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Dear friends,

I am proud to present to you the first corporate responsibility report of GLOBUL.

Our company is the biggest green field investment in Bulgaria. Everything started with winning the tender for GSM license in December 2000. Today the investment of our company reached EUR 1.1 billion.

We have a great team of employees, state of the art telecommunications network and 3.9 million customers. And I can assure you that this is only the beginning. You can expect from GLOBUL to offer new products and services and to go in new territories as TV and fixed broadband.

My confidence in our success is based primarily on the fact that we are a great team. You will find in this report a lot of information and case studies showing what we do in order to be a preferred employer and how we invest in training and how we assess our results.

Quite often when we ask people why they want to work in GLOBUL they say that's because of our green image. For sure you have seen our campaigns for non-paper invoice, mobile phones recycling and cleaning of the nature parks.

Those projects are successful because many people joined our efforts. GLOBUL provides to its clients many opportunities to reduce traveling and the resulting pollution. You can arrange conference calls instead of asking people to have a face to face meeting. Wireless Internet gives you the chance to exchange whatever information you want- presentations, charts or video. You don't have to travel back to the office in order to check your e-mail- you can check it on your smart phone, lap top or tablet.

We are sharing our green experience with other Bulgarian companies and we promote and support the exchange of best practices.

What you will find in this report is that we have green initiatives related to our network, buildings and equipment. As a result we use less electricity, paper, fuel etc. GLOBUL is one of the few companies in Bulgaria that measure their carbon footprint. In 2010 we achieved 11.3% reduction and we have ambitious plans.

For all GLOBUL employees the word responsibility does not mean only offering the best products and services and providing the best possible customer care. We know that as a big company we have to contribute to the economy, environment and society.

This report is our first attempt to put together the story of our achievements.

You will find also our ambitious targets for the future. Our success is possible only with your support- please write us back with comments and proposals and we will get back to you. Your ideas can become our ideas and we can work together.

That's why our corporate slogan is- Our world is you.

Count on it.

I wish you all the best!

Haris Kotsibos
CEO of GLOBUL

ABOUT THE REPORT

With its first corporate responsibility report, GLOBUL clearly states its long-term commitment to its employees and clients, as well as to the environment and society. We believe that we are the first Bulgarian company that has achieved such level of transparency and completeness in providing information about our overall activity of a responsible organization. We are planning to publish such a report annually so that everybody who is interested could be informed about the way GLOBUL contributes to the sustainable development of our country.

The report is consistent with the main principles and requirements of the Global Reporting Initiative (GRI). For 2010, we have reached a B level of reporting, which means that we describe our management approach to all significant aspects of the activity of GLOBUL and we present data on more than 20 indicators.

[The GRI Statement for Application Level Check](#)

The report is distributed in Bulgarian and in English. You can find it in print, as well as an electronic version on GLOBUL corporate website of www.globul.bg.

Scope of the report

Information presented in the report gives a broad overview of various aspects of the company's activities in order to get an idea of the level of corporate responsibility. The report focuses on the activities of GLOBUL for the period 1st of January 2010 - 31st of December 2010. All information described in it is related to activities of GLOBUL in Bulgaria, unless something else is clearly indicated. The report also partially presents activities of GERMANOS, as our major trading partner, leader in the field of mobile technologies and in offering the services of GLOBUL on the Bulgarian market.

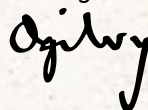
The report contains quantitative data and information for the period 2009-2010, and in some cases it refers to previous years. All financial and other data, which the company collects and publishes by law, comply with our official reports. Some environmental and social data are result of expert assessments, calculations, investigation and approximations. This is clearly stated in the report.

Consultancy



denkstatt

The report has been prepared with the assistance of our consultants on environmental management and sustainability – denkstatt.



Design and pre-press preparation were made by our advertising agency Ogilvy&Mather.

Print and paper

The report is printed by Virus Advertising on 100% recycled paper, made in accordance with the requirements of the German environmental certificate Der Blaue Engel.

Your opinion



Hrisa Deliiska
Head of Corporate
Responsibility Section
GLOBUL

In the process of creating the first corporate responsibility report of GLOBUL, we invested a lot of enthusiasm, effort and energy. We hope that it will make an impression on everyone who reads it. We will be happy if you could share with us

your reason to read it, which part you were most interested in, and what you would recommend to be included or improved next year. Your opinion is important to us! Please send your comments to the addresses listed below.

GLOBUL
Business Park Sofia, Mladost 4,
Building 6, Sofia 1766
e-mail: CR@globul.bg

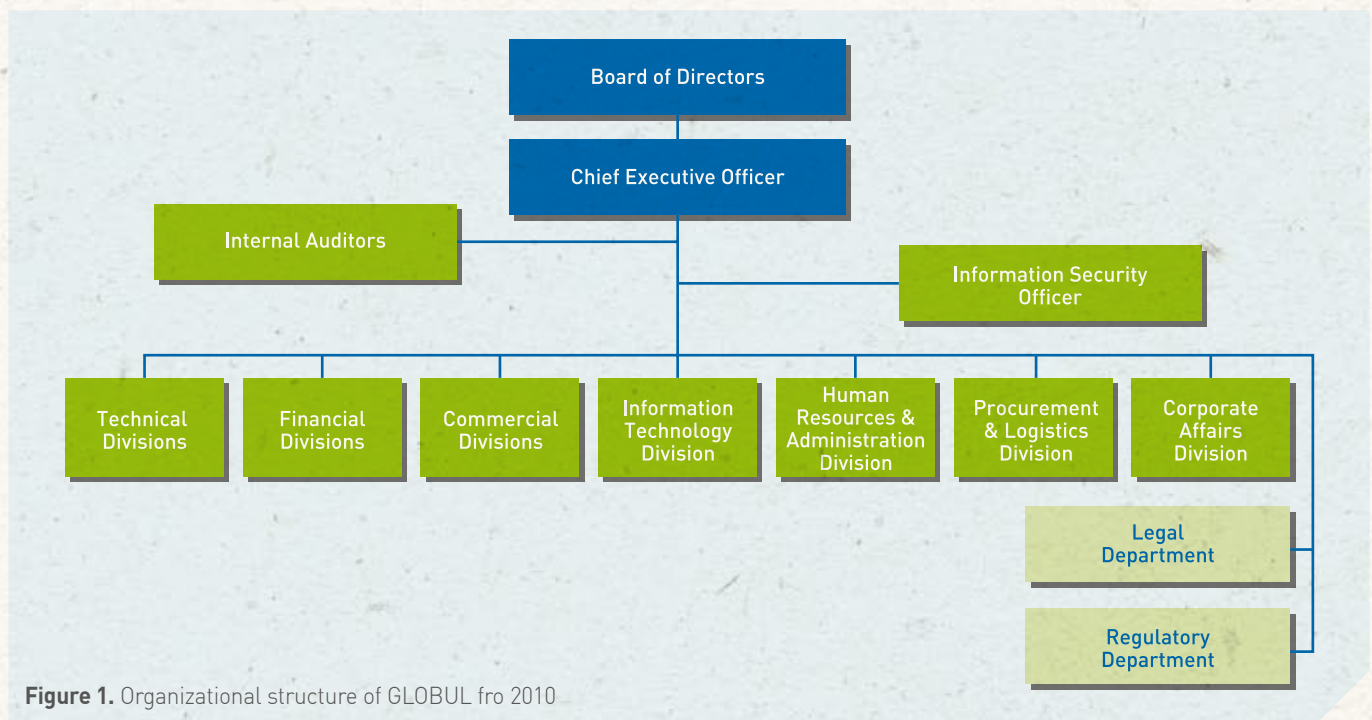
GLOBUL is the trademark, under which Cosmo Bulgaria Mobile EAD offers telecommunication services in Bulgaria. The company is 100% owned by COSMOTE, the mobile operator with the strongest presence in South Eastern Europe (www.cosmote.gr), operating in Greece as well as Bulgaria, Romania and Albania. As of the end of 2010, GLOBUL has 3.9 million subscribers, while its services are available to 99.98% of Bulgaria's population, covering over 99.23% of the country's territory. GLOBUL UMTS network covers 88.96% of the population. At the end of December 2010, COSMOTE Group had approximately 21 million customers in South Eastern Europe.

3.1. Organizational Structure

The organizational structure of GLOBUL for 2010 is illustrated below (Figure 1):

3.3. Telecommunication Network and Administrative Buildings

Our services are based on our own telecommunication network (Figure 2).



3.2. Products and Services

We provide our clients with a full range of telecommunication services: mobile, fixed and data transfer. We continually invest in innovative solutions in order to respond to the ever-changing market needs. We approach with equal attention and responsibility our post-paid subscribers (private and business subscribers) as well as our prepaid customers. We turn challenges into advantages so that we can continue being together.

It can be divided into two units – core network (MTX controllers) and access network, which contains over 2,000 base stations (BTS) and the equipment that provides the connection with the core network. These base stations provide the wireless connection to our clients. In addition, the company uses three buildings where all administrative and technical activities are concentrated.

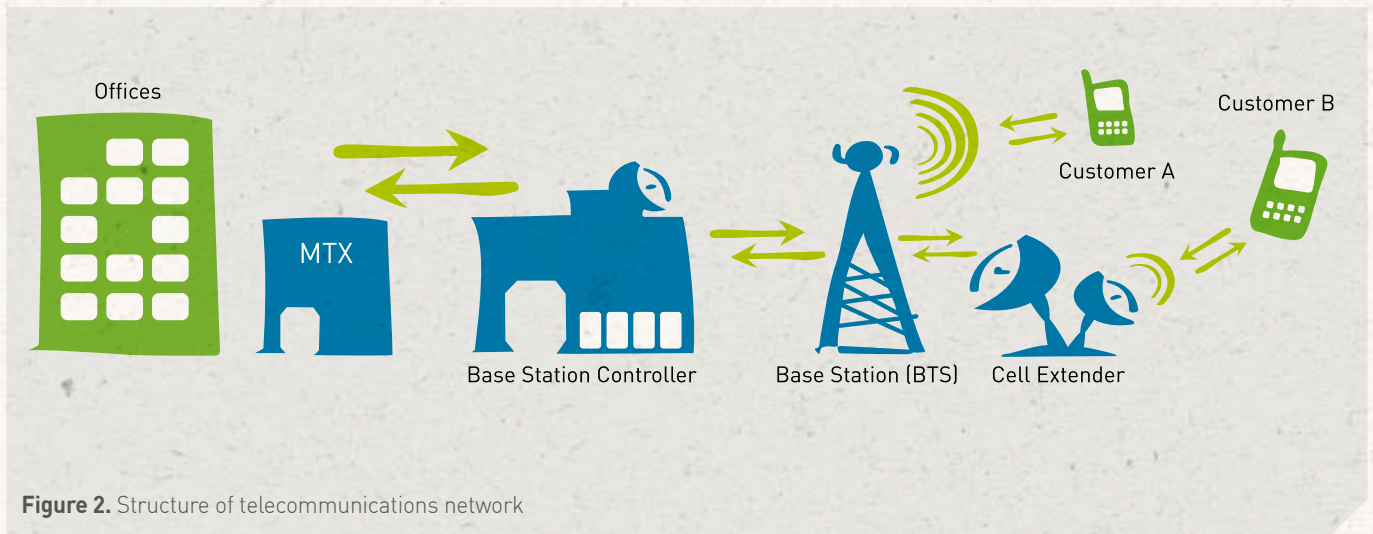


Figure 2. Structure of telecommunications network

3.4. Commercial Network

GLOBUL has developed a wide distribution network. We offer our products and services through over 430 points of sale across the whole country. Our retail network includes GLOBUL and GERMANOS stores as well as official representatives such as GlobalNet and Internity. The company owns a network of 145 branded stores. We have successful partnerships with over 3,000 distributors and suppliers.

3.5. Development of the Company

We established GLOBUL in 2001 when the company was proclaimed the largest greenfield investment and received the distinction “Investment of the year”. In 2005, COSMOTE Group acquired 100% of the company’s share capital and in 2006 we presented our new corporate image and identity marking a new era in our development, as a member of COSMOTE Group.

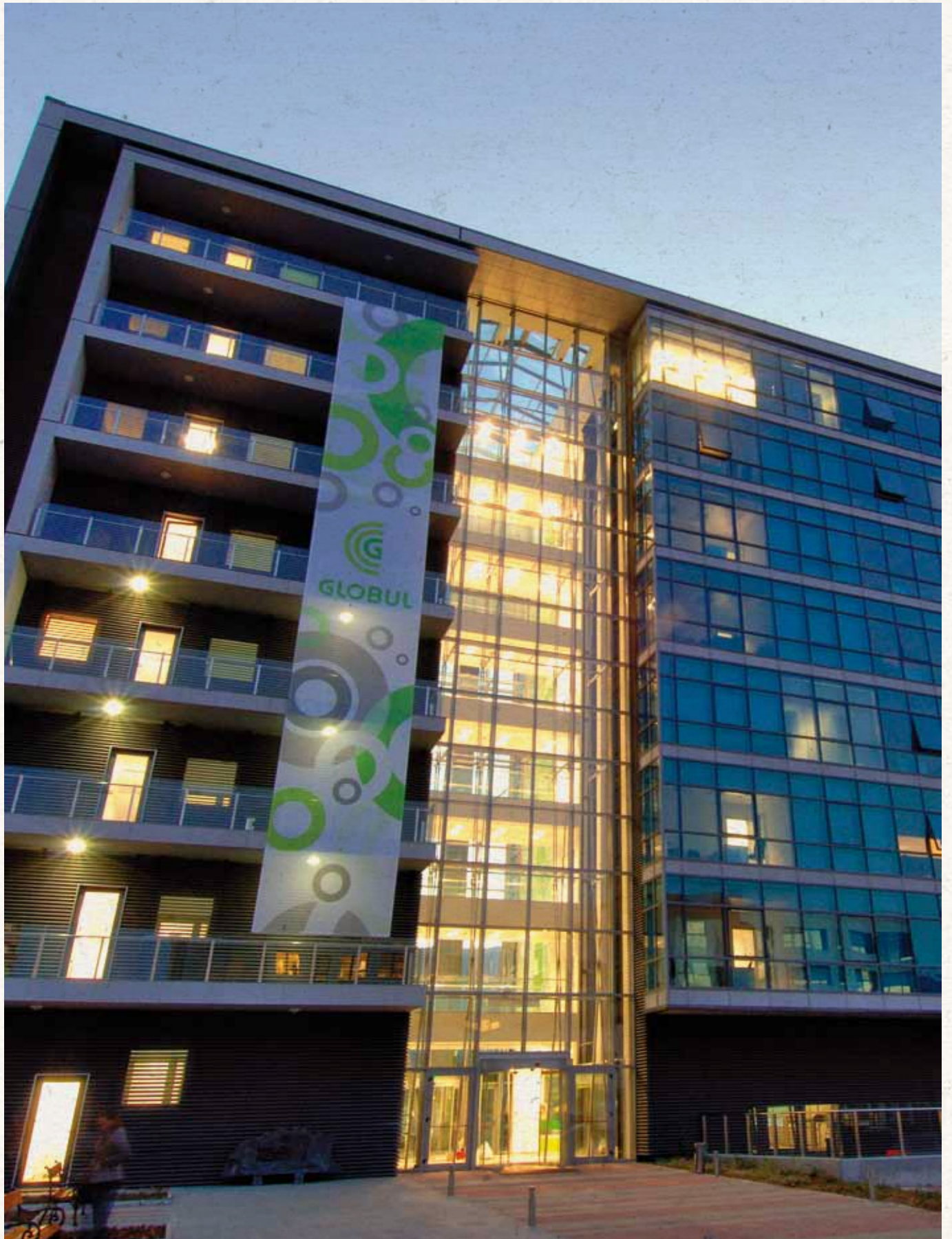
In 2010, GLOBUL’s total revenues reached 407.8 million EUR , while EBITDA profitability amounted to 169.4 million EUR. On the tenth year since the company’s commercial launch, it reached a full investment return – from 2001 until present day we have invested in GLOBUL’s construction (mainly the building of network) over EUR 1.1 billion. Over 1,300 young and highly qualified experts work at GLOBUL. We believe that professionalism, respect and consistent high quality of the solutions offered are the key to lasting trust.



Yassen Guev
Corporate Affairs Director
GLOBUL

Each organization that aims at development should be open to the highest degree towards its employees, partners, clients and the society. The sense of commitment makes the team more united and motivated,

and this is an important prerequisite for our success. We gathered all communication functions in the Corporate Affairs Division team which gave us additional synergy to achieve our goals. Internal communication, Public relations and Corporate responsibility complement each other and work for the reputation of GLOBUL. This report describes many of our achievements and drives us to do more and more each year. We are already working on this and I am confident that after one year we will share many new things with you.



OUR COMPANY

COMPANY DEVELOPMENT

LOBUL launches commercial operations in Bulgaria.

The company is proclaimed the biggest greenfield investment and receives the distinction "Investment of the year".

Over 562 million EUR are invested in GLOBUL's network development and services

Network coverage at 25.5% of the Bulgarian population.

Network coverage at 65% of the Bulgarian population in over 100 cities, customers at 460,000.

LOBUL launches GPRS services.

Network coverage at 91% of the population.

Customers reach 1 million.

211 roaming partners in 106 countries.

COSMOTE assumes GLOBUL management.

Network population coverage reaches 95%.

Geographical coverage at 85%.

Customers reach 1.6 million.

260 roaming partners in 119 countries.

Charges for postpaid customers reduced by up to 18%.

Records 79% year-on-year revenue growth.

LOBUL introduces programs for the corporate segment.

Lowers tariffs for the prepaid b-connect pack by 25%.

Network population coverage reaches 99.6%
Geographical coverage at 97%.

Customer base reaches 2 million.

289 roaming partners in 134 countries.

Acquires a third generation system construction license based on UMTS standard (3G).

Launches Mobile Virtual Private Network (mVPN) - the first mobile-fixed telephony integrated solution on the Bulgarian market.

COSMOTE acquires 100% of GLOBUL share capital.

Launches roaming services for the prepaid segment

Reduces prepaid services tariffs up to 37%.

2001

2002

2003

2004

2005



LOBUL begins its long-term support of the biggest boarding school for mentally challenged children - "N.Y.Vaptzarov" in Elhovo. In the following years, the company invested in a general renovation of the school, the boarding school and the sports hall, as well as in staff training.



LOBUL continues to support - "N.Y.Vaptzarov" boarding school. Employees of the company actively participate in the project. They raise money and personally visit the children at the boarding school.



LOBUL launches its first internship programme together with the Communication Technologies Faculty of the Technical University in Sofia and welcomes its first 12 trainees.

A long-term partnership between GLOBUL and the Technical University - Sofia begins. Experts from the company hold lectures, part of The GLOBUL Hour initiative. The company equipped several technical laboratories to support the professional education of the students in the biggest technical university in Bulgaria.



Corporate Responsibility unit is formed as part of the marketing department.

A long-term programme "Listen to Children's Dreams" is launched. It is aimed at deinstitutionalization and socialization of children deprived of parental care.

LOBUL opens scholarship programme and welcomes its first 10 scholarship students from the Technical University in Sofia.

LOBUL launches a long-term programme "A Shelter for Bulgarian Culture", aimed at preservation of the Bulgarian cultural and historical heritage and helping contemporary Bulgarian art. Some of the most significant projects within the program are The International Madara Rider Bio-protection Project, donation of books for the Louis Braille national library club, and long-term support of the ensemble of Neshka Robeva.

DEVELOPMENT OF CORPORATE RESPONSIBILITY IN THE COMPANY

Network population coverage reaches 99.8%
Geographical coverage at 97.2%.
Customer base exceeds 3 million.
314 roaming partners in 143 countries.
GLOBUL presents its new corporate identity as a member of COSMOTE Group.
Ranks first in Business Week Bulgaria Top 50 list with the most successful Bulgarian companies.
Introduces 3G services.
GLOBUL reduces international call tariffs and roaming services within "Balkans" zone.

Network population coverage reaches 99.8%
Geographical coverage at 97.2%.
Network population 3G coverage reaches 43.7%.
Customers reach 3.7 million.
330 roaming partners in 150 countries.
Introduces fixed telephony for its corporate clients with the GLOBUL Office Zone service
GLOBUL is the first Bulgarian mobile operator to offer international MMS.

Network population coverage reaches 99.96%
Geographical coverage at 98.92%.
Network population 3G coverage at 75.7%.
Customers reach 4.1 million.
355 roaming partners in 159 countries.
Introduces 'Frog' pre-paid brand
GLOBUL offers mobile number portability
Mr. Haris Kotsimbos assumes the position of GLOBUL CEO.

Network population coverage reaches 99.96%
Geographical coverage at 98.92%.
Network population 3G coverage exceeds 80%.
Customer base stands at 3.9 million.
GLOBUL enters broadband Internet services market.
Introduces iPhone 3G first in the market.
Launches GLOBUL Home fixed services at the lowest rates in the market.
Adopts COSMOTE's corporate positioning under the slogan "Our world is you".

Network population coverage reaches 99.98%
Geographical coverage at 99.23%.
Network population 3G coverage reaches 88.96%.
Customer base reaches about 4 million.
Over 400 roaming partners in over 180 countries.
Over 140,000 clients use GLOBUL's fixed services.
Introduces pilot Mobile Wallet service – payments and bank services via mobile phone
GLOBUL acquires additional spectrum with the aim to expand and further upgrade its advanced 3G network
Exclusively offers iPhone 4 in Bulgaria.

2006

2007

2008

2009

2010



National School Sports Olympics GLOBUL START is launched, a long-term initiative that aims at improving Bulgarian students' health by additional development of their general physical training.
GLOBUL is awarded a prize for "Biggest Corporate Donor" for 2006 and becomes a co-founder of the established "Club of Corporate Donors" to the Bulgarian Donors' Forum.

The campaign "Drive safely, use hands-free" is launched. It aims at encouraging responsible behavior on the road.
GLOBUL is awarded a prize for "Biggest Corporate Donor" for a second consecutive year.

The sustainability GLOBUL Green is launched. It includes a long-term plan of measures and initiatives for reduction of the environmental impact of the company and preservation of nature.
The project "Development of Key Competences in GLOBUL Employees – investment in future", co-financed by the EU, is launched.

GLOBUL begins its long-term partnership with the international environmental organization WWF with the initiative "National Day of the Nature Parks", aimed at preservation of wild nature in Bulgaria.
GLOBUL initiates a national communication campaign for safe Internet, which aims at increasing the access to information about the correct usage of contemporary information technologies and Internet by children and teenagers.

Section Corporate Responsibility is formed to Corporate Affairs Department. Systems for environmental management are implemented – quantitative measurement of all environmental indicators, working in order to reduce the negative impact on the environment, and developing programmes for the achievement of these goals.
Members of the company begin working on the first Corporate Responsibility Report in Bulgaria.
GLOBUL continues to develop its long-term projects in partnership with WWF and the Technical University in Sofia, as well as the long-term strategy GLOBUL Green, the annual campaign "Drive safely! Use hands-free", the campaign for internet safety, its internship and scholarship programs.

Figure 3. Ten years of development and corporate responsibility in GLOBUL

Corporate responsibility is becoming a fashionable topic in Bulgaria. However, to GLOBUL, this is not only a trend. Corporate responsibility is our core philosophy to develop business in a sustainable manner and act responsibly towards our employees and our clients, as well as towards the environment and society. Since its establishment in 2001, GLOBUL has been developing long-term social projects. At the end of 2008, we put emphasis on our green practices and we turned the minimization of the company's environmental impact into one of our main objectives.

4.1. Definition

Corporate responsibility definition of COSMOTE Group, adopted by GLOBUL: Corporate Responsibility is the commitment of our 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 organisation's activities, by working and communicating with internal and external Stakeholders, while at the same time improving the competitiveness of our company.

As a result of the regular market analysis and the company's activities that affect society and the environment, we have determined four priority subjects that we approach with extreme responsibility. The structure of this report's content is based on these four priorities as well as taking into account the plans, targets, expectations and interest which are most important to us and our stakeholders (Figure 4).

Figure 4. Main corporate responsibility pillars of COSMOTE Group, partially adopted by GLOBUL



Marketplace

We realize that the ethical attitude towards our clients and business partners is the foundation of our long-term success as a company. We offer a wide range of products and services to the Bulgarian market that meet our clients' needs of telecommunications services. At the same time, we aim at creating transparent and mutually beneficial business relations with our suppliers and distributors.

Employees

GLOBUL employees are the company's most valuable resource. In order to motivate our highly qualified experts, we provide them with the best working conditions and offer them many professional development opportunities and a series of social benefits.

Environment

To all of us in GLOBUL, being green is not a fashionable trend or simply the corporate colour of our brand. It is the responsible attitude of the company and its employees towards the environment. The main objective of our long-term strategy for environmental sustainability, GLOBUL Green, is to decrease our environmental footprint and to be persistent in our efforts to preserve nature.

Society

GLOBUL uses its knowledge, invests time and resources in the economic, cultural and spiritual development of our country. The causes we support directly contribute to the improvement of the standard of living and well-being of each of us.

4.2. Management Approach

Corporate responsibility is not something new to GLOBUL, because the company has been developing its long-term social projects since its establishment. The formal structure that concentrates the management of all related activities was set at the beginning of 2010 as Corporate Responsibility Section in Corporate Affairs division. This contributed significantly to the integration of corporate responsibility in each aspect of GLOBUL operations and turned it into one of the factors for strategic decision making in the management of the company.

Corporate Responsibility Section creates a corporate responsibility strategy and annual action plan, manages and coordinates various internal and external social and environmental projects, monitors the implementation of all measures set out in the annual plan and reports to the Corporate Affairs Director of GLOBUL as well as to the respective Corporate Responsibility department in COSMOTE Group. The work of the Corporate Responsibility Section requires daily coordination with different departments within the company and it is assisted by several teams, whose members are officers from many departments.

The Environmental Management Committee and Team have been established during the introduction of Environmental Management System. They are responsible for the implementation of the Environmental policy.

The Health and Safety Committee and Team have been established within the implementation of Health and Safety Management System. They are responsible for applying the Health and safety policy.

To make sure that the principles of corporate responsibility are understood and applied by all GLOBUL employees, we adopted and constantly communicate **The Code of Ethics** of COSMOTE Group. This document constitutes a statement

of our values and principles and defines the way our managers and employees should behave. It serves as a basis for the well-being of the company and everybody who works in it. All employees are subject to the Code of Ethics, regardless of their position or contract type (permanent or part time).

In 2010, we started implementing **Environmental Management and Health and Safety Management Systems** (based on ISO 14001 and OHSAS 18001). We are planning to obtain certification in 2011 by an independent accredited institution. The process helped us gather quantity data, analyse and constantly improve the environmental impact of GLOBUL and our progress in the field of health and security.

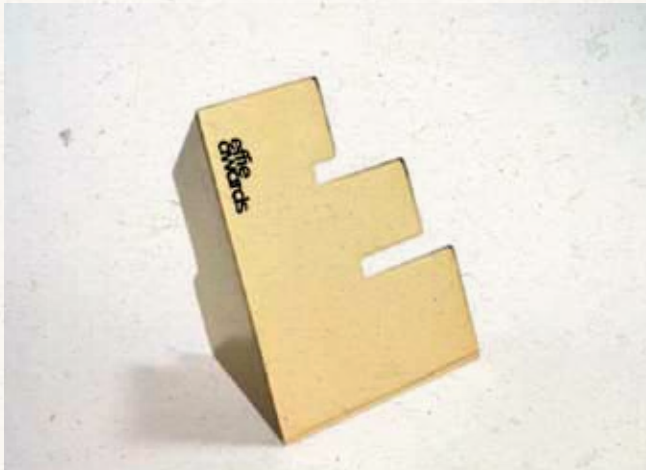
4.3. Memberships and recognition

GLOBUL is a member of many organizations, with the help of which we are trying to address the challenges concerning our business and to popularize the values of corporate responsibility in Bulgaria:

- Confederation of Employers and Industrialists in Bulgaria (CEIBG)
- Bulgarian Chamber of Commerce and Industry (BCCI)
- Bulgarian Business Leaders Forum (BBLF)
- „Telecommunications“ Association (ASTEL)
- Bulgarian Association for Human Resources (BHRMDA)
- Bulgarian Donors' Forum (BDF)
- Bulgarian Association of Advertisers (BAA)
- Greek Business Council in Bulgaria
- Bulgarian Safer Internet Centre
- World Association for Mobile Communications (GSMA)

In 2010, our efforts were honoured with recognition by important stakeholders. In April, our environmental sustainability strategy, GLOBUL Green, won the award for Best Campaign Realized by an in-house PR Unit in the first edition of BAPRA Bright Awards. In May, we won the gold prize at EFFIE BULGARIA 2010 in “Corporate Communications” category for our campaign

“Cancel the Paper Copy of the Invoice”, part of GLOBUL Green. Our long-term partners from WWF published the statement of our Chief Executive Director, Haris Kotsibos, in the annual edition of Living Planet Report 2010, which focused on the Danube-Carpathian Region.



4.4. Stakeholder Engagement

As stakeholders, we identify our clients, employees, business partners, governmental and non-governmental organizations that we interact with, as well as the shareholders of the COSMOTE Group.. The process of their identification is based on determining all groups which are directly or indirectly connected to the company's activities, have the capacity to impact and the potential to influence key decisions for the company's development as corporate responsible business.

We believe that clients need to be informed about and engaged in our social and environmental activities. Therefore, the company participates and monitors marketing surveys with a special section dedicated to corporate responsibility. We consider the results when making important decisions. On a three-month basis we conduct regular marketing research to examine our customers' opinion related to our brand, products and services, customer support, advertising campaigns, sponsorships and corporate responsibility activities. Beside this, in relation to specific topics and questions we conduct ad hoc surveys among our clients to examine their attitudes. We use various methods in these surveys, such as: focus groups, in-depth interviews, om-

nibus, online researches, etc. The direct customer feedback that we receive by our employees in the shops, by the Call Center and by the official company's e-mails, is very important to us.

We know that the opinion and the commitment of our employees are the key to our success, because GLOBUL is the people who work in the company. In this regard, we carry out an employee satisfaction survey once every two years. With this survey we receive concise information about the way employees feel as part of the GLOBUL team, as well as about their attitudes towards our activities as a corporate responsible company. In 2010, the results show that our employees highly appreciate our commitment to the environment and society.

We communicate with our business partners, governmental and non-governmental organizations through our participation in a range of associations and various common activities. We are trying to establish stable long-term partnerships by keeping a continual dialogue with all stakeholders in order to provide excellent quality service and a better business environment in the country.

There are many examples of activities and actions, which GLOBUL undertook as a response to issues, raised by our stakeholders. Those include number portability (see 5.5 Responsible Marketing), debates and information campaigns concerning EMF (see 8.4 EMF Emissions), the increased security in collecting, processing and using personal data (see 5.7 Data Security), elaboration of printed advertising materials on recycled and certified paper (see 7.5 Indirect Environmental Impacts), etc.

We use various communication channels such as:

- mass media and our own channels of communication in order to conduct information and education campaigns;
- our corporate website with a special section dedicated to corporate responsibility of the company and press releases in our media section;
- reports on corporate responsibility, this report as well as reports of the mother company COSMOTE;

- regular publications in our newsletter to employees and clients as well as in the newsletters of our partners;

- regular press releases to the media.





We realize that the scale we have reached – so many clients, employees and partners – make us a significant factor not only on the telecommunications market, but in the Bulgarian economy as well. The broad range of our impact brings a big responsibility as well. This is the reason why GLOBUL cares about its relationships with contractors who participate at different stages of the whole process of delivering goods or services – from suppliers and distributors to our clients. Ethical competition and marketing are as important to us as our clients’ satisfaction. Our aim is to manage all these processes in a responsible and transparent manner, which could guarantee establishment of trust between GLOBUL and all stakeholders.

Achievements 2010

We believe that our actions in the telecommunications market contribute to higher customer satisfaction, reduction of disloyal practices and protection of the principles of a market economy. In 2010, GLOBUL:

- catalyzed the discussion about removing the clause for automatic renewal of contracts;
- implemented the Suppliers Code of Conduct by which we share our values with our partners and expect them to accept these values as well;
- launched a communication campaign in order to promote the idea for sustainable consumption – “Big changes begin with small steps”;
- achieved high level of electronic services penetration – in 2010, 24% of our customers gave up from paper invoice, and another 23% recharged their pre-paid cards electronically;
- initiated a debate on the discriminatory rules in public procurements on the telecommunications services market and approached the European Commission on the issues that Bulgarian institutions did not resolve.

Review of the results

KPI	Measure	Results 2009	Results 2010
Total revenue	million EUR	448.14	407.83
EBITDA	million EUR	187.18	169.45
Number of customers	million	3.9	3.9
Market share (based on revenue)	%	37.3	37.3

5.1. Corporate Governance

GLOBUL is a Bulgarian joint-stock company with one-tier management system and a sole shareholder, COSMOTE Group.

The holding is managed by a Board of Directors which consists of 6 people, elected by the sole shareholder for a period specified by the latter and may be reelected without restriction.

The Board of Directors elects a Director among its members. Currently, members of the Board of Directors are:

- Michail Tsamaz – Chairman;
- Haris Kotsibos – Chief Executive Officer (CEO);
- Constantinos Liamidis – member;



KACA

MARKETPLACE

- Zacharias Piperidis – member;
- Eirini Nikolaidi – member;
- Georgios Tsonis – member.

The Board of Directors and the sole shareholder define the strategies for the development of the company. The operational management in Bulgaria is implemented by a management team directly subordinate and reporting its activities to the CEO.

Complying with the legislation, the company policies and the internal rules, is one of the basic goals of our company.

GLOBUL has established a Compliance Management System (CMS), which promotes the ethical standards in the employees' behavior by enacting a series of policies and compliance procedures in the company. Therefore, the compliance function strengthens and improves the relations between the company and its employees, its customers, its associates, its shareholders and the regulators. Also, the Compliance Officer of the company, by assessing the risks related to the company's business and recommending the relevant mitigation measures, protects the company from any legal and financial consequences or any impact on the company's image.

The Compliance Management System is based upon three pillars: i) awareness & prevention, ii) detection, and iii) response.

For reasons of publishing the above principles and making aware the employees, a campaign took place in all the companies of the group by sending e-mails with relevant information, by screenshots and by creating a corporate intranet page.

Awareness & prevention

In the framework of CMS, the following policies were adopted, which have been adopted in all the companies of COSMOTE Group:

- Code of Ethics;
- Insider Trading Policy;
- Donations and Sponsorships Policy;
- Policy On Acceptance and Offering of Corporate Gifts;
- Fraud Policy;
- Events Policy;
- Whistle Blowing Policy;
- Code of Conduct for the Protection of the Individual's Right to Privacy in the Handling of Personal Data (Privacy Code);
- Code of Ethics for Senior Financial Officers.

Also, the approval of the policy Conflicts of Interest Avoidance & Combating Corruption is in progress and is expected to be finalized during January 2011.

The policies are posted in a specific area of corporate intranet in which all the personnel has access.

Moreover, for year 2011 GLOBUL's Compliance Officer is planning to conduct a training program with the following subjects:

- Summary of the main Policies and processes that are related to the compliance issues;
- Awareness regarding the risk of Corruption/Bribery (local & international legislation, FCPA clauses, etc.).

The selection of the participants in the training shall be based on the criterion that, due to their position and duties, the trainees have contacts frequently with public officials, other companies' representatives, suppliers, business associates, etc.

Detection and response

Whistleblowing Policy: Globul has enacted and operates the Whistleblowing Policy, which deals with specific complaints regarding the:

- infringement of policies and procedures of the company;
- violations of the applicable laws (e.g., incompliance with the Code of Conduct and the policies, Sarbanes-Oxley and financial statements matters, employee relations, abuses, discrimination, corruption, theft, money laundering, any misconduct which could harm the reputation of the company, or any attempts to conceal any of the above).

According to the above policy, the employees or third parties may report to the Compliance Office, either signed or anonymously, any concern or any complaint regarding violations of the policies or the legislation.

The relevant complaints can be addressed to the responsible compliance officer, using the following communication channels:

*e-mail: whistleblowing@globul.bg
 By letter to: COSMO BULGARIA MOBILE EAD
 1766 Sofia, Mladost 4,
 Business Park Sofia, bldg. 6*

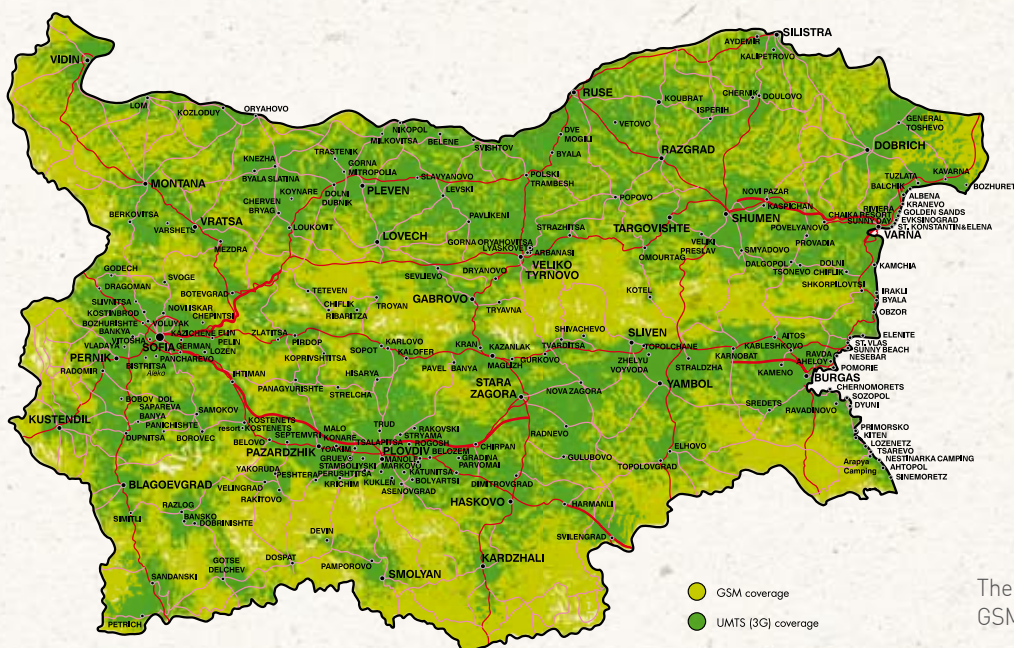
As a conclusion, the establishment of the Compliance Management System in GLOBUL has a significant role to play. Compliance ensures that the principles of integrity, transparency and respect to the rules are applied by all individuals involved in the work of Globul, regardless their position or status.

5.2. Quality of Services

Reliable services

We know that the most important demand of our clients is that we offer them reliable and constant telecommunication service. The quantities stated below are related to key characteristics of the network, and they show that we have achieved extreme level of network reliability and high quality of the services we offer:

- Network availability – 99.96%;
- Call success rate – 99.39%;
- Drop call rate – 0.49%.



The map shows the coverage of GLOBUL's GSM and UMTS network for 2010



Apostolos Pagkoutos
Chief Technical Officer
GLOBUL

GLOBUL customers enjoy excellent Quality of Service (QoS) compared not only with other Bulgarian operators, but also with leading European mobile operators.

We have identified and we pay full attention to all areas with impact on Customer Satisfaction and we keep investing in all Technical QoS components.

Thanks to our efforts during the years GLOBUL provides competitive coverage, making 2G Services available practically in all well populated places and achieving 99.96% 2G Population Coverage. By the end of 2010 3G Services were available to 76.67% of population and will continue to grow.

In various benchmarking reports, both external and internal for the group, our technical performance is considered as best in class and our aim is to maintain this excellent QoS regardless of constantly increasing traffic demand. In order to achieve this we started with a number of big modernization projects, besides ongoing rollout programs.

To improve customer experience we focus on Network Performance and QoS Monitoring, by increasing data feeds on services KPIs and providing for better service awareness. Thus, by reducing time for analysis and reaction and promoting proactiveness we not only improve customer experience, but also increase operational efficiency.

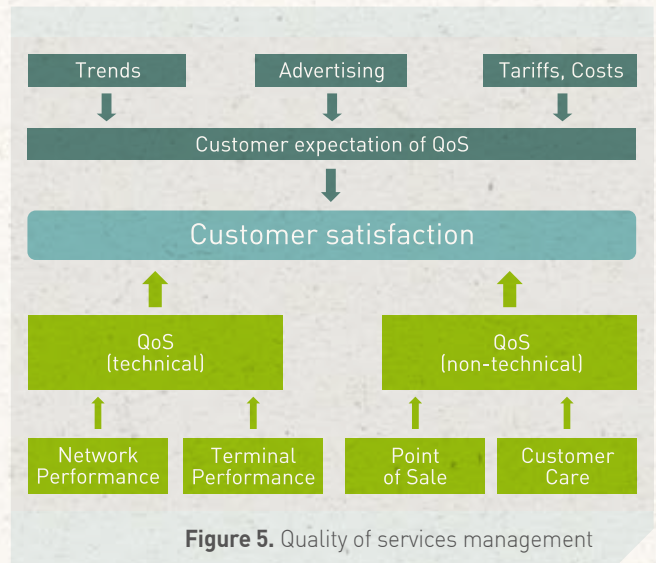


Figure 5. Quality of services management

GLOBUL INVESTS EUR 9 MILLION IN NEW NETWORK MANAGEMENT CENTER

In May 2010, GLOBUL opened its new Network Management Center. It ensures 24-hour front-line service and continuous, secure and high-quality network operations & maintenance with prompt problem-solving and emergency response.

GLOBUL invested nearly EUR 9 million, and 20 experts work in the centre. They receive detailed and precise information about the network conditions and the operation of the network on a 6-meter digital screen.

Customer satisfaction

Our customers' opinions are very important to us. The Marketing Research & Analysis Section carries out a Customer Satisfaction Research once every 3 months. We are planning to launch a new survey at the beginning of 2011, which would allow clients to assess the level of their satisfaction from the service they have received by the Call Center. Our aim after analyzing the research results is to undertake measures in order to increase the number of clients who have responded that they are very satisfied or extremely satisfied.

All incoming complaints, suggestions and recommendations from our clients (written and via web) are registered in an internal register and are classified according to client's problem.

The majority of inquiries are related to the method of formation of invoices. They are given carefully prepared answers. We are trying to apply individual approach towards every inquiry. We value our clients' time and we are trying to respond to their call immediately in the Call Center. More than 80% of our clients approach the Call Center in less than 20 seconds.

We provide our loyal clients the highest priority in service – even during extremely heavy incoming traffic at the Call Center, over 92% of these clients have been connected to an agent in less than 20 seconds. We call our loyal customers personally to remind them when the date of their invoice for payment has expired and because we understand the fact that they are busy we prolong the period of payment with 2 days to protect them from restriction of outgoing calls. We are personally welcoming the clients who have preferred us over other mobile operators and who have ported their number in our network. We personally call our best clients before their contract's expiration date and offer them programmes according to their consumption. We are trying to optimize our clients' bills by discussing the possible options with them during an incoming call to the Call Center.

5.3. Sustainable Products and Services

Low-carbon society provides a wide scope for development of information and telecommunication technologies. We are at its core since only our solutions can ensure the functioning of a smart energy network and free us from our dependence on fossil fuels.

As a Green Operator, our strongest characteristic is offering products and services that help our customers meet the challenges of the contemporary world such as time and resources constraints, as well as the environmental problems. We will pay even more attention to this subject in the future. GLOBUL gives its clients the opportunity to replace routine everyday activities with our services, thus saving money, time and effort.

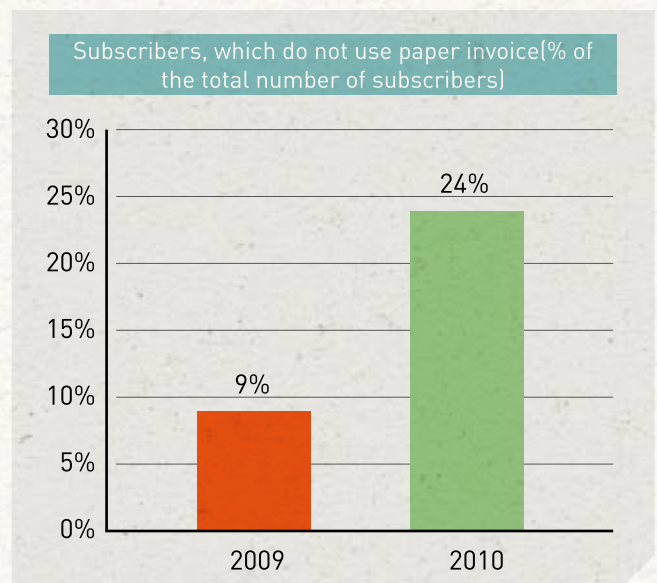
Electronic recharge of prepaid services – All our subscribers can recharge their credit fast and easily via ATMs or their computer through Inter-

net sites for payments (ePay.bg or eBG.bg) with their debit or credit card. If the client has a mobile number with GLOBUL post-paid programme, he can recharge it with a single SMS. An excellent way to save paper is the electronic voucher, which you can use at the nearest point-of-sale.

Cancellation of the paper copy of the invoice – GLOBUL offers its subscribers the option to abandon the paper invoice. In this way they will declare their affiliation to the green cause and contribute to the preservation of Bulgarian nature. As a sign of appreciation for our clients' awareness, we offer them a discount on the monthly fee.

Electronic invoice – E-invoice service provides GLOBUL's subscribers with the opportunity to review their monthly invoice online and receive a detailed printout. In addition, clients can replace their original paper invoice with its electronic analogue – E-invoice Original. E-invoice Original is an electronic document in PDF format validated by electronic signature of GLOBUL and it could be used for all accounting operations.

Conference calls – The service GLOBUL Mobile Meeting is a telecommunication solution which provides every business user of GLOBUL with the opportunity to organize a conference call, in which a different number of participants can be included. Participants in the conference call could be anybody regardless of the network operator used or the location. In one conference call subscribers to national fixed or mobile net-



works even international may simultaneously participate in the same call.

Payment via mobile phone – The G-Wallet (Mobile Wallet) service allows access to banking services, payment of bills and purchase of goods and services via mobile phone (regardless of the model) anytime and anywhere. The service is available to our subscribers via a special SIM card with installed application G-Wallet. The service is provided by the country's licensed payment system operator System for electronic payment (SEP) Bulgaria.

Online services management (self-care) – GLOBUL provides its clients with various opportunities for independent online activation and management of various services, offered by the company via several channels as our website; the mobile portal accessible through mobile phone, SMS, and USSD. In this way we save their time, as well as precious natural resources.

Eco Phones – We present our clients the opportunity to buy mobile phones made of recycled materials, without the use of lead and other harmful substances. These phones use chargers with minimal energy consumption.

Online payment of bills – We are planning to launch this service in 2011. It will allow our clients to cover unpaid bills and make advance payments for a selected subscriber number with their debit or credit cards through our website.

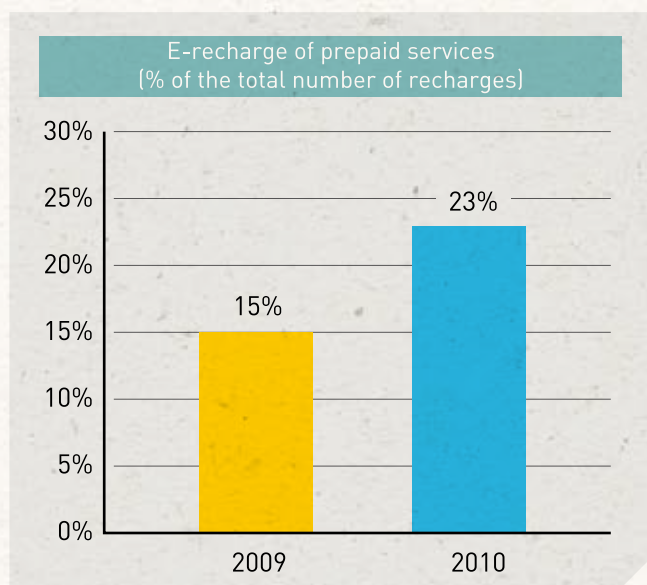


Figure 6. Electronic services penetration

5.4. Ethical Competition

GLOBUL complies with all national and EU requirements related to free competition. We realize that effective competition is crucial for the development of every market economy. It regulates prices, increases quality and broadens consumers' choice. Competition allows technological advancements to develop. In order to make this possible, loyal conduct on behalf of business is essential.

Sanctions

The company has no imposed penalties, both of financial and non-financial nature, related to legislation in the field of environmental protection.

Procurement

Imposition of discriminatory conditions in declaring and negotiation of contracts is a major issue that adversely affects the business environment in Bulgaria. On the telecommunications market, this practice ensures a monopoly of our competitors and prevents the long-term development of our economy. That is why GLOBUL leads a clear, transparent and firm policy to change the current situation.

GLOBUL INFORMS EC OFFICIALS ON THE BTC MONOPOLY

In November 2010, GLOBUL notified the European Commission's (EC) officials of the current issues in Bulgaria's telecommunications sector during a meeting held in Sofia. GLOBUL representatives and EC officials discussed various topics related to the competition in the sector, the development of the broadband segment and the importance of implementing adequate regulatory measures regarding the liberalization of the fixed and broadband markets.

GLOBUL notified the EC officials of the continuing monopoly of the Bulgarian Telecommunication Company (BTC) in segments such as fixed phone services, access to duct network and incumbent's infrastructure, DSL broadband access and the ongoing issues with fixed number portability.

BTC sustains its monopolistic position in the fixed market and continues to impede alternative operators' access to the incumbent's infrastructure due to high prices, slow procedures and lack of effective regulation. Therefore, GLOBUL insists on easier and less expensive access to the incumbent's infrastructure and duct network.

The 15th EC Progress Report on the Single European Electronic Communications Market demonstrated that Bulgaria lags behind other European countries in terms of broadband access development and boost of convergence services - the broadband penetration rate in the country is 13% compared to the average 24.8% rate in the EU, and the distribution of the convergence services within the country is 1.16% in comparison to 16% in other EU member states. GLOBUL considers the lack of effective regulation, continuing trend towards tolerating the incumbent operator and additional regulation of the already highly competitive mobile market to be the main obstacles to the development of the broadband market and the distribution of bundled services in Bulgaria. At present, Bulgaria is the only country in the European Union which does not have final analyses of the fixed and broadband markets. GLOBUL stresses the importance of the production of detailed market analyses by the regulator in order to improve regulation of the two markets and stimulate the loyal competition, thus restricting the monopoly of BTC.

GLOBUL hopes the European Commission will consider the information submitted by the operator, as the development of a single European Electronic Communications Market and the distribution of high-speed broadband services within the European Union are among the main objectives of the EU's growth strategy Europe 2020.

GLOBUL SENDS PUBLIC PROCUREMENT INQUIRIES TO 300 INSTITUTIONS

In the summer of 2010, GLOBUL sent public information access requests to 300 Bulgarian

government and municipal institutions regarding their choice of mobile and fixed services provider. Based on the Access to Public Information Act GLOBUL requested ministries, municipalities, government executive agencies to provide information on the public procurement procedures for mobile and fixed services in the last five years, the legal grounds for selection of the present providers and on the terms and conditions of the existing contracts. The inquiries aim to establish whether the conducted public procurements for telecommunication services correspond to the requirements for transparency, equality and encouraging of competition as stipulated by the law. GLOBUL believes that at the moment these procedures are not transparent enough in the majority of Bulgarian state and municipal administrations.

5.5. Responsible Marketing

From the first day of our operations, GLOBUL has adopted a simple, clear and friendly communication style towards its customers. We ensure that our communication material is legal, appropriate, fair, sincere, corresponds to reality and respects people's diversity. To guarantee the above, our Legal Department controls all advertising messages and campaigns, before deploying them to the public. The company follows the "National Ethical Standards for Advertising and Commercial Communication in Bulgaria", issued by the National Council for Self-Regulation. As a result, no respective fine was imposed in 2010 by responsible authorities.



Transparent pricing

Achieving transparency and clarity in pricing is our main purpose and we constantly work on improving them. In addition to standard services such as receiving free SMS reminder after issuing a monthly invoice, receipt of first congratulatory call after signing a contract or a free check of the current bill by dialing *123#, each new client in 2011 will receive together with his contract a brochure that describes the most frequently asked questions. Transparency and fairness of our bills and rates are guaranteed by our invoicing certificate by the international company TÜV Technische Überwachung Hessen GmbH. In 2011, we are planning to further develop the electronic invoice, since this will allow our clients to receive even more detailed breakdown of the final price, as well as opportunity for payment of monthly bills through our website quickly and conveniently.

Diversity of services

Together with our partners since 2010 GLOBUL offers its subscribers opportunity to cover their monthly bills to the operator in case of adverse life situations through a unique service for the Bulgarian market GLOBUL Garant. It allows clients of the operator to continue using mobile and fixed services, even if they are unable to pay their monthly bills due to unexpected circumstances such as illness, accident, involuntary unemployment or hospitalization by guaranteeing payment of up to 12 monthly bills. With GLOBUL Garant subscribers are protected against misuse of stolen SIM card.

In order to provide our customers with greater convenience, in 2011 we are planning to launch the Welcome Guarantee service. It will ensure the ability of customers to abandon the chosen service within 30 days of signing the contract if not satisfied, without due penalties, and getting back the monthly fee for the first month.

We were first in the market that provided tariffs that ensure data transfer without surprises - GoWeb Unlimited. The programs offer unlimited mobile Internet packages, in which after using the included quantity of MB at a maximum speed of a selected monthly volume, there is no additional cost for each additional MB.

In GLOBUL we are proud of the diversity of services we offer to our customers of various age groups. In 2011 we are planning to launch a new service aiming at drawing attention to our elderly clients, as we already did for young people in Bulgaria with Generation GLOBUL program, designed for the active generation of tomorrow.

To facilitate our foreign clients who use our services within Bulgaria, our system for automated information service (IVR) has been working in English since its launch in 2001.

Number portability

GLOBUL is among the initiators and it is a driving force in introducing number portability. We realize how important it is to our clients to have the possibility to make an easy choice when changing the telecommunications services provider and we are doing our best to make this process as smooth as possible.

ONE-STOP-SHOP TO MAKE PORTING NUMBERS IN GLOBUL NETWORK EASIER

As of August 6, 2010, all mobile and fixed subscribers who wish to switch from another operator to GLOBUL and keep their numbers will benefit from the simplified one-stop-shop number portability procedure. All residential and corporate users of post-paid or pre-paid services, who want to port their numbers in GLOBUL network, do not have to visit or notify their current operator. They simply have to visit a GLOBUL, GERMANOS or official partner shop and sign a contract for using GLOBUL services. Users may apply to transfer multiple numbers using the same type of service with a single application. The one-stop-shop number portability procedure is completely free of charge for consumers. In case of successful porting, GLOBUL will notify the subscribers for the date of their numbers' actual porting which is the date on which their subscription contract with GLOBUL comes into force. Until the completion of the procedure, users remain clients of their current operator. The maximum deadline for porting mobile and fixed numbers is seven business days.

GPRS traffic

In 2010, the questions and public debates about unwanted GPRS traffic became frequent. There were also cases of our clients complaining about their high monthly bills because of GPRS traffic, especially in roaming. In order to inform our customers, we released a brochure with useful advice on how to avoid unwanted GPRS traffic. We distributed it through our commercial network and published the same information on our website. In line with the European requirements, we introduced a limit of up to EUR 50 for GPRS traffic in roaming for all our users in order to avoid high bills caused by negligence.

Partnerships and events

In 2010, we were the general sponsor and partner of two significant events in the process of transition to sustainable economy in Bulgaria.

In June, Manager magazine and GLOBUL organized “The green way out of the crisis” business forum and created the Green circle of Bulgarian companies, which is gradually becoming a strong informal movement. At the end of 2010, 38 companies from different business fields, with different size and number of staff became members of the movement. They are united by the idea to make their business greener, to exchange knowledge and experience in the field of sustainable development and in this way, together, and to contribute to making Bulgaria greener.

In November, GLOBUL supported the conference Green Innovation Forum 2010 for a second consecutive year. It was organized by Dnevnik daily and the denkstatt Bulgaria consultancy company. The company presented its successful green practices together with leading companies in terms of sustainable business such as Interface, BMW, and Microsoft. They generated interesting discussions about the real changes that a company needs to make when it decides to follow that path. One of the key conclusions of the forum was that many companies in Bulgaria have already taken measures in order to reduce their environmental footprint, but their efforts are not easily understood and approved by society.

Big changes start small



Galina Chuleva
Advertising and
Communication Division
Director, GLOBUL

In October 2010, we launched a long-term communication campaign under the slogan “Big changes start small.” In this campaign we offer our customers specific solutions in terms of products, services and initiatives, through which

anyone can show responsible consumer behavior.

Our goal is to help everyone understand the meaning and values of sustainable development and we do it by raising awareness about it. We want to exite our customers to perform small acts that do not require much effort and we believe that by doing so together we can achieve significant results in sustainable development.

Because we do believe that a single person can change the world. If he unites with millions of others.

Initially the campaign focused on seven “small steps” for our clients:

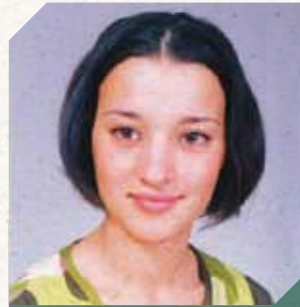
- Recycle your old mobile phones and save valuable natural resources.
- Check your monthly bill online and save the forests.
- Download music straight to your phone and decrease the use of plastic.
- Change the business trips with teleconferences and help the planet breathe.
- Control the internet content and let the kids stay kids.
- Use a hands-free device and decrease the danger on the road.
- Choose an eco phone and stay in harmony with nature.

The campaign will continue in 2011 as well. It will also develop into other communication channels. You can find more information on: www.globul.bg/youchange

5.6. Responsible Procurement

The values and principles of corporate responsibility gradually become part of our requirements in the supply chain management. We work with local and international suppliers because of the specific needs of our activities and respectively the need of specific materials and service delivery. To us, all of them are important partners; therefore open communication is crucial for our work. By complying with the principle for transparency in our relations with them we expect them to apply the best ethical business practices, and not only to respect the laws and the internationally established trading rules, but to act responsibly towards society and the environment¹.

For this reason GLOBUL introduced a Suppliers Code of Conduct which is one of the fundamental steps towards responsible supply. The Suppliers Code of Conduct describes basic values and business principles regarding corporate responsibility in terms of social responsibility issues. The code addresses Labor, Health and Safety, Environmental and Ethical issues and all current and future suppliers of our products and services are obliged to observe it. Part of the requirements included is related to child and forced labour avoidance, pollution prevention and resource reduction, non-discrimination, humane treatment and so on. Suppliers Code of Conduct is based on the standard SA8000. The access to the Code is public, it is available on our official website, where anybody can access the requirements of companies that we work with or will work with in the future. In 2010, we made the first assessment of corporate responsibility of some key suppliers. We aim high, but we take small steps according to the real environment that we work in. Responsible procurement, as a part of the sustainable development, is a long-term and complicated process, which offers many opportunities and challenges.



Anita Brankova
Procurement and
Logistics Division

„I have been working in the Procurement and Logistics Division of GLOBUL for 3 years. The potential for cooperation in order to achieve corporate responsibility with our suppliers is great. Signing the Code, the assessment based on additional criteria, construction of a new vision and strategy for responsible supply can serve as a proof that we would like to be and we already are a factor for a positive change. Personally, I feel that in this way we could help people who work under poor or unhealthy conditions. Most companies not only care about working conditions, the impact on the environment, the use of resources, their carbon footprint, but they also take the necessary steps to achieve greater social and environmental responsibility. I hope that at some point we will start auditing our suppliers so that we can have a confirmation that we are actually achieving a change.“

5.7. Data Security

Confidentiality of our customers' and employees' personal data is essential for GLOBUL. We comply with all legal requirements and we implement extremely strict measures regarding security of personal data, its collection, processing, preservation and destruction. We work in full compliance with the Code of Conduct for the Protection of the Individual's Right to Privacy in the Handling of Personal Data (Privacy Code), approved by COSMOTE Group. It guarantees that all our employees are aware of our engagements related to work with personal data as well as with confidentiality of information. These principles correspond to the national and European legislation system in the field of collection, processing and use of personal data.

¹ Part of „Ethical Code of COSMOTE group“

5.8. Goals and Commitments 2011

In 2011 we set the following goals and commitments:

- To develop a system for online bill payment;
- Further development and improvement of electronic invoicing;
- To offer the Welcome Guarantee service;
- To continue the campaign „Big changes begin with small steps“;
- To adopt a procedure for signing the Suppliers Code of Conduct upon the signing of contracts;
- To use the criteria for corporate responsibility in the tenders for key suppliers or contractors;
- To issue an information brochure as part of the campaign „Big changes begin with small steps“.

Big changes start with small steps.

Check up your invoice online and preserve the forests.

Thanks to the electronic services e-invoice, e-voucher and e-request you and thousands other Bulgarians can help for the saving of natural resources. Almost 25% of the GLOBUL clients already gave up from paper invoice. In that way they don't pile surplus paper and at the same time help reduce the harm on nature caused by the printing and the delivering of bills. Convince yourself of the effect for the nature with the calculator at www.globulgreen.bg



Our world is you



Responsible behavior towards our employees is basic to our understanding of sustainable development here in GLOBUL. This means that we develop our employees' talents and engage them in achieving GLOBUL's business objectives. We offer opportunities for personal and professional growth, tied to efficient performance and human potentials development. Among our objectives is creating a healthy and incentive-based work environment by welcoming each of our employees regardless of their gender, age, nationality or religion. Individual qualities and abilities are highly valuable to us; they help us build a strong and motivated team of professionals.

Achievements 2010

We believe that caring for our employees is vital for their satisfaction, personal and professional development, and thus for our company's progress. In 2010, GLOBUL:

- Launched the Talent Management Program;
- Achieved 3.9 of maximum 5 points satisfaction of the employees;
- Trained 56.2 % of the company's employees;
- Began incorporation of the Occupational Health and Safety Management System (OHSAS 18001), and;
- Marked another year without a fatal incident during work hours.

Review of the results

KPI	Unit	Results 2009	Results 2010
Employees	number	1345	1334
Employee turnover	%	10.7	12
Fatalities	number	0	0
Accidents absence >3 day on the job	number	0	2
Internal hires (coverage of open positions)	%	19	11
Female employees directly reporting to CEO	%	10	23.1
Employees receiving training	%	60.1	56.2

6.1. Job Opportunities

Team dynamics

It is GLOBUL's objective to remain one of the most attractive employers in the Bulgarian labor market. Our employees identify themselves with the company and recommend it as a desired and



EMPLOYEES

fair workplace. We offer diversity of job positions – from highly specialized engineers and lawyers to sales consultants, department and top managers. In 2010, we hired 183 new employees, allocated to different departments of the company, reaching a total of 1,334 employees with 12% employee turnover (Figure 7). We do aim at keeping our staff, but we also do respect our employees' desire for career change and diversity.

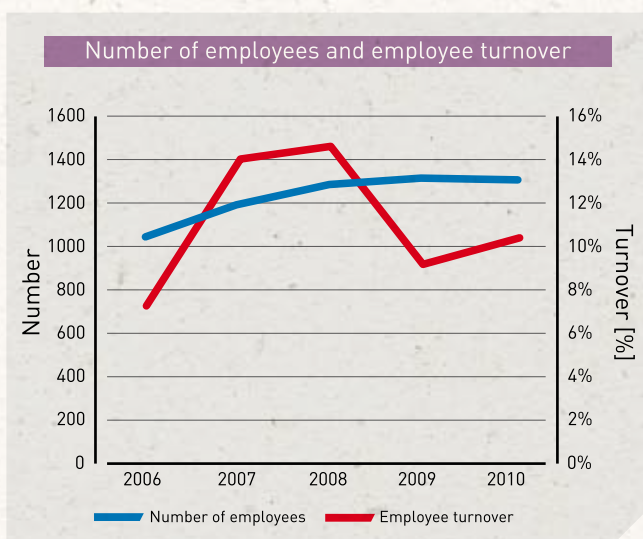


Figure 7. Number of employees and employee turnover 2006-2010

Our offices and stores are located throughout the entire country, so that we are able to ensure not only direct job positions, but also to participate in the development of the different regions.

Diversity and Equality

Diversity is the foundation to our understanding of development. Each employee with his or her personal characteristics becomes a part of building a strong team, creates diversity of perspectives and provides a flexible approach for different situations. When selecting candidates and evaluating employees, their age, gender, race or religion are not considered – perform-

ance and individual qualities are what matters. At the same time, we encourage growth equally to men and women – in 2010 the number of female directors reporting to the CEO has increased from one to three (Figure 8). In the future, we intend to keep investing in female growth and recognition of women as key leaders.

Ethical Behavior

GLOBUL encourages maintaining ethical relations through conveyance of the fundamental values and principles of the company prescribed in the COSMOTE Group Code of Ethics. Our leading principle is: "We are professionals in our job; we are open and honest and take responsibility for our actions". Such policy aims at establishing corporate culture, which is concerned with relationships between employees and with the external suppliers. Being mandatory for all of COSMOTE's subsidiaries (with no regards to their nationality), it contributes to GLOBUL's adherence to the COSMOTE family.

Discrimination at the workplace is not a problematic issue for GLOBUL – our objectives are not to tolerate such behavior and to eliminate any conditions for occurrence of discrimination. Each newly hired employee is introduced to the Code of Ethics and has the opportunity to express any concern for acts of discrimination at every moment of the work process to their direct manager or to an Internal Auditor and the Compliance Manager.

In our team, we have representatives from various minorities – representatives of different ethnic groups (10 people of Turkish origin) and people with disabilities (10 people). We do not have any employees, which are below the legal work age (as defined by the Bulgarian labor legislation) and we commit ourselves not to follow or tolerate any form of child or forced labor.

We are proud of our young and educated team. For the last five years, we have established an

average age of our employees of 30 years. In 2010, 85% of GLOBUL's employees have University degree and 60% of the employees are between 26 and 35 years old. We have kept balance and equality between male and female employees. Most of the employees have labor contracts, and we do not offer collective bargaining agreements.

6.2. Development of Employees

Talent Development

GLOBUL acknowledges the talent of every individual, who has the ability to significantly contribute to the company's current and future success through excellent performance and high level of goal achievement, demonstration of

strong motivation and the potential to grow and hold leadership positions. Our philosophy concerning the development of employees is to encourage the business-value talent. Development begins with involving our employees in creating the company business strategy and building strong relationship with them. Our employees' engagement and contribution to the company's results depend on the continuous incentive of their knowledge and skills.

GLOBUL's Talent Management Program

The objective of the Talent Management Program is to retain our key employees within the company. We have focused on identifying, developing and retaining our high-potential employees. Loyalty, motivation and engagement with achieving the set business goals, personal growth and minimizing the expenses for external hires come as positive effects of developing this program. Developing talents as managers guarantees a responsible future management of the company and occupation of "critical" positions by employees with proven qualities and competencies.

The selection of talents is based on criteria, related to growth potential and contribution to company's success, to the level of performance and competencies. In 2010, the program focused on the middle management as a base to the overall success of a big and quickly developing company. A middle management that is well chosen and trained can play a significant role in the communication of the top management strategic decisions and the following implementation of these decisions. It is important to us to invest in the long-term development of the management potential and the leadership skills. The Talent Management Program is a pioneering one and it is our ambition to introduce it to all of the other COSMOTE Group companies. In 2011, we plan to extend the program and cover employees allocated at all company levels, thus giving equal opportunities for career growth.

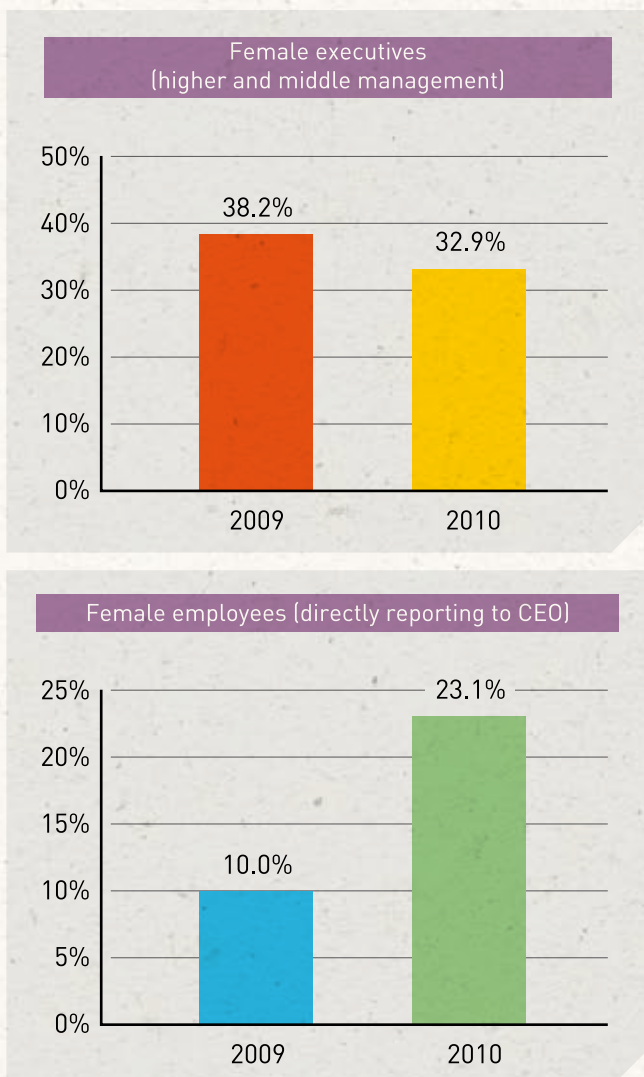


Figure 8. Females at top management positions

Management of Employee Performance

Our employees' development allows us to achieve high business performance. Thus, the following core competencies are crucial:

- Establishment of result-oriented behavior;
- Establishment of customer-satisfaction oriented behavior;
- Teamwork;
- Ability to communicate and persuade, and;
- Achieve high quality and perfection in the work process.

Perfection of these skills is a prerequisite for achieving exceptional results and developing the employees' potential. The commitment of our team shows by the satisfaction of the employees with the job and identifying with the company's affairs.

It is important to us to be able to follow, analyze, assess and improve our employees' engagement. In order to obtain these objectives, once every two years we conduct an Employee Satisfaction Survey. The 2010 results show that employee engagement is at 3.9 out of maximum 5 points. The satisfaction of the job, the connection to the company and the commitment to the society and the environment are highly valued. On the other hand, the opportunities for career growth are determined as insufficient and we have already started working in that area with the Talent Management Program.

We have developed and incorporated the Employee Performance and Development Appraisal System and Position Appraisal System, because of our desire to guarantee transparency for career growth of GLOBUL's employees, fair appraisal of their performance and corresponding payment. Business achievements and competence development are the main criteria for the performance appraisal. In addition, every manager can provide additional feedback to their colleagues when it is necessary to boost their development.

Career within the Company

Many of our employees began their career from the basic level, and their ambition and desire for growth, combined with the opportunities given by the company have led to the professional growth of each of us.



Bogdan Dinev
Head of Network
Technology Management
Section

I started working in the company in 2006 – after participating in the annual Traineeship Program. I joined the Network Service Management and Planning Division. For two and a half years, I have worked in GLOBUL's Network Service

Management and Planning Division and my assignments include management and coordination of technical projects and new technologies analysis. My development in the company is not only internal, but also on a group level – I am a part of a long-term employee potential development program. I believe that personal development is the key to business progress, and it facilitates technological innovations and increases the company's efficiency. Ever since its establishment and for the last 10 years GLOBUL keeps on proving its corporate responsibility towards all of its employees, suppliers and society as a whole.

Part of GLOBUL's policy is to encourage our employees to alter the focus of their occupation and to continue their development in different divisions. We provide the opportunity for one to grow within the company by announcing all available positions both internal and external. In 2010, our colleagues filled 11% of all job openings, and one of these positions is at a top level. Taking into consideration the limited number of top management positions, it is a challenge for us to give our employees opportunities to grow all the way up the professional ladder. Therefore, the development within the various position levels is important to us.

We believe that the human resources development is fundamental for building sustainable and profitable company. That is why we consider investments in Bulgarian young people to be a high priority not only for GLOBUL, but for the market as well.

Training Facts

GLOBUL starts investing in its newly hired employees from their first day of work. Each new colleague goes through induction training and introduction to the company history, principles, business processes and values. We also provide an annual training program, oriented towards extending our employees' knowledge, skills and qualification. There are opportunities for specialized training depending on each employee's job specifications, personal and professional profiles, as well as "soft skills" training.

In 2010, 56.2% of our employees had participated in trainings (Figure 9), and each employee received an average of 28.3 training hours. That is less than previous years, because in 2009 we finalized a project supported by the Operational Program Human Resources accomplished with the financial support of the EU.

In 2010, 63.1% of all trainings were strictly professional, concerning the "hard skills" and 36.9% concerned the development of "soft skills" and which objective is the perfection of employees' personal qualities and competencies, therefore improving work quality and efficiency.

We evaluate the efficiency of the current trainings and the need for future training through trainings appraisal and analysis of the knowledge and skills achieved. Each employee has an equal opportunity to join the trainings, as long as they fulfill the selected criteria.

6.3. Health & Safety

Health & Safety at Work

We put an emphasis on the healthcare and safety of our employees. The labor risk levels are highest for the personnel who work at heights (network support, radio optimization, transmission grid planning, radio planning, grid building) as well as for our sales representatives who work with corporative clients and travel a lot.

Our objective is to ensure a safe and healthy working environment, not only by observing the legislation but also by lowering the risk of accidents and encouraging the maintenance of a balance between personal and professional life. Our managers have the responsibility to follow the rules set in our workplace Health and Safety Policy. This responsibility is a priority in order to maintain our employees' physical and mental health. Prevention, as the first precaution to ensure safe work conditions, is an important element in the decision-making process. Our development in prevention is indicated by the introduction of Occupational Health and Safety Management System (OHSAS 18001) in 2010.

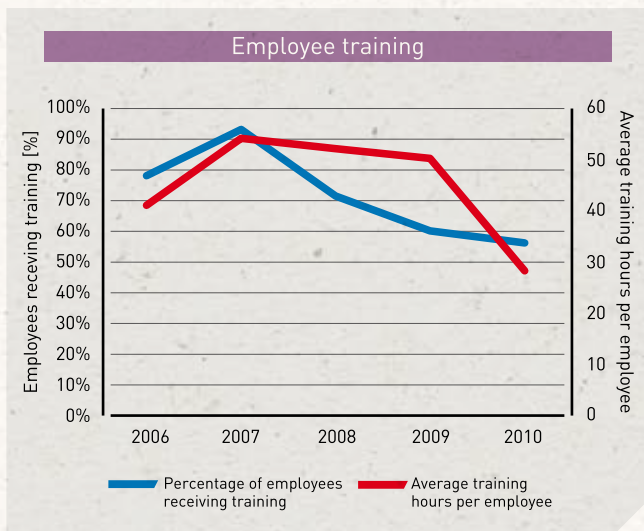


Figure 9. Employee training 2006-2010

Key indicators for measuring the efficiency of the safety and health precautions are presented in the following table (Table 1):

Year	2006	2007	2008	2009	2010
Loss of employees	0	0	0	0	0
No of accidents absence >3 day on the job	0	0	0	0	2
No of accidents absence >3 day outside of company premises (e.g. car accidents)	2	0	0	1	0
% of Employees involved in accidents	0.19	0.00	0.00	0.07	0.15
Total No of absent days from work	159	0	0	47	21
Total No of working days	252	252	253	253	252

Table 1. Incidents related to Health and Safety 2006-2010

Ever since the company's establishment until 2010, we have had zero fatal accidents. In 2010, we registered no accidents outside the company; there is only a record of two accidents that lead to an absence of work for more than 3 days. Compared to 2009, in 2010 the total amount of absence days has decreased more than twice. For the 2006 to 2010 period, only 0.2% of the employees were involved in accidents. These are indicators for the success of our Health and Safety Policy, of the respective trainings and maintenance of modern technical base. Each year we obtain data for our employees' awareness of the health programs and discounts. In addition, we organize events in order to increase the awareness and decrease the risk of the most common causes of accidents.



Boris Tatchev
Human Resources & Administration Director

The care for the employees has many aspects. It is a company's responsibility as an employer, to ensure healthy and safe workplaces, conditions to prevent the risk of accidents and an environment where the employees can fully com-

mit to work. In addition, to ensure working conditions, a good employer must also provide additional programs and benefits. Managers and the way they manage people have an important role for establishing a supportive and motivating working environment. The time management and task-distribution skills that they have developed are key factors for achieving higher efficiency, lower stress levels and a balance between personal and professional life. We should not forget the responsibility of the employees themselves for their health and leading a healthy way of life. My appeal to them is to be equally responsible to their work tasks and their health.

As part of maintaining our employees' health, we have provided an additional social benefit package, which includes accident insurance (see Social benefits).

Our employees do not participate in any form of collective associations – every one of us has the opportunity to express freely their needs regarding health, safety and working conditions. Human Resources management has the responsibility to pass on these concerns to a higher level of management. The lack of associations proves our employees trust in the company and its achievements in this field.

Work-life Balance

The day-to-day satisfaction and achievements are fundamental part of GLOBUL's view on the work-life balance. We treat our employees' personal needs with respect and care, striving to maintain the fragile balance between personal life and work. When people have more time to spend with their family and friends, they are more motivated and to show better business performance. Every two years we conduct an Employee Satisfaction Survey and we aim at meeting their expectations (Table 2). With regard to the information about the working hours flexibility that we obtain from the Survey, we rely on building close and correct relations between managers and the colleagues that directly depend on them. Such dialogue strengthens the bond in the team and allows the managers to support an efficient working process that is able to tolerate an emergency absence from work. We respect our employees' desire for a family and the need of the women in the team to build strong bond and healthy relationship with their children throughout their entire motherhood.

Sample of Employee survey results	Index values of 1 to 5 ²
My supervisor supports my efforts to balance my work and personal life.	3.6
My supervisor is understanding and responds flexibly with regard to personal emergencies.	4.1
My supervisor takes care of important/pressing questions/issues immediately.	4.1
My supervisor acts with integrity and walks the talk.	4.0
My supervisor acts in ways that earns my respect.	3.8

Table 2. Employee survey results 2010

6.4. Social Benefits

The care for and acknowledgement of our team members are the leading elements for the company's growth and success of corporate responsibility. It is important to ensure incentives for our people and to reward them for their contribution to the business. Our objective is to provide excellent working conditions and to motivate them with a social benefit system that we have developed with the employees' participation. That program includes:

- Annual training and development programs, e-training platform (G Knowledge box) – modern and flexible resource that allows exchange of knowledge and experience;
- Medical care – since its establishment the company provides free medical care, health insurance fund and accident insurance;
- Financial Aid Procedure for employees with severe health problems whose treatment is not fully covered by their health insurance or the health fund;
- Monthly vouchers for food, fuel and/or travel cards;
- Preferential terms when using GLOBUL services – free telephones exchangeable every two years at most with monthly limit provided;
- Teambuilding events etc., annual Christmas party for the company staff;
- Social Benefits program that includes preferential terms for certain mass consumption sectors – banking, tourism, services, etc.;
- Annual sport tournament and opportunity for participation in the football and volleyball teams that are formed;
- Weekly relaxing partial massages at the workplace, and;
- Honoring the International Women Day with different events especially for the female employees.

² 1 the lowest, a 5 – the highest

The care for our employees reaches their families. Members of their families have the opportunity to:

- Use the services of the health insurance fund at preferential prices. It is our duty to financially help our employees' relatives in cases of emergency;
- Take advantage of some of our Social Benefits program that includes preferential terms for certain mass consumption sectors – banking, tourism, services, etc., and;
- Benefit from preferential terms when using GLOBUL's services and buying products from our partner GERMANOS.

In addition, every employee receives single financial aid for a newborn baby.

6.5. Internal Communication

Corporate responsibility in GLOBUL begins with the responsible attitude towards the company's employees and their responsible behavior that occurs as a result. Both as a function and as a separate structural unit, the internal communication is inseparable part of everything that happens in GLOBUL.

The official internal communication channels contribute daily to establishing and maintaining supportive environment and professional corporate culture through transparency, expedience and objectivity of the information that is provided. Internal communication is a strategic partner in all the activities of the company as an employer, as a partner and as an operator providing services to its customers.

Communication is a key factor for the success of the corporate responsibility, for running each internal campaign and for the promotion of different initiatives among employees. Internal communication is actively and consistently working for promoting, inspiring and achieving specific objectives of the corporate responsibility program using different communication channels, campaigns, events, office branding, etc.

An inspiring example for internal communication's contribution to corporate responsibility is the increasing number of GLOBUL employees that participate in different initiatives and activities related to the responsible use of resources, waste recycling, cleaning natural parks and many others.

6.6. Goals and Commitments 2011

GLOBUL's goals and commitments in 2011 include:

- Expanding the Talent Management Program;
- Maintaining high levels of employee commitment and satisfaction;
- Perfection of the Summer Academy program by including new internal trainings, and;
- Encouraging female professional growth in order to reach leadership positions.



We realize that even without a highly polluting production, GLOBUL as a telecommunication company has impact on the environment – we use resources, we produce waste and influence the climate change. That is why in 2008 we launched GLOBUL Green as a long-term strategy for achieving ecological sustainability at the heart of our business philosophy. It is our objective not only to reduce the negative consequences of the company's work, but also to provide opportunity for each of our employees, partners and clients to contribute to the Earth's better future.

Achievements 2010

According to our regular marketing surveys in 2010, 70% of Bulgarians see GLOBUL as the green telecom operator in the country. In 2010, the company:

- Reduced its carbon emissions by 11.3% on a year base therefore not releasing nearly 3,140 tons of greenhouse gases (GHG);
- Reduced the consumption of diesel fuel and lubricant oils in our BTS network by 52% and 39%, respectively;
- Saved nearly 60 tons of paper due to its customers' responsible behavior who cancelled their paper invoice and chose to electronically recharge their prepaid b-connect vouchers;
- Recycled 6 tons of waste copy paper from its offices which is an increase of 30% compared to the previous year with no increase of the total amount of copy paper used;
- Recycled a total amount of 2.8 tons of telephones, phone batteries and accessories;
- Continue supporting events and initiatives aimed at increasing the ecological awareness of the Bulgarian society, and;
- Introduced an Environmental Management System.



Review of the results

KPI	Unit	Results 2009	Results 2010
Total energy consumption (electricity, thermal and fuels)	MWh	60,129	54,537
Energy intensity of the business	MWh/ million EUR income	134	134
Total GHG emissions ³	ton CO ₂ -eq. ⁴	27,706	24,567
Energy production from renewable energy sources	MWh	16.5	15.6
Fuels consumption (fleet, generators and heating)	thousands liters	1,246	907
Copy paper consumption	ton	22.7	22.5
Waste paper delivered for recycling	ton	4.5	5.9
Waste generated from the network ⁵ (delivered for recycling)	ton	109.1	136.8
Water consumption	thousands m ³	14.9	12.9
Paper consumed for invoices and prepaid vouchers	ton	265.4	230.6
Paper saved from e-services usage ⁶	ton	19,9	60.1
Mobile phones, batteries and accessories, delivered for recycling (incl. GERMANOS)	TON	1.7	2.8

7.1. Environmental Management System

In 2010, we introduced an environmental management system in accordance with the international standard ISO 14001 – one of the key elements of the GLOBUL Green environmental sustainability strategy. We analyzed every aspect of the company's activities and determined which have the greatest impact on the environment. They are set in our Environmental Policy in which we claim our strategic objectives and commitments

towards preserving nature. We collected exact data for our environmental impacts and set goals and a program of measures to achieve them, then launched an internal communication campaign in order to promote the system's requirements.

Currently, this system allows us to control, measure and minimize the company's environmental footprint. In 2011, we will be audited by an independent accredited organization in order to obtain the international standard ISO 14001 certificate. Meanwhile, all mechanisms of the system are already working.

³ Scope 1 (direct emissions from private sources; emission factors from the GHG Protocol Calculation Tools are used) and Scope 2 (indirect emissions from electricity and heat production; emission factors from International Energy Agency – IEA – are used).

⁴ CO₂-equivalent – according to the UN Framework Convention on Climate Change definition, GHG emissions (carbon dioxide, methane, nitrous oxide, fluorine containing gases, etc.) are measured in CO₂-equivalent (CO₂-eq.).

⁵ Decommissioned batteries, lubricant oils, oil filters, telecom equipment and its packaging.

⁶ E-invoice and e-recharge of prepaid cards.



Environmental Policy

"We, at GLOBUL and GERMANOS, commit ourselves to facing up to any environmental impacts caused by our operations and at the same time, aim at constantly improving our environmental performance. This commitment is coherent with the way GLOBUL and GERMANOS operate, as it is with its operational processes and procedures.

Application of current legislation and participation in achieving national goals constitutes the starting point for the development of our environmental policy.

We recognize and measure our impact on the environment.

We seek for ways to reduce our impact by utilizing the best available techniques and practices:

- minimizing pollution and waste we emit in the environment;
- reducing unnecessary use of raw materials and energy consumption;
- recycling raw materials, such as lubricants, papers, WEEE.

We educate, raise awareness and encourage our employees to participate in the operation of our Environmental Management System and also, more generally, to adopt an environmentally responsible way of life.

We have an open dialogue with our employees and stakeholders.

We expect from our suppliers and our contractors to demonstrate environmental care and put into practice environmental management programmes.

We contribute to the sensitization and mobilization of our customers on environmental issues, such as recycling of mobile phones; batteries; ink cartridges; the use of ecological materials, such as biodegradable bags in our shops; as well as services like e-billing.

We stay in contact with the local society; we anticipate and correspond to their needs to confront critical environmental issues.

We participate in public dialogue and environmental discussions in general.

Remaining faithful to our environmental principles, we put into practice, nationwide, the Environmental Management System, according to ISO 14001 Standard in every breadth of our operations and services.

The reduction of our impact on the environment requires continuous effort and monitoring of results. Environmental issues constitute an integral part of our philosophy and are integrated in all internal operations of our company."



Zacharias Kotsimpos
Chief Executive Officer
GLOBUL and GERMANOS

7.2. Energy and Climate Protection

For just a decade, the global branch of information and communication technologies has become a significant energy consumer with fast growing GHG emissions – nowadays they are more than 2% of the global emissions. At the same time, our business carries the greatest potential throughout human activities aimed at energy and emissions saving. The branch of information and communication technologies offers products and services the use of which could lead to global saving of 7.8 billion tons of carbon emissions in 2020⁷.

We at GLOBUL believe that climate change is one of the greatest challenges of the human civilization. One of our main objectives is to be a leader in climate care in Bulgaria. We know that we are able to reduce not only our energy consumption but also our products and services' carbon footprint. We also believe that we can do a lot for the promotion of the green cause in Bulgaria, and to help our clients and customers be more responsible for the planet's climate.

Energy consumption and climate impact

In 2010, the total amount of GLOBUL's energy consumption is 54,537 MWh (196,335 GJ) as electricity, thermal and fuels (29,812 GJ direct and 166,523 GJ indirect consumed energy). The carbon emissions we have generated total to 24,567 tons. That equals the quantity that the biggest thermal power plant in the world emits in the atmosphere in less than 6 hours.

The energy intensity of our business for 2010 amounts to 134 MWh/million EUR income which is the same as to the amount in 2009. We are aware of our potential for optimization and reduction of our carbon emissions as well as our energy resources expense. That is why we highly prioritize energy efficiency projects.

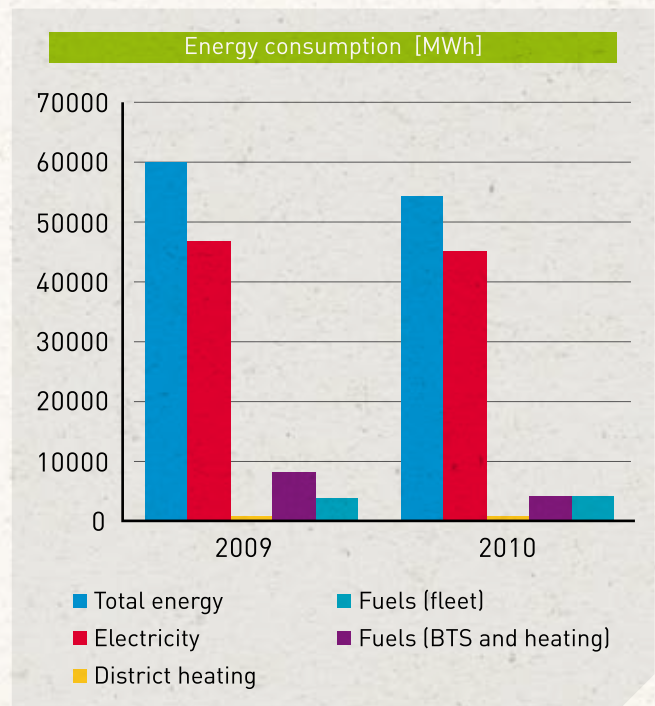


Figure 10. Energy consumption (electricity, thermal and fuels)

Providing telecommunication service requires high consumption of electricity and diesel fuel. Our core network and base stations' electricity consumption is about 90% of the total company consumption. Base stations, located in remote areas, are powered by diesel generators. In 2010, these generators consume almost the same amount of fuel as our entire auto park of 278 vehicles.

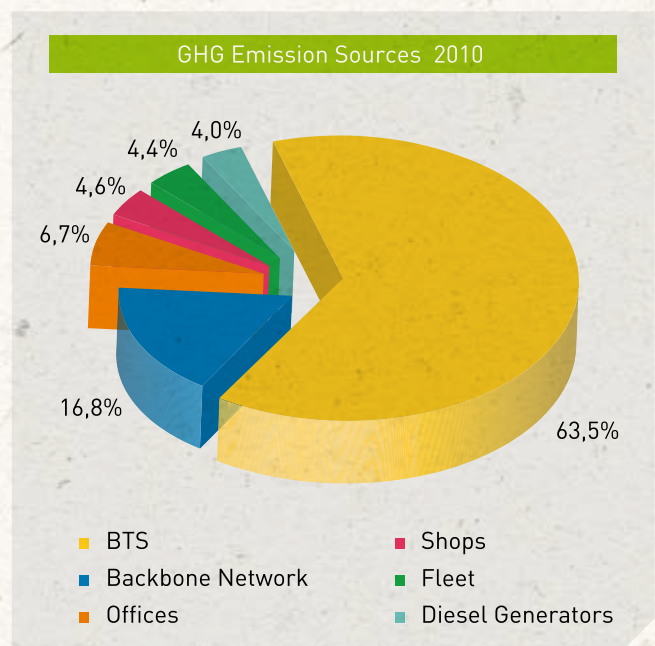


Figure 11. GHG Emission Sources 2010

⁷ SMART 2020: Enabling the low carbon economy in the information age - a report by The Climate Group on behalf of the Global eSustainability Initiative (GeSI), 2008

Our offices and stores also have a significant share of the energy consumption and the generated carbon emissions. Figure 11 clearly shows where we should concentrate our efforts for effectively reducing GHG emissions.

How we reduce our emissions

In 2010, GLOBUL managed to reduce its carbon emissions by 3,140 tons or by 11.3% in comparison to the previous 2009 (Figure 12). That saving equals the amount of emissions that a new mid-range car generates after 561 laps around the equator⁸.

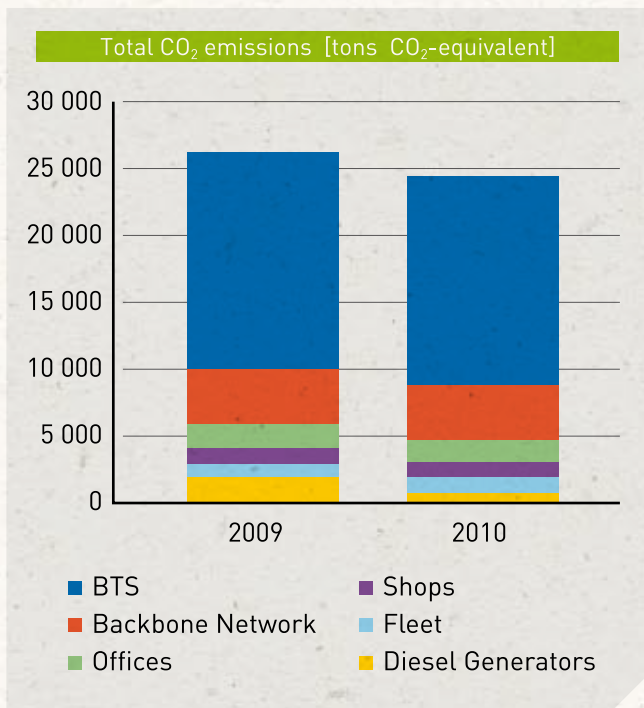


Figure 12. Emission comparison between 2009 and 2010, Scope 1 and 2, according to the GHG Protocol

The network’s energy efficiency projects highly contribute to that success. From 17,052 kWh per year in 2009, the consumption of a BTS has decreased to 15,306 kWh per year in 2010. The implementation of energy consumption optimization software through the entire network (where technically possible) has a significant effect. In low traffic periods, the software automatically turns off some of the transceiver modules, thus minimizing their electricity consumption.

The GHG Protocol is the most widely used international inventory and GHG management instrument. It works with governments businesses and environmental organizations. The Protocol is a decade-long partnership between the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD). According to the Protocol there are three types of GHG emissions and only the first two types are accounted for:

- Direct emissions are emissions from sources that are owned or controlled by the reporting entity;
- Indirect emissions from consumption of purchased electricity, heat or steam;
- Other indirect emissions, such as the extraction and production of purchased materials and fuels, transport-related activities in vehicles not owned or controlled by the reporting entity, electricity-related activities (e.g. T&D losses) not covered in Scope 2, outsourced activities, waste disposal, etc.

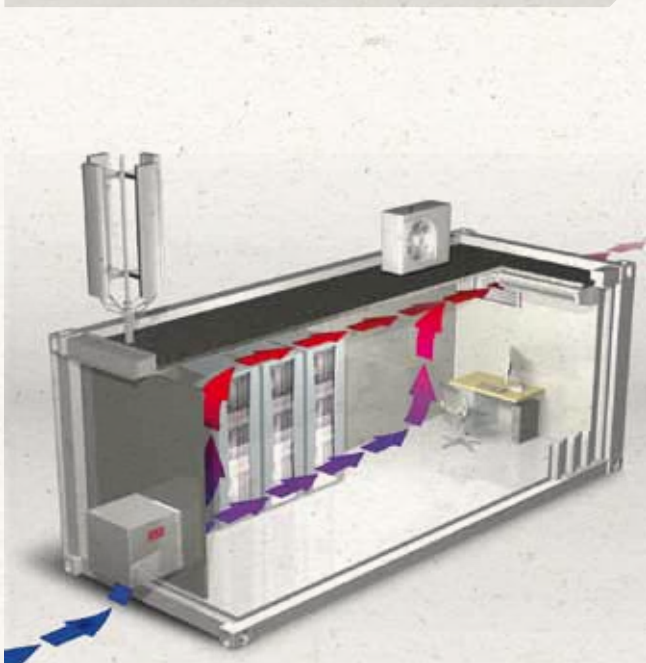
⁸ In 2010, the average GHG emissions of a new vehicle in the EU equals 140 g/km (source: European Commission, DG Climate action – online edition)

GLOBUL uses free-cooling systems for BTS cooling to reduce the usage of the air conditioners

Another project that has significantly contributed to increasing our network's energy efficiency is the so-called free-cooling systems, which uses the outer air as coolant. In a large part of our network, we use systems that provide cooling from the environment, thus reducing the air-conditioners work.

In 2010, we installed two of our base stations tested and autonomous free-cooling systems. The test results show that the free-cooling system can be used instead of air conditioners during most of the year. The system consists of a fan grill with a filter and managing controller, and is an excellent solution for base stations, allocated on building roofs or unprotected areas with direct sunlight.

The free-cooling system reduces the energy required for cooling a base station by nearly 70% per year – the air conditioner is practically unnecessary in the period between October and May. The ultimate effect is 20% reduction of the electricity consumption with about 2 tons less GHG emissions for a station per year. We estimate that an investment in such system is profitable – it pays out in 2-3 years.



Stanislav Genov
Senior Network
Installations Engineer

I have 5- years experience in GLOBUL. I have been working as an Installation Engineer since January 2008. My primary role refers to equipment installations on our cell sites as well as site expansions and

reconfigurations. For the last 18 months, I have been involved in energy saving initiatives and efficient energy use by cutting the fuel and electricity consumption.

I believe focusing on innovations and green technologies makes us competitive. We introduce advanced technologies and practices that fuel the company's growth and sustainable development.

I expect GLOBUL to invest in network and technology modernization as well as in green technologies in order to optimize our energy model. At the end, I think this should be a continuous process that involves employees and customers working together for rational resource utilization.

Connecting remote BTS to the power grid attributes to another significant share of our emission reduction – the number of diesel-powered base stations decreased from 56 to 25 in only a year.

In 2008 we began testing solar systems for powering remote BTS and in 2010 that system produced 15.6 MWh of green electricity. The high initial investment that is required does not allow for mass deployment of photovoltaic systems at this point.

In 2010, we achieved best results while testing a hybrid system for powering base stations which is made of a diesel engine and high capacity batteries.

GLOBUL begins exploitation of a hybrid system for powering remote BTSs

In 2010, we installed three base stations powered only by diesel generators with a new testing system. The system includes diesel generator, batteries and managing controller. The batteries are charged and discharged cyclically. That allows decreasing the amount of work hours of the diesel generator, thus reducing fuel consumption and attendant maintenance costs.

Thanks to the hybrid system, each BTS saves 9,500 l. of diesel fuel per year – a 60% reduction of the conventional stations.

By reducing the generator’s working hours, we achieved longer use of the supplies and increased the positive environmental impact – less consumption of oils, filters or transportation for maintenance or emergency damages. That saves an additional amount of 2.5 tons of gas emissions and air pollution caused by the combustion of the diesel fuel.

According to estimations, this investment is profitable – it pays out in for less than a year. Moreover, the system allows building BTSs at inaccessible locations, which are important for the network from radio and transmission point of view.



The 2010, data shows that offices, shops and company fleet also have the potential to reduce emissions. We are currently developing projects for increasing energy efficiency in buildings and decreasing the fuel use in our car fleet.



Dobrin Dimitrov
Senior Engineer buildings and facilities maintenance

For two and a half years I work at the Office Management Section, part of the Administration Department in Human Resources and Administration Division. It is my job to supervise administrative activities, which support and provide easeful and efficient working

conditions in the company facilities. I take part in all activities related to the so-called facility management – office maintenance, repair and reconstruction.

The projects that my colleagues and I take on as well as our daily job contribute to the sustainable development of GLOBUL and the society as a whole. We aim at optimizing the consumption of electricity, heating and cooling power and drinking water, thus reducing the amount of carbon emissions and waste we produce. Our job should in no way reflect on the normal working conditions in our offices, just the opposite - in many cases our actions have led to an improvement.

Our ambition for improving the company’s energy saving indicators requires constant awareness and new tools for improvement

Thus, we hope that our activities, supported by all colleagues at GLOBUL will contribute to optimization of the energy consumption and waste reduction.

7.3. Resources and Waste

As an environmentally responsible company, we at GLOBUL work hard to reduce the use of raw materials through optimization of the work process and reuse and recycling of resources. The company’s operations require a large amount of fuel (see above), batteries, telecom equipment and lubricant oils, which are all used in the network. There is also the need of re-

sources for the products we offer in our stores and their packaging, the paper used for paper invoices, vouchers, advertisement materials, etc. In the end, there are the needs of our offices and stores – copy paper, ink cartridges and equipment.

Resources and waste in the telecommunication network

The maintenance of GLOBUL's network requires the use and repair or replacement of significant amount of telecom equipment and batteries – in 2010, these two categories generated 17.2 and 95.2 tons of waste, respectively. Our diesel generators require a large amount of lubricants. The gradual electrification of the network led to reducing the number of diesel-powered base stations from 56 to 25 in 2009-2010. As a result, the consumption of lubricants decreased from 6,505 l to 3,971 l.

Being aware of the risk of polluting the environment with hazardous waste, we choose to work only with licensed contractors. They are obligated to deliver all of the waste to certified organizations, thus providing lawful and environmentally friendly waste treatment.

The replacement of telecom equipment requires storing the unnecessary parts (which is why in 2009 we did not register such kind of waste) and then these parts are being recycled.

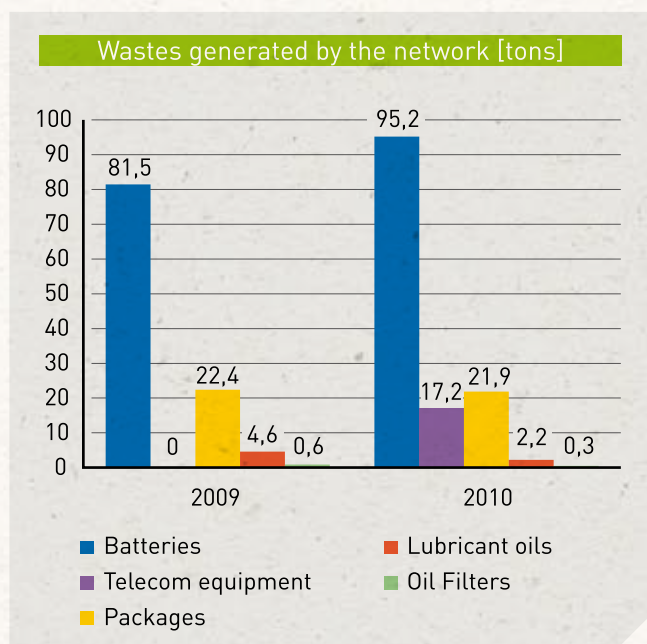


Figure 13. Waste generated by the network, 2009-2010.

The equipment we import also has packaging, e.g. paper, cardboard and wood, all of which is transferred for recycling. In 2009-2010, the total amount of packaging decreased from 22.4 to 21.9 tons.

Products and packaging

All products displayed in GLOBUL shops and their packaging are manufactured or imported by GERMANOS. GLOBUL does not pay a product fee for them. Therefore, they are not examined as part of this report.

Mobile phones, accessories and batteries recycling

Electronic waste is one of the 21st century's greatest environmental challenges. Mobile phones contain large amounts of precious metals such as copper, silver, gold, palladium and platinum, whose mining has very destructive impact on the environment and whose deposits are rapidly being depleted. A single battery can poison about 600,000 l of clean water if improperly disposed of. Modern technologies allow complete recycling of the electronic waste components, which we collect. Plastics and metals are extracted and reused.

Thanks to GLOBUL's mobile phones recycling program our clients can contribute to nature's preservation. In 2010, our business partners – Coca Cola HBC Bulgaria, the US Embassy in Bulgaria, Sony Ericsson Mobile Communications Bulgaria, and Shell Bulgaria – joined the campaign by installing old mobile phones containers in their offices. In 2010, we were able to collect and recycle nearly 2.8 tons of unusable mobile phones, accessories and batteries.

Paper use and recycling

Our offices and stores maintain a usage of nearly 22 tons of copy paper per year, but in 2010 we have increased the use of environmentally certified paper from 2.4 to 5.5 tons. At the same time, the amount of paper we recycle in our offices has increased from 4.5 to 5.9 tons in 2010 – an indicator for the excellent internal communication and the changes in our employees' environmental attitude and behavior (Figure 14). Again in 2010, we launched a separate plastic waste collection in our company's administrative buildings in Sofia.



Ink cartridges use and recycling

Our offices and stores use a large amount of new cartridges with a total of 1,660 for 2010. Unfortunately, due to the requirements to maintain a guarantee service of the equipment we use, we are not allowed to reuse toners. However, we can affect their use through information campaigns for responsible printing and copying. The amount of recycled ink cartridges increases each year and in 2010 it registered a twofold increase reaching a total of 880. Recycling the cartridges is necessary for both reducing resource consumption and the danger of inappropriate treatment of the chemicals contained inside them.

7.4. Other Direct Environmental Impacts

Ozone layer

Our company has stopped installing cooling and extinguishing equipment, which use ozone-depleting substances (CFC и HCFC). Although such substances are still available in part of our cooling equipment, we have begun their extraction and replacement with ozone-friendly ones. We are aware of and abide by the European legislation rules of total ban of using ozone-depleting substances after 2014. The systems are being refilled with ozone-friendly substances and the necessary amount is 35-40 kg per year.

Water consumption

In 2010, the water consumption in GLOBUL's facilities is about 13 thousand m3. Water consumption is not related to the main activity of the company and serves only for the staff's hygiene needs and cleaning the workplaces. The company does not provide wastewater treatment, because wastewater is directed through the sewerage to urban wastewater treatment plants. Nevertheless, we monitor our water consumption and have regular information campaigns for our employees' responsible consumption of this significant natural resource.

Biodiversity

Our activity does not affect biodiversity directly. Nevertheless, we monitor eventual negative impacts near our remote base stations.

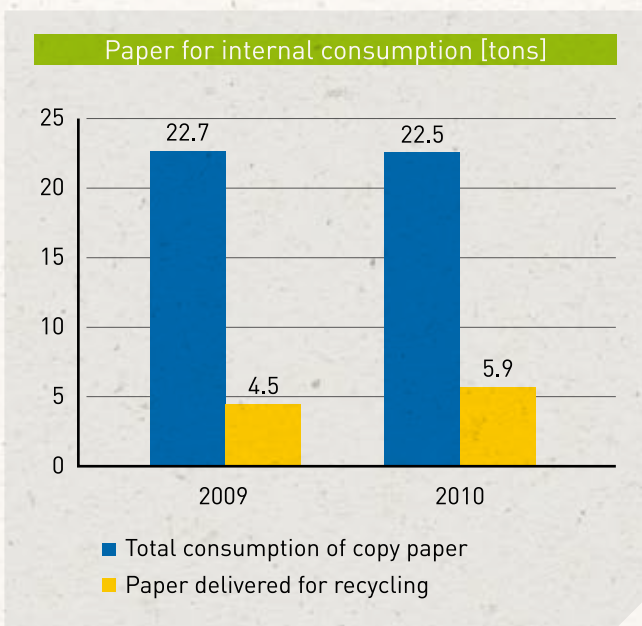


Figure14. Consumption of copy paper and waste paper delivered for recycling

Our activities in protected areas (such as NATURA 2000 network) follow the procedures set by the Bulgarian legislation.

Visual impact

A telecommunication company's activities have a slight visual impact, which is limited to the BTS locations. We reduce that impact by placing them together with the ones of other telecom operators. In urban territories, our constructions are built in accordance with the surrounding architecture, which also reduces our visual impact.

Noise

The noise impact of the company's activities is negligible-to-small. All of our offices and shops are allocated in highly urbanized territories. As for the BTS – the ones, connected to the power grid are absolutely silent, and the ones, powered by diesel generators, are usually located in remote areas and do not have a noise impact.

7.5. Indirect Environmental Impacts

In 2010, we used over 200 tons of paper for invoice copies, printouts and envelopes, all sent to our customers – that amount is 10 times the amount used in our offices. All of this is delivered by courier transport, which generates GHG emissions. This is an indirect environmental impact of GLOBUL's activities, because the invoice copies are printed and sent by our contractors. However, we do feel responsible. The opportunity we offer is the Cancellation of the Paper Invoice service (for more information for Sustainable products and services see chapter Marketplace).

Our practices for encouraging the electronic invoices use and prepaid cards electronic recharge during the past year led to a significant reduction of paper and plastic use for that purpose. The cancellation of paper invoice resulted in saving 15.1 tons in 2009 and 54.3 tons in 2010, and the electronic recharge saved 4.9 tons in 2009 and 5.8 tons of paper in 2010. We have the ambition to further reduce resource consumption and waste production next year by conducting various campaigns to encourage our electronic services use.

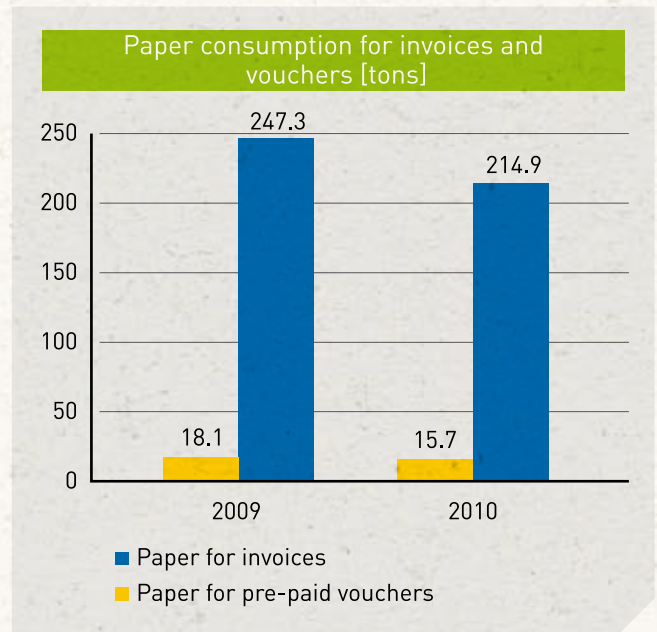


Figure15. Consumed paper for invoices and vouchers [tons]

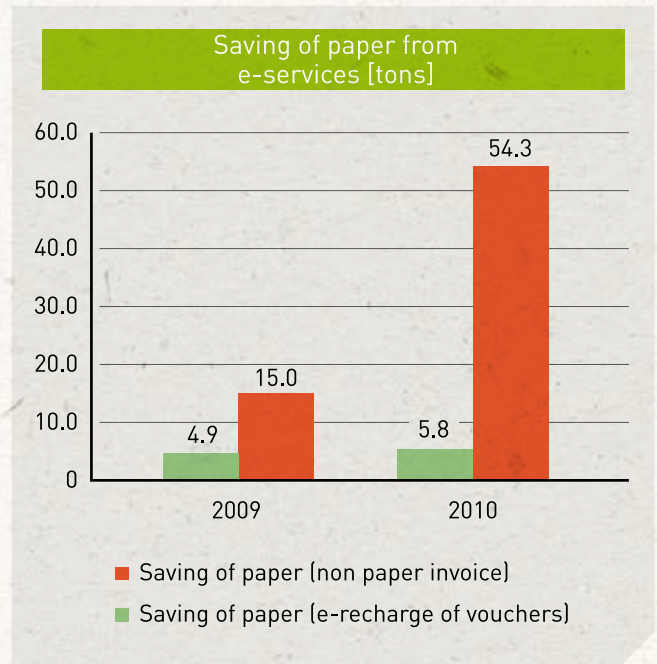


Figure16. Saved paper due to e-service [tons]

Our contractors also prepare printed advertising materials. Since 2010, we have established strict requirements for environmental sustainability and use of recycled and certified paper for all the company's corporate responsibility related print materials. In 2011, we plan to print our commercial catalogue that goes to millions of our clients on certified paper.

Take care of the **paper** environment



GLOBUL
green

Think twice before you print or use a sheet of paper, because thus you can save a life of a tree!

We all should strive to:

- **Cut down** paper usage
- **Reuse used** and recycled paper
- **Keep used** paper and submit it for recycling

Do you know that each one of us uses approximately 9.5 kg paper per year, which is equal to two trees?

Please save at least one by cutting paper consumption by 50%!

As part of our waste reduction initiatives we maintain permanent dialogue with our employees. We run constant communication campaigns for responsible behavior at work and encourage our employees to join different programs such as the responsible use of copy paper, recycling of plastics and old mobile phones and batteries, reducing the electricity consumption, etc.

7.6. Support to Environmental Projects and Events

One of our fundamental objectives is focusing the public attention on reducing human's negative environmental impact. Besides providing electronic services as a replacement of the resource-consuming and carbon-generating services, we also run information campaigns focused on our clients and the public.

We see ourselves in GLOBUL as a responsible company, which has the obligation to inform and engage the public with important environmental issues. The GLOBUL Green program is a combination of long-term projects aimed at promoting responsible use of resources and materials, developing and providing sustainable products and services, and establishing of public-private partnerships for implementing long-term national-wide projects of high importance to environmental protection. In addition to the projects for environmental management and energy efficiency in the network, in 2010 we also took some measures in order to increase society's awareness.

Preservation and cleaning of nature parks

In 2010 GLOBUL supported the National Day of the Nature Parks initiative of the international environmental organization WWF for a second consecutive year. The communication campaign for attracting volunteers was under the motto "Nature is Our Home. No more Dirty Tricks". The initiative was held on May 29, 2010, when nearly 3,000 volunteers (with about 30 % more than in 2009) gathered over 15 tons of garbage from the territory of Bulgaria's 11 nature parks - "Vitosha", "Rilski Manastir", "Zlatni Piasatsi", "Vrachanski Blkan", "Rusenski Lom", "Shumensko Plato", "Sinite Kamani", "Bulgarka", "Persina" and "Belasitsa".

Together, they are the largest protected area in Bulgaria, visited every year by hundreds of thousands of tourists. Volunteers cleaned up, restored signs and renovated the visitor infrastructure of some of the most attractive tourist spots in the country. In each park, a wooden bridge was built as a symbol of the link between man and nature. Because of the growing interest towards the initiative, in 2010 there were five rally points in "Vitosha" park, which attracted 800 volunteers.

The campaign's long-term objective is to promote responsible behavior towards nature that will make such initiatives unnecessary.



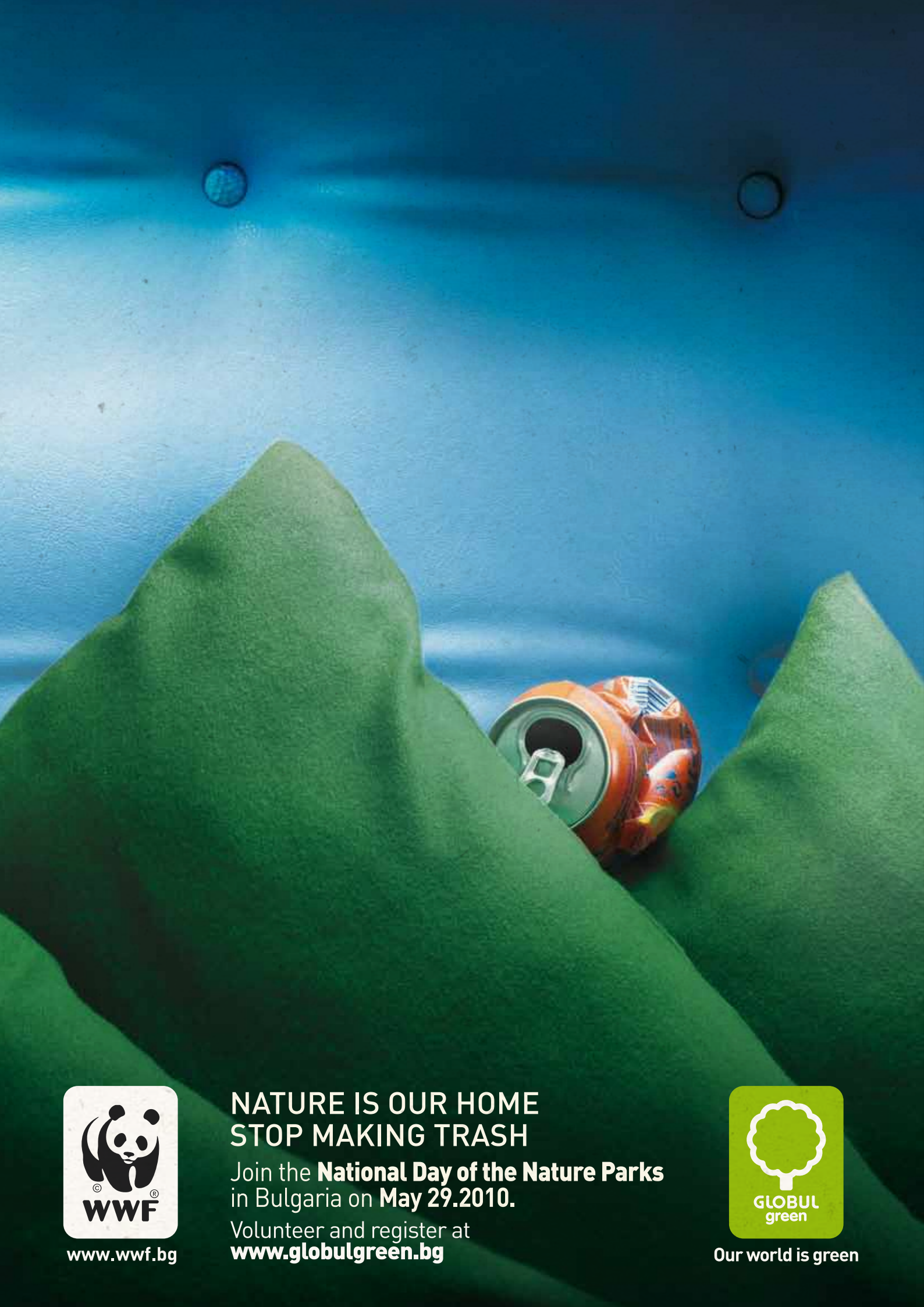
Konstantin Ivanov
WWF communication
coordinator

It is important for an environmental organization to have corporate partners who do not just support certain projects but also work to make their business more sustainable. Within the GLOBUL Green program, GLOBUL has the opportunity to

plan and implement actions in order to push the entire sector in a more positive direction. WWF's objective is to help people live in harmony with nature and GLOBUL is the only company in the country which practically supports wild nature's preservation on national level.

As an environmental organization, we expect long-term and focused efforts from the corporate partners we work with. These efforts should lead entire economic sectors towards sustainable development. Therefore, we work for long-term framework agreements which to build on.

My expectations from GLOBUL as a leader in the sustainable development sector and carbon footprint reduction as well as an ambassador of the corporate responsibility values, include focused work based on long-term strategy and consulted by the best professionals.



www.wwf.bg

NATURE IS OUR HOME STOP MAKING TRASH

Join the **National Day of the Nature Parks**
in Bulgaria on **May 29.2010.**

Volunteer and register at
www.globulgreen.bg



Our world is green

Participation in Earth Hour

For a third consecutive year as part of GLOBUL Green we joined WWF's international initiative Earth Hour, which was held on the 27th of March 2010. On that day, we shut off the lighting in all of our administrative buildings and stores. Only the systems required for network support and customer care remained on. GLOBUL's largest advertisement installations in Sofia and Varna as well as the light panels on the roofs of our administrative buildings were also darkened for an hour.

Events and campaigns

We supported two of the most significant green forums: Green Innovation Forum organized by Dnevnik daily and the consultancy company denkstatt, and the Green Business Forum of Manager Magazine. Not only did the company provide financial support, but it also participated in the panels and shared its good green practices and expertise.

We launched a mass communication campaign to promote the idea for sustainable consumption. The campaign focuses on already existing projects and services provided by GLOBUL in order to encourage responsible client behavior.

More detailed information can be seen in the Marketplace section, chapter Responsible Marketing.

7.7. Goals and Commitments 2011

In 2011, we set the following goals and commitments:

- Connecting 12 base stations to the power grid;
- Installation of free-cooling technology on 150 base stations;
- Installation of energy saving hybrid system on 4 base stations;
- Purchasing electric vehicle;
- Reducing the electricity and diesel fuel consumption in our base stations;
- Reducing the total amount of GHG emissions (by 3% compared to 2010);
- Saving paper due to Cancellation of the Paper Invoice service (60 tons);

- Increasing the amount of paper recycled (6.2 tons);
- Collecting and recycling of more mobile phones, batteries and accessories (3 tons);
- Supporting WWF's initiatives – The National Nature Parks Day and Earth Hour, and;
- Support and participation in green forums and events



GLOBUL is aware of its potential of contributing towards positive changes and improving Bulgarian society's wellbeing. We offer our telecommunication services, and thus not only provide comfort and high quality but also improve the way of life. We are aware that the access to our services is related to several challenges – EMF emissions, safer use of the Internet, safe driving and common access to everybody. These are the natural priorities in our efforts focused on providing social benefits. In addition, GLOBUL uses the full potential of its power as a high-tech media by giving clients the opportunity to easily donate for important social causes, and by giving students the chance to receive quality education and priceless experience in their real professional life.

Achievements 2010

GLOBUL implemented a number of projects and initiatives during the last year:

- Launched communication campaign focused on promoting internet safety and increasing society's awareness on the issues of correct and safe use of new technologies and internet by children and teenagers.
- For a fourth year in a row held its safe driving campaign focused on raising the responsibility levels of drivers on the road and the use of hands-free devices – „Drive safely. Use hands-free!”
- Contributed to a social dialogue and public awareness concerning the effect of EMF emissions on human health in a joint campaign with the other telecommunication companies in the market.
- Kept up its continuous support and provided a platform for the SMS donating system, Donors Message System (DMS). In 2010, through that system, the three operators' clients donated a total amount of BGN 738,485 distributed among 1,038 different campaigns
- Continued providing free short numbers for different donor campaigns of government

institutions and non-government organizations – Ministry of Culture, the Presidency, Ministry of Defense, Ministry of Interior, UNICEF, Bulgarian Red Cross, SOS CHILDREN'S VILLAGES etc. The total amount of the donations for these institutions via GLOBUL network reached over BGN 985,000 in 2010.

- Launched its fifth Scholarship Program, which provided 10 scholarships for students of leading universities in the country.
- Implemented its seventh Traineeship Program, which provided 45 trainee positions in 12 of the company's departments.
- Gathered hundreds of students during lectures, part of The GLOBUL Hour initiative.

Review of the results

KPI	Unit	Results 2009	Results 2010
Total paid insurances, taxes and fees	million EUR	10.11	7.72
Investments	million EUR	79.9	69.4
Traineeship positions	number	38	45
Student scholarship grants	number	10	10

8.1. Contribution to Economic Development

We have a significant contribution to Bulgaria's economic growth in terms of occupation, investments and taxes paid, which makes GLOBUL one of the leading companies in the market. The challenges for the Bulgarian economy as a whole and for the telecommunications sector remain the same in 2010 as they were in 2009 – unfavorable macroeconomic situation which led to lower consumption. Nevertheless, as one of the leading investors in the country, GLOBUL continues opening job positions, investing in personal development and offering products and services that meet the requirements of the market and the society. By the end of 2010, we have invested over 1.1 billion EUR in the development of the telecommunications sector. We are developing telecommunication infrastructure and investing in innovative technologies.

Table 3 clearly shows our contribution to Bulgaria's economic development for the last two years.

Indicator	Unit	2009	2010
Corporate tax	million EUR	7.29	5.17
Municipal tax	million EUR	0.43	0.38
Social security	million EUR	2.39	2.17
Insurances of the employees	million EUR	0.02	0.01
Investments	million EUR	79.9	69.4

Table 3. Contribution to economic development

8.2. Causes and Campaigns

GLOBUL commits to certain causes and campaigns in order to serve the community. When selecting them, we choose areas in which we believe we can really contribute as a telecom operator and make a difference.

Safe Internet and mobile content for children program

Internet and the mobile technologies offer infinite opportunities for accessing information and communication. The number of the people using the Internet as a way to communicate is constantly growing, but there are certain risks for the children. It is important for the parents to realize these risks and to take precautions for their children's safe internet browsing and using mobile content. Children and teenagers should also be aware how they can safely use the new technologies and the World Wide Web.

In 2008, GLOBUL adopted the Code of Ethics for Safer Mobile Use by Younger Teenagers and Children. The mobile content provided by GLOBUL has special age suitability designation and parents can limit their children's access to the parts which are marked as inappropriate for anyone under the age of 18 by using a password on their mobile telephones.



Again, in 2008 the company joined the Public Council on Safer Internet, part of the implementation of The Safer Internet Programme of the European Commission in Bulgaria. The Public Council

includes representatives from various government and non-governmental organizations, and monitors and supports the work of the Hotline for illegal and harmful content and the Bulgarian Safer Internet Centre. More details – at www.safenet.bg.

In 2010, GLOBUL continued its annual educational campaign with particular advice using the mass communication channels and the social networks in order to reach the target group – children and teenagers. Moreover, GLOBUL supported the development of the first Bulgarian online safety line 124123, an initiative of the Bulgarian Safer Internet Centre and the Parents Association.

We plan to further promote the current and future opportunities for safe Internet use and the other modern technologies. In 2011, we plan to develop an educational brochure in collaboration with the Bulgarian Safer Internet Centre, and to distribute it in the retail network in order to reach as many people as possible.



Georgi Apostolov

coordinator in the,
Bulgarian Safer
Internet Centre

GLOBUL stands out among the partners of the Bulgarian Safer Internet Centre not only with responsible attitude concerning children protection but also with a proactive position. That way the company becomes one of the leading carriers

of corporate responsibility's values.

The Bulgarian Safer Internet Centre will continue to count on GLOBUL's collaboration in our common mission – providing safer use of the new communication and information technologies by the minors and expects even greater support for its activities and initiatives.

Drive Safety Campaign

Modern telecommunication resources change our daily life, making each one of us available at any moment or situation, even when we are driving. That can be very convenient, but it can also put our lives and health in danger. Therefore, GLOBUL puts an emphasis on safety driving and responsible use of mobile phones while driving. Launched in 2007, the national campaign "Drive safely. Use hands-free!" is GLOBUL's long-term commitment in which we collaborate with different organizations.

In 2010, we ran a national educational campaign to remind that each driver has the personal responsibility for their own safety, but also for the safety of their passengers, of the pedestrians and the other drivers on the road. GLOBUL's partner in the initiative was the Traffic Police in Sofia which also ran a campaign to promote the use of hands-free devices for drivers.

Our main future objectives will be extending the drive safety campaign using various communication tools and collaborating with different organizations for stronger results.



Charity support

In today's world, charity is part of the process of balancing society's well-being. We try to stay involved with this cause and to help the fundraising process. Although donating is not among GLOBUL's priorities, we support different initiatives in favor of people in need. Traditionally, we donate obsolete computers and office equipment. In 2010, we gave 185 computers, printers, scanners, etc. to different schools. In 2009 and 2010, we provided Christmas gifts for the children in the Specialized Children's Oncohematology Hospital at the annual parties organized by the hospital.

For many years GLOBUL has been a partner of the Bulgarian Donor Forum and the Bulgarian

ian Charities Aid Foundation which launched the DMS project. In 2010, the total amount of donations through that system with the collaboration of the three telecom operators in Bulgaria reached 738,485 BGN and was distributed among 147 different campaigns. These results show the usefulness and advantages of the DMS system, especially for the beneficiaries of these campaigns. DMS unites all campaigns under one number for all of the telecom operators and guarantees a feedback regarding the collected amount and its distribution – such transparency is an important element of charity. We hope that in the future this donation tool will become even more popular. We will work for further increasing the community's awareness regarding this opportunity for donation.



Krassimira Velichkova
 Director of Bulgarian Donors' Forum

GLOBUL is among the six companies that founded The Corporate Donors Club in the Bulgarian Donor Forum in 2006. At that time GLOBUL embraced the idea that it is important for the companies to have systematic and

transparent activities for responsible behavior towards the community. GLOBUL actively committed to building a network between the companies in order to establish corporate donation principles and exchange ideas. The main project in which we collaborate is the DMS system – platform for donating via SMS. The company was one of the main driving forces for developing the platform which carried out more than 250 campaigns.

GLOBUL's perspectives and ideas for the charity environment, for the partnership with civil organizations, media and institutions, and its vision for the development of the Forum itself are major contributions for our organization. Involving GLOBUL's employees as participants and ambassadors of these ideas can only expand our opportunities and boost our efforts' impact.

8.3. Contribution to Education

The development of the new generation is vital to the progress of our society. Young people are a serious commitment for all businesses, and GLOBUL's contribution is to share knowledge and experience. The main purpose of our youth initiatives is to invest in the young people's education and qualification. In order to attract them and, in this way, keep them in Bulgaria as a valuable human resource, we offer them various opportunities for personal development.

We pursue this goal each year by organizing a Traineeship and Scholarship program and the initiative the GLOBUL Hour, which are amongst the most successful projects of the company.

Our goal is to share knowledge and support young people's carrier choice in Bulgaria.

GLOBUL and GERMANOS Traineeship program

We offered 45 intern positions in 12 divisions within the Traineeship program in 2010. After the successful conclusion of the program, 73% of the participants had the opportunity to prolong their training period. As of its launch in 2004 until now, over 170 students have participated in the program and about 30% of them later joined the company as employees. These facts show young people's increased interest in the company and the opening of job positions. By doing this, we work for approaching and achieving our goals through our contribution in the area of education and subsequently providing jobs for many young, capable professionals. In 2011 we plan to increase the number of traineeship positions to 55 in 15 divisions.

GLOBUL Scholarship program

In 2010, GLOBUL granted 10 scholarships to talented students in the following areas: Telecommunications and IT, Marketing, Law, Finance and Human Resources. The participants were from Technical University of Sofia, as well as Sofia University "St. Climent Ohridski", New Bulgarian University and University of National and World Economy (UNWE).

The scholars receive a monthly scholarship until their graduation with a bachelor degree and they have the opportunity to participate in the summer GLOBUL and GEMANOS Traineeship Program, as well as in the training and seminars that the company provides. For the first time our scholars have the opportunity to



build a real experience outside the scholarship program by working three hours per week in the company under the guidance of a personal tutor.

Since GLOBUL scholarship program launch in 2005 until the end of 2010 the operator has invested over 100,000BGN to support talented students. Thanks to the program's success, this year it includes new educational areas and universities. Each year over 30% of the participants in GLOBUL Traineeship and Scholarship program, begin working for the company afterwards.

The purpose of our scholarship program is not only to give a finance support of the best students but also to guide them in their future professional realization. We want to give the young people an opportunity to be trained within our company and the chance to start their career immediately after their graduation. The good performance and ambition combined with the work in a corporate environment will guarantee a bright future for our scholarship students.

Boris Tatchev,
Human Resources & Administration Director.

The GLOBUL Hour initiative

GLOBUL also conducts a long-term program called the GLOBUL Hour in order to reach more enquiring students. The purpose of the program is to increase the educational and professional level among young people in Bulgaria and to contribute to a highly qualified and more competent society.

The GLOBUL Hour initiative is conducted for a second consecutive year in 2010. It includes lectures, held by some of the most valuable professionals in the company, in various schools. Over 400 second- and third-year students visited the ten lectures of the initiative, which were held in Technical University - Sofia and the American University - Blagoevgrad.

The lecturers of the GLOBUL Hour, who are also active participants in the company's Traineeship program, introduced and discussed topics and cases of the modern company policy with the students.





8.4. EMF Emissions

The EMF (electromagnetic frequency) emissions of the mobile phones and base stations are perceived as a problem by different groups of the society. We at GLOBUL think that we have to pay special attention to the topic because of the widespread discussion and the different opinions among society.

There is no evidence of harmful effects of the radio frequency fields, which are within the international thresholds. The transmitted radio waves are part of the electromagnetic spectrum that includes the television and the radio station frequencies. They are not radioactive and represent the so-called non-ionizing emissions. It is completely different from the “bad” radiation, which is the ionizing radiation and referred to as X-rays, Y-rays and their biological effect on humans. The energy emitted by the radio waves cannot destroy the molecules of the body.

The power of the radio waves is stronger near its source and decreases drastically with increasing the distance. According to the World Health Organization, the emissions from the base stations and wireless technologies are thousand times weaker than the international standards.

The limits for the safe exposure to EMF are defined by organizations like the International Commission on Non-Ionizing Emissions Protection (ICNIEP) and the World Health Organization. In Bulgaria, the placing of every BTS is preceded by issuing a special permit from the Ministry of Health. The Ministry gives its permission based on conducted research of the station and analy-

sis of the Laboratory “Physical Factors” at the National Center for Public Health Protection. The purpose of the research is to determine whether the base station, in question, is built according to all technical standards and requirements for protection of human health.

Bulgarian’s legislation concerning the EMF thresholds in populated areas is adapted to the latest global scientific and practical tendencies. The regulation defines thresholds, which are 45 to 100 times lower than in other countries, including the EU members.

In 2010, GLOBUL in partnership with the other two mobile operators started a massive educational campaign regarding the base stations for mobile communications. That campaign is part of the Joint Communication Strategy, developed by the three operators in accordance with the government’s recommendation to provide information on the subject. The campaign ran through several cities in partnership with the governmental institutions and the local authorities. Its objective was to give detailed information to both the community and our employees.

We understand our clients’ need for thorough and available information on the EMF issue. That is why our team created elaborate informational brochures in which we provide an objective view on some of the most important EMF questions. The paper content was prepared with the support of the Faculty of Telecommunications in Technical University – Sofia.

In 2011, we plan to continue this educational campaign and run it in other cities. We would like to involve international experts in the field, who would participate in public debates and meetings. We also plan to continue the development of the Joint Communication Strategy and to launch educational campaigns. We will update and improve our brochure by including data from the latest global studies and the changes in Bulgarian health legislation.

8.5. Corruption and Politics

Corruption is an issue, strongly affecting every society. We, as one of Bulgaria's largest companies, are aware that solving the problem requires proactive participation in the public debate and careful consideration of each party's role. We can achieve this by both implementing measures within the organization and promoting anticorruption attitude and such business practices which eliminate any corruption options.

Until now, we have not registered any corruption practices. We have worked successfully in implementing COSMOTE Group's Conflicts of Interest Avoidance & Combating Corruption Policy. We strictly follow the rules set by the internal Code of Ethics. We provide opportunities for filing anonymous signals and conducted anticorruption behavior trainings. Departments that are potentially threatened by corruption went through risk analysis assessments.

In this context, we should mention the Policy on Acceptance and Offering of Corporate Gifts we adhere and we will continue to follow. This policy defines the terms and the rules by which the offering of corporate gifts to our employees should be treated. These policies are examples of our ambition to be a leader in the community, and to contribute for more disciplined and moral relationships between people and the business environment. Our long-term priority is to maintain the high standard of moral responsibilities within the boundaries of our work.

Following the established policies, GLOBUL did not support financially any political party in 2010.

8.6. Goals and Commitments 2011

In 2011, we have the following objectives and commitments:

- Extending the campaign for safer internet and appropriate and safe use of new technologies and mobile content by children campaign.
- Continuing the safe driving campaign.
- Extending our participation in information campaigns regarding EMF's impact on human health.

- Extending our participation in the DMS platform project.
- Support in the organization of the Bulgarian Christmas charity initiative.
- Collaboration in other charity initiatives.
- Development of Scholarship and Traineeship programs aimed at Bulgaria's young talents.
- Organizing lectures in accordance with the GLOBUL hour project for wider audience.

KEY PERFORMANCE INDICATORS

Chapter	Unit	2009	2010
Market			
Total revenue	million EUR	448.14	407.83
EBITDA	million EUR	187.18	169.45
Number of customers	million	3.9	3.9
Market share (based on Total revenue)	%	37.3	37.3
Employees			
Employees	number	1,345	1,334
Employee turnover	%	10.7	12
Fatalities	number	0	0
Accidents absence for more than 3 day on the job	number	0	2
Internal hires (coverage of open positions)	%	19	11
Female employees directly reporting to CEO	%	10	23.1
Employees receiving training	%	60.1	56.2
Environment			
Total energy consumption (electricity, thermal and fuels)	MWh	60,129	54,537
Energy intensity of the business	MWh/million EUR income	134	134
Total GHG emissions	ton CO ₂ -eq.	27,706	24,567
Energy production from renewable energy sources	MWh	16.5	15.6
Fuels consumption (fleet, generators and heating)	thousands liters	1,246	907
Copy paper consumption	ton	22.7	22.5
Waste paper delivered for recycling	ton	4.5	5.9
Waste generated from the network (delivered for recycling)	ton	109.1	136.8
Water consumption	thousands m ³	14.9	12.9
Paper consumed for invoices and prepaid vouchers	ton	265.4	230.6
Paper saved from e-services usage	ton	19.9	60.1
Mobile phones, batteries and accessories, delivered for recycling (incl. GERMANOS)	ton	1.7	2.8
Society			
Total paid insurances, taxes and fees	million EUR	10.11	7.72
Investments	million EUR	79.9	69.4
Traineeship positions	number	38	45
Student scholarship grants	number	10	10

Some ecological and social data are result from expert evaluation, calculation, research and estimation. GLOBUL guarantees the credibility of the information stated in the report. The document is not certified by third party.

GRI Paragraph	Chapter in the Report	Coverage/Omission
Strategy and Analysis		
1.1	2	F
1.2	4.1	F
Organisational Profile		
2.1	3	F
2.2	3	F
2.3	3	F
2.4	1	F
2.5	3	F
2.6	3	F
2.7	3	F
2.8	3	F
2.9	3	F
2.10	4.3	F
Report Parameters		
3.1	1	F
3.2	-	NA
3.3	1	F
3.4	1	F
3.5	4.1	F
3.6	1	F
3.7	1	F
3.8	1	F
3.9	1	F
3.10	-	NA
3.11	-	NA
3.12	10	F
3.13	10	F

GRI Paragraph	Chapter in the Report	Coverage/Omission
Governance, Commitments and Engagements		
4.1	3.1	F
4.2	3.2	F
4.3	-	NA
4.4	5.1, 6.3	F
4.5	5.1	F
4.6	8.5	F
4.7	5.1	F
4.8	4.2, 5.1	F
4.9	4.1, 4.2	F
4.10	4.1, 4.2	F
4.11	4.1, 4.2, 7.1	F
4.12	4.3	F
4.13	4.3	F
4.14	4.4	F
4.15	4.4	F
4.16	4.4	F
4.17	4.4	F

F - Fully covered

NA - Not applicable

P - Partially covered

NR - Not reported data

GRI TABLE

GRI Performance Indicator	Chapter in the Report	Coverage/Omission
ECONOMIC		
Disclosure of Management approach	3, 5, 8.1	F
Economic Performance		
EC1	8.1	F
EC2	7.1	F
EC3	6.4	P
EC4	8.2	F
Market Presence		
EC5	-	NR
EC6	5.5	P
EC7	-	NR
Indirect Economic Impacts		
EC8	8.1	P
EC9	5.5, 8.1	P
EC13	5.5, 8.1	F
ENVIRONMENT		
Disclosure of Management approach	7.1	F
Materials		
EN1	7.2, 7.3, 7.4, 7.5	F
EN2	7.3	F
Energy		
EN3	7.2	F
EN4	7.2	F
EN5	7.2	P
EN6	7.2	F
EN7	7.2	F
Water		
EN8	7.4	F
EN9	-	NA

GRI Performance Indicator	Chapter in the Report	Coverage/Omission
EN10	-	NA
Biodiversity		
EN11	-	NA
EN12	7.4	F
EN13	-	NA
EN14	7.4	F
EN15	-	NA
Emissions, Effluents, Waste		
EN16	7.2	F
EN17	7.2	F
EN18	7.2	F
EN19	7.4	F
EN20	-	NR
EN21	-	NR
EN22	-	NR
EN23	7.3	F
EN24	-	NA
EN25	-	NA
Products and Services		
EN26	7.3	F
EN27	7.3	P
Compliance		
EN28	5.3	F
Transport		
EN29	7.2	F
Overall		
EN30	-	NR
LABOUR PRACTICE		
Disclosure of Management approach	6.1	F




GRI Performance Indicator	Chapter in the Report	Coverage/Omission
Employment		
LA1	6.1	P
LA2	6.1, 6.2	P
LA3	6.4	P
Labour/Management Relations		
LA4	6.1	F
LA5	-	NR
Occupational Health and Safety		
LA6	-	NR
LA7	6.2	F
LA8	-	NR
LA9	-	NA
Education and Training		
LA10	6.2	P
LA11	6.2	P
LA12	6.2	F
Diversity and Equal Opportunity		
LA13	6.1	P
LA14	-	NR
HUMAN RIGHTS		
Disclosure of Management approach	6.2	P
Investments and Procurement Practices		
HR1	-	NR
HR2	-	NR
HR3	-	NR
Non-discrimination		
HR4	6.1	F
Freedom of Association and Bargaining		
HR5	-	NA

GRI Performance Indicator	Chapter in the Report	Coverage/Omission
Child Labour		
HR6	5.6, 6.1	F
Forced and Compulsory Labour		
HR7	5.6, 6.1	F
Security Practices		
HR8	-	NR
Indigenous Rights		
HR9	-	NA
Assessment		
HR10	-	NR
Remediation		
HR11	-	NR
SOCIETY		
Disclosure of Management approach	8, 4.4	P
Community		
S01	8.4	P
Corruption		
S02	8.5	P
S03	8.5	P
S04	8.5	P
Public Policy		
S05	4.3, 8.5	F
S06	8.5	F
Anti-Competitive Behaviour		
S07	-	NR
Compliance		
S08	5.4	P

GRI TABLE

GRI Performance Indicator	Chapter in the Report	Coverage/Omission
PRODUCT RESPONSIBILITY		
Disclosure of Management approach	5	F
Customer Health and Safety		
PR1	8.4	P
PR2	-	NR
Labelling		
PR3	-	NR
PR4	-	NR
PR5	5.2	F
Marketing Communication		
PR6	5.5, 8.4	F
PR7	5.5	F
Customer Privacy		
PR8	-	NR
Compliance		
PR9	-	NR
TELECOM SUPPLEMENT		
Internal Operations		
I01	8.1	F
I02	-	NR
I03	-	NR
I04	-	NR
I05	8.2	F
I06	-	NR
I07	8.4	F
I08	-	NR
PROVIDING ACCESS		
Digital Divide		
PA1	-	NR

GRI Performance Indicator	Chapter in the Report	Coverage/Omission
PA2	5.5	P
PA3	5.2	F
PA4	1, 5.2	F
PA5	5.5	P
PA6	-	NR
Access to content		
PA7	8.2	P
Customer relations		
PA8	8.2	F
PA9	-	NR
PA10	5.4	F
PA11	5.4	F
TECHNOLOGY - APPLICATIONS		
TA1	7.5	F
TA2	5.3, 7.5	F
TA3	5.3, 7.5	F
TA4	-	NR
TA5	-	NR

-  Mandatory GRI Indicators
-  Additional GRI Indicators
-  Telecom Supplement Indicators

F - Fully covered
P - Partially covered

NA - Not applicable
NR - Not reported data



Statement GRI Application Level Check

GRI hereby states that **GLOBUL** has presented its report "GLOBUL Corporate Responsibility Report 2010" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level B.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 14 September 2011

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a large, faint watermark of the GRI logo.

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: *Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 1 September 2011. GRI explicitly excludes the statement being applied to any later changes to such material.*



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