sales employees, who use company vehicles on a daily basis due to their activities.

Employee Commuting



In 2017:

- We operated a service fleet of 48 vehicles (45 diesel vehicles and 3 gasoline vehicles) and a company fleet of 26 vehicles (25 diesel vehicles and 1 gasoline vehicle), compared to 56 and 33 vehicles respectively in 2016.
- We use 4 owned vehicles and 70 leased vehicles, compared to 11 and 78 respectively in 2016.
- Our service cars consumed 78,164 lt of fuel (75,508 lt diesel and 2,656 lt of gasoline) and our company cars consumed 25,883 lt of fuel (22,882 lt diesel and 3,001 lt gasoline).

Vehicle Fleet

	2013	2014	2015	2016	2017
Total vehicles (number)	77	58	77	89	74
Energy consumption from vehicle fleet (MWh)	1,741	1,272	1,213	1,189	1,068.1
Fuel consumption (lt)	178,245	131,406	124,434	117,456	104,046
Diesel (lt)	49,831	21,473	32,225	89,430	98,389
Gasoline (lt)	128,414	109,933	92,209	28,026	5,657
Average fuel consumption per vehicle (lt)	2,314	2,266	1,599	1,319.7	1,406
Average fuel consumption per vehicle per 100 km (lt)	8.7	10.2	7.8	7.1	8.1
Vehicle distance (thousand km)	2,050	1,290	1,575	1,653.4	1,729.1
Service diesel vehicles (thousand km)	NR	NR	NR	1,228.7	1,251.6
Service gasoline vehicles (thousand km)	NR	NR	NR	74.7	33.3
Company diesel vehicles (thousand km)	NR	NR	NR	183.5	421.1
Company gasoline vehicles (thousand km)	NR	NR	NR	166.5	23.1
Average distance per vehicle (thousand km)	26.6	22.2	20.6	18.6	23.4

NR: Not Reported

**We reduced our vehicles' fuel consumption by
12.2%**

E. Reducing other transportation impact

Telekom Albania strives to reduce the impact of business operations on climate change and commits to limit transportation impact due to business travel to the minimum necessary. Therefore, we:

- Use plane transportation only when travelling to other countries.
- Utilize teleconference in company offices (audio conferences are available in most offices and there are two facilities for video conferences in the company's headquarters in Lapraka).
- Strive to resolve as many issues as possible (such as technical issues, telephone directions and connection issues) by phone.

Transportation for Business Purposes

	2015	2016	2017
Total distance (km)	358,667	384,168	304,988
Distance by plane (km)	354,827	381,693	302,506
Distance by train (km)	1,760	1,064	1,064
Distance by bus (km)	2,080	1,411	1,418

We reduced the total distance travelled for business purposes by 20.6%

F. Measuring GHG emissions

During 2017, Telekom Albania managed to reduce its overall energy consumption from its mobile network, buildings (offices, data centers and own shops) and vehicle fleet to 23,174 MWh and achieved an energy intensity of 1,838 KWh/terabyte, compared to 25,727 MWh and 3,739 KWh/terabyte respectively in 2016. The significantly lower energy intensity can be mainly attributed to our efforts to modernize the mobile network and replace old cars in our vehicle fleet with new vehicles, despite the fact that we increased the number of sites and launched commercial propositions (especially in the 4G bandwidth) that offered up to 3 times more Internet data during 2017, which resulted in 83% increased data traffic volume compared to 2016. Total carbon dioxide emissions (both direct and indirect emissions) reached 9,128 tons in 2017, with a GHG emissions intensity of 129 kg CO₂/terabyte, compared to 308 kg CO₂/terabyte in 2016 (for Scope 1 and Scope 2 emissions).

GHG Emissions

	2013	2014	2015	2016	2017
Direct emissions (Scope 1)					
Fossil fuels (tons)	2,289	2,020	1,986	1,691	1,225
Vehicle fleet (tons)	427	310	297	301	273
Indirect emissions (Scope 2) (tons)					
Electricity (tons)	126	78	140	127	123
Other indirect emissions (Scope 3) (tons)					
Purchased products and services (tons)	NR	NR	NR	NR	761
Capital goods (tons)	NR	NR	NR	NR	1,292
Upstream energy and fuel supply chains (tons)	NR	NR	NR	NR	297
Purchased transport services (upstream) (tons)	NR	NR	NR	NR	208
Production waste (tons)	NR	NR	NR	NR	62
Business travel (tons)	NR	NR	NR	NR	42
Commuting to work (tons)	NR	NR	NR	NR	4,443

Transport of products sold to customers (downstream) (tons)	NR	NR	NR	NR	392
Use of sold products (tons)	NR	NR	NR	NR	1
Disposal and recycling of sold products (tons)	NR	NR	NR	NR	9
Use of leased products (tons)	NR	NR	NR	NR	0
TOTAL (Scope 1, Scope 2 and Scope 3) (tons)	2,842	2,408	2,423	2,119	9,128

Data for 2017 refer to our mobile network, offices, data centers and 7 own shops, as well as the entire vehicle fleet and flights for business purposes.

Calculations complied with the Greenhouse Gas (GHG) Protocol and were based on emission factors by the International Energy Agency (IEA) and/or the GHG Protocol calculation tools

NR: Not Reported

The indicated increase of GHG emissions for 2017 is plasmatic as in 2017 we expanded our reporting of other indirect emissions (Scope 3, i.e. upstream and downstream emissions as a result of our activities, but from sources not owned or controlled by Telekom Albania) which were not included previous years. In absolute terms, Scope 1 and Scope CO₂ emissions reached 1,621 tons, reduced by 23.5% compared to 2016.

We improved our energy intensity and GHG emissions intensity by 50.8% and 58.1% respectively

We reduced our Scope 1 and Scope 2 carbon dioxide emissions by 23.5% (equal to 498 tons of CO₂)

Benchmarks... Energy GHG Emissions Intensity

Telekom Albania is the thirteenth best company within Deutsche Telekom Group regarding energy intensity with 1,838 kWh/terabyte and the eleventh best company regarding GHG emissions intensity with 129 kg CO₂/terabyte (averages for DT Group are 194 kWh/terabyte and 79 kg CO₂/terabyte).

3. Raw Materials and Waste

A. Consuming raw materials

At Telekom Albania we try to follow the principle "Reduce – Reuse – Recycle" and therefore implement various approaches, depending on the type of materials:

- We monitor materials used.
- We reduce materials used.
- We reuse materials used.
- We recycle materials used.
- We properly dispose materials produced.

Telekom Albania has entered into contracts to recover and/or recycle used, faulty and end-of-life products and materials, such as toners, ink cartridges and lamps. The company only utilizes licensed

contractors and certified waste management companies, in order to ensure that waste management is conducted in accordance with the respective legal provisions and international practices. All waste (including hazardous waste) is stored locally in our contractors' premises, until their quantities become feasible for transport, while there was no waste shipped abroad during 2017.

B. Using environmentally friendlier bags

We recognize the significant repercussions of plastic bags on the environment and we only use biodegradable bags in all of our shops, made of polyethylene with reverted technology, which degrade after a few years if not recycled completely.

Bags

	2015	2016	2017
Plastic bags (units)	0	0	0
Biodegradable bags (units)	50,000	88,100	85,000
Paper bags (units)	15,000	5,250	0

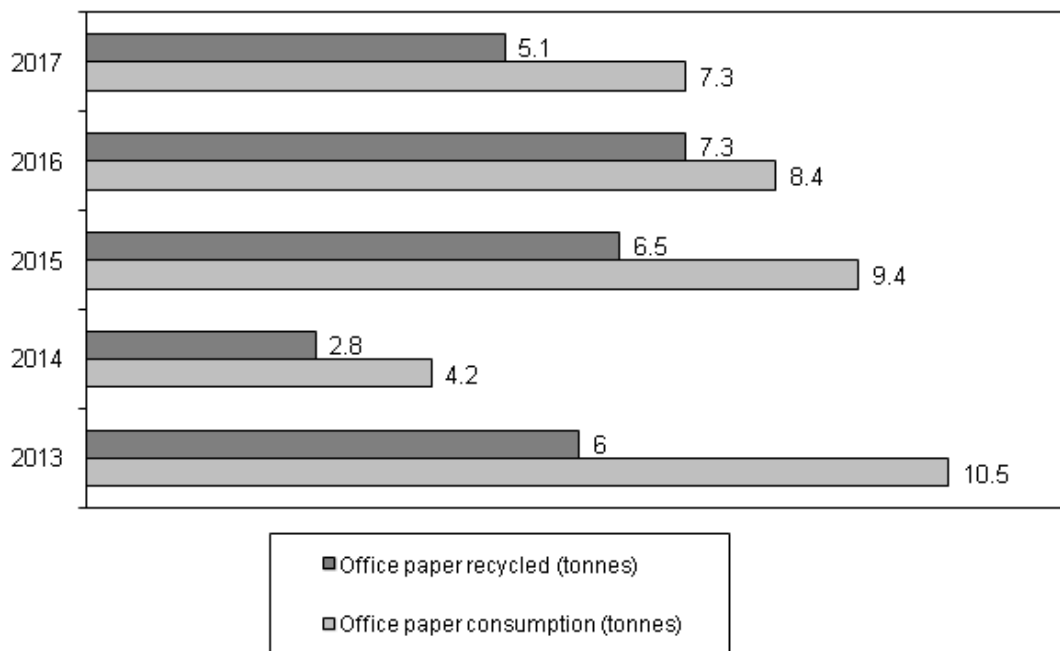
C. Managing paper and plastic use and recycling

We use office paper and plastic for various purposes, such as billing and promotional and communication campaigns and materials. In the last years, we have implemented various initiatives to reduce office paper and plastic consumption, as we:

- Offer free e-billing solutions to all customers and employees.
- Have embedded a paper saving message in the official e-mail signature of all company employees.
- Electronically exchange documentation, such as offers, purchase orders, contracts, qualification documentation and surveys.
- Have made our CR Reports available only in electronic form since 2011.
- Have developed an internal e-mail communication policy.
- Use only centralized printers (one per each floor in each building).
- Have set two-sided printing as the default printing option for all employees since 2014.
- Offer pre-paid customers the option to charge their accounts with e-vouchers and encourages its customers to do so, through bonus airtime to those who select this option.
- Implement internal awareness campaigns to reduce paper consumption (e.g. print on both sides and reduce paper consumption for photocopies) and increase recycling of waste paper, which were effectively communicated to all employees during 2017.
- Implement a paper recycling program with properly marked collection bins in all premises and own shops.
- Implement a plastic recycling program with properly marked collection bins in all office buildings and own shops, through which we gathered and recycled 227 kg of plastic within 2017, which corresponds to over 0.5 kg per employee, compared to 270 kg and over 0.6 kg per employee in 2016.
- Do not use, at the moment, recycled paper or any other recycled materials.



Office Paper Management



**We reduced our total office paper consumption
by 13.1%**

✓ Good Practice... e-Billing Solutions

We strive to enhance the proportion of customers who utilize e-billing solutions, in order to reduce office paper use for printing and post office paper use. As a result of our efforts, in 2017:

- Over 40% of customers have chosen to pay their bills electronically.
- The number of customers using e-billing solutions doubled compared to 2016 and reached approximately 950,000 customers, while payment of bills through the My Telekom application increased by 80% between September and December.
- Approximately 65% of new contracts are signed and sent to customers without using paper.

D. Implementing responsible special waste management

Hazardous waste: We recognize the substantial or potential threats that hazardous waste may pose to public health or the environment and we consider its management as a highly important issue. As a result, we implement recycling programs for the following types of waste:

- Lead batteries, which are installed in many BTS and are activated in case of electricity supply interruptions. Batteries are replaced when their life span has expired, as lead is a hazardous material for the environment.
- Oil-lubricants, which are used in generators located in BTS and partially in office buildings. We cooperate with a licensed company to collect and forward for recycling the entire quantity of the rejected lubricants during generator maintenance.
- Oil and air filters.

Hazardous Waste Recycled

	2013	2014	2015	2016	2017
Lead batteries (tons)	120.7	26	45.6	11.4	16 (136 units)
Lead batteries recycled (%)	100	100	100	100	100
Oil-lubricants (thousand lt)	7.6	4.5	6	3.5	3.3
Oil-lubricants recycled (%)	100	100	100	100	100
Oil filters (units)	1,803	1,076	3,404*	880	537
Air filters (units)	1,803	1,076	-	NR	654
Diesel filters (units)	NR	NR	NR	NR	646

*Number of oil filters also includes air filters.

NR: Not Reported

Technical waste: The daily operations of all telecommunication companies generate different types of technical waste. These include:

- Telecommunication equipment (Waste Electrical and Electronic Equipment - WEEE), such as end-of-life electronics and electrical devices (e.g. antenna parts, rectifiers, transceivers), which are forwarded for recycling.
- Accumulators, which are used as energy storage devices. Before forwarding them to recycle, we test them to determine their operational status during their storage in our warehouse upon de-commissioning.
- Mobile phones, batteries and accessories, for which we implement a recycling program since 2014, with properly marked collection bins in all office buildings, as well as in own shops for all employees and customers. It must be noted that Telekom Albania is the only company in Albania with a recycling program for mobile phones, batteries and accessories.

Technical Waste Recycled

	2013	2014	2015	2016	2017
Telecommunication equipment (WEEE) (tons)	0.7	1.5	59.1	25.3	23.3
Telecommunication equipment (WEEE) (%)	100	100	100	100	100
Accumulators (tons)	NR	NR	45.6	3.9	16
Accumulators (%)	100	100	100	100	100
IT equipment (kg)	NR	NR	4,100	27.5 (additional 2.3 tons are collected, but not yet recycled)	0 (additional 4 TV sets are being processed for recycling)
Mobiles, batteries and accessories collected from citizens (kg)	NR	NR	1.6 (additional 1.6 tons of company owned faulty devices were recycled)	1.6	0

NR: Not Reported

It must be noted that we donate outdated hardware used in company offices (such as computers, printers, monitors and other peripherals) to schools, institutions and NGOs. In 2017, we donated 9 units to organizations (2 desktop computers, 2 monitors and 5 fax machines), compared to one server in 2016.

**We forwarded for recycling 100% of lead
batteries, oil-lubricants, WEEE materials and
accumulators collected**

4. Electromagnetic Fields

A. Following the Precautionary Principle

The potential effect of electromagnetic fields (EMF) on the human health has been the subject of extensive international research studies. Telekom Albania has adopted OTE Group's EMF Policy and complies with the limits set by the International Commission on Non-Ionizing Radiation Protection (ICNIRP) and recommended by the World Health Organization (WHO) for transmitter antennas and mobile phones, which have been included with the relevant legislative framework. These organizations utilize the current scientific knowledge to repeatedly review the current limits and have confirmed the safe use of mobile technology, as the general scientific consensus is that there are no health risks associated with exposure to electromagnetic fields emitted by antennas and mobile phones below international standards.

Policy... Electromagnetic Fields

Indicating our commitment to address the genuine public interest in the mobile communication technology, we have developed the respective EMF policy, through which we:

- Establish internal responsibilities and flows of activities to handle any complaints and enquiries on technology, health and other related issues.
- Support the establishment of a National Database on locations with EMF emissions.
- Comply with the national safe exposure guidelines and the ICNIRP's guidelines regarding EMF for all our BTS and provide all the necessary data to indicate our compliance to any interested party.
- Cooperate with our Stakeholders, in order to inform the general public and encourage local authorities to cooperate with mobile operators in relevant programs.
- Provide the manufacturers' information on SAR values for their mobile devices to our customers, through our website and shops.
- Cooperate with local authorities to handle enquiries from citizens related to network development.
- Fully support improvement of scientific knowledge regarding any EMF impacts to the public health.
- Continuously evaluate scientific data ourselves.

It must be noted that we:

- Comply with the ICNIRP and WHO limits and the respective national limits regarding electromagnetic fields for all our BTS.
- Conduct a radio emission study and an electromagnetic background study (when required) for all wireless telecommunication stations and mobile BTS within a 50-meter and 300-meter radius respectively.
- Have established a specific procedure to address enquiries, comments or complaints received from various communication channels (e.g. written communication, call center) regarding electromagnetic fields.
- Conduct scheduled and ad-hoc EMF radiation measurements by specialized employees from the Radio Transmission Department, using a specific methodology and our own equipment model SRM-3000, which is calibrated every two years. During 2017, we conducted 4 EMF measurements (all of which were scheduled), while no cases of radiation levels exceeding the standard internationally recognized exposure limits imposed by ICNIRP were found.

B. Informing fellow citizens on EMF

We continuously try to identify ways in which citizens can be informed regarding how mobile telephony functions, in order to ensure that everyone can have access to credible and accurate information. During 2017, we continued our information campaign to correctly inform and improve the perception of our Stakeholders regarding mobile telephony technology and its relation to health. Within this context, we provide documented materials on our website to correct information regarding mobile telephony to citizens and customers. Furthermore, we:

- Trade only mobile phones that comply with the defined SAR exposure limits.
- Display the SAR value of every mobile phone sold in Telekom Albania shops in its respective price-tag.
- Provide information to reduce SAR exposure in the corporate website.

✓ Good Practice... Information on EMF

During 2017, Telekom Albania organized a series of monthly events and informed approximately 100 students, graduates, post-graduated and very young entrepreneurs on technology and entrepreneurship. Two of these events focused on communication technology and information security in technology and also addressed issues related to mobile telephony and the network of BTS, including their method of operation, the implemented safety and precaution measures and their compliance with international standards.

? Did You Know... Specific Absorption Rate

Mobile telephony functions are based on the emission of electromagnetic waves. Every mobile phone emits radio frequency electromagnetic energy, which can be measured through the Specific Absorption Rate (SAR) in watts per kilogram of body weight (W/kg). The SAR value of a mobile phone indicates the maximum degree to which the head may absorb electromagnetic fields during a phone call with the device.

Since 1999, the EU Council has set a maximum limit of 2 W/kg for cell and smart phones, which applies to all European countries. All manufacturers are required to check and ensure that they comply with the limit value even at maximum transmission power for all phones and disclose the maximum values measured as "SAR value" in their product manuals or user operating guides. In order to reduce their overall exposure, persons can keep their mobile device away from the head and body, through:

- Using an earpiece (wired or Bluetooth).
- Using the loudspeaker function, including video calls.
- Placing the device on a surface when sending data.
- Texting instead of calling.

5. Other Impacts

Telekom Albania's environmental strategy includes monitoring of its performance related to a wide range of relevant aspects, in order to implement respective programs.

A. Assessing our visual impact

Despite telecommunications having a relatively small visual impact on the environment compared to other industries and sectors, we apply a number of practices such as:

- We build new BTS with smaller size compared to the old construction design.

- We locate BTS in installations in cooperation with the other mobile telephony companies. Within 2017, we increased the number of BTS shared with another operator to 179, compared to 123 in 2016.
- We seek to properly arrange constructions and equipment in new telecommunication infrastructure and perform the necessary modifications to the existing infrastructure, in order to blend well with the surrounding environment and reduce the overall visual impact.

B. Assessing our noise impact

The noise impact of Telekom Albania is insignificant, since:

- Our buildings are located within urban areas.
- We use generators in buildings only in cases of electricity failure.
- BTS powered by electricity have very low noise levels and BTS using generators are located in remote areas.
- The size of outdoor equipment installed in new urban sites has generally decreased, compared to previous sites.
- We locate BTS in installations in cooperation with the other mobile telephony companies, which considerably decreases the overall noise impact.
- In urban areas, we use “Closed Type Power Generator Systems”, with noise levels of 64dB at 7m distance, while we use “Open Type Power Generator Systems” in rural areas, with noise levels of 105dB at 7m distance, which comply with the respective legislative provisions.
- In cases where sound levels from generators should be reduced, we install noise isolation or hybrid systems, in order to reduce their operating time and reduce or eliminate the noise. Within 2017, we activated hybrid operation of Power Supply Unit (PSU) systems to 5 BTS, increasing their number to 6 stations.
- We install noise isolation systems or replace old ventilation and/or cooling systems with newer and more noise-efficient units, in order to reduce noise levels.

C. Assessing our impact on biodiversity

The influence of our activities on biodiversity is insignificant, however, we take this important environmental issue into consideration, as our company:

- Has not placed any of its facilities and operation sites near protected NATURA or RAMSAR areas or near other areas of high biodiversity value outside protected areas. As a result, there are no IUCN Red List species and national conservation list species with habitats in areas affected by operations.
- Builds BTS with the least possible repercussions on environment.
- Conducts Environmental Impact Studies for BTS, in order to identify the potential impacts of BTS construction on the natural environment.
- Ensures that BTS located outside populated areas have small surface requirements and the land is reverted to its previous condition prior to BTS installation or the installation is left for the owner’s use upon request, after the BTS has been de-commissioned.
- Does not generally staff its BTS on a permanent basis and ensures limited transportation activities to these sites.
- Restores potential negative repercussion, which our offices and BTS might have on the ecosystems.

✓ Good Practice... Respecting the Environment

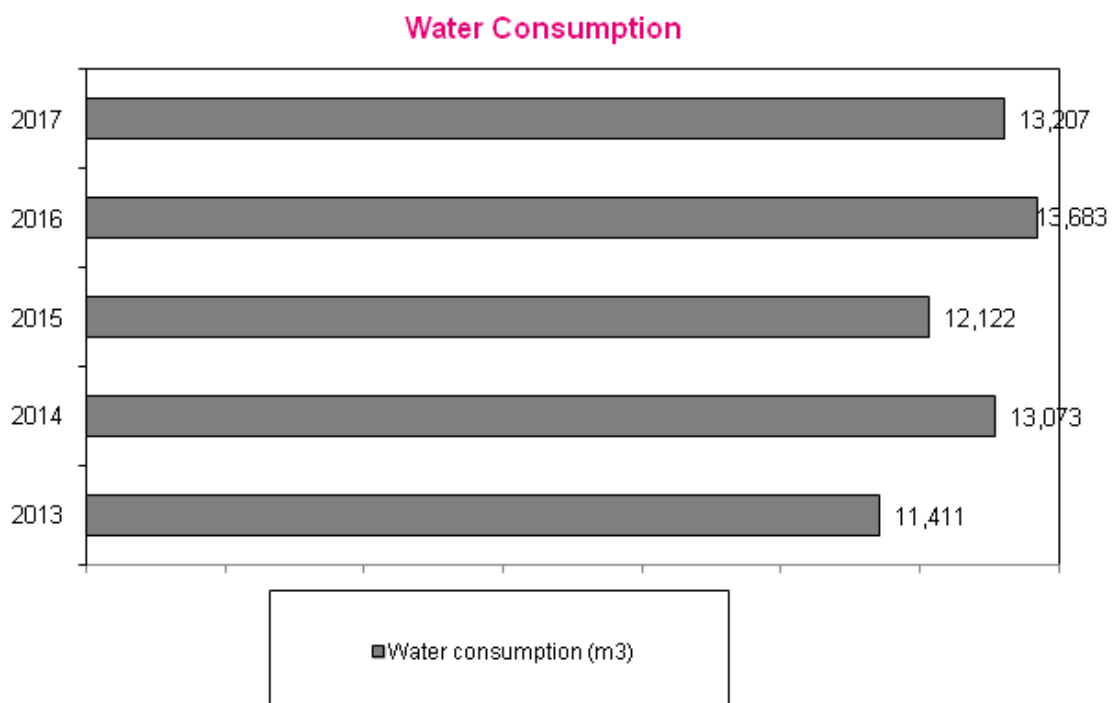
In order to minimize potential negative environmental impact, Telekom Albania has introduced environmental aspects in the design and in-use phase of all BTS and acquires the necessary permits which confirm that BTS:

- Are placed according to actual and future development plans.
- Comply with the EMF emissions approved by the Office of Protection from Radiation.
- Respect protected areas and the biodiversity.
- Are not located in historical and culturally preserved areas.

D. Monitoring water consumption

We consume water solely for our employees' hygiene, watering of plants and cleaning of work areas. Water scarcity is highlighted as an extremely important environmental aspect, due to intensification of needs and demand for this precious resource during the last years. Our company is aware of its relative scarcity and therefore strives to reduce water consumption, where feasible.

- Water supply is performed exclusively from public water suppliers, who are also responsible for the sustainable withdrawal from the water resource system; therefore, we do not affect other water sources.
- Bottles of drinking water are available for all employees and guests.
- We implemented an internal awareness campaign to reduce water consumption, which was communicated to all employees within 2017.
- All wastewater is directed to urban wastewater treatment plants through the sewerage system and is treated in the municipality wastewater facilities.
- At the moment, we do not recycle or reuse water for our operations.
- No water leakages were noticed.
- There were no planned or unplanned water discharges and no significant spills of chemicals or fuels or any other material.



*Water consumption refers to the company's premises in Lapraka and Kashar.

We reduced our water consumption by 3.4%

E. Monitoring our impact on the ozone layer

We use refrigerants in our premises, shops and BTS in the fire suppression system (which utilizes FM 200, a fire suppression agent from carbon, fluorine and hydrogen – CF_3CHF_2), fire extinguishers (which utilize CO_2) and the air-conditioning systems. During 2017, the total quantity of FM 200 stored in all three Telekom Albania buildings and Telekom sites reached 11,756 kg, as in 2016, while there were no fire incidents in our premises and our BTS. Our objective is to reduce the average ODP of replenished

refrigerants (mainly R22 and R407), in order not to harm the ozone layer, which reached 1.1 kg R-11 equivalent, through the following initiatives during 2017:

- Transformation of indoor sites to outdoor in our mobile network.
- Elimination of shelters HVAC in 40 sites.

Refrigerant Materials Replenished

	2017
R22 (kg)	20
R134 (kg)	46.5
R407 (kg)	59
R410 (kg)	58.2
TOTAL	183.7

F. Promoting environmental awareness

Employee awareness: We recognize the importance of employee awareness about the environment, and therefore strive to adopt environmentally responsible behaviour within the workplace. To achieve this, we:

- Have included information about EMF in the Induction Program for all new employees.
- Implement internal awareness campaigns to reduce water and energy consumption, as well to promote the importance of recycling (see sections VI-2B, VI-3C and VI-5D).
- We have placed recycling bins in our offices and own shops, so that paper and plastic may be collected separately.

Public awareness: Besides our standing objective to reduce our own environmental footprint, we also aim to increase our customers' awareness to reduce their own environmental footprint. Therefore, we inform, sensitize and encourage participation of the general public through systematic initiatives within 2017, mainly through our mobile phones, batteries and accessories recycling program (see section VI-3D), as well as through informing citizens on EMF (see section VI-4B).

6. Achievements 2017 and Targets 2018

We said	Progress	We will	By
Reduce CO ₂ emissions throughout the Group by 20%, compared to 2008, by 2020 (Group-wide target).	50%	Reduce CO ₂ emissions throughout the Group by 20%, compared to 2008 (Group-wide target).	2020
		Maintain electricity consumption in data centers at 2017 level.	2018
		Maintain electricity consumption in mobile network at 2017 level.	2018
		Reduce electricity consumption in own shops.	2018
Continue to use new environmentally friendlier technologies.	100%	Replace 2 air-conditioning units with HVAC units in data centers.	2018
Reduce paper consumption in our offices by 3%.	100%	Reduce paper consumption in our offices by 3%.	2018
		Introduce use of recycled paper for office use.	2018
Recycle 100% of WEEE materials withdrawn.	100%	Recycle 100% of WEEE materials withdrawn.	2018

Recycle 100% of accumulators withdrawn.	100%	Recycle 100% of accumulators withdrawn.	2018
Recycle 100% of oil-lubricants withdrawn.	100%	Recycle 100% of oil-lubricants withdrawn.	2018
Contribute to an environment-related initiative.	100%	Contribute to enhancing the country's green areas.	2018
Develop information material on EMF.	0%	Organize environmental awareness campaigns for our employees.	2018

C. INFORMATION ABOUT THE REPORT

1. Summary Table



: completion (100%)



: under completion (75%)



: progress (50%)










: off plan (25%)







: not achieved (0%)



INDICATOR	2015	2016	2017	OBJECTIVE 2017	PROGRESS 2017	OBJECTIVE 2018
OUR STRATEGY & MANAGEMENT Our objective is to incorporate responsibility into our business operations and daily management activities, as well as create measurable and tangible results to create value for our Stakeholders.						
GRI Indicators in the Report (number – full + partially)	22 + 0	68 + 21	72 + 15			
Quantitative Indicators in the Report (number)	205	230	255		We increased by 10.8% the number of quantitative indicators and by 25% the number of targets we make reference to within the Report.	


Quantitative targets in the Report (number)	20	24	30	Conduct a customer or public-based survey on Corporate Responsibility topics, based on best practices of DT Group.		
Complaints regarding violations of our Code of Conduct (number)	0	0	0		No violation cases concerning our Code of Conduct occurred.	
					We have communicated our Code of Conduct to 100% of our employees.	
					We trained 87% of managers and directors and 100% of new hired employees on Compliance Policies.	
Employees trained on anti-corruption (number)	185	110	45		We trained 45 employees on anti-corruption issues and procedures.	
Corruption incidents (number)	0	0	0		We had no incidents of corruption.	
				Integrate the supporting structures and management programs related to the Quality, Occupational Health & Safety and Environment Management Systems.		Refine the programs and unify the objectives related to the Integrated Management System.
				Integrate the Internal Audit Plan.		
				Integrate the IMS processes and procedures.		Introduce new performance indicators related to our environmental



						performance.
				Implement two awareness sessions related to Business Continuity.		Organize a Business Continuity Management awareness session.
				Organize one wide rehearsal, two evacuation drills and one DT Group international crisis exercise, in order to test our Business Continuity Plans and Strategies.		Conduct two evacuation drills in our facilities in Lapraka and Kashar.
						Participate in the DT Group international crisis exercise.
				Ensure that appropriate parties have received updated Business Continuity documentation.		Test and update (if necessary) our Disaster Recovery plans and strategies.
OUR CUSTOMERS & SUPPLIERS						
Our objective is to develop products and services which are safe and correspond to the needs of our customers, as well as facilitate the responsible operation of the markets where we conduct our business.						
Population coverage (%)	99.8	99.8	99.8			
Territory coverage (%)	92.5	92.5	92.5			
Customer base (million)	1.73	1.84	1.94		Our quality index for Call Center service increased by 28.2%,	


					compared to our base results.	
					Our quality index for retail's and digital channels' customer experience increased by 15.8% and 49% respectively, compared to our base results.	
					We reduced the drop call rate on our 2G and 3G networks by 10.9% and 14.7% respectively.	
				Deploy IP Multimedia Subsystem (IMS) core technology to support VoLTE (Voice over Long-Term Evolution).		Launch VoLTE (Voice over Long-Term Evolution).
Market share (%)	37.3	38	39.5			
Fines for anti-competitive behaviour (number, value)	0	0	0		We trained 87% of our managers and directors on competition legislation and anti-competitive behaviour.	
Complaints received by customers (number)	8,452	5,671	3,672		The number of received complaints decreased by 35.2%.	
Complaints resolved within 5 days (%)	74.4	93	88	Handle 95% of complaints related to customer service in less than 5 days.	We resolved 88% of complaints received within 5 days. 	Handle 95% of complaints related to customer service in less than 5 days.
Average time to resolve complaints (days)	2.7	2.2	3			
Incidents related to privacy issues or loss of personal data (number)	0	0	0		We had no incidents regarding customer privacy	


					issues or loss of personal data.	
				Develop information material on safer Internet and secure online experience.		Organize and implement awareness campaigns in schools regarding safe Internet and risks of the digital world.
				Launch an information leaflet about the risks associated with Internet access and the required actions to protect children.		Distribute print materials on safe Internet throughout our own shops.
					We successfully blocked 54,338 Internet security threats and malicious URLs.	
Suppliers (number)	NR	120	292			Launch our new Supplier Code of Conduct.
Procurement expenses to local suppliers (%)	NR	20	82		We increased the percentage of procurement expenses allocated to local suppliers to 82%.	
					Approximately 81% of Deutsche Telekom Group procurement volume has been reviewed according to sustainability criteria.	Have at least 80% of procurement volume reviewed according to sustainability criteria by 2020 (Group-wide target).
OUR SOCIETY						
Our objective is to combine our business success, with prosperity and quality of life, for citizens in local communities we conduct our business						







in.						
Revenues (million €)	82.6	77.2	68.1*			
EBITDA (million €)	20.6	16.1	8.7*			
Capital expenditures (million €)	NR	16.2	15.7*			
Total taxes (including VAT) (million €)	NR	2.1	6.6*		We contributed approximately €9.3 million to the Albanian State for taxes, insurance contributions and regulatory fees.	
Payments to suppliers (million €)	NR	79.2	85.5*			
Cost of employees (including salaries, benefits and insurance payments) (million €)	NR	6.7	6.6*		We distributed over €107 million in economic value: €6.6 million to employees, €6.6 million for taxes, €85.5 million to suppliers, €0.1 million to society and €8.7 million for investments.	
Investments (million €)	NR	12.6	8.7*			
Value of social contribution (€)	194,537	121,637	76,012	Provide medical equipment to health institutions.		
People supported through social contribution activities (estimated) (number)	5,833	7,438	31,899		We quadrupled the number of people supported through our social support activities.	
					The total time allocated to social contribution activities reached 281 working hours.	
Students in internship programs (number)	32	31	45		We provided internships to 108 students in the last three years.	
Volunteering activities (number)	7	2	0	Organize a volunteering activity to support an institution dedicated to		Organize two volunteering activities.

				children, with the participation of 50 volunteer employees.		
Volunteer employees (number)	0	48	0			
Working hours allocated to employee volunteer activities (number)	0	63	0			
OUR EMPLOYEES						
Our objective is to create a work environment, which ensures long-term career opportunities and facilitates our employees' development.						
Employees (number)	446	438	385			
Employees with full time employment contracts (%)	100	100	385		We employ 100% of our employees with full time employment contracts.	
Women employees (%)	61	63	62.6		We maintained the percentage of women employees to over 62% of total workforce.	
Women employees in Middle Level Manager position (%)	49.2	67	62			
				Achieve 30% of women in Middle and Upper Management by 2020 (Group-wide target).	We increased the percentage of women in Upper Level Manager position and Director position to 56% and 50% respectively.	Achieve 30% of women in Middle and Upper Management by 2020 (Group-wide target).
						
Training hours on health and safety issues (number)	1,043	1,089	1,130		We increased health and safety training hours by 3.7%.	

Work-related accidents (number)	0	0	0		We had no accidents within our workplace.	
Fatal accidents (number)	0	0	0			
Injury Rate (rate)	0	0	0			
Discrimination incidents (number)	0	0	0			
Difference of lowest employee salary to legal basic salary (%)	+105	+105	+88		Our lowest employee salary is 88% higher than the legal basic salary.	
Permanent job openings covered by internal candidates (%)	NR	12	13			
Employees trained (number)	67	203	154	Train all new hired employees.	We trained at least once 40% of our employees. 	Train all new hired employees.
						Introduce Digital Induction for new hired employees by 2020.
Average training hours (hours/employee)	5.5	11.5	2.9			
Employee satisfaction rate (%)	93	92	91	Conduct two Pulse Surveys.	We achieved 28.1% higher employee satisfaction rate than the average rate of EU based DT Group companies. 	Conduct two Pulse Surveys.
						Maintain the high employee participation rate in the Pulse Surveys.
Employees with performance appraisals (%)	100	100	100		We assessed 100% of applicable employees.	

<p>OUR ENVIRONMENT</p> <p>Our objective is to successfully manage our direct and indirect environmental impact, as well as raise our fellow citizens' awareness to act more responsibly regarding environmental protection.</p>						
Total CO ₂ emissions (tons)	2,423	2,119	9,128**		We improved our energy intensity and GHG emissions intensity by 50.8% and 58.1% respectively.	
					We reduced our Scope 1 and Scope 2 carbon dioxide emissions by 23.5% (equal to 498 tons of CO ₂).	
				Reduce CO ₂ emissions throughout the Group by 20%, compared to 2008, by 2020 (Group-wide target).	Carbon dioxide emission reductions due to use of Deutsche Telekom products and services were 21.1% percent higher than the Group's actual CO ₂ emissions in Europe (representing an enablement factor of 1.21:1).	Reduce CO ₂ emissions throughout the Group by 20%, compared to 2008, by 2020 (Group-wide target).
Total electricity consumption (MWh)	19,716.7	18,198.1	17,512.9		We reduced electricity consumption in our mobile 	Maintain electricity consumption in data centers at

					network by 4.3%.	2017 level.
					We reduced electricity consumption in our buildings by 2.2%.	Maintain electricity consumption in mobile network at 2017 level.
						Reduce electricity consumption in own shops.
Total energy consumption from diesel (MWh)	7,276	6,340	4,593		We reduced our total energy consumption from diesel by 27.5%.	
Fuel consumption from vehicles (thousand lt)	124.4	117.4	104		We reduced our vehicles' fuel consumption by 12.2%.	
Transportation distance from vehicle fleet (thousand km)	1,575	1,653.4	1,729.1			
Distance travelled for business purposes (km)	358,667	384,168	304,988		We reduced the total distance travelled for business purposes by 20.6%.	
Average fuel consumption (lt/vehicle)	1,599	1,319.7	1,406			
Consumption of biodegradable bags (number)	50,000	88,100	85,000			
Consumption of paper bags (number)	15,000	5,250	0		We reduced our total office paper consumption by 13.1%.	
Office paper consumption (tons)	9.4	8.4	7.3	Reduce paper consumption in our offices by 3%.		Reduce paper consumption in our offices by 3%.
Office paper recycled (tons)	6.5	7.3	5.1			Introduce use of recycled paper for office use.
Plastic recycled (kg)	275	270	227			
Oil-lubricants recycled (thousand lt)	6	3.5	3.3	Recycle 100% of oil-lubricants withdrawn.	We forwarded for recycling 100% of lead batteries, oil-lubricants, WEEE materials and accumulators collected.	Recycle 100% of oil-lubricants withdrawn.

						
Telecommunication equipment (WEEE) recycled (tons)	59.1	25.3	23.3	Recycle 100% of WEEE materials withdrawn.		Recycle 100% of WEEE materials withdrawn.
Accumulators recycled (tons)	45.6	3.9	16	Recycle 100% of accumulators withdrawn.		Recycle 100% of accumulators withdrawn.
Total phones and accessories recycled (kg)	1,601.6	1.6	0			
Water consumption (m ³)	12,122	13,683	13,207		We reduced our water consumption by 3.4%.	
				Continue to use new environmentally friendlier technologies.		Replace 2 air-conditioning units with HVAC units in data centers.
				Contribute to an environment-related initiative.		Contribute to enhancing the country's green areas.
				Develop information material on EMF.		Organize environmental awareness campaigns for our employees.

*Adjusted values for 2017, excluding Special Factors.

**Includes other indirect CO₂ emissions (Scope 3).

NR: Not Reported

2. GRI Context Index, Global Compact, SDG and ISO26000 Tables

The correspondence between the content of this Report and the Global Reporting Initiative's (GRI G4 version 2013) General and Specific Standard Disclosures, including the respective Telecommunications Sector Supplement, as well as the Global Compact Principles, the Sustainable Development Goals and the ISO26000 International Guidelines, is presented in the following tables.

- General Standard Disclosures of GRI required for "Core" option are indicated in grey background.
- Material Aspects of GRI for the organization (based on the Materiality Analysis conducted), are indicated in grey background.
- Boundaries of GRI indicators are indicated on the Table.
- No external assurance has been conducted for the Material Aspects.

GRI Content Index



General Standard Disclosures

General Standard Disclosures	Report Section	Omissions	Boundary of Material Aspects
Strategy and Analysis			Company
G4-1	A	-	
Organisational Profile			Company
G4-3	B, I-2A	-	
G4-4	I-4A	-	
G4-5	B, I-2A	-	
G4-6	I-2A	-	
G4-7	I-2D	-	
G4-8	I-2A	-	
G4-9	I-2A, IV-1A, V-1B	-	
G4-10	V-1B	-	
G4-11	V-3C	-	
G4-12	I-4D, III-5B	-	
G4-13	I-2C	-	
G4-14	VI-1A, VI-4A	-	
G4-15	III-4C, V-3A, VI-4A	-	
G4-16	I-5A	-	
Identified Material Aspects and Boundaries			Company, value chain
G4-17	IV-1A	-	
G4-18	II-4A	-	
G4-19	II-4B, C-2		
G4-20	C-2	-	
G4-21	C-2	-	
G4-22	B	-	
G4-23	B	-	

Stakeholder Engagement			Company
G4-24	II-4C	-	
G4-25	II-4C	-	
G4-26	II-4C	-	
G4-27	II-4C	-	
Report Profile			Company
G4-28	B	-	
G4-29	B	-	
G4-30	B	-	
G4-31	B	-	
G4-32	C-2	-	
G4-33	B, C-2	-	
Governance			Company
G4-34	II-1B	-	
G4-35	II-3A, VI-1A	-	
G4-36	II-2B,3A, VI-1A	-	
G4-39	II-1B	-	
G4-43	II-1B,3A, VI-1A	-	
G4-45	II-3A, VI-1A	-	
G4-50	II-1B	-	
G4-54	V-3B	-	
G4-55	V-3B	-	
Ethics and Integrity			Company, customers, suppliers
G4-56	I-2B, II-1A,2B,3A, III-4A,5B, V-1A,3A	-	
G4-57	II-1A	-	
G4-58	II-1A	-	

Specific Standard Disclosures

DMA and Indicators	Report Section	Omissions	Boundary of Material Aspects
ECONOMIC			Company
Economic Performance			
G4-DMA	IV-1A	-	
G4-EC1	IV-1A	-	
Market Presence			
G4-DMA	V-3A,3B	-	
G4-EC6	V-3A	-	
Indirect Economic Impacts			
G4-DMA	IV-3A,3B,4A,4C	-	
G4-EC8	IV-3A,3B,4A,4C	-	
Procurement Practices			
G4-DMA	III-5A	-	
G4-EC9	III-5A	-	
ENVIRONMENTAL			Company
Materials			
G4-DMA	VI-3A,3B,3C	-	
G4-EN2	VI-3C	-	
Energy			
G4-DMA	VI-2A,2B,2C,2D	-	
G4-EN3	VI-2A,2B,2C	-	
G4-EN5	VI-2B,2F	-	
Water			
G4-DMA	VI-5D	-	
G4-EN8	VI-5D	-	
G4-EN9	VI-5D	-	
G4-EN10	VI-5D	-	
Biodiversity			
G4-DMA	VI-5C	-	
G4-EN11	VI-5C	-	
G4-EN12	VI-5C	-	
G4-EN14	VI-5C	-	
Emissions			
G4-DMA	VI-1A,2F,5E	-	
G4-EN15	VI-2F	-	
G4-EN16	VI-2F	-	
G4-EN17	VI-2F	-	
G4-EN18	VI-2F	-	
G4-EN20	VI-5E	-	
Effluents and Waste			
G4-DMA	VI-3A,3C,3D, VI-5C,5D	-	
G4-EN22	VI-5D	-	
G4-EN23	VI-3A,3C,3D	-	
G4-EN24	VI-5D	-	
G4-EN25	VI-3A,3D	-	
G4-EN26	VI-5C,5D	-	
Compliance			
G4-DMA	VI-1C	-	
G4-EN29	VI-1C	-	
Transport			
G4-DMA	VI-2D	-	
G4-EN30	VI-2D	-	

Supplier Environmental Assessment			
G4-DMA	III-5C	-	
G4-EN33	III-5C	-	
Environmental Grievance Mechanisms			
G4-DMA	VI-1C	-	
G4-EN34	VI-1C	-	
SOCIAL			
LABOUR PRACTICES AND DECENT WORK			Company
Employment			
G4-DMA	V-1A,1B,5C	-	
G4-LA1	V-1B	-	
G4-LA2	V-5C	-	
Labour/Management Relations			
G4-DMA	V-3C	-	
G4-LA4	V-3C	-	
Occupational Health and Safety			Company
G4-DMA	V-2A,2B	-	
G4-LA5	V-2A	-	
G4-LA6	V-2B	-	
G4-LA7	V-2B	-	
Training and Education			
G4-DMA	V-4A,4B,4C	-	
G4-LA11	V-4A	-	
Diversity and Equal Opportunity			
G4-DMA	V-1B,3A	-	
G4-LA12	V-1B,3A	-	
Equal Remuneration for Women and Men			
G4-DMA	V-3B	-	
G4-LA13	V-3B	-	
Supplier Assessment for Labour Practices			
G4-DMA	III-5C	-	
G4-LA15	III-5C	-	
Labour Practices Grievance Mechanisms			
G4-DMA	V-3A	-	
G4-LA16	V-3A	-	
HUMAN RIGHTS			Company
Investment			
G4-DMA	V-3A	-	
G4-HR1	V-3A	-	
G4-HR2	V-4C	-	
Non-discrimination			
G4-DMA	V-3A	-	
G4-HR3	V-3A	-	
Supplier Human Rights Assessment			
G4-DMA	III-5C	-	
G4-HR11	III-5C	-	
Human Rights Grievance Mechanisms			
G4-DMA	V-3A	-	
G4-HR12	V-3A	-	
SOCIETY			Company
Local Communities			

G4-DMA	II-4C, IV-4A,4D, VI-5F	-	
G4-SO2	IV-4D	-	
Anti-corruption			
G4-DMA	II-2C, III-5B	-	
G4-SO4	II-2C, III-5B	-	
G4-SO5	II-2C	-	
Public Policy			
G4-DMA	II-2C	-	
G4-SO6	II-2C	-	
Anti-competitive Behaviour			
G4-DMA	III-1B	-	
G4-SO7	III-1B	-	
Compliance			
G4-DMA	II-2D	-	
G4-SO8	II-2D	-	
Supplier Assessment for Impacts on Society			
G4-DMA	III-5C	-	
G4-SO10	III-5C	-	
Grievance Mechanisms for Impacts on Society			
G4-DMA	IV-4D	-	
G4-SO11	IV-4D	-	
PRODUCT RESPONSIBILITY			Company, customers, suppliers, network
Customer Health and Safety			Company, customers, suppliers
G4-DMA	III-4C, III-5D	-	
G4-PR2	III-4C	-	
Product and Service Labeling			Company, customers, network
G4-DMA	III-2A,2B,3A,3C	-	
G4-PR4	III-2A	-	
G4-PR5	III-3A,3C	-	
Marketing Communications			Company, customers, network
G4-DMA	III-2A	-	
G4-PR6	III-2A	-	
G4-PR7	III-2A	-	
Customer Privacy			Company
G4-DMA	III-4A	-	
G4-PR8	III-4A	-	
Compliance			
G4-DMA	III-4B,4C	-	
G4-PR9	III-4C	-	
TELECOM SECTOR SUPPLEMENT			
INTERNAL OPERATIONS			
Health and Safety			Company, customers, suppliers
IO3	V-2A,2B	-	
IO4	III-5D, VI-4A	-	
IO5	VI-4A	-	
IO6	III-5D, VI-4B	-	
Infrastructure			
IO7	VI-5A	-	
IO8	VI-2A,5A,5B	-	
PROVIDING ACCESS			
Digital Divide			Company, customers

PA2	IV-2B,3A	-	
PA3	III-3B	-	
PA4	I-2A,4B, III-3B	-	
PA6	IV-4A	-	
Access to content			Company, customers
PA7	III-2A,4C	-	
Customer relations			Company, customers
PA8	V-2A, VI-4B	-	
PA10	III-2B,2C	-	
OTHER			
Indirect Economic Impact			
EC13	IV-2B,3A,3B,4A,4B	-	

Global Compact Table

Issue	Principle	Report Section	Coverage
Human Rights			
1.	Support and respect protection of internationally proclaimed human rights	III-5B, V-3A	F
2.	Ensure not to be complicit in human rights abuses	III-5B, V-3A	F
Labour Standard			
3.	Recognize freedom of association and right to collective bargaining	III-5B, V-1A,3C	F
4.	Eliminate all forms of forced and compulsory labour	III-5B, V-3A	F
5.	Abolish effectively child labour	III-5B, V-3A	F
6.	Eliminate discrimination in respect to employment and occupation	II-1A, III-5B, V-1A,3A	F
Environment			
7.	Support a precautionary approach to environmental challenges	VI-1A,4A	F
8.	Promote greater environmental responsibility	III-5B, VI-1-5	F
9.	Encourage development and diffusion of environmentally friendly technologies	I-4A, VI-1-5	F
Corruption			
10.	Work against all forms of corruption, including extortion and bribery	II-1A,2B,2C, III-5B, IV-4B	F

ISO26000 Table (International Standard)

Aspect	Report Section	Coverage
1. Scope	II-3A,4A-C	F
2. Definitions	C-3	F
3. Understanding Social Responsibility	II-3A,4A-C	F
4. Principles of Social Responsibility	II-3A,4A-C	F
5. Recognizing Social Responsibility and Engaging Stakeholders	II-3A,4A-C	F
6. Guidance on Social Responsibility Core Subjects		
a. Organizational Governance	II-1A-C,2A-C	F
b. Human Rights	III-5B, V-1A,3A	F
c. Labour practices	III-5B, V-3A	F
d. Environment	VI-1-5	F
e. Fair operating practices	II-1A,2B, III-1-4	F
f. Consumer issues	III-1-4	F
g. Community involvement and development	IV-4A,4C	F
7. Guidance on Integrating SR throughout the Organization		
a. Enhancing Credibility	II-1-4, III-1-5, IV-1-4, V-1-5, VI-1-5	F
b. Communication	B, III-2A,2B,3A,3C, IV-4A-C, V-1C, VI-4B	F

United Nations' Sustainable Development Goals Table

Goal	Principle	Report Section
1.	End poverty in all its forms everywhere	IV-1A,4A
2.	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	-
3.	Ensure healthy lives and promote well-being for all at all ages	IV-3A,3B,4A, V-2A, VI-4A,4B
4.	Ensure inclusive and quality education for all and promote lifelong learning	IV-4A, V-4C
5.	Achieve gender equality and empower all women and girls	V-3A,3B
6.	Ensure access to water and sanitation for all	-
7.	Ensure access to affordable, reliable, sustainable and modern energy for all	-
8.	Promote inclusive and sustainable economic growth, employment and decent work for all	IV-1A, V-1B,3A,3B,3C,5A
9.	Build resilient infrastructure, promote sustainable industrialization and foster innovation	I-4B, II-2E, III-3B, VI-4A
10.	Reduce inequality within and among countries	IV-2B,3A,4A, V-3A,3B
11.	Make cities inclusive, safe, resilient and sustainable	IV-2C,4A
12.	Ensure sustainable consumption and production patterns	IV-2B
13.	Take urgent action to combat climate change and its impacts	VI-1-5
14.	Conserve and sustainably use the oceans, seas and marine resources	VI-3B,3D
15.	Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss	VI-3A,3B,3C,5C
16.	Promote just, peaceful and inclusive societies	IV-4A
17.	Revitalize the global partnership for sustainable development	II-1-4, III-1-5, IV-1-4, V-1-5, VI-1-5

3. Glossary

Please pay attention to the following, frequently used terms:

Term	Refers to
“Base Stations” or “BTS”	The installations in a region (including transmission antennas), which are used to transmit data or voice, from a mobile through the telecommunications network.
“Biodiversity”	The variety of living organizations in an ecosystem or in geographical area.
“Broadband”	The wide bandwidth data transmission, which transports multiple signals and traffic types and allows high-speed Internet access.
“Business Continuity Management” or “BCM”	The management approach, which proactively handles issues that a company could face (e.g. disaster, crisis), in order to ensure continuation of offered services and products.
“Carbon dioxide” or “CO ₂ ”	The gaseous chemical compound derived from the combustion of fossil fuels (oil, gasoline, natural gas, etc.) and organic compounds (wood, plastic, etc.), which contributes to the greenhouse effect.
“Corporate Responsibility” or “Sustainable Development”	The voluntary commitment of companies to include in their corporate practices economical, social and environmental criteria and activities, which are beyond the legislative requirements and are related to their impact on Stakeholders. The term refers to the current economic growth that does not compromise the ability of future generations to satisfy their own needs.
“Customers”	The final users of Telekom Albania’s products and services.
“Deutsche Telekom Group” or “DT Group” or “Group”	All companies of the Deutsche Telekom Group, namely Deutsche Telekom AG and its subsidiaries worldwide (including Telekom Albania).
“Electromagnetic Fields” or “EMF”	The non-ionizing radiation emitted by mobile phones and base stations (used to transmit data and voice).
“Environmental footprint”	The total greenhouse gas emissions that arise directly (e.g. burning of fossil fuels for heating) or indirectly (e.g. by the use of products) from a company.
“III-2A”, “VI-2B” etc.	The Area, Section and Subsection of this Report (e.g. used in the GRI, Global Compact and Stakeholder Tables). For example, the term “III-2A” makes reference to Area III (Our Customers & Suppliers), Section 2 (Responsible Marketing) and Subsection A (“Applying Responsible Marketing practices”).
“International Commission on Non-Ionizing Radiation Protection” or “ICNIRP”	The international institution which defines acceptable levels of non-ionizing radiation levels.
“International Labour Organization” or “ILO”	The United Nations agency which deals with labour issues, i.e. international labour standards, social protection and work opportunities for all.
“International Organisation of Standardisation” or “ISO”	The largest organisation in the world to develop internationally accepted standards, such as ISO9001.
“Internet”	The global system of interconnected computer networks that use the Internet protocol suite (TCP/IP) to link devices worldwide.
“Interactive Voice Response” or “IVR”	The automated telephony system that interacts with callers, gathers information and routes calls to the appropriate recipient. An IVR system (IVRS) accepts a combination of voice telephone input and touch-tone keypad selection and provides appropriate responses in the form of voice, fax, callback, e-mail and perhaps other media.
“Global Compact”	The United Nations initiative to encourage companies to align their

	business operation with 10 universally accepted principles in the areas of human rights, labour, environment and anti-corruption.
“Organization for Economic Co-operation and Development” or “OECD”	The intergovernmental economic organization with 35 member countries to stimulate economic progress and world trade.
“OTE Group” or “OTE”	OTE Group of Companies, which has operations in Greece (through OTE S.A. and COSMOTE S.A.), Romania (through Telekom Romania) and Albania (through Telekom Albania).
“Report”	The Corporate Responsibility Report 2017.
“Telekom Albania”, “company” or “we”	Telekom Albania SH.A. (which this Report refers to).
“Universal Declaration of Human Rights”	The declaration adopted by the United Nations General Assembly in 1948 with the fundamental rights to which all human beings are inherently entitled.

4. Feedback Form

1. To which Stakeholder group do you belong?

- Customers Sales network Suppliers Employees
 Government & Authorities Local communities Citizens NGOs & NPOs
 Media Shareholders

Other: _____

2. What is your impression, about the following areas of this Report?

Area:	Excellent	Good	Neutral	Mediocre	Bad
II. Strategy & Management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
III. Customers & Suppliers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
IV. Society	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
V. Employees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
VI. Environment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. What is your impression, about the following elements of this Report?

Element:	Excellent	Good	Neutral	Mediocre	Bad
Sections have the right <u>balance</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Important topics are <u>covered</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Structure supports easy <u>reading</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Texts</u> are comprehensive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Quantitative</u> elements are complete	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Graphs</u> included are comprehensive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. Are there any topics, which are not answered (or not adequately covered) in this Report or do you have questions you would like to be answered in our next Report?

5. Are there any other comments/proposals you might have?

Personal Data (optionally):

Name: _____
 Organization: _____
 Address: _____
 Phone/Fax: _____
 E-mail: _____

Please fill out the form and send it to:

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All information on this form will be used only to evaluate this Report, through statistical analysis. Personal data are protected, in accordance with the provisions of the respective legislation regarding private information.

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