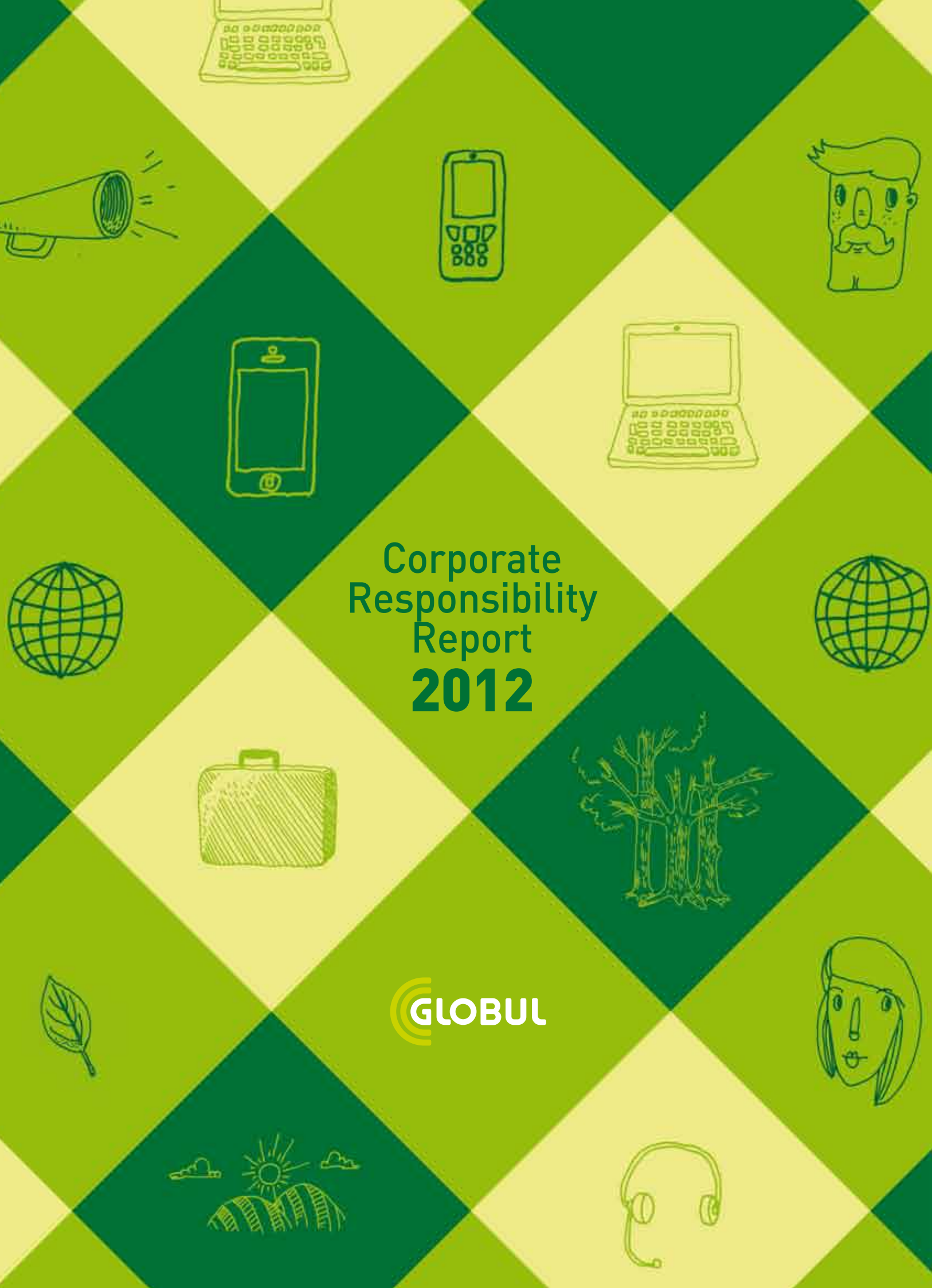


Corporate
Responsibility
Report
2012





Dear Friends,

I am happy to present to you our third Corporate Responsibility Report. In adverse economic conditions many companies will be tempted to focus on their business and move social responsibility to the background. For all GLOBUL employees these two tasks go hand in hand. In 2012, the operator was the most preferred on the market and continued to be a leader in the field of corporate responsibility.

Our efforts were recognized by the Bulgarian Donor's Forum. The organization awarded GLOBUL as Biggest Corporate Donor for 2012 in two categories: Largest Amount of Financial Grants and Most Generous Donor. We received awards also from the Ministry of Environment & Waters for our green initiatives and by the association of journalists covering the automobile industry for our Drive Safely campaign.

Last year, GLOBUL was successfully certified for Environmental Management System according to ISO 14001:2004 and for Occupational Health and Safety according to OHSAS 18001:2007. The reports of the external auditors prove that our internal processes and programs in these two areas follow the best European standards.

We are very proud by the fact that 77% of the Bulgarian population perceives us as Bulgaria's "green operator". Our campaign for higher usage online services and non-paper invoice was very successful. As of end - 2012, 54% of all GLOBUL subscribers had cancelled their paper invoice and we saved 118 tons of paper through the year. The same percentage was 40,5% at the end of 2011. I want to thank our clients for their trust in our online services.

Our business customers are able to reduce their paper consumption by using our WebFax service. Last year we launched iPay - a payment service combining mobile wallet and a cash card. Paying bills and transferring money became much easier for our clients.

In 2012, together with the World Wildlife Fund (WWF), we continued with our campaign for cleaning of the country's nature parks and pushed on with our Drive Safely campaign in cooperation with the Union of Bulgarian Motorists (UBM). For the first year, we organized training camp with Manchester United for the Team of Hope (Bulgarian homeless team) and the team of Nayden Gerov School in Varna.

We have many interesting stories to share with you.

I hope that you will enjoy reading this report!

Haris Kotsibos
CEO of GLOBUL



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Consultancy

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About the report

The report is consistent with the main principles of the UN Global Compact and the requirements of the Global Reporting Initiative (GRI). For 2012, we keep the B level of reporting. We fully cover 54 GRI indicators and publish data on a total of 123 quantity indicators.

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

By publishing our third Corporate Responsibility Report under the Global Reporting Initiative (GRI) we clearly affirm our commitment to present reliable, measurable, verifiable and relevant industry data and information every year.

Scope of the report

Information presented in this report gives a broad overview of various aspects of the company's activities and offers an idea of the level of corporate responsibility. The report focuses on the activities of GLOBUL for the period 1st of January 2012 - 31st of December 2012. All information described in it is related to GLOBUL activities in Bulgaria, unless indicated otherwise. The report also partially presents activities of GERMANOS, as our major trading partner, leader in the field of mobile technologies and which offers GLOBUL products and services on the Bulgarian market.

The report contains quantitative data and information for 2010, 2011 and 2012, and previous years in certain cases. Indirect greenhouse gas emissions figures for previous years were amended in accordance with the latest changes in the International Energy Agency methodology regarding electricity emission factors. Financial and other data, which the company collects and publishes by law, is in compliance with our official reports.



Yassen Guev

Corporate Affairs Director,
GLOBUL

The main driving force behind the creation of the GLOBUL Corporate Responsibility Report was our late colleague Hrisa Deliyska. Her passion and enthusiasm were in the core of many of the projects that demonstrate the company's commitment to our society. On 2 October 2012 she left this world. I believe that the best way to honour someone is to keep doing what the person was truly passionate about. One of Hrisa's ideas, which we failed to realize so far, was to begin issuing a series of books on sustainable development. She thought that Bulgaria lacks knowledge of this topic and GLOBUL is the company which is to change that. We will promote the issuance of a series of such books as the first will be ready at the end of 2013. This is our way to honour the memory of Hrisa. She always wanted us to be first – we were and we will be.



Iva Karaivanova
Hrisa Deliyska
Yassen Guev

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. As of the end of December 2012, GLOBUL has 4.5 million subscribers, while its services are available to 99.98% of Bulgaria’s population, covering over 99.48% of the country’s territory. GLOBUL UMTS network covers 94.81% of the population. More than 1,300 experts work for GLOBUL at present. As of the end of 2012 COSMOTE Group has 20.4 million subscribers from countries in South-Eastern Europe. COSMOTE is a member of OTE group, the leading telecommunications Group in SE Europe. Deutsche Telekom A.G possesses 40% of OTE’s share capital.

3.1.
Organizational structure

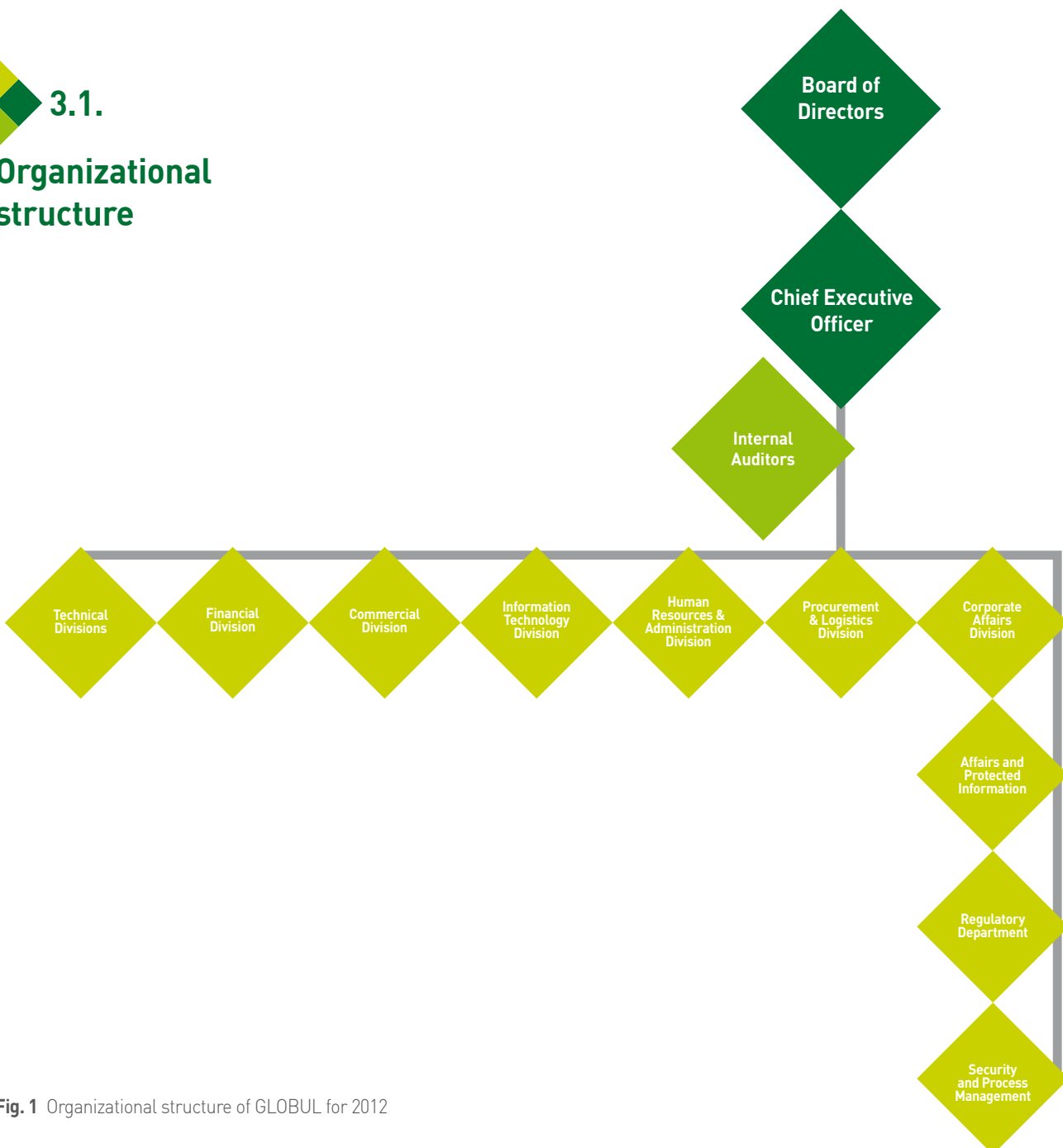


Fig. 1 Organizational structure of GLOBUL for 2012

3.2.

Products and services

GLOBUL provides its clients with a full range of telecommunication services: mobile, fixed telephony 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 as well as our prepaid customers.

3.3.

Telecommunication Network and Administrative Buildings

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

GLOBUL's network may 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. The BTS provide the wireless connection to our clients. In addition, the company uses three buildings where all administrative and technical activities are concentrated.

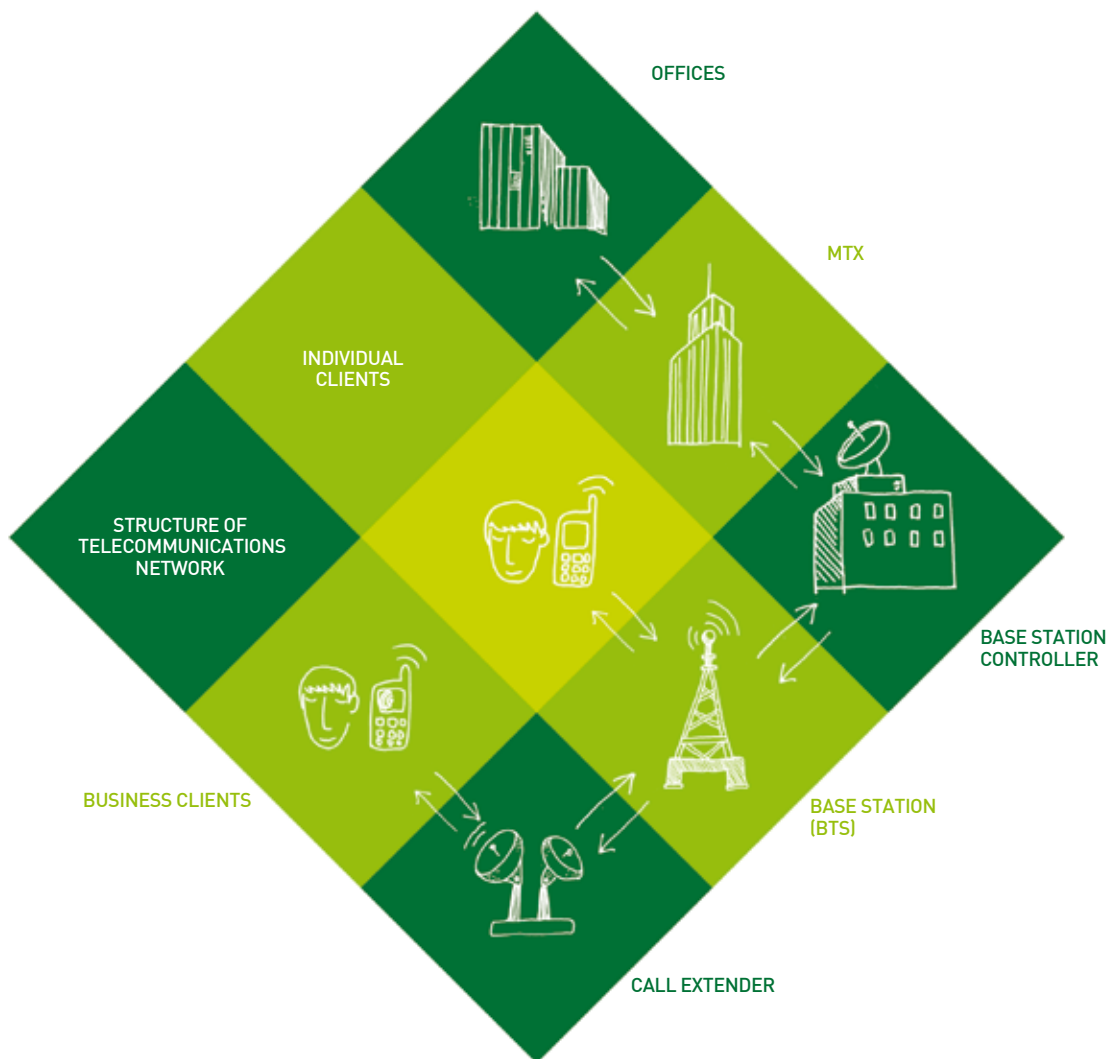


Fig. 2 Structure of telecommunications network



 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 shops as well as the shops of our official partners Global Net and Internity. The company runs a network of 155 branded stores.

 3.5.

Company development

We established GLOBUL in 2001 when the company was proclaimed the largest green field 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 as a member of COSMOTE Group, marking a new era in our development.

In 2012, GLOBUL's total revenues reached EUR 362.64 million, while EBITDA amounted to EUR 130.11 million. Ten years after the company's commercial launch, it reached the point of return on investment – from 2001 until present day we have invested in GLOBUL's development (mainly the implementation of our network) over EUR 1.19 billion. As of the end of 2012, 1,327 young and highly qualified experts work at GLOBUL. We believe that professionalism, respect and consistently high quality of the solutions offered are the key to the lasting customer trust.





3 Our company

					<ul style="list-style-type: none"> ◆ 99,6% network population coverage. ◆ Network country territory coverage reaches 97%. ◆ 2 million customers. ◆ Acquires a third generation system construction license based on UMTS standard (3G). ◆ COSMOTE acquires 100% of GLOBUL share capital. ◆ Corporate Responsibility unit was formed as part of the marketing department. 	
		<ul style="list-style-type: none"> ◆ Network coverage at 65% of the Bulgarian population in over 100 cities. ◆ 460,000 customers. ◆ GLOBUL launches its GPRS services. ◆ GLOBUL 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. 	<ul style="list-style-type: none"> ◆ 91% network population coverage. ◆ 1 million customers. ◆ COSMOTE assumes GLOBUL management ◆ GLOBUL 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. 	<ul style="list-style-type: none"> ◆ GLOBUL launches its first internship programme together with the Communication Technologies Faculty of the Technical University in Sofia and welcomes its first 12 interns. ◆ A long-term partnership between GLOBUL and the Technical University – Sofia begins. Experts from the company hold lectures, part of the initiative The GLOBUL Hour. The company equipped several technical laboratories to support the professional education of the students in the biggest technical university in Bulgaria. 	<ul style="list-style-type: none"> ◆ A long-term programme "Listen to Children's Dreams" was launched. It is aimed at deinstitutionalization and socialization of children deprived of parental care. ◆ GLOBUL opens scholarship programme and welcomes its first 10 scholarship students from the Technical University in Sofia. 	<ul style="list-style-type: none"> ◆ More than 3 million customers. ◆ GLOBUL presents its new corporate identity/new brand logo and slogan/, as a member of COSMOTE Group. ◆ 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.
<ul style="list-style-type: none"> ◆ GLOBUL launches commercial operations in Bulgaria. ◆ The company is proclaimed as the biggest greenfield investment and received 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. 						<p style="text-align: center;">2006</p>
				<p style="text-align: center;">2004</p>	<ul style="list-style-type: none"> ◆ GLOBUL 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. Especially important 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 	<ul style="list-style-type: none"> ◆ 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.
	<p style="text-align: center;">2002</p>			<p style="text-align: center;">2003</p>		
<p style="text-align: center;">2001</p>						



Fig. 3 Development of GLOBUL and corporate responsibility



Corporate responsibility is not simply a single action or a number of various social or environmental initiatives. It is our core philosophy, which must be part of the company's business strategy and an integral component in each decision and action of the organization. We, at GLOBUL, counted on sustainable development from the establishment of the company in 2001 and have always put transparency and responsibility toward our employees and clients, environment and society as our main priority. At the end of 2008 we initiated our long-term strategy GLOBUL Green, with which we put an accent on our green practices and turned minimization of the company's environmental impact into one of our main objectives.

4.1.

Definition

Corporate responsibility definition of COSMOTE Group, as 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 organization's activities, by working and communicating with internal and external stakeholders, while at the same time improving the competitiveness of our company.

GLOBUL is a corporate responsibility leader on the Bulgarian telecommunications market.

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



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

4.2.

Management approach

Corporate responsibility is not new to GLOBUL as the company has been developing 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 the Corporate Responsibility Section in the Corporate Affairs division. This significantly contributed to the integration of corporate responsibility in every aspect of GLOBUL operations, and turned it into one of the factors in our strategic decision making. The main tasks of the Corporate Responsibility Section include:

- Creation of a comprehensive corporate responsibility strategy of the company;
- Development of annual action plans;
- Management and coordination of various internal and external social and environmental projects;
- Monitoring and control of the implementation of all the measures set out in the annual plan;
- Reporting of results to the GLOBUL Corporate Affairs Director, and reporting to the Corporate Responsibility Department in COSMOTE Group, as well as directly to Deutsche Telekom for certain indicators.

The work of the Corporate Responsibility Section requires daily coordination with various other departments within the company and is assisted by several teams, consisting of officers from many units.

GLOBUL Environmental Management Committee and Team were established during the introduction of the Environmental Management System and are responsible for the implementation of the company's Environmental Policy.

Similarly, the Health and Safety Committee and Team have been established to implement the GLOBUL Health and Safety Management System and are responsible for applying the Health and Safety Policy.

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

Marketplace

We respect the specific needs of our clients and provide them with quality services and highly efficient telecommunication products. We invest in new technologies, aimed at environmental preservation, and we offer innovative services in order to meet the increasing consumer expectations. We control the full cycle of planning, development and promotion of each product in order to guarantee transparent and mutually beneficial business relations with our suppliers and distributors.

Employees

We work hard to maintain the commitment of our employees because we believe that only people who fully share the values of the company are the ones who lead us and will continue to drive us forward. We intentionally invest time, effort and resources to develop these people's talent. We consider the care of employee's health as pivotal part of our company's culture and therefore, as one of our main priorities.

Environment

Our main goal is to minimize the environmental footprint of the company, while at the same time increasing the engagement of our employees, clients and partners with the green cause. To all of us in GLOBUL, being responsible toward the environment is not a fashionable trend, but it is the shortest path to sustainable development.

Society

We are aware of our responsibility and strive to contribute to the development of the Bulgarian society in economic, cultural and social aspect. We invest resources in support of numerous initiatives and projects in order to contribute to the improvement of the standard of living and well-being of each one of us. In addition, we try to help the development and integration of social groups with specific needs.

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 everyone working for it. All employees are subject to the Code of Ethics, regardless of their position or employment contract.

Since 2008, GLOBUL has received an ISO 27 001:2005 certificate, issued by TÜV Technische Überwachung Hessen GmbH, which ensures the quality of the billing process.

In 2011, the company was certified by Moody International Certification GmbH for its Quality Management System for sales, implementation, and providing of telecommunication services (ISO 9001:2008).

In 2012, we successfully certified both the environmental management (ISO 14001:2004) and the health and safety management (OHSAS 18001:2007) systems.

The implementation process has enabled GLOBUL to collect quantitative data in order to analyse and constantly improve upon its environmental impact and to advance in the health and safety area.



The company was awarded the Biggest Corporate Donor for 2012. GLOBUL Chief Executive Officer Haris Kotsibos receiving the prize by the Bulgarian President Rosen Plevneliev.

 4.3.

Memberships and recognition

GLOBUL is a member of many organizations that address its business challenges and to promote 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)
- The 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)
- UN Global Compact (membership through the mother company COSMOTE)

In November GLOBUL was awarded the Biggest Corporate Donor prize by BDF in two categories – Largest Amount of Financial Donations & Most Generous Donor.

In 2012, our efforts were recognized by a variety of important stakeholders. In February, GLOBUL was presented the Investor in Environment award at the BBLF Responsible Business Awards. In June, GLOBUL received a Green Business award by the Ministry of Environment and Water for its long-term environment sustainability strategy GLOBUL Green. In November GLOBUL was awarded the Biggest Corporate Donor prize by BDF in two categories – Largest Amount of Financial Donations & Most Generous Donor. The prestigious prize was presented by the Bulgarian President Rosen Plevneliev. In December, GLOBUL received Press Auto Bulgaria's special award for overall contribution to the improvement of road safety in the country. The company was awarded for its Drive Safely! Use Hands-Free! long-term social initiative.

 4.4.

Stakeholder engagement

As stakeholders we identify all groups that are directly or indirectly involved with the company and have the capacity and potential to influence its activities, namely - our clients, employees, business partners, governmental and non-governmental organizations and the COSMOTE Group shareholders. We are aware that the interest of each of them is crucial for the achievement of our long-term goals and for the continuation of our sustainable development as responsible company. Thanks to the constant dialogue, which we lead with the stakeholders, we manage to find more efficient solutions together and to increase their engagement in the most significant issues for them.

Table 1 outlines the major stakeholder groups, how the company communicates with them, and on what type of issues. The Corporate Responsibility Report is a major communication tool with all of the stakeholders.



Stakeholder Group	Ways of communication	Main issues
Customers	Market research – regular and ad hoc Stores Corporate dealers Customer Service Centre Social media Communication campaigns and events Meetings with consumers organizations GLOBUL corporate website	Tariffs Invoicing Coverage Service Variety of products and services Quality of services Electromagnetic fields
Employees	Daily dialogue Employee satisfaction survey Annual employee performance appraisal Trainings for increasing the qualifications Knowledge sharing sessions Open meetings on diverse topics Regular meetings with management Internal portal Internal bulletin – G-Bulletin Internal events and initiatives Digital screens Policies and work instructions Introductory trainings Whistleblowing procedure	Working conditions Compensation and benefits Working hours Opportunities for professional development and increasing the qualifications Equal opportunities for development Eliminating discrimination Safety on the work place Internal company information regarding organizational processes Information regarding the products and services of the company Social and environment issues
Suppliers and Contractors	Daily communication and regular meetings with suppliers/contractors Constant communication with the experts from Procurement Supplier Code of Conduct Supplier assessment process Suppliers' codes GLOBUL corporate website	Terms and Conditions for tenders and auctions Quality of the products and services offered Longer term agreements, correctness and transparency in the relationship Conditions for contracting and payment
Authorities	Meetings – bilateral or together with the other telecom operators Events and conferences Participation in business and sector organizations	Investments, growth and jobs Taxes, fees and social security compliance
Academic institutions	Scholarship and internship programs GLOBUL Hour Program – company experts share their experience in lectures and tutorials GLOBUL corporate website	Support for the education Innovative education technologies
Local communities	Meetings with local authorities Participation in local forums	Electromagnetic fields Visual impact of BTS
Non-governmental organizations	Cooperation and support for causes Participation in public forums and discussions Memberships in NGOs Meetings with local representatives GLOBUL corporate website	Responsible marketing Electromagnetic fields Environmental impact Social causes
Media	Press releases and articles Interviews Press conferences Participation in public forums and discussions GLOBUL corporate website	Technological renovation Prices and billing Electromagnetic fields Regulatory and legislation changes
Owners	Meetings and regular conference calls Seminars and conferences Compliance Management System Daily communication with COSMOTE management	Company growth and profit Investments Technological renovation Company reputation
General public	Activities in favour of society Marketing surveys Events and campaigns GLOBUL corporate website	Prices and billing Quality of services Electromagnetic fields

Table 1. Stakeholder dialogue

4.5.

Feedback on the report for 2011

We are pleased to inform that our 2011 Corporate Responsibility Report became a main source of information about GLOBUL for our current and future employees, as well as for our partners, suppliers, clients and other groups of stakeholders. For another time we received excellent feedback from a number of non-governmental organizations, which have been calling to more transparency in the Bulgarian business for a long time.

The great interest towards the report and the responses received after its publication motivated us to boost our transparency and to consolidate our leadership as a socially responsible company and a good example for other businesses in Bulgaria. Here is what Petya Dimitrova, CEO of Postbank - the only other Bulgarian company with an annual corporate responsibility report, said:



Petya Dimitrova
CEO of Postbank

GLOBUL and Postbank are the only companies in Bulgaria that invest significant resources and extensive teamwork to prepare annual reports on sustainable development in line with the standards of the Global Reporting Initiative. Today, it is vital for every business, department and person to be extremely effective and to measure their results, taking into account shorter periods of time. With such a comprehensive report GLOBUL gives specific answers to questions such as - does the company contribute to the stability of the economy, does it protect the environment, does it help society, does it make anything beyond the imposed regulations in favour of sustainable development and does it achieve profit when acting in accordance with the ethical standards. It is important to give more publicity to this effort as it to be an example for other companies in Bulgaria of what the approach to communication activities in the area of corporate social responsibility should be.

The achievements of the GLOBUL team in reducing paper consumption and for energy efficiency are impressive. Investment in improving the quality of our services and employees' development are also examples of excellent practices. This way of doing business is very close to the values of our bank - to be a sustainable, efficient and modern institution, open and transparent in terms of its impact on the environment, economy and society as a whole.

In the 2012 report, we maintain a high level of accountability. We have fully covered 54 GRI indicators and we have published data on 123 numeric indicators. In an effort to meet the high expectations of all stakeholders, this year we have set a large number of ambitious goals.

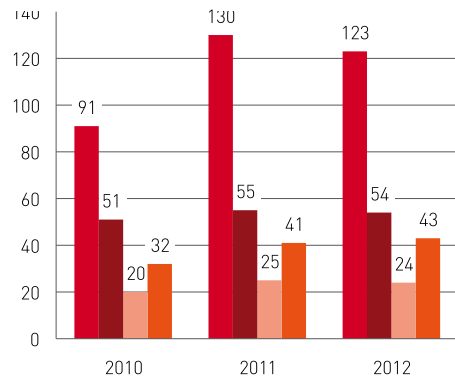


Fig. 5 Corporate Responsibility Report Development



We look forward to your feedback on Report 2012 at the following addresses:

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

You can give anonymous evaluation of the report as well on the corporate website of GLOBUL
www.globul.bg/bg/globul_reports.html

Marketplace



We respect the specific needs of our clients and provide them with quality services and highly efficient telecommunication products. We invest in new technologies, aimed at environmental preservation, and we provide our clients with innovative services in order to meet their increasing expectations. We control the full cycle of planning, development and promotion of each product in order to guarantee transparent and mutually beneficial business relations with our suppliers and distributors

Achievements

In 2012 GLOBUL:

- Increased the overall number of its clients to 4.5 million and post-paid customers increased by 8%
- Achieved significant growth in communication traffic –11% for voice transmission and 52% for data transmission
- Expanded its network – increased the number of base stations and extended 3G (UMTS) network coverage to 94.81% of the population
- Established as a corporate responsibility leader within the telecommunications sector
- Achieved an exceptionally high level of e-services usage – by the end of 2012, 54.3% of our customers did not receive a paper invoice;
- Expanded its portfolio of e-services

Review of the results

KPI	Measure	2010	2011	2012
Total revenue	million EUR	407.83	398.75	362.64
EBITDA	million EUR	169.45	153.88	130.11
Investments	million EUR	69.4	47.2	45.0
Customers	million subscriptions	3.9	4.3	4.5
Market share	%	37.3	37.3	36.4
Points of sale	number	471	442	431

Table 2. Review of the financial results of the company

5.1.

Corporate Governance

GLOBUL is a Bulgarian joint-stock company with a one-tier management system and a sole shareholder, COSMOTE Mobile Telecommunications S.A.

The holding is managed by a Board of Directors with unitary structure, which consists of 6 persons (one of whom female) elected by the sole shareholder for a period specified by the latter and may be re-elected without restriction.

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

Michail Tsamaz – Chairman

Haris Kotsibos – Chief Executive Officer (CEO) (member of the Board with executive functions)

Constantinos Liamidis – member

Zacharias Piperidis – member

Eirini Nikolaidi – member

Georgios Tsonis – member

The Board of Directors and the sole shareholder define the strategic development of the company. The operational management in Bulgaria is carried out by a management team directly subordinate and reporting 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' behaviour by enacting a series of policies and compliance procedures in the company. The compliance function therefore strengthens and improves the relations between the company and its employees, customers, associates, shareholders and the regulators. The Compliance Officer also protects the company from

any legal and financial consequences or any impact on the company's reputation by assessing the related risks and recommending the relevant mitigation measures. The Compliance Management System is based upon three pillars: awareness and prevention, detection and response. GLOBUL participated in the group-wide campaign for communication of the CMS principles.

To further align the common actions on Group level, GLOBUL participated in the communication campaign of the new OTE Code of Conduct which is the standard of expected ethical behaviour for employees. The aim of this campaign was to increase the awareness of employees to abide to the Code of Conduct and the rules it sets in their daily operations by applying proper business practices.

General information concerning the CMS is published on GLOBUL's corporate webpage.

Awareness and prevention

In the CMS framework, the following policies were adopted and subsequently adopted in all the companies of the COSMOTE Group:

- OTE Group Code of Conduct
- OTE Group Policy on Employee Relations
- OTE Group Policy on Accepting and Granting of Benefits
- OTE Group Risk and Insurance Management Policy
- Insider Trading Policy
- Donations and Sponsorships Policy
- 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
- Policy on Conflict of Interest Avoidance & Combating Corruption
- Policy and procedures to ensure the Certified Public Accountants' independence

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

To further enhance the Compliance environment within the company, respective measures were implemented, with the major ones presented below:

Risk Assessment 2012: The Risk Assessment on Compliance for 2012-2013 for GLOBUL was conducted based on the Group guidelines. Risks were assessed including existing measures and action plans for their mitigation. The Report with risks and the action plan is approved by company's and Group bodies.

Personal Compliance Statement: In the framework of alignment with COSMOTE Group practices, the PERSONAL COMPLIANCE STATEMENT (PCS) was implemented signed by employees' of the company.

CMS Upload in the Web Site & Whistleblowing Form: In alignment with the Group Compliance Management System, on the company's GLOBUL Web Site it was uploaded a Letter with specific text for Compliance Management System both in English and in Bulgarian and the Electronic Whistleblowing Form was implemented.

Policies & Procedures for Compliance: To further enhance the Compliance environment, GLOBUL has adopted respective policies and procedures, following the approved ones of the Group.

Employees' Training: Internal Auditor & Compliance Officer provided classroom trainings with participants both from the employees and company's Management.

Detection and response

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

- infringement of policies and procedures of the company, and;
- violations of the applicable laws (e.g., incompliance with the Code of Conduct and the policies, financial matters, employees' 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 complaint regarding violations of the policies or the legislation.

The relevant complaints can be addressed to the responsible Compliance Officer by using the following communication channels:



Via e-mail: whistleblowing@globul.bg

Via letter: COSMOBULGARIA MOBILE EAD, 1766 Sofia, Mladost 4, Business Park Sofia, bldg. 6

Via tel: + 359 (0) 89123

Via FAX: + 359 (02) 4158702

Via the Electronic Whistleblowing Form

In summary, the establishment of the CMS 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 GLOBUL's business, regardless of their position or status.

In 2012, Globul Compliance Office has received a total of 50 tip-offs / complaints, of which 50 of them were not related to Compliance and particularly on issues of embezzlement, fraud, theft, breaches of Procurement regulations, breach of personal data, breach of OTE Group Code of Conduct and other OTE Group Policies. The Globul Compliance Office, following the principles of an established Compliance Management System, is conducting an investigation for each one of them as foreseen in the company's policies.

5.2.

Quality of Services

Reliable Services

The most important demand by clients is for a reliable and consistent telecommunication service. The quantities stated below are related to key characteristics of the network, and they show that an extraordinary level of network reliability and high quality of the service have been achieved:

- Network availability (2G) – 99.92%
- Call success rate – 99.45%
- Drop call rate – 0.53%

GLOBUL constantly invests in expanding and modernizing its network through implementing industry leading technological innovations. By the end of 2012 the 3G coverage was accessible to 94.81% of the population and continues to grow. There are constant efforts to increase the energy efficiency and the usage of green energy in the network – read more about these projects in Environment section.

To offer an even higher quality of our services for transfer of data and in order to identify areas of action in 2012, we have conducted an anonymous survey among customers who use mobile internet from GLOBUL. For a period of 3 months hundreds of customers of the company participated in it. They used over 80 different models of mobile devices. The project aimed to investigate the actual state of the network and the quality of data transfer services from GLOBUL, and to establish how the subscribers of the operator evaluate their use of internet services. Users themselves, who participated in the survey, were able to monitor in real time the speed of data transmission, network type, signal strength and other characteristics of the network they use, and to have information about their use of applications and volume of Internet traffic on a daily, weekly and monthly basis. Thanks to the results of this pilot study, we learned more about the habits of consumers and their preferred applications, while we obtained and specific data on clients' satisfaction of our services. The information gathered helped us to identify opportunities for new, better products and services to offer, and plan priority areas of development for 2013.

Customer Service

Through process optimization, over 82% of clients' requests were solved within a single call.

In 2012, GLOBUL focused on quality customer service within all customer contact points – the Call Centre, stores, and internet. Correspondingly, investments were made in a few key areas.

Firstly, we improved our service by significantly reducing the processing time to customer inquiries, thanks to the system for managing relations with customers. It stores the complete history of the interaction of a user with GLOBUL for the entire period during which they are clients of the company. This enables us to provide an individual approach to each of our clients and to shorten the time to resolve certain issues. The system supports a special feature that allows a personalized offer to be prepared for each client in order to optimize their cost of telecommunication services. When a client connects with the Call Centre, our associates offer them and discuss with them their individual offers, and the possibilities for its implementation.

In 2012 we improved large proportion of our processes and now 90% of the private clients' requests were solved within the first call. Through process optimization, over 82% of clients' requests were solved within a single call. We ensure our loyal customers receive exclusively high priority for service – even in case of heavy traffic to the Call Centre over 81% of them are connected to an employee for less than 20 seconds.

To improve our service, we have developed a procedure for optimizing the process of preparing and providing responses in certain situations. This makes possible meeting specific needs quickly and accurately.

We approach with respect and attention all customers and strive to meet their needs by offering the highest quality services and excellent service. We proactively provide new customers with detailed explanations about the services they use.

GLOBUL is the only telecom operator on the Bulgarian market, which systematically seeks the feedback of its customers, making the purposeful effort to improve the level of service. In 2012 we extended the scope of the customer satisfaction surveys (NG ICCA¹) by including all customer interaction channels and not only the Call Centre, as it was previously. Surveys are performed on a daily basis with randomly chosen clients with regard to the support and service the company is providing them. In 2012 we significantly increased the number of customers who give us feedback. The main indicators observed are quality, speed, competence, and individual approach.

As part of the strategy of GLOBUL to meet customer needs through high quality services and, in addition to the daily demand for feedback, every quarter of the year the company conducts extensive TRI*M market research to assess the degree of satisfaction and loyalty of customers. The study also covers all points of contact with the customer – stores, call centre, website, invoices and more, by giving information about GLOBUL positioning among other operators in the Bulgarian telecommunication market.

The results for 2012 show that the TRI*M index of loyalty and satisfaction of customers of GLOBUL is above the European average and higher than the average for competitors of the company in Bulgaria. Leading to the high performance achieved is the performance of the company in terms of service, pricing, invoices, products and services and value for money.

The TRI*M methodology, developed by the German research agency TNS Infratest is being applied by over 18,000 companies globally. The TRI*M index is calculated and defines the customers' degree of satisfaction and loyalty to their main mobile operator. The research is performed among the two major segments – individuals and legal entities.

Based on the results of these studies, we strive to continuously improve the skills and enhance the competence of the staff at the Call Centre through daily training sessions and individual sessions. We are actively working on our staff's approach towards customers. It is important for us that our employees are not only competent, but also can see any situation through the eyes

¹ NG ICCA is a survey regarding the quality of service of GLOBUL. It is conducted on a daily basis among clients of the company who have received a service by GLOBUL through one of the following channels: operator shop, website, call center, automatic menu.

of the customer. Our main principle is that our colleagues should offer such level of service, which they themselves would expect to receive as clients.

Because we value our clients' time, we are constantly working to optimize the time of their connection with us and the quality of service we provide. We are proud of the fact that we employ extremely motivated professionals who are the driver of many service improvement initiatives. Good examples in this area are the internally developed improvements of the process for replacement of defective pre-paid top-up scratch cards that allowed us to reduce three times the time required for replacement.

Over 85% of all registered inquiries were answered in within 7 days.

As a result of our continued efforts, the proportion of legitimate consumer complaints last year fell to below 2%. Although the legal requirement is that all written complaints and e-mails receive a response within 30 calendar days, in 2012 we were able to shorten the processing period and over 85% of all registered inquiries were answered in within 7 days.

In order to help our customers to find the information they need online, we constantly update and supplement the Questions and Answers section of our website. In 2013, we plan to develop a similar section on the Facebook page of the company as well to make this information more accessible and convenient for the users.

Responsible Marketing

From the first day of operations, GLOBUL has adopted a simple, clear and friendly communication style towards its customers. We strive our communication materials to be legal, appropriate, fair and sincere, to correspond to reality and respect people's diversity. To guarantee this, GLOBUL Legal Department clears all advertising messages and campaigns before their release 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. GLOBUL voluntarily adheres to these ethical standards that not only ensure that advertising complies with the law, but also that it is decent, honest and truthful. The company aspires to commercial communications that are designed with a sense of social responsibility both for the individual consumer and the society at large. It also aims to respect the rules of fair competition. In 2012, there were no complaints against GLOBUL in relation to the "National Ethical Standards for Advertising and Commercial Communication".

Sustainable Products and Services

By the end of 2012, 54% of the clients chose not to receive a printed invoice

As an environmentally-friendly operator, GLOBUL's strongest characteristic is the offering of products and services that help customers meet the challenges of the contemporary world, such as time and resource constraints, as well as environmental problems. The sustainable solutions, which are an increasingly important part of our portfolio, are among the reasons for GLOBUL's affirmed leadership in the field of corporate responsibility. According to 2012 Brand & Ad Tracking survey, which we hold quarterly, GLOBUL is considered the most responsible telecommunications company in the country. In addition, 77% of the respondents perceive GLOBUL as „the green operator“ of Bulgaria.

Cancellation of the paper copy of the invoice and E-invoice – GLOBUL offers its clients the option to discontinue receiving paper invoice and instead access an online review of their monthly bill and a detailed log of services used. By the end of 2012, 54% of the clients chose not to receive a printed invoice. In addition, clients may replace their original paper invoice with its electronic analogue, E-invoice Original - an electronic document in PDF format validated by GLOBUL's digital signature which is valid for all accounting operations. Despite the high proportion of customers who have already become clients of the service in 2012 we again managed to achieve a very high level of usage of the e-invoice.

In line with our efforts to make the pricing of our services as transparent and understandable as possible, in 2012 we updated new design of our electronic invoice. Now it provides clearer and more detailed information about the services used by the client. Integrity and transparency of our invoices are guaranteed by our invoice certification standard ISO 27001:2005 by the international company TÜV Technische Überwachung Hessen GmbH.

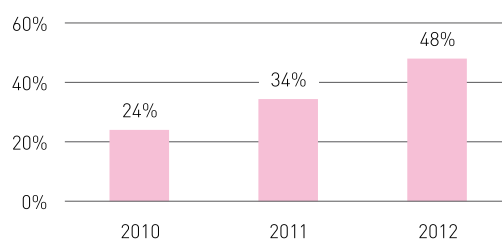


Fig. 6 Subscribers who cancelled their paper invoice (average % on an annual base)

Electronic recharge of prepaid services – All prepaid users can recharge their credit fast and easily via ATM or online via payment websites ePay.bg or eBG.bg. If the clients also have a post-paid number with GLOBUL post-paid program, they can recharge it with a single SMS. An excellent way to save paper is the electronic voucher, which clients may use at the nearest point-of-sale. In 2012, GLOBUL introduced pre-paid credit top-up by credit or debit card directly over the Internet portal MyGLOBUL. Customers now have constant access to updated information about charges made online, including the sum of the transaction, date and time of the payment, b-connect or FROG number recharged, a link to the invoice, etc.

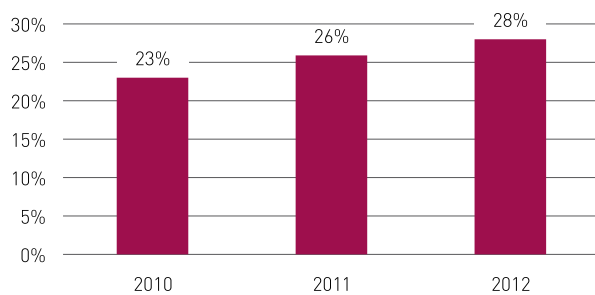


Fig. 7 Electronic recharge of prepaid services (average % on an annual base)

Online payment of bills – this service allows customers to cover unpaid bills and make advance payments with debit or credit card via the company website.

Mobile wallet GLOBUL iPay – The GLOBUL iPay mobile wallet service allows access to banking services, payment of bills and purchase of goods and services via a mobile phone (regardless of the model) anytime and anywhere. They can use this innovative payment instrument to pay for goods and services in shops with the sign of MasterCard™ anywhere in the world, for online shopping, money withdrawals at ATMs, and to send money from one user to another quickly and securely by simply entering the mobile number of the recipient. Users of the service have 24 hours access and full control over their money and expenses via their mobile phone - by the special application iPay Mobile or via SMS, as well as online through their personal page on www.ipay.bg.

Online service management (self-service) – GLOBUL provides its clients with various opportunities for independent online management of various services offered by the company via several channels such as the website and the mobile portal, SMS, and USSD. In the long term, it is GLOBUL's aim clients to be able to do nearly all needed operations through the website where changes can take effect instantly.

In 2012, GLOBUL provided customers with the opportunity to change their monthly subscription by the MyGLOBUL portal, thereby saving time, effort and money. Evidence for the effectiveness of the measures taken is the fact that nearly 39% of our corporate clients prefer to change their SIM card or its status through the MyGLOBUL portal.



Hristo Georgiev

Founder of InterCard Finance AD

We are happy that together with a company like GLOBUL, we are able to provide a product which is unique for the Bulgarian market - the electronic wallet GLOBUL iPay. Our innovative product saves customers' time and resources by allowing them the flexibility to manage their money 24 hours a day, directly through their mobile phone. Our partnership with GLOBUL enables more users to take advantage of the unlimited possibilities of the electronic wallet. Our drive for continuous development and innovation, adapted to the needs and wishes of customers, obliges us to offer the best quality and continuously improve our products.

Also, in 2012, we offered our business customers the opportunity to use new online services that allow them to manage their telecom services usage directly via the web portal MyGLOBUL. GLOBUL's corporate customers now may manage the subscription of any of their phone numbers, to manage the Roaming service and add additional call, SMS, MMS and data bundles. In case of lost or stolen SIM card, corporate customers can activate or deactivate the corresponding number, and request a replacement at any time via MyGLOBUL.

Business customers can also monitor in real time the current bill and the consumption of the bundles of any of their phone numbers. They have the opportunity to change also the recipient of the invoice and their contact details, check the current status and activate/deactivate supplementary services such as GPRS in roaming, CLIR and detailed invoice, as well as check the PUK code of each of their SIM-cards, needed in case of blocking due to mismatched PIN.

GO!Enterprise Office –Through this service our corporate clients have a fast and secure mobile access to corporate information via a smartphone or tablet. Users get direct access to their corporate e-mail through the mobile application and may easily synchronize their contacts, tasks and notes. The application provides access to the corporate files and folders via the users' mobile devices. GO! Enterprise Office ensures the security and the confidentiality of corporate data. Users of the service also have an opportunity to control and monitor employees access to company information.



Communication poster regarding the quality of our services for business clients.

Conference calls – The service GLOBUL Mobile Meeting is a telecommunication solution which provides every business user with the opportunity to organize conference calls with multiple participants regardless of their location or service provider which save time and financial resources, as well as CO₂ emissions.

GLOBUL WebFax – This innovative solution developed for the corporate clients of the company allows them to receive and send standard fax messages without a fax machine and consumables such as toner and paper.



Communication poster regarding the transparency of our services for business clients.

Machine-to-machine connection (M2M) – M2M applications are related to GPS tracking, connecting ATMs and POS payments, as well as remote accounting for utilities, connection of cash registers nationwide with the systems of the National Revenue Agency etc. In 2012 GLOBUL reported 20% growth in sales of cards for M2M services and acquired a substantial share of this market in the country.

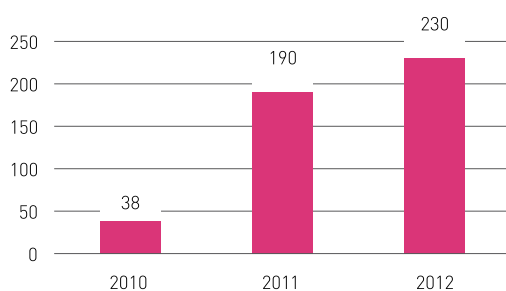


Fig. 8 Active M2M cards

In GLOBUL, we strive to meet the individual needs of all our customers. We are proud of the variety of services we offer to our customers in different age groups. So in 2012 we developed a special tariff GLOBUL 60 + focused on our clients among the elderly, tailored to their specific customer needs.

Transparency and comfort with GLOBUL services

We know that it is extremely important to our customers to be able to constantly monitor their consumption and to manage the services they use. In 2012, we developed a mobile version of the MyGLOBUL client portal, which provides subscribers with quick and easy access to the most popular features of the web portal directly through their smartphones.

With the mobile version of the portal, our clients are aware of their current bill, the status of their bundles and their credit limit. Moreover, they can review recent monthly invoices, including a detailed list calls made and services used and to be informed about their personal offers from GLOBUL under the TOGETHER loyalty program.

Additional convenience is the map search option which gives information about the nearest GLOBUL shop with opening hours and phone contacts. In the „Frequently Asked Questions“ section, subscribers can find detailed information about the functionality of the mobile version of the portal MyGLOBUL. In the „Personal Information“ section users can change the password and e-mail address they have indicated upon their registration in portal and check out their address for invoices.



Communication poster regarding the transparency of our services through MyGLOBUL Portal.

True to our strategy to meet the high requirements and individual needs of our customers and confirming our image as an innovative and reliable company, we continue to offer our clients a service like no other on the Bulgarian market. In 2012, we developed a service that provides users with an additional opportunity to use traffic at maximum speed. Turbo Add On packages are unique to the Bulgarian market, as through them, users can use the extra traffic at maximum speed according to their current needs directly through their mobile phone or laptop without changing the basic subscription plan, and without the need for signing a new contract. In an effort to protect our customers from unforeseen monthly cost, we offered our customers a specially developed service. Thanks to it, when initiating a user session by a client who does not have Internet package included in his plan, but still uses the internet, deliberately or inadvertently, through informative SMS to the client we provide him with the opportunity to benefit from the data set at a preferential price.

5.3.

Ethical Competition

GLOBUL complies with all national and EU regulations related to free competition. Effective competition is crucial for the development of every market economy. It regulates prices, increases quality, and broadens consumers' choice. In addition, competition allows technological advancements to develop. Loyal behaviour of businesses and government is essential for achieving ethical competition.

Sanctions

The company has no imposed penalties, financial or non-financial, related to legislation in the fields of environmental protection and health protection, as well as the labelling requirements of its products and services.

5.4.

Partnerships and Events

In 2012, we supported a number of significant forums for sharing best practices with representatives of business, government and non-governmental organizations.

For the second year we supported the *Green Economy Forum*, organized by *Capital Weekly*. The event took place on April 24 in Sofia with the participation of the business, the government and non-governmental organizations. Traditionally, the purpose of the forum is to provide an open dialogue between all participants in the search for common solutions to reduce greenhouse gas emissions.

In June, we were a major partner of the regional forum *Balkan Policies for Green Economic Growth*, organized by the Bulgarian School of Politics and the Ministry of Economy, Energy & Tourism. Mr. Yassen Guev, GLOBUL Corporate Affairs Director, joined the discussion panel devoted to policies for green economic growth and shared his views on a holistic approach to sustainable business development.

5.5.

Responsible procurement

In July, we organized the third green business forum together with *Manager Magazine*. Special guest of the event was Stefano Gardi - moderator and speaker at the Rio +20 World Summit in Brazil, and member of the World Business Council for Sustainable Development. Among the speakers were many representatives of business, the government and the media, diplomats and experts.

In December 2012, GLOBUL supported the first *Business with a Cause conference*, dedicated to corporate responsibility. The event was organized by *Capital* newspaper and was attended by over 150 representatives of business, government and several NGOs.

The values and principles of corporate responsibility gradually become part of GLOBUL's supply chain management. The company works with local and international suppliers due to the specific needs of its activities and, respectively, the need of specific materials and service delivery. All of the suppliers are important partners; therefore, an open communication is crucial for the successful collaboration. By complying with the principle of transparency in its relations with suppliers, GLOBUL expects them to apply the best ethical business practices by not only respecting the laws and the internationally established trading rules, but to act responsibly towards society and the environment.

During the reporting period, we focused on continuing to improve transparency and efficiency in the supplier selection process. In addition to the Supplier Code of Conduct, which was introduced in 2010, in 2012 GLOBUL also incorporated a standard anti-corruption clause in all contracts with its suppliers. Thus, the company declares its commitment to following the ethical business practices, as well as all Group guidelines and public rules and laws.

The Supplier Code of Conduct presents the main business principles referring to corporate responsibility in the



Maxim Mayer

Editor-in-Chief of
Manager Magazine

There are responsible companies in Bulgaria, as well as responsible media that conduct socially responsible policies. Such a company is GLOBUL, such a media is Manager Magazine. Our causes, objectives, values and policies are valued by our customers and readers and by our society as a whole. I am proud that we have established a four-year partnership with GLOBUL on one of the most important public projects by Manager – the Green Forum. We consider GLOBUL to be a company that has adopted the green policies among the most important aspects of its social responsibility, a company that has ideas and vision for the sustainable development of the country.

GLOBUL is not only a partner of the Greens forums, the company is a generator of ideas and topics. For the last four years, thanks to our partnership, we see that green policies are becoming increasingly important for businesses in Bulgaria. Four years ago, together we created the Green circle of Bulgarian companies. Now over 200 member companies participate in it. They believe in the five core values of sustainable business which we developed together with GLOBUL and I dare say that we have given impetus to the development of the business culture in Bulgaria. In fact - this is the great purpose of our partnership - to change the thinking, the style and the methods, the manners, the business values of managers in Bulgaria and the companies they manage. I want to thank GLOBUL, thank Yassen Guev and to all who have participated in this project over the years - for the enthusiastic work, for the creative ideas, for the passion which I am sure is contagious. I believe we had influenced the participants in forums and we change the business environment for the better. I believe that green policies are crucial to the development and future of our country.

spheres of labour conditions, health, safety, environment and ethics. The Code is publicly accessible at the corporate webpage where the requirements to the current and future partners are shown. In 2012, the majority of our suppliers declared compliance with the Code. In 2013 we plan to make the Supplier Code of Conduct an inseparable part of all contracts.

Within the frame of responsible procurement GLOBUL:

- Behaves towards partners and suppliers with respect and transparency.
- Provides equal opportunities for vendors to become our suppliers, by following an objective and fair selection process.
- Follows payment terms according to our contractual obligations, something particularly important due to the economic crisis.
- Although a significant part of our acquisitions are electrical and electronic equipment (which are constructed abroad), we seek to utilize local suppliers.

Furthermore, in 2012 GLOBUL used sustainability criteria more extensively in its tenders. For example, GLOBUL requires its paper bags supplier to fulfil specific requirements regarding the quality of the paper and to present proofs that it was produced in a responsible manner.

GLOBUL is also aligned with all Cosmote Group initiatives related to sustainable procurement. Such initiatives are Supplier Code of Conduct, Supplier Assessment, ISO Certification Audits, monitoring of key performance indicators for procurement performance.

Supplier Assessment

For the last four years, GLOBUL performed annual assessment of its key suppliers. In 2012, the evaluated suppliers represented the major part of the overall revenue from products and services in 2011. The assessment covers financial, legal, and technological aspects of the collaboration and aims to give an indication of its quality. In addition, it consists of the set of values and business principles with regards to corporate responsibility in the areas of labour conditions, health, safety, environment, and ethics, as per the Supplier Code of Conduct. GLOBUL believes that certified systems for quality management, environmental management, and health and safety are major indicators for the level of corporate responsibility, and therefore encourages its suppliers to implement such systems.

Procurement of Safe and Sustainable Products and Services

In 2012 GLOBUL managed to increase the volume of purchased recycled paper with 23 %, compared to 2011.

GLOBUL only offers electronic devices that are fully compliant with and labelled for safety (CE label) according to the international conventions and the national legislation. The mobile phones offered are within the requirements for Specific Absorption Rate of the EC Directive 1995/5.

GLOBUL works with many service suppliers that require licenses and certificates under the Bulgarian law, mainly regarding to waste management. No contracts are signed before it is secured that the contractors possess all needed qualifications and permissions for their business.

In 2012 GLOBUL managed to increase the volume of purchased recycled paper with 23 %, compared to 2011. All trade catalogues of the company are printed on FSC-certified recycled paper and according to the German standard Der Blaue Engel.

5.6.

Data Security

Confidentiality of our customers' and employees' personal data is essential for GLOBUL. The company complies with all legal requirements and implements extremely strict measures regarding security of personal data, its collection, processing, preservation, and destruction. The company works 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. The Information Security Management System is based on the best international practices. It covers all aspects of information security and especially focuses on the aspects related to the clients' personal data. In 2012, there were 23 complaints with regard to the client personal data security and after a thorough review, none of them was considered legitimate.



Targets 2012 and 2013

Targets 2012 (11)	Fulfilment	Targets 2013 (13)
Quality of services		
Decrease time for processing client requests even more	Fulfilled	Continue to seek feedback from customers in order to increase their satisfaction and improve service.
Change in personal data of physical persons to be performed within 5 minutes, instead of 48 hours	Fulfilled	To provide access to a section with frequently asked questions and answers in the Facebook page of GLOBUL
Decrease time for activation of corporate cards with 20% and the time for changing tariffs with 30%	Fulfilled	To optimize the functionality of the menu for self-service
		To improve SMS information services to GLOBUL clients
		To reduce the time to connect customers using prepaid services to the Call centre by 10%
Sustainable products and services		
5% increase of the number of activated M2M cards	Fulfilled	5% increase of the number of activated M2M cards
Over 45% of our customers do not receive paper invoice by the end of 2012	Fulfilled	Over 55% of our customers do not receive paper invoice by the end of 2012
Launch of eFax – GLOBUL's first cloud service	Fulfilled	Increase of the number of services that can be managed online (self-service)
		Optimization of documents for corporate clients and reduction of the number of paper documents to two.
		Offering e-bookshop
		Development of personalized video offers for the company's customers
Responsible Marketing		
Marketing through support of at least 3 events that promotes sustainable development	Fulfilled	Conducting communication campaign for the sustainable services of the company
Offering of a new services for elderly clients	Fulfilled	
Responsible Supply		
Purchasing of larger amounts of recycled paper	Fulfilled	Inclusion of the statement of compliance with the Code of Conduct of the supplier as a standard clause in contracts
Extension of the use of corporate responsibility criteria in tenders for key supplies and contractors	Fulfilled	
Over 66% of the key suppliers sign declaration for respecting the Supplier Code of Conduct	Fulfilled	

Table 3. Targets 2012 and 2013



Employees



We work hard to maintain high commitment of our employees because we believe that the people who acknowledge the values of the company as their own are the ones who lead us and will continue to drive us forward. We intentionally invest time, effort and money to develop their talent. We consider the care of employee’s health as a value in the culture of the company and therefore it is one of our main priorities.

Achievements

In 2012 GLOBUL:

- Increased the scope of the Talent Management Program
- Further improved the results from the Employee Satisfaction Survey
- Improved the level of commitment among employees
- Launched two new courses for “Assertiveness and Persuasiveness” and “Presentation Skills: Master Class” as part of the Summer Academy
- Increased participation in trainings and programmes provided by Deutsche Telekom
- Successfully implemented Occupational Health and Safety System OHSAS 18001:2007
- Launched a programme for psychological support of employees of the company
- Launched an initiative aimed at sharing knowledge and best practices among all stores in the country

KPI	Measure	2010	2011	2012
Employees	number	1,334	1,255	1,327
Employee turnover	%	12	16.3	12.9
Accidents leading to absence for more than 3 day on the job	number	2	0	0
Internal hires (coverage of open positions)	%	11	11	8
Women directly reporting to CEO	%	23.1	27.3	25
Employees receiving training	%	56.2	61.5	59.7

Table 4. Results

6.1. Our People

We hired 153 new employees, allocated to different departments of the company.

In 2012, our employees demonstrated strong identification with the company and they recommend it as a desirable and a fair workplace. We hired 153 new employees, allocated to different departments of the company, reaching a total of 1327 employees with 12.9% employee turnover (Figure 9). Most employees in the company have permanent employment contracts. Collective labour agreements are not offered.

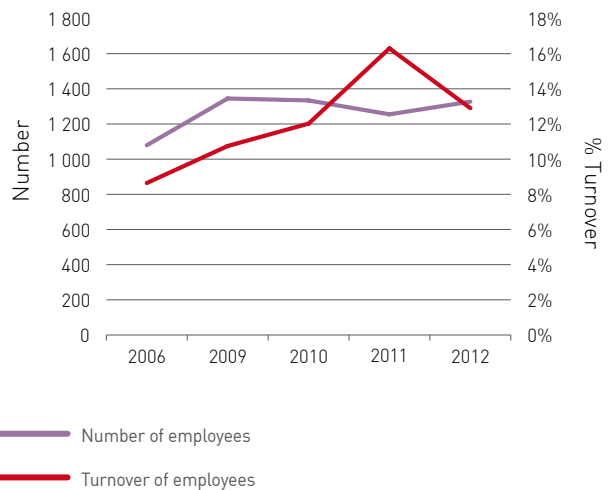


Fig. 9 Number of employees and turnover rate

6.2.

Employee Development

In 2012, the second edition of the Talent Management Program was launched, it was refined and its scope expanded.

The targeted development of the potential and the talents of our employees is an irreplaceable part of our striving for success. In 2012, the second edition of the Talent Management Program was launched, it was refined and its scope expanded. In addition to middle management, a chance to participate in the program was given to employees of the next hierarchical level – the group of the professionals. Thus, the total number of employees who participated in the program reached 148 people.

Middle management developed their strategic thinking by participating in specially designed business simulations. For the first time program participants received 360-degree feedback from 15 - 16 colleagues on different levels in the company. The results were processed by an external consultant to ensure objectivity.



SUMMER ACADEMY
SUMMERTIME, AND THE LEARNIN' IS EASY

Initiatives aimed at developing professionals included various tools, including the Development Center and individual development plans, training in assertive communication and project management, and career dialogue with the supervisor.

Results of the program are indicative of its success - 13% of participants from middle management and 8% of the group of professionals were promoted to higher positions during this period. In 2013, we plan to extend the program by including more initiatives to develop practical business skills, as well as initiatives aimed at personal improvement that are tailored to specific needs and career plans of each participant.



Radomira Gyurova

Head of Indirect Sales
Administration Section, GLOBUL

I would define my participation in Telekom X-change program as very beneficial not only professionally, but also in personal terms.

It was not easy, especially because my family stayed back in Bulgaria, but it was definitely worth it. In addition to the experience I gained, the most valuable to me was the opportunity to get first-hand insight and understanding of the work mechanisms in a large company like Deutsche Telekom, how do they establish their development strategy, how do they define targets, how do they communicate with teams from different countries and how do they execute priority projects. The opportunity to go beyond the boundaries of our local business and to have impressions of the business in all countries in the group was priceless. Another very valuable resource in Deutsche Telekom is the information on the latest developments and trends in telecommunications, which is shared with participants from the different countries.

During our stay, I created valuable contacts and friendships, both at headquarters and with colleagues from other countries who were also part of the Telekom X-change program. Life in Germany gave me a very good social experience - an opportunity to get to know their culture, values, rules and way of life.

I like and support fully Telekom X-change program not only as an opportunity to gain experience at Deutsche Telekom Headquarters, but also as an opportunity for exchange of experience between countries at an operational level, which I think is even more valuable.

My participation in Telekom X-change program helped me expand my horizons and really feel that we live in a global world and there are opportunities everywhere.

In 2012, GLOBUL expanded the participation of employees in the development programs of Deutsche Telekom. A total of 50 people, including 27 women, participated in various initiatives addressing topics varying from change management to technological excellence. Indicative of the degree of promotion of the career development of women in the company is the fact that 100% of participants in the 3 - and 6-month exchange programs with Deutsche Telekom were women.

Knowledge building and sharing

A total of 59.7% of our employees participated in various trainings.

Knowledge and skills are the factors that secure the future of our employees and the company as a whole and give us the opportunity to constantly meet the challenges which are inextricably linked with development. That is why in 2012 we launched a number of initiatives aimed at know-how development and experience exchange. As a result, 59.7% of our employees participated in various trainings.



Fig. 10 Employees training

In 2012, we organized Summer Academy. To the last year's four training topics, (Communication Skills, Time Management, Presentation Skills and Project Management) we added Assertiveness & Persuasiveness and Presentation Skills: Master Class. Traditionally, each employee is entitled to enrol in one or more courses depending on the area in which they want to develop. With the extra training we proposed, and the increased interest, in 2012 the total number of participants in the Summer Academy reached 202 people, which is up by 19% than the previous year. Our success was visible in the survey

results for Satisfaction with Opportunities for Training within the company, which were significantly higher than the average for the group (by 13 percentage points). To maintain the high level of development in our plans for 2013 we provide for the introduction of new topics in the trainings offered to employees.

We believe that events, aimed at a better understanding of the company as a single living, ever-changing organism result in better performance by employees and increase their ability to provide solutions. That's why we continued the good practice of holding monthly Knowledge Sharing sessions, during which employees have the opportunity to enrich their knowledge of the company as well as of topics specific to our business.

Furthermore, in 2012 we launched an initiative to share knowledge and best practices among all shops in the country focused on several key areas. Shop employees were able to share their knowledge individually or as a team and the initiative also had competitive element. The best presentations in each key area were rewarded and were used for the preparation of e-learning tools, which were made available to all shop employees.

6.3.

Employee Engagement

A total of 75% of employees fully identified themselves with the social and environmental commitment of the company, and 86% strongly agreed that GLOBUL implements its social and environmental responsibilities.

One of our main priorities is maintaining a high level of engagement. We put efforts into continuous improvement as we are convinced that engagement and identification with the company's values is what turns good employees into exceptional employees. In order to achieve this goal we conduct communication campaigns and events, which help us through this process. New employees attend special introductory seminars explaining the company's values and the role of each of us in their maintenance. The knowledge sharing sessions, which we already mentioned, also help for engaging employees along the lines of our company goals. In addition, through internal

6.4.

Diversity and Equality

communication, we are constantly encouraging employees to participate in campaigns of public importance in which GLOBUL is a partner. This way, we stimulate a sense of teamwork and shared values by the employees of the company.

According to an internal employee satisfaction survey, conducted in November 2012, there has been a positive trend in the company's results in terms of their commitment compared to data for 2010, when the previous survey was conducted. Evidence of involvement of each of us is also reaching a new record in the number of respondents (85.15%), which is the highest percentage for the group. Among the areas in which we have achieved very good results in comparison with other group companies were „Opportunities for training in the company“ and „Processes, IT tools and procedures for customer service“. A total of 75% of employees fully identified themselves with the social and environmental commitment of the company, and 86% strongly agreed that GLOBUL implements its social and environmental responsibilities. At the same time, employees defined as areas for improvement „Work-life balance“ and „Understanding of the company's strategy.“

In order to realize improvements in specific areas, senior and middle management work with Plans to improve engagement aimed at identifying the specific reasons for the results shown and setting development goals. We encourage the sharing of best practices in departments which have reached very high scores.

We strive to provide young people with opportunities for professional and personal development.

We believe that each employee is a unique person and we value the diversity that he or she brings to the organization. The diverse talents and skills, personality traits and life experience of our employees are in the base of innovative thinking, original solutions and high effectiveness, which they achieve as a team. We strive to give an equal chance and various opportunities, as in this way we keep the diversity of qualities and characteristics of our team. There are representatives of different minorities in the teams of GLOBUL & GERMANOS - ethnical (38 people of Turkish origin) and people in disadvantageous position (10 people with disabilities).

We strive to provide young people with opportunities for professional and personal development. By providing an attractive working environment and flexible working conditions regardless of gender, race or age, we are proud that the average age of GLOBUL employees is 33 and 76% of newly hired staff are under 30. In 2012, 81% of employees had university degrees and 67% of the employees are aged between 30 and 49.

In GLOBUL, we appreciate gender equality and strive to promote equal participation of women and men in decision-making processes and on all positions in the company. In 2012, there was a reduction in the percentage of women reporting directly to the Executive Director by



Nikoleta Chaneva

Organizational Development
Specialist, GLOBUL

In 2012 the Employee Satisfaction survey showed extremely high levels of involvement in several teams in the company. These teams were honored as „cultural heroes“ for the group. The total number of units designated as organizational heroes, were 31 of 2,430 teams of companies in the Deutsche Telekom Group in Europe. They were identified on the basis of their achievements in the eight most important criteria that measure the perception of the employees about the company as an attractive employer with a positive image. We are proud that three of these 31 teams are part of GLOBUL.

2.3%, which is entirely due to structural changes in the company, rather than a real change in the quota of women directly reporting to the Chief Executive. As we already said in the section on development of employees, in 2012 we have achieved very high female participation in the exchange initiative of Deutsche Telekom, which is a good step for women’s personal development and growth in the company.

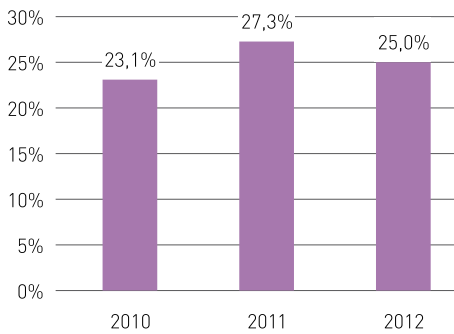


Fig. 11 Women reporting directly to the CEO

In today’s highly dynamic world of telecommunications, development at organizational level is achieved by constantly improving processes and practices, while development at an individual level is achieved through lifelong learning. Therefore, we offer employees a variety of opportunities for e-learning, which they can access at a time of their convenience and tailored to their individual needs. In 2012, we enriched the contents of our internal portal with a „Project Management” section. It aims to facilitate the access of employees to best practices established through years of experience based on scientific theories in the field of project management. The section also contains helpful hints from the practical experience of managers of our company.

Since it is important for us to provide the best possible conditions for development of employees in the company, we have devised a set of tools to help them in their career path. Every year each employee of GLOBUL goes through the process of performance evaluation and receives feedback about their strengths and the areas that need improvement. This process includes a discussion of employees’ plans for career development.

In 2012, there were no cases of discrimination on any grounds within the company. We do not have any employees below the legal work age as defined in the Bulgarian labour legislation, and we commit ourselves not to follow or tolerate any form of child or forced labour.

6.5.

Health and Safety Management

In 2012, GLOBUL was successfully certified under the internationally recognized standard OHSAS 18001:2007.

The certificate for Health and Safety OHSAS 18001:2007 is a value that goes hand in hand with the overall philosophy of the company. Protecting the health and safety of employees is one of the main responsibilities of the management of GLOBUL and GERMANOS. Obtaining OHSAS 18001:2007 certificate is a proof of the established management system that continuously monitors and improves the health and safety conditions among employees and minimizes risks at the workplace.

Work at heights poses a great risk while planning, maintaining and optimizing base stations. Employees working at heights are equipped with personal protective gear, which is checked every year. Trainings for work at heights are being organized and will offer initial courses and refreshing courses every two years. In 2012, we organized and conducted: three first aid courses, ten evacuation trainings, trainings of the emergency response staff – two theoretical and practical courses for employees at office buildings, as well as theoretical training for 178 employees from the shops, training for work at heights for 30 employees, training in electric safety for 54 employees.



Mario Petrov

Senior Health and Safety
Specialist, GLOBUL

Preparations for GLOBUL & GERMANOS certification under OHSAS 18001:2007 commenced in the beginning of 2011.

The certification was carried out by TÜV Hellas, member of the TÜV NORD Group and the system for managing health and safety at work was certified according to OHSAS 18001:2007 in August.

The implemented and certified management system is an expression of the company's commitment to comply with legal requirements and the standard requirements and evidence for the implementation of additional corporate requirements - policies, procedures, instructions, programs and practices. This enables us to manage, monitor and continuously improve safety and health at work; minimize risks of accidents and incidents, improve culture, knowledge and awareness of safe work in the company, improves the company's image as a responsible employer.

6.6.

Care for employees and social benefits

Since the end of 2012, every employee of the company can take advantage of the newly developed Psychological Support Program.

Today people lead fast and busy lives, full of challenges and engagements and sometimes we do not have time to free our mind of the accumulated thoughts, worries or fears. Often in the life, there is a situation that requires serious efforts and exhausts our resources. These are some of the reasons that make the professional psychological support so popular and so necessary.

As a responsible employer, GLOBUL recognizes the importance of mental health for the general welfare of the employees. The company is aware that everybody's working life is bound to challenges that could lead to high levels of stress and other adverse effects.

We provide a safe and healthy working environment by being proactive and by reducing the risk for employees. All operational processes are in accordance with the established health, safety and environmental management systems. Basic principles aimed at ensuring a safe and healthy working environment are set in the Occupational Health & Safety Policy. Our priorities encompass not only the potential physical effects of accidents and injuries but also the mental health of all employees. The Employee Satisfaction survey in 2012 showed that a large percentage of the participants considered the pace of work at our company to be very high. We explain this with the dynamics in the industry and the increased competition in our sector. To reduce the impact of these adverse external factors on our most valuable resource – our staff, in 2013 we plan to develop a comprehensive program aimed at assisting and promoting employees in their efforts to lead a healthy lifestyle.

Since the end of 2012, every employee of the company can take advantage of the newly developed Psychological Support Program which is to assist employees in coping with personal or professional problems, and to support them in keeping a balanced and healthy lifestyle. Every week, the company's employees have at their disposal highly qualified psychologist with over 20 years of experience as a psychologist, therapist and consultant, and all conversations with this expert are absolutely confidential.

As part of our aspiration to provide our employees with excellent working conditions, the company offers to its employees a system for employee benefits, which includes:

- Medical care through a health fund and accident and life 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;
- Teambuilding events;
- Annual training and development programs
- Social Benefits Program that includes preferential terms for certain mass consumption sectors – banking, tourism, services, etc.;
- Annual sports tournaments and opportunities for participation in company football and volleyball teams.

GLOBUL has developed a procedure for the support of employees suffering from illnesses, as well as for members of their family, under certain circumstances. In the last three years, the company has supported 22 of its employees with over BGN 180,000.

6.7.

Internal Communication

The engagement of our employees turned them into some of the most active participants in the green initiatives of the company, as well as in GLOBUL's internal health and safety programs.

Internal communication is crucial for the success of the organization. We, at GLOBUL, believe that an open dialogue between management and employees inspires and motivates the team of and strengthens the potential of our talents for even higher performance.

Corporate responsibility is one of the most important topics for internal communication because it educates our employees, provides them an opportunity to contribute and makes them proud of the organization they work for. The engagement of our employees turned them into some of the most active participants in the green initiatives of



Participants in the GLOBUL volleyball tournament

the company, as well as in GLOBUL's internal health and safety programs. These include our donation campaigns, the cleaning of nature parks, campaigns for responsible behaviour on the road, the global Earth Hour initiatives and many others. Among our greatest achievements in the field of corporate responsibility in 2012 as a team are the certifications under the ISO 14001:2004 (standard system for environmental management) and OHSAS 18001:2007 (standard system for health and safety management). We presented all procedures and relevant programs to our employees in detail and continuously strive to increase their understanding and competence. We continued to promote the systems and in 2012 we completed a number of interesting games with attractive prizes in order to raise employees' awareness and knowledge.

True to the promise that our „green“ image gives to both employees and clients, all of our actions, especially during the last two years, demonstrate our care for the nature. In the course of this strategy, we built and developed new and effective environment-oriented internal communication channels. An example of this is the internal G-MobileNews service, which provides SMS notifications about breaking news on user-defined topics, as well as digital screens located in the central office of the company, where every week we present to the staff events, advertisements, initiatives etc. By using electronic means of communication, we limit our impact

on the environment and our employees learn the most important and interesting news from the company.

Personal health and wellbeing of our employees is another major priority for the company. Our efforts in this direction cover not only standards set in the Bulgarian regulations, but also include a number of new programs and opportunities such as psychological support, sport social benefits, full year renting of sports fields, indoor sports tournament (G-Olympics) and so on. Besides being actively involved in the creation of programs, our primary goal is promoting them among all organizational units. We proactively seek feedback from our staff in order to keep meeting their expectations. We believe that our responsible attitude towards employees, customers, partners, and nature is an integral part of our commercial operations and is the foundation of our success. Based on our achievements, we believe that we are moving in the right direction. What is most valuable for us is the fact that we have the support and contribution of the entire team.

Effective internal communication, not only as a function in the company, but as a process in which all employees participate, leads to higher employee satisfaction and to more committed staff, which directly reflects on our results and on our relationships with customers.

Employees participating in the annual internal sports tournament G-Olympics





6.8.

Targets 2012 and 2013

Target 2012 (6)	Fulfilment	Target 2013 (5)
Extension of the scope of the Talent management program – 82 new participants	Fulfilled	Development of the program for care of the health of employees
Maintaining high levels of commitment and satisfaction of the employees	Fulfilled	Maintaining high levels of commitment and satisfaction of the employees
Improvement of the Summer Academy program by including new internal trainings	Fulfilled	Improvement of the Summer Academy program by including 2 additional internal trainings
Encouraging female professional growth and reaching leadership positions	Fulfilled	Development of the talent management program with initiatives aimed at development of coaching and mentoring skills for business and personal development
Participation in trainings provided by Deutsche Telekom	Fulfilled	Promotion of e-learning as a means of acquiring knowledge, personal and professional development.
Certification under the Health and Safety Management System	Fulfilled	

Table 5. Targets 2012 and 2013



Environment



Our main goal is to minimize the environmental footprint of the company, while at the same time increasing the engagement of our employees, clients and partners with the green cause. To all of us in GLOBUL, being responsible toward the environment is not a fashionable trend, but it is the shortest path to sustainable development.

Achievements

In 2012 GLOBUL:

- Successfully passed the certification audit under the ISO 14001:2004 standard for Environmental Management System
- Saved 123.7 tons of paper due to the responsible behaviour of its clients who cancelled hardcopy invoice and recharge their pre-paid cards online;
- Reached a high level of subscribers, who don't receive paper invoice, as by the end of 2012, it is 54%;
- Recycled over 28 tons of paper;
- Collected for recycling 2.4 tons of mobile phones, batteries and accessories (including GERMANOS);
- Installed photovoltaic solar panels on nine base stations without access to the transmission system, thus reducing the use of diesel
- Received the award for Investor in the Environment at the Responsible Business Awards by the Bulgarian Business Leaders Forum and a Green Business award by the Ministry of Environment and Water for the long-term environmental sustainability strategy GLOBUL Green.

KPI	Measure	Result 2010	Result 2011	Result 2012
Total energy consumption (electricity, thermal and fuels)	MWh	54,537	59,199	70,220
Total GHG emissions ²	Ton CO ₂ -eq. ³	30,558	31,638	35,593
Energy production from renewable energy sources	MWh	15.6	15.3	19.0
Fuels consumption (fleet, generators and heating)	thousand litres	907	895	930
Copy paper consumption	ton	22.5	21.8	21.5
Waste paper delivered for recycling	ton	5.9	8.6	28.0
Waste generated from the network ⁴ (delivered for recycling)	ton	136.8	47.4	129.2
Water consumption	thousand m ³	12.9	12.3	11.4
Paper consumed for invoices and prepaid vouchers	ton	230.6	201.0	167.9
Paper saved from e-services usage ⁵	ton	60.1	91.9	123.7
Mobile phones, batteries and accessories, delivered for recycling (incl. GERMANOS)	ton	2.8	1.3	2.4

Table 6. Results

2 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).

3 CO₂ equivalent - according to the definition of the UN Framework Convention on Climate Change greenhouse gases (e.g. carbon dioxide, methane, nitrous oxide, fluorine-containing gases, etc.) are measured in CO₂ equivalents.

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

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

7.1.

Strategy and Management

In 2012, we successfully passed through the certification audit by TÜV Nord for the embedded in the company environmental management system, ISO 14001:2004, a further proof for our efforts in environment preservation. The system ensures efficient measurement, control and continuous reduction of the harmful environmental impact in all aspects of our business.

The company's Environmental Management Committee, which consists of representatives of the senior management in the company, is regularly reviewing the status of the environmental management system and monitors the implementation of the annual objectives. Operational performance of the system is controlled by an Environmental Management Team, encompassing employees at various positions in all departments of the organization, whose activities have a direct impact on the environment. In 2012, we developed and implemented specialized software that helps us regularly collect and aggregate data for all areas of the company's environmental impact. Based on the analysis of these data we determine the priority areas in which improvement is needed. Our main objectives are set out in our Environmental policy, which is publicly available on the corporate website. We maintain a high level of awareness and commitment among employees of the various environmental programs and our goal is that each employee is personally committed to the objectives of the programme and improving the system.

One of the biggest challenges before GLOBUL as a company is to continue to reduce its environmental footprint in times of ever-increasing consumption. To achieve this ambitious goal, first we carefully monitor and control our impact on nature. We strive to reduce the overall effect we have as an organization through the development and implementation of innovative and „smart“ technologies. Usually this is an on-going process that requires a significant investment with long payback periods. However, we are determined to achieve the high goals we have set for ourselves in the field of environmental sustainability. In this chapter you will be able to read more about the efforts we make to limit the negative effects of all aspects of our business, the results we have achieved so far and the challenges we face.

7.2.

Managing Energy Use and Addressing Climate Change

The steady trend towards increasing consumption represents a huge challenge for us. On the one hand, by the use of our services, our clients save resources such as time and effort, and greenhouse emissions that would have been generated with an alternative approach such as a trip to a distant destination. On the other hand, the constant increase in demand for our services leads to increase in the quantity of emissions generated by our business. The ambitious target we have set is to be the leader in climate protection in Bulgaria through our technologies as well as through the involvement of employees, customers and partners in the fight for the cause.

Greenhouse gases and other gas emissions

Focus our efforts on climate preservation to energy efficiency projects and optimizations in the telecommunications network.



Photovoltaics at GLOBUL base station

We calculate our emissions based on the Greenhouse Gas Protocol⁶, developed by the World Business Council for Sustainable Development (WBCSD) and the World Resources Institute (WRI). GLOBUL GHG emissions include direct emissions of greenhouse gases from fuel consumption for the company's needs (Scope 1), indirect emissions of greenhouse gases from electricity and heat (Scope 2), and other indirect emissions due to used goods and services (Scope 3).

⁶ <http://www.ghgprotocol.org/>

Direct emissions

In 2012, the total direct greenhouse gas emissions resulting from the use of fuels for the company have increased by 3.6% compared to 2011 and amounted to 2,343 tons of CO₂-equivalent. The main reason for the growth is the increased use of fuel for the auto fleet of the company. The emissions resulting from fuel used for heating and operation of our electric generators using diesel, remain at the same level as in 2011, while emissions from the auto fleet increased by 5.9% compared to 2011.

Indirect emissions

GLOBUL reported 33,249 tons of CO₂-equivalent indirect emissions from energy consumption for electricity and central heating (Scope 2) in 2012, an increase of 13.2% compared to 2011. Since approximately 92% of the amount of indirect emissions result from operations of the network, we focus our efforts on climate preservation to energy efficiency projects and optimizations in the telecommunications network. Another major source of emissions is the energy consumption in our offices. Figure 12 clearly shows what the most significant sources of emissions are and where to focus our efforts to reduce them effectively.

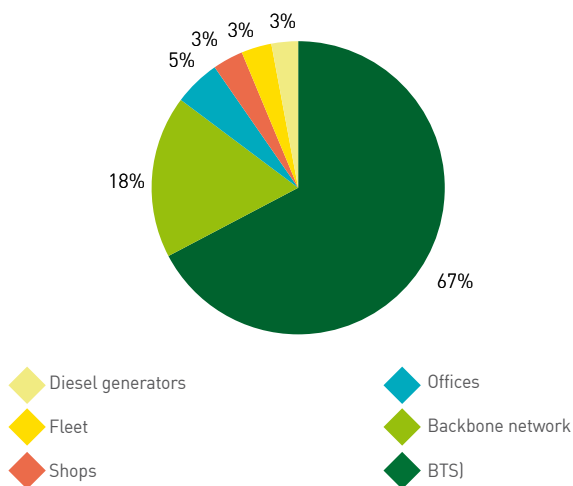


Fig. 12 Sources of emissions of greenhouse gases for 2012

Other emissions

In an effort to control our footprint on the environment, we monitor emissions associated with business trips of our employees by air as well. In 2012, they amounted to 327 tons of CO₂ equivalent.

Specific reasons for the increase in the amount of greenhouse gases released are discussed in the next section of this chapter.

Improving Energy Efficiency and Reducing Emissions

Energy consumption

In 2012, the total amount of GLOBUL's energy consumption was 70,220 MWh (or 252.8 TJ) of electricity, thermal energy, and fuels (33.5 TJ direct and 219.3 TJ indirect consumed energy). The carbon emissions that we have generated total to 35,593 tons. Fuel combustion by the fleet, the diesel consumption of the base stations, as well as diesel consumption for heating, are defined as direct energy. The total quantity of consumed direct and indirect energy equals the quantity that thermal power plants in Bulgaria emit into the atmosphere in less than 9 hours.

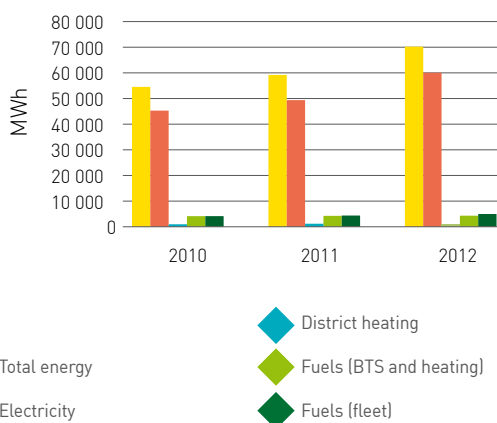


Fig. 13 Energy consumption

Energy conservation

Despite the ambitious reduction targets in 2012, GLOBUL increased its carbon emission by 12.5% compared to 2011 (Fig. 14). The main factors for this are:

- Significant increase in traffic –11.24% for voice transmission and 51.99% for data
- Expansion of network – increased number of base stations
- Adverse weather conditions, leading to greater use of air-conditioning in our network
- Incomplete implementation or postponing of some projects for network modernization and energy efficiency due to budget limitations

In order to meet the challenges of increasing energy consumption and of related emissions, we have focused on renewable energy sources.

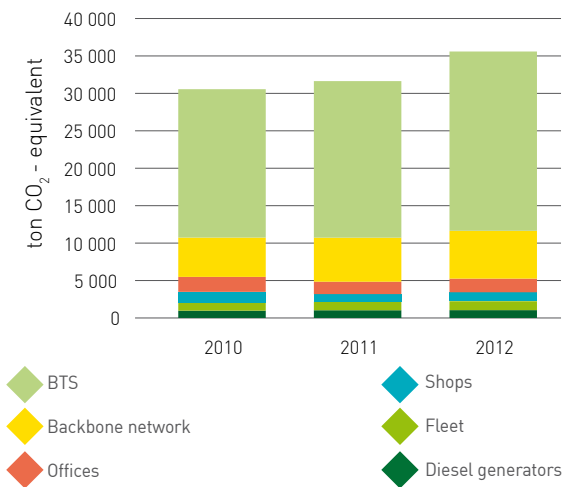


Fig. 14 Total CO₂ emissions (ton CO₂-equivalent)

A solar system for powering remote base stations has been in testing since 2008. In 2012, the system produced 19 MWh of green electricity. What is more important is the fact that thanks to the system we gathered valuable information about the characteristics of the operation of a base station with photovoltaic panels.

In 2010, we initiated a pilot project for the installation of hybrid systems (diesel generator with batteries) in our remote off-grid base stations. The system includes a diesel generator, batteries and a process controller and the goal is running time of the diesel generators to be reduced, leading to smaller fuel consumption and greenhouse gas emissions. As a result, we managed to reduce the load of the diesel generator by an average of 55% per day.

In 2012, we improved the hybrid system and added photovoltaic panels to it. Thus we were able to further reduce the average time of operation of the diesel generator by another 21%. In addition to saving fuel and carbon emissions due to reduced working hours of the generator, replacement of consumables is required less often. This in turn means a reduction in the consumption of oil and filters, as well as of transportation for maintenance or in the event of an accident.

In continuation of our efforts to implement ever more efficient solutions by using green energy, in 2013 we plan to move on to the next generation of hybrid systems by adding a wind turbine to the previous system. We expect this to lead to a reduction in operating time of the diesel generator by 6%, as a result of which the base station will rely on it only at 18% of the day and in the remaining 82% it will be powered by alternative energy sources.

In 2012, we initiated a project for the installation of photovoltaics in our backbone network - on the roof of one of the buildings in Business Park Sofia. The project is expected to be implemented in early 2013. The produced solar energy is used to power the lights in the building, as this process is not critical for the normal functioning of the network.



Rosen Karagyozov

Construction Department
Manager, GLOBUL

The implementation of this major project started with an idea that occurred within the company in order to increase the efficiency of the diesel generators that power our base stations in remote areas and cannot be connected to the grid. So in March 2010 we introduced our pilot hybrid system with batteries that allow significant reduction in the amount of diesel fuel consumed. I am kind of happy that after this successful first initiative we were not fully satisfied with the results and continued to look for new ways of optimization so we added solar panels to provide energy from an independent source - the sun. As a result, we have come to a completely integrated solution to provide alternative and highly efficient power to base stations, while saving resources and emissions to the environment. I thank all colleagues who contributed to the development of these systems and continue tirelessly to monitor all new developments in the field of renewable energy, so we can develop this project further in the future.

Another project that has significantly contributed to increasing the network's energy efficiency is the so-called free-cooling systems, which use the outer air as coolant. In a large part of the network, they provide cooling from the environment, thus reducing the need for air-conditioners. This solution is particularly good for base stations located on building roofs or those unprotected from direct solar light. 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 of GHG emissions per station per year. In 2012 we doubled the number of installations compared to 2011 and they reached 127.

Although the telecom network is the main consumer of electricity in our business, in 2013 we intend to pay more attention to energy efficiency in office buildings and retail stores of the company as the next source of significant consumption in GLOBUL.



Internal communication poster for energy saving

7.3.

Resources and Waste Management

Efficient use of limited natural resources is a top priority in our sustainable development strategy. Firstly, we aim to reduce the amount of waste we generate and to recycle the waste formed as a result of our activities. We strive to limit use of materials which were produced with a negative effect on the environment. Another important task is increasing public awareness and commitment. We therefore strive to promote recycling and work to prevent pollution with the materials used in our products. We also encourage the reuse of recycled metals and plastics.

Hazardous Waste Management

All base stations in our network have batteries that become hazardous waste at the end of their life cycle. The batteries are being replaced and given for alternative usage by organizations licensed to handle such waste in order to ensure safe transportation and proper processing. In 2012, we recycled 97,500 kg of spent batteries compared to 37,690 kg in 2011. It is necessary to note that in this case the results are not comparable, since the period of replacement of batteries is not regular but depends on the needs of the network and the new base stations roll-out rate.

At off-grid base stations and in the event of power cuts, diesel generators are being used and that requires lubricants and filters which also become hazardous waste in time. Licensed companies take care of its proper treatment. In 2012, 2,135 litres of waste oil were generated as well as 102 kg of oil filters.

Other hazardous waste, generated as a result of activities of the company is used lamps. Used lamps from company premises are being transported and recycled by a specialized agency for the utilization of this type of waste. To have complete information about hazardous waste we generate, we are planning the introduction of a new monitoring program for waste lamps in 2013.

We realize the danger of release of hazardous waste into the environment and we take care to store waste properly and to work only with licensed contractors that are required to ensure delivery to the certified organizations, thereby providing a lawful and environmentally sound disposal.

Management of waste of telecom equipment

There is a regular need of change of telecom equipment from our network. As a result, we generate waste from discarded electronic or electrical equipment, the total mass of which in 2012 was equivalent to 12.6 tons. In addition, 11.5 tons of obsolete infrastructure equipment has also been submitted for an alternative management. This type of waste is stored for longer periods of time before being delivered for recovery as their quantity depends primarily on the need for equipment replacement or upgrade of the network.

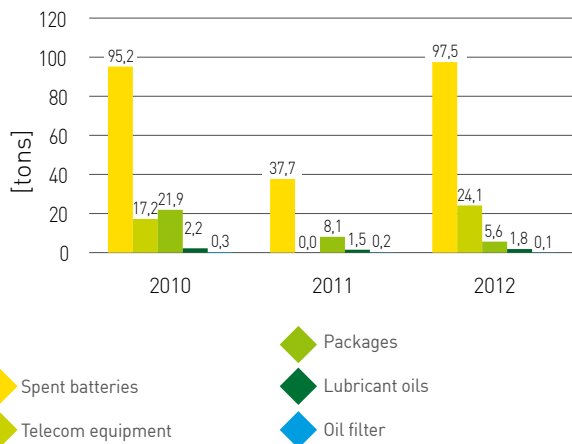


Fig. 15 Waste generated by the network

In Figure 15 you can see information about the total amount of waste generated in our network. The telecom equipment imported by GLOBUL comes with a large amount of packaging which is considered waste on the territory of Bulgaria. During the reporting period, there has been a decrease in the amount of packaging from 8.1 tons in 2011 to 5.6 tons in 2012. This packaging consists mainly of paper, cardboard and wood and they are being recycled.

Paper Use and Recycling

The amount of paper that was recycled in the offices increased to 9.2 tons from 8.6 tons. This showed that the internal campaign for the responsible use of paper was successful and more of the employees change their environmental attitudes and behaviours.

The copy paper consumption in offices and shops in 2012 remained at about 21.5 tons (similar to the quantities for last two years). In the same time, the amount of paper that was recycled in the offices increased to 9.2 tons from 8.6 tons. This showed that the internal campaign for the responsible use of paper was successful and more of the employees change their environmental attitudes and behaviours (Figure 16). In addition, during this period we also submitted 18 tons of archived documents, subject to destruction, for recycling.

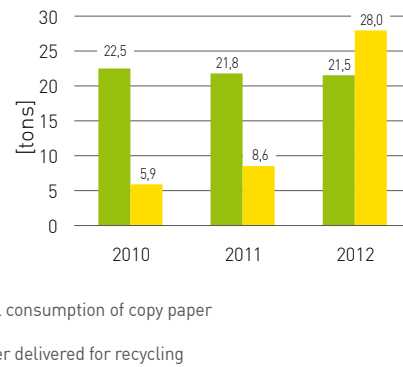


Fig. 16 Paper for internal consumption

Household waste management

Household waste generated in 2012 in the three office buildings of the company in Sofia amounted to about 300 tons. We continued to separate plastic waste in the administrative building of the company in Sofia, and for 2012 the amount collected is about 3 tons, compared to 2.5 tons in 2011. We believe the reason for this growth is the highly successful internal campaign to encourage separate waste collection among employees. In 2013, we plan to promote the separate collection of glass and metal packaging.

We continue to monitor the consumption of printer toner cartridges. In 2012, GLOBUL sold 1317 spent cartridges to organizations that are allowed to process such waste. Company shops and offices consume a large amount of new toner cartridges - 1,429 for 2012. Although the requirements to maintain the warranty service of technical equipment impose certain restrictions on the use of second hand toners, we strive to influence their use through information campaigns on responsible printing and copying.

Mobile Phone, Accessory and Battery Recycling

Due to the increased customer engagement, in 2012, GLOBUL handed over for recycling 2.4 tons of mobile phones, batteries and accessories.

The development of modern technology has been accompanied by negative effects on nature. On the one hand, the extraction of copper, silver, gold, palladium and platinum, which are used in the production of mobile phones, is resulting in a rapid depletion of these resources. On the other hand, widespread usage of mobile phones generates large quantities of electronic waste, turning their use in one of the most significant environmental challenges of the 21 century.

To tackle this negative trend, we have developed a special program promoting recycling of mobile phones, batteries and mobile accessories, which gives users the opportunity to contribute to preservation of nature. Special containers have been placed at all of our retail outlets where unwanted or damaged mobile phones, dead batteries, hands-free devices, chargers, data cables and others can be discarded. Due to the increased customer engagement, in 2012, GLOBUL handed over for recycling 2.4 tons of

mobile phones, batteries and accessories, which is about double compared to the quantities collected in 2011. Since the launch of the campaign at the end of 2009 a total of more than 8 tons of disused devices have been collected.

The campaign in 2012 was once again joined by our business partners - Coca Cola HBC Bulgaria, the U.S. Embassy in Bulgaria, Sony Ericsson Mobile Communications Bulgaria, Shell Bulgaria and Titan Zlatna Panega Cement - which have put containers for collecting old mobile phones at their offices.

Management of packaging waste

All products displayed in GLOBUL shops and their packaging are manufactured or imported by GERMANOS, and are not included as part of this report.



Internal communication poster for recycling of mobile phones, batteries and accessories

7.4.

Other Direct Environmental Impacts

Ozone Layer

GLOBUL has stopped installing cooling and extinguishing equipment that uses ozone-depleting substances (hydrocarbons containing chlorine - CFC and HCFC). Although such substances are still available in some of our cooling equipment, we are in the process of their gradual removal and replacement with ozone-friendly substances.

To ensure effective and smooth operation of all our refrigeration and air conditioning systems, we have contracts with licensed companies for maintenance and support. In 2012, we had to supplement the amount of refrigerant in a large number of our installations, compared to previous years due to which the total amount used reached 340 kg. The refrigerants used by the company are greenhouse gases, the total amount of which for 2012 amounts to 539 tons of CO₂ equivalent. There is an increase compared to 2011, in which quantities amounted to 399 tons of CO₂ equivalent.

Water Consumption

In 2011, 11.4 thousand m³ of water was consumed by GLOBUL. Water consumption is not directly related to the company's core business. That is why the water consumption is due mainly to hygiene and cleaning needs. Nonetheless, water consumption is monitored and internal awareness campaigns are held about the responsible consumption of water.

Biodiversity

GLOBUL's activity does not affect biodiversity directly. Nevertheless, probable negative impacts from some remote base stations are being monitored. Our activities in protected areas (such as territories in the NATURA 2000 network) follow the procedures set by the Bulgarian legislation.

Visual Impact

A telecommunication company's activities do have a slight visual impact, which is limited to the BTS locations. That impact is reduced by placing them together with the ones of other operators. In urban territories, base stations are built in harmony with the surrounding architecture in order to reduce their visual impact.

Noise

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



Internal communication poster for saving water



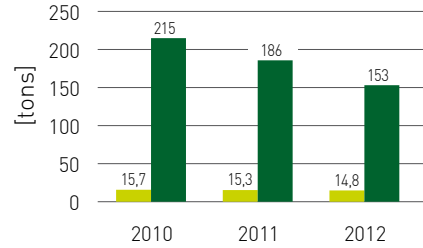
7.5.

Indirect Environmental Impact

Cancellation of paper invoices by users has resulted in saving 117.88 tons in 2012.

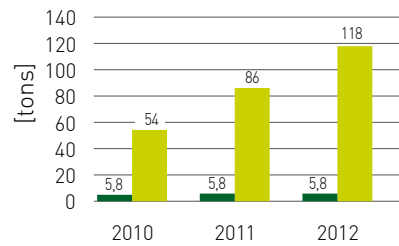
We send thousands of invoices on a monthly basis to our customers who still prefer to receive paper copies. In 2012, 153 tons of paper was used for invoices, printouts, and envelopes sent to clients. Moreover, these invoices travel to all parts of the country generating GHG emissions. While this has not a direct impact of GLOBUL's work as invoices are produced and sent out by contractors, the company feels responsible for reducing the impact of their distribution. This became possible with the implementation of e-invoice (more information about Sustainable products and services see section Marketplace).

Our practices of encouraging the use of e-invoice and electronic recharging of prepaid cards during the past year led to a significant reduction in paper and plastic use. Cancellation of paper invoices by users has resulted in saving 117.88 tons in 2012, and the electronic prepaid top-up options saved 5.8 tons of paper.



◆ Papers for pre-paid vouchers
◆ Paper for invoices

Fig. 17 Paper consumption for invoices and vouchers



◆ Saving of paper (e-recharge of vouchers)
◆ Saving of paper (non paper invoice)

Fig. 18 Saving paper from e-services

In May 2012, we started a project according to the Six Sigma methodology to optimize the production and distribution of the GLOBUL monthly trade catalogue. Paper version of the catalogue is distributed primarily through our sales network, it reaches consumers in our stores, and secondly - through inserts in the periodical press, thirdly - its electronic form is posted on our website. To identify the necessary measures to optimize, we conducted two studies. First - telephone interviews among a sample of our customers, and the second - ad-hoc survey on the availability of the catalogue in our stores. Firstly we asked our customers what are the most commonly used sources of information about products and services of GLOBUL. As a result, we found that our customers mainly search for information online and offline at our stores. So we decided to limit the distribution of the catalogue through inserts in magazines and newspapers. Based on data from another study we further optimized the distribution of catalogues for the individual needs of each of our shops.

Thanks to the measures taken in 2012 we saved a total of 69,300 kg of paper and limited the overall carbon footprint of the production and distribution of catalogues, including resources used for printing and transportation. After the start of the project we applied similar measures to the product catalogue of GERMANOS – as a result we saved 63,500 kg of paper over the same period.

7.6.

Support to Environmental Projects and Events

In 2012 we optimized the production of the trade catalogues and as a result saved 69 tons of paper.

Since 2011 we publish our trade catalogue on a certified paper. In order to further reduce our impact on the environment, in 2012 we optimized its production, and as a result saved 69 tons of paper.

We use large quantities of vinyl in our communication campaigns. In 2012, we have already consumed 17 tons of materials made of vinyl and we decided to reuse some of them for the National Nature Parks Day communication campaign, by reworking them into beautiful reusable shopping bags. Since their number is limited, we cannot distribute the bags widely, so we offered them to participants in our events and promotional games. On the other hand, in our stores we provide customers with degradable bags, which decompose in nature much faster than standard plastic bags. In 2012, they amounted to 440,000 with a total weight of 10.4 tons.

We, at GLOBUL, believe that change starts with each one of us. We know that in order to achieve sustainable results in environmental protection, we need to focus our efforts on raising awareness and increasing the commitment of society. Therefore, a considerable part of the initiatives which we undertake or support within the framework of our GLOBUL Green strategy, are aimed at increasing the level of involvement and encouraging responsible behaviour among our customers through open communication and dissemination of relevant information on significant environmental issues.

National Day of the Nature Parks

The event was attended by over 2,200 volunteers from around the country who picked up 10 tons of waste from the 11 nature parks in Bulgaria.

On June 9, 2012 GLOBUL and WWF's held their joint initiative *National Day of the Nature Parks* for a fourth consecutive year. The event was attended by over 2,200 volunteers from around the country who picked up 10 tons of waste from the 11 nature parks in Bulgaria.



"Preserve the original" communication poster for the National Day of the Nature Parks 2012

The purpose of the annual campaign is conservation and cleaning of natural areas in Bulgaria, as well as promoting responsible attitude towards the environment in the society. We are happy to inform that we register a positive trend for smaller quantities of waste collected during the National Nature Parks Day, which indicates that more and more visitors of the parks try to preserve them.

So far, nearly 10,000 people have participated in the initiative and over 50 tons of waste has been collected. The campaign takes care of updating the tourist infrastructure. During the initiative days 12 pedestrian bridges were built and more than 100 information boards explain the rules for responsible behaviour were placed in the parks. Traditionally, some of our employees join the initiative as volunteers. In 2012, new recreation areas were built in each of the 11 natural parks and separate collection of plastic waste with the partnership of ECOPACK was organized at Vitosha, Vrachanski Balkan and Rusenski Lom parks.

This year, a number of celebrities also made a personal contribution to cleaning the parks. Ambassadors of the Vitosha natural park were actress Desi Tenekedjieva, TV reporters Galina Shtarbeva and Stefan Shterev from Nova TV, Venelin Petkov from bTV and Simeon Kolev from BG Radio. bTV weather woman Stanislava Tsalova again volunteered at Rila Monastery park and actor Valeri Yordanov was once again involved in cleaning of the Vrachanski Balkan park.



Volunteers collected large amounts of waste in the area of Dragalevtsi monastery, nature park Vitosha

Participation in Earth Hour

This year, the company joined again WWF's international initiative *Earth Hour*, which was held on the 31 March 2012, between 20:30 and 21:30. During the event, the electric lighting in all GLOBUL administrative buildings and over 280 shops was shut off. GLOBUL's largest neon advertisement installations in Sofia, Varna and Burgas and Haskovo were also switched off. Only the systems providing the seamless network operation and customer service were left online.

In addition GLOBUL supported the initiative by an active communication campaign, which aimed to inform and inspire our customers, employees and partners to join.

On a global scale, the Earth Hour was first held in 2007. In 2012, the campaign was held under the motto „I will if you will“ and a special YouTube platform, where supporters of the green idea made their video challenges to encourage others also to contribute to a sustainable future, was also launched. As a result, thousands of users pledged various environment-friendly activities - to recycle, to replace old light bulbs with energy saving ones or to unplug the mobile phone charger from the socket after use.

ИЗКЛЮЧЕТЕ СВЕТЛИНАТА, ВКЛЮЧЕТЕ СЕ

За да помогнем на хората, трябва да живеем
с мисъл за природата.

Включи се в инициативата Часът на Земята, като
УГАСИШ ОСВЕТАЛЕНИЕТО ЗА ЕДИН ЧАС
заедно с 1 000 000 000 човека.

31

МАРТ
2012
СЪБОТА

2030

часа

Часът на Земята

www.wwf.bg

GLOBUL и GERMANOS подкрепят Часът на Земята. Присъедини се и ти!

Internal communication poster for participation in the Earth Hour initiative

Events and Campaigns

In December 2012, we also supported the first *Business with a Cause* conference, dedicated to corporate responsibility.

In 2012, we again supported and participated in a number of significant business forums for exchange of experiences and good practices in the field of corporate responsibility. For a second year, we were a major partner at the *Green Economy forum*, organized by *Capital* newspaper. Together with *Manager* magazine we organized our third annual *Green Business Forum*. We supported the *Balkan Policies for Green Growth* regional forum, organized by the Dimitry Panitza - Bulgarian School of Politics and the Ministry of Economy, Energy and Tourism. In December 2012, we also supported the first *Business with a Cause* conference, dedicated to corporate responsibility. The event was organized by *Capital* newspaper and was attended by over 150 business, government and NGO representatives.

This year we became a major partner of the *Green Olympics* initiative by the educational portal *Academica.BG*, which aims to broaden knowledge and help build environmental awareness among children.

More detailed information is available in the Society section.

First-of-its-kind *Business with a Cause* conference dedicated to corporate responsibility



Targets 2012 and 2013

Targets 2012 (13)	Fulfilment	Targets 2013 (14)
Environmental management		
Certification under ISO 14001:2004	Fulfilled	Introducing 2 new programs to the Environmental Management System
Introduction of a software for environmental data collection	Fulfilled	Updating GLOBUL Environmental Policy
Energy and climate protection		
Connecting two base stations to the power grid	Postponed	Implementation of a system for smart management of hybrid base stations, which allows optimization of diesel consumption
Installation of free-cooling technology on 100 base stations	78	Conversion of 2 diesel-powered base stations to hybrid-powered
Installing photovoltaics at one of our mobile switching centres (MSC3)	Started	Completion of the project for installing photovoltaics at one of our mobile switching centres (MSC3)
Reduction of diesel consumption in base stations by 12%	Increase	Sustaining the level of diesel consumption in base stations
Sustaining the growth of GHG emissions up to +2%	Increase	Sustaining growth of GHG emissions to up to +6%
		Implementation of a pilot project for energy saving in company shops
		Expansion of the program for separate collection of packaging waste including glass and metal, in offices.
		Implementation of a pilot project of a hybrid base station with a wind turbine.
Resources and waste		
Increasing the amount of paper recycled (9 tons);	Fulfilled	
Collecting and recycling of more mobile phones, batteries and accessories (1.5 tons);	Fulfilled	Motivational program for stimulation of collecting and recycling of more mobile phones, batteries and accessories
Indirect environmental impact		
Saving paper due to Cancellation of the Paper Invoice service (95 tons);	Fulfilled	Saving paper due to Cancellation of the Paper Invoice (130 tons);
Printing of commercial catalogue on certified paper	Fulfilled	
Support to environmental projects and events		
Supporting WWF's initiatives – The National Nature Parks Day and Earth Hour	Fulfilled	Supporting WWF initiatives – The National Nature Parks Day and Earth Hour
Support and participation in green forums and events	Fulfilled	Support and participation in green forums and events

Table 7. Targets 2012 and 2013

Society



We are aware of our responsibility and strive to contribute to the development of the Bulgarian society in economic, cultural and social aspect. We invest resources in support of numerous initiatives and projects in order to contribute to the improvement of the standard of living and well-being of each one of us. In addition, we try to help the development and integration of social groups with specific needs.

Achievements

In 2012 GLOBUL:

- Was awarded as the Biggest Corporate Donor by the Bulgarian Donor's Forum
- Continued its communication campaign promoting internet safety and the safe use of new technologies and the internet by children and teenagers.
- For a sixth year in a row, GLOBUL held its *Drive safely. Use hands-free!* campaign
- Provided an opportunity for eight more talented students to participate in the scholarship program of the company
- Implemented its ninth internship program, which provided 52 internships in 17 divisions of the company.
- Attracted hundreds of students during lectures, as part of *The GLOBUL Hour* initiative
- Organized the first ever *Green Olympics* for students from across the country
- Held a blood donation campaign among its employees
- Continued its support for the *Team of Hope*
- Organized a training camp at the football school of Manchester United for the winners of the school football championships

KPI	Measure	2010	2011	2012
Total paid insurances, taxes and fees	million EUR	7.7	4.3	6.3
Trainees stayed to work in the company (incl. GERMANOS)	number	3	8	6
Lectures and practice exercises with students	number of lectures/exercises	10	12	11
Traineeship positions (incl. GERMANOS)	number	45	53	52
Student scholarship grants	number	10	10	10

Table 8. Results

8.1. Contribution to Economic development

GLOBUL is among the leading companies in the Bulgarian economy. It provides job opportunities, investments, and pays duties and fees. The challenges for the Bulgarian economy as a whole and for the telecommunications sector are caused by the unfavourable macroeconomic situation which led to lower consumption. Nevertheless, as one of the leading investors in the country, GLOBUL continues to open jobs, to invest in personal development, and to offer products and services that meet the requirements of the market and the society. Since the creation of the company GLOBUL had invested over 1.19 billion EUR in Bulgaria.

Table 9 clearly shows our contribution to Bulgaria's economic development for the last three years.

KPI	Measure	2010	2011	2012
Corporate tax	million EUR	5.17	1.74	3.58
Municipal tax	million EUR	0.38	0.39	0.43
Social security	million EUR	2.17	2.20	2.26
Insurances of the employees	million EUR	0.01	0.04	0.03
Investments	million EUR	69.4	47.2	45.0

Table 9. Contribution to Bulgaria's economic development

8.2.

Anti-corruption

As one of Bulgaria's largest companies that are actively contributing to the society's development, we are engaged in the process of eliminating the opportunities for corruption.

The reputation of our business and our brand is based on our understanding and long-term commitment to responsible and ethical behaviour and honesty towards stakeholders. The need for transparency is continuously growing, together with the increased interest of stakeholders in companies and their facilitated access to information.

Corruption hinders the development of any economy. As one of Bulgaria's largest companies that are actively contributing to the society's development, we are engaged in the process of eliminating the opportunities for corruption.

Our efforts are based on the Policy on Conflict of Interest Avoidance and Combating Corruption. We strictly follow the rules set by the OTE Group Code of Conduct. We provide opportunities for filing anonymous claims by actively encouraging employees to share information related to possible corruption practices or prerequisites for violation of existing rules.

In this context, we should mention the Policy on Accepting and Granting of Benefits we adhere to. The policy defines the terms and the rules on how 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 to more disciplined and moral relationship between the people and the business. Our long-term priority is to maintain the high standard of moral responsibilities in our activities.

Following the established policies, GLOBUL does not financially support any political party.

8.3.

Causes and campaigns

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

Safe Internet and Mobile Content for Children Program

Nowadays, children start using the internet from a very early age. The internet offers all kinds of information and entertainment but it also carries certain risks. At any given moment online, children may stumble and get affected by inappropriate content if certain rules are not followed. It is important that parents and children have an open dialogue about the virtual reality so that what is interesting can also be safe.

As a member of the *Public Council on Safer Internet*, GLOBUL traditionally encourages responsible use of new technologies and helps protect children from harmful content online. The mobile content offered by the operator is clearly marked according to its suitability for the relevant age group. In addition parents may easily install optional passwords on children's mobile phones in order to control their access to inappropriate services or content.



Georgi Apostolov

Coordinator of the National Safer Internet Centre

GLOBUL is among the most responsible members of the *Public Council on Safer Internet* and of the *National Internet Centre Safenet.bg*. Together with the other mobile operators, the company continues to maintain the short number 124 123, on which consultants of the Bulgarian online safety line assist and advise children and parents about problems and risks on the Internet. On the *International Safer Internet Day* we sent hundreds of thousands of text messages to customers. At the same time GLOBUL, organized a national media campaign on safety of children on the Internet, which helped the message to reach the widest possible range of families.



"Safer Internet" communication poster

In 2012, GLOBUL launched its traditional online safety awareness campaign for the International Safer Internet Day. This year's communication campaign was held under the motto: *Do you know what your kids share on the Internet?* As part of the campaign, GLOBUL sent text messages to all clients advising them to be careful while sharing personal information or surfing the Web, as our actions on the Internet may have consequences

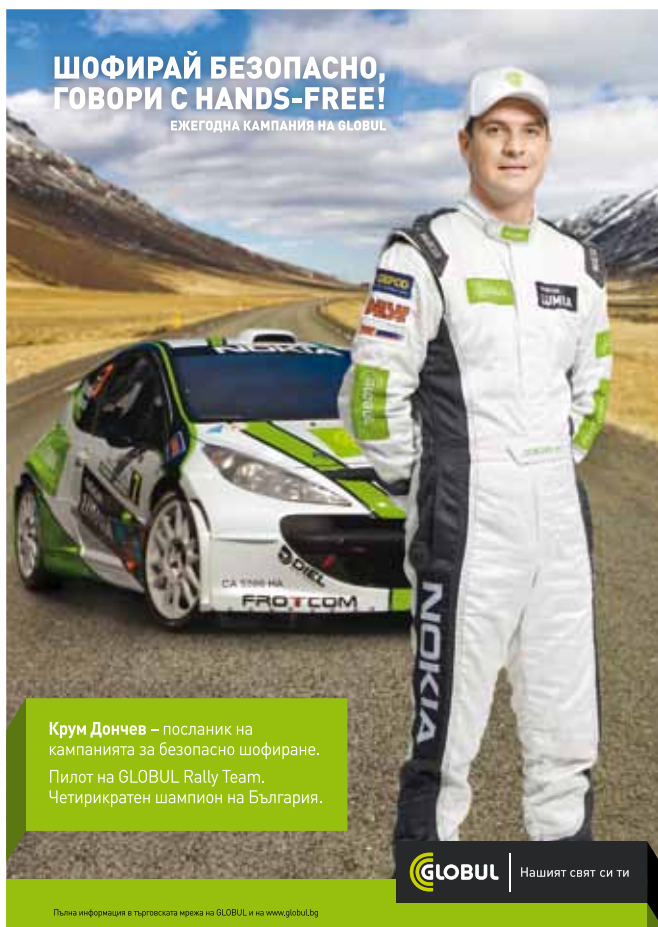
in real life.

This communication campaign was yet another step in GLOBUL's commitment to online safety and protection of kids and adolescents from the potential threats on the Internet. In 2011, GLOBUL supported the launch of the first *Bulgarian Safer Internet Helpline*, a joint initiative of the *National Safer Internet Centre* and the *Parents Association*. The helpline provides professional online safety consultations and support to children and teenagers.

Drive Safety Campaign

In December 2012, GLOBUL received an award for outstanding contribution to improving road safety in the country by *Press Auto Club Bulgaria*.

Modern telecommunication resources change our daily life, making each one of us available for communication at any moment, 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 safe driving and the responsible use of mobile phones behind the wheel. Launched in 2007, the national campaign *Drive safely. Use hands-free!* is a long-term commitment in which GLOBUL collaborates with various organizations and expands its scope, in order to reach widest possible range of people.



"Drive Safely! Use hands-free!" communication poster

In 2012, novice and inexperienced drivers were in the focus of the initiative. Main partner of our safe driving campaign was the *Union of Bulgarian Motorists (UBM)*, and four-time rally champion of Bulgaria and *GLOBUL Rally Team* driver Krum Donchev was ambassador of the initiative.

During the campaign we distributed brochures with tips for efficient driving and car stickers with the slogan of the initiative in Sofia, Varna, Plovdiv and Burgas. The brochures contained tips for safe driving and driving in extreme situations, but also listed the penalties for the most common traffic law violations.

In December 2012, GLOBUL received an award for outstanding contribution to improving road safety in the country by *Press Auto Club Bulgaria*, which is proof that our efforts towards improving road safety were appreciated by Bulgarian society. We believe that safety on the road depends primarily on everyone's personal sense of responsibility, and we will continue to conduct similar campaigns in the future.

Blood donation campaign

Hundreds of people in Bulgaria need lifesaving blood and blood products every day due to accidents, surgery, childbirth and illness. These are supplied exclusively through donations. Blood, blood components and bio-products produced by them are essential treatments and so far no artificial analogue has been discovered. That is why, in 2012, we organized a campaign to promote blood donation among GLOBUL and GERMANOS employees, in cooperation with the *Bulgarian Blood Donation Alliance* and the *National Centre for Transfusion Hematology*. With this campaign we again demonstrated the commitment of the company and our employees to socially responsible causes once again. We intend to pursue this initiative on a regular basis because we believe there is nothing more valuable than human life.



Internal communication poster for blood donation

8.4.

Contribution to Education

Being a socially responsible company, part of our long-term strategy is to encourage the young people successful realization by strengthening the bridge between business and education. The development of the next 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 qualifications. In order to attract them and, in this way, keep them in Bulgaria, we offer them various opportunities for professional development. We strive to create an environment in which young people can discover their interests and turn their readiness to develop into reality.

We pursue this goal each year by organizing a traineeship and scholarship program and with the *GLOBUL Hour* initiative.

GLOBUL and GERMANOS Traineeship program

In 2012, we offered internships to 52 students. During her internship at the company, they were able to spend four to eight weeks in a total of 17 GLOBUL and GERMANOS divisions, including *Customer Service, Finance, Human Resources and Administration, Network Service Management & Planning, Network Implementation, Radio & Transmission, Operation and Maintenance, Advertising & Communication, Products and Services* and others.



Communication poster about GLOBUL and GERMANOS traineeship program

The internship includes an induction program, which aims to introduce young people to the history and structure of the company, as well as to its corporate culture, mission and values. Participants in the program also undergo training in presentation skills, and have the opportunity to develop their own project under the guidance of a personal mentor to demonstrate the practical skills they have acquired during the internship. In 2012, 39 students extended their internship at the company after the initial period. So far over 250 students from Bulgarian and foreign universities have been involved in the GLOBUL and GERMANOS internship program, and about one third of them later joined the company as full-time employees.

GLOBUL and GERMANOS Scholarship Program

In 2012, for the seventh consecutive year, GLOBUL and GERMANOS enabled some of the most talented students to participate in their scholarship program. After careful selection, eight students in marketing, law, finance, network development, radio and telecommunications

Стани част от нашия успешен екип

СТАНИ СТИПЕНДИАНТ НА GLOBUL И GERMANOS В ЕДНА ОТ СЛЕДНИТЕ ОБЛАСТИ:

- Радио и телекомуникации
- Изграждане на мрежата
- Маркетинг
- Право
- Финанси

Стипендиантите на GLOBUL и GERMANOS:

- Получават месечна стипендия до придобиване на бакалавърската си степен
- Участват в семинари и обучения
- Получават разпен практическото обучение
- Участват в стажантската програма на GLOBUL и GERMANOS
- Имат възможност да спечелят постоянно работно място

АКО СИ СТУДЕНТ ТРЕТИ ИЛИ ЧЕТВЪРТИ КУРС, ВЛАДЕЕШ АНГЛИЙСКИ И ИМАШ ДОБЪР УСПЕХ, ИЗПРАТИ СУ, МОТИВАЦИОННО ПИСМО И КОПИЕ ОТ СТУДЕНТСКА КНИЖКА НА scholarship@globul.bg ДО 15.12.2012 Г.

Допълнителна информация за стипендиантската програма на www.globul.bg

GLOBUL | Нашият свят си ти

Communication poster about GLOBUL and GERMANOS scholarship

were selected and the number of scholars was kept at 10, counting the two students who continued with the program from the previous period. Participants in the initiative receive a monthly scholarship until their graduation and have the opportunity to gain practical experience with various projects in their respective fields under the guidance of a personal mentor. All scholars also participate in the internship program of the company and also attend various trainings and seminars. Upon successful performance and if there are suitable open positions within the company, participants are invited to join our team. About 30% of program participants subsequently remain to work in GLOBUL and GERMANOS.

Support of the *Green Olympics* Initiative

In 2012 GLOBUL supported the educational portal Akademika BG in the organisation of the first online *Green Olympics*. The initiative aimed at boosting students' knowledge on environmental issues and at establishing green culture among young people. The campaign was held from 9th October to 10th December 2012 under the patronage of the Minister of Environment and Water Nona Karadzova. About 5,000 students from 1st to 12th grade participated in the *Green Olympics*. Participants were divided into three age groups: elementary, middle and secondary school. They had to fill in an online test and write a short essay on environmental issues. There were various prizes for the winners.



Evelina Gecheva

Managing Partner,
Akademika BG

The first edition of the *Green Olympics* was held entirely online in the fall of 2012, driven by a shared belief that environmentally responsible behaviour is formed by adequate knowledge; we provoked children's interest to nature conservation with online tests. Along with GLOBUL we motivated students to learn and to express their own ideas related to the environment. Today's *Green Olympics* is a competition. Tomorrow it will grow into a contest requiring skills and actions to keep the environment clean.



The winners in the first edition of Green Olympics

The *GLOBUL Hour* Initiative

GLOBUL Hour is among the company's most successful projects aimed at sharing experience and supporting young people in Bulgaria. For a fifth consecutive year GLOBUL organized the *GLOBUL Hour* initiative with some of the company's professionals holding lectures and trainings at the Technical University of Sofia.

Over 400 students from the Faculty of Telecommunications at the TU-Sofia attended lectures and trainings within the *GLOBUL Hour* initiative.

For another year we registered great interest in the initiative. Over 400 students from the Faculty of Telecommunications at the TU- Sofia attended lectures and trainings within the *GLOBUL Hour* initiative in the 2011/2012 school year. The topics of the lectures were related to the main aspects of construction, maintenance and management of telecommunications infrastructure and network technologies. The *GLOBUL Hour* speakers presented and discussed with students case studies from their everyday work. Moreover, during the trainings students had the chance to get acquainted with the work processes in the company and with the various types of telecommunication equipment and software applications.

Other activities:

- GLOBUL continued its partnership with the *Bulgarian Donor's Forum* and the *Bulgarian Charities Aid Foundation (BCAF)*, by supporting the project DMS in Bulgaria as a unified DMS donation tool
- GLOBUL supported the *Manager for a Day* campaign. Three students joined for a day the teams of *Human Resources & Administration*, *Advertising & Communication* and *Finance* divisions and attended the Network Management Center.

8.5.

Charity initiatives

Homeless World Cup Bulgaria

Over 80 boys and girls from Sofia, Plovdiv and Varna participated in the first edition of the project.

GLOBUL is the main sponsor of the *Homeless World Cup Bulgaria* project since its launch in 2011 by *Sports Management Bulgaria*. The project is aimed at underprivileged young people, who grew up deprived of parental care. After coming of age, they go out of the respective institutions and remain on the street and only some of them manage to find shelter in temporary accommodation centres. The aim of the initiative is to promote the integration of this vulnerable social group through sport.

Over 80 boys and girls from Sofia, Plovdiv and Varna participated in the first edition of the project. After a preliminary selection and a series of tournaments, eight of them were chosen to represent Bulgaria at the 2012 *Homeless World Cup* in Mexico City in October 2012. The Bulgarian national homeless team was dubbed the *Team of Hope*.



The Team of Hope at the legendary Old Trafford stadium

To help the preparation of the *Team of Hope* for the World Cup, GLOBUL sent players to a two-day training camp, at the Manchester United FC training base Carrington in September 2012. There, the youths trained under professional coaches from the English club's academy and played a few friendlies against local teams including the England's national homeless football team.

Furthermore, GLOBUL provided gifts for the participants and coaches in the project and company employees participated in a series of demonstration matches and tournaments in the initiative.

In 2013, GLOBUL will continue to support the project, which will cover beneficiaries from more cities - Sofia, Plovdiv, Stara Zagora, Blagoevgrad, and Vratsa. Next year for the first time will be formed female national team of Bulgaria who also will participate in the Homeless World Cup, to be held in Poznan, Poland.



Metodi Zdravkov

Head Coach of the
Team of Hope 2012

We would like to thank GLOBUL who believed in our cause and helped us when we needed it the most. I believe that with joint efforts we have achieved some truly impressive results - more than 75% of project participants from Sofia found jobs, some of them already live in rented flats, and two of the eight participants are currently students. As a coach, I had the amazing chance to closely follow the development of these boys and girls and to see how they gradually changed their behaviour, their thinking and way of life. They often say that thanks to their participation in the project they have become more disciplined, that they now communicate more easily and have become more confident.

The training camp in Manchester, organized by GLOBUL, will remain an unforgettable experience for the players, for me and for the two other coaches. Thanks to this camp we gained valuable experience of the magic called Manchester United. This experience gave self-confidence to the boys, and the matches they won at the camp proved to be a good rehearsal for the World Cup, where we were in the same group with England. Ultimately, the *Team of Hope* finished 14th out of 43 teams, and in 2013 we have the ambition to improve this achievement.

8.6.

Contribution to sport

Training Camp at the Manchester United Academy

In September 2012, GLOBUL organized a two-day training camp at the Manchester United Soccer Schools, which involved 27 young talents. Participation in the camp was a special prize for the 18 guys on the team of the *Nayden Gerov* School in Varna, who won the soccer tournament for boys in the V - VII grade group of the 2011/2012 *School Games*.

In the camp participated also the nine young disadvantaged people from the *Team of Hope* that we have already told you about.

Participants underwent a series of training workshops and theoretical classes at Manchester United's training base at Carrington, and were able to improve their skills on the field and learn about the most important qualities of a winner. Moreover, they had the opportunity to experience the unique atmosphere of the legendary Old Trafford stadium and visit the Manchester United museum.

During the camp, the young players had several friendly games against local football teams. Bulgarian children demonstrated great football skills and won with 9:0 a match with their peers from the city of Stockport, Manchester, and the *Team of Hope* won all of the five matches against players from the English national football team for homeless people.



Richard Arnold

Commercial Director,
Manchester United

Since the start of Manchester United's partnership with GLOBUL we have been very impressed by its dedication to the relationship. GLOBUL has created a unique product that has received a great response and allowed both parties to reach out to some United's one million plus followers in Bulgaria. They have also shown great enthusiasm and initiative in using its relationship with the club to invest in its local communities and like Manchester United, recognises the importance of investing in today's youth. GLOBUL's support of the Homeless World Cup project saw a group of young, talented aspiring footballers come to the team's Carrington Training Ground to train with the Manchester United Soccer Schools. It was fantastic demonstration of how both partners can work together to achieve common goals and we are all looking forward to working with GLOBUL on future projects.



The team of the *Nayden Gerov* School during the training camp at Carrington

 8.7.

Electromagnetic Fields

The impact of modern technology and in particular of electromagnetic radiation, on human health is one of the topics of great interest to many people, institutions, research organizations and public organizations. In GLOBUL we recognize the broad public interest in these issues and actively participate in the public dialogue and processes associated with the topic.

In 2012 public attention regarding electromagnetic fields (EMF) has been directed mainly to the preparation of amendments to the Health Act, the Spatial Development Act and the relevant regulations related to the rules for the construction and exploitation of EMF emitting facilities.

GLOBUL was actively involved in discussions with representatives of the Ministry of Health, members of parliament committees, experts and operators. During the discussions, GLOBUL has emphasized on its willingness for dialogue and cooperation with all stakeholders. Company representatives reaffirmed the commitment of GLOBUL to construct and operate its network in full compliance with all regulations and proposed comprehensive expertise in all matters discussed.

In December 2012, GLOBUL experts took part in the meeting of the Bulgarian National Program Committee to the International Project of the World Health Organization for protection from electromagnetic radiation. The theme of the meeting was *New trends in legislation regarding the impact of electromagnetic radiation in the workplace and in settlements. Health risk and developments in risk communication.*

In accordance with the best practices of the companies of the Deutsche Telekom and OTE Group, GLOBUL has developed its Electromagnetic Fields Policy, which regulates the main principles of the company regarding issues connected with the impact of mobile technologies (in particular the electromagnetic fields) on health and the environment and the related public interest. With the adoption of this policy GLOBUL has once again demonstrated its commitment to constructive response to public interest, adhering to the principles of transparency, information, participation, and promotion of research. Drafting of the policy and its harmonization with practices in other companies of the group finished at the end of the year and its policy was approved and published on the official website of GLOBUL in early 2013.

As part of the implementation of this policy and best practices in Europe was the company's decision to offer consumers the manufacturer's information concerning the specific absorption rate (SAR) for all models of mobile phones available in all GLOBUL and GERMANOS shops.

In 2012, GLOBUL organized a series of information seminars with representatives of the companies directly involved in the planning, construction and maintenance of telecommunication networks. In six weeks, employees of partner companies were aware of the basic specifications of mobile networks, the nature of EMF, their impact on human health and the position of GLOBUL on these issues.

Main principles from the Electromagnetic fields policy of GLOBUL.

Regarding electromagnetic fields, GLOBUL is voluntarily and firmly committed to protecting the public through activities which endorse transparency, information, consultation, participation and promotion of science.

GLOBUL recognizes the genuine public interest in the mobile communication technology both regarding handsets and base stations. With a sense of responsibility for its millions of customers, as well as for those interested parties which show a special interest due to having a base station in their neighbourhood, GLOBUL handles participation of the public, environmental issues and customer needs in an open, constructive and honest manner.

At the same time and in cooperation with state authorities and the scientific society, the company encourages independent scientific studies in health research. In order to address public interest and to ensure transparency, openness and constructive cooperation on EMF related issues, GLOBUL is committed to observe the following four principles:

Transparency

- GLOBUL has established internal responsibilities and flows of activities to handle any complaints and enquiries on technology, health and other related issues.
- GLOBUL, being aware of public interest in mobile communications supports the establishment of a National Database on locations with EMF emission.
- All of GLOBUL's base stations comply with the national safe exposure guidelines as well as with guidelines of the International Commission on Non-Ionizing Radiation Protection (ICNIRP). In order to improve transparency, GLOBUL provides for each base station and to any interested party the necessary data showing compliance with safe exposure guidelines upon request

Information

- GLOBUL is striving for cooperation with all stakeholders in order to inform the public. Also, we encourage local authorities to cooperate with the mobile industry and to set up their own information programs in order to inform the public.
- GLOBUL provides its customers with manufacturer's information on Specific Absorption Rate (SAR) values for handsets on sale, in shops.

Participation

- GLOBUL co-operates with local authorities in dealing with enquiries from their citizens in relation to network development, where possible. In order to facilitate local authorities in their efforts, GLOBUL offers relevant information about its base stations as well as on safeguarding the public health.

Promotion of Science

- At GLOBUL, we fully support improvement of scientific knowledge regarding any public health impacts through EMF.
- GLOBUL strongly believes that limit values for safe EMF exposure must be based on substantiated research and kept under constant review. Also, GLOBUL continuously evaluates scientific data by itself.

The full text of the Policy is published on the official website of GLOBUL.

8.8

Targets 2012 and 2013

Targets 2012 (10)	Fulfilment	Targets 2013 (11)
Extending the safe internet and the appropriate and safe use of new technologies and mobile content by children campaign	Fulfilled	Extending the safe internet and the appropriate and safe use of new technologies and mobile content by children campaign
Extending the safe driving campaign	Fulfilled	Extending the safe driving campaign
Extending our participation in information campaigns regarding EMF's impact on human health	Fulfilled	Extending our participation in information campaigns regarding EMF's impact on human health
Extending our participation in the DMS platform project	Fulfilled	Extending our participation in the DMS platform project
Collaboration during the organization of the <i>Bulgarian Christmas</i> charity initiative	Fulfilled	Collaboration during the organization of the <i>Bulgarian Christmas</i> charity initiative
Development of Scholarship and Traineeship programs	Fulfilled	Development of Scholarship and Traineeship programs and prolonging them to 2 months
Organizing lectures in accordance with the <i>GLOBUL Hour</i> project	Fulfilled	Organizing lectures in accordance with the <i>GLOBUL Hour</i> project and inclusion of more Technical University faculties in the initiative, as well as Sofia University
Extension of the support for <i>Homeless World Cup</i> and integration of employees with the initiative	Fulfilled	Extension of the support for <i>Homeless World Cup</i> and integration of women as participants
Start of a blood donation initiative among employees	Fulfilled	Extending the blood donation initiative among employees
Start of an initiative for funds donation as a percentage of employees monthly salary	Launched	Start of an initiative for funds donation as a percentage of employees monthly salary
		Extending of the <i>Green Olympics</i> initiative

Table 10. Targets 2012 and 2013

Key Performance Indicators

Chapter	Unit	2010	2011	2012
Marketplace				
Total revenue	million EUR	407.83	398.75	362.64
EBITDA	million EUR	169.45	153.88	130.11
Investments	million EUR	69.4	47.2	45.0
Number of customers	million subscriptions	3.9	4.3	4.5
Market share (based on Total revenue)	%	37.3	37.3	36.4
Points of sale	number	471	442	431
Employees				
Employees	number	1,334	1,255	1,327
Employee turnover	%	12.0	16.3	12.9
Fatalities	number	0	1	0
Accidents absence for more than 3 day on the job	number	2	0	0
Internal hires (coverage of open positions)	%	11	11	8
Women directly reporting to CEO	%	23.1	27.3	25.0
Employees receiving training	%	56.2	61.5	59.7
Environment				
Total energy consumption (electricity, thermal and fuels)	MWh	54,537	59,199	70,220
Total GHG emissions	ton CO ₂ -eq.	30,558	31,638	35,593
Energy production from renewable energy sources	MWh	15.6	15.3	19.0
Fuels consumption (fleet, generators and heating)	thousands litres	907	895	930
Copy paper consumption	ton	22.5	21.8	21.5
Waste paper delivered for recycling	ton	5.9	8.6	28.0
Waste generated from the network (delivered for recycling)	ton	136.8	47.4	129.2
Water consumption	thousands m ³	12.9	12.3	11.4
Paper consumed for invoices and prepaid vouchers	ton	230.6	201.0	167.9
Paper saved from e-services usage	ton	60.1	91.9	123.7
Mobile phones, batteries and accessories, delivered for recycling (incl. GERMANOS)	ton	2.8	1.3	2.4
Society				
Total paid insurances, taxes and fees	million EUR	7.72	4.33	6.27
Traineeship positions (incl. GERMANOS)	number	45	53	52
Trainees stayed to work in the company (incl. GERMANOS)	number	3	8	6
Lectures and practice exercises with students	number of lectures/ exercises	10	12	11
Student scholarship grants	number	10	10	10

Some environmental and social data are result of expert assessments, calculations, investigation, and approximations. GLOBUL guarantees for the credibility of the published information. The document has not been verified by a third independent party.



Tables for Compliance
UN Global Compact principles table

Nº	Principle	Section	Coverage
Human Rights			
1	Support and respect the protection of internationally proclaimed human rights	5.1, 5.7	F
2	Ensure not to be complicit in human rights abuse	5.1, 5.7	F
Labour Standard			
3	Recognize freedom of association and the effective recognition of the right to collective bargaining	6	F
4	Elimination of all forms of forced and compulsory labour	6.4	F
5	Effective abolition of child labour	6.4	F
6	Elimination of discrimination in respect of employment and occupation	6.4, 5.1	F
Environment			
7	Support a precautionary approach to environmental challenges	7.1	F
8	Undertake initiatives to promote greater environmental responsibility	7.3, 7.6	F
9	Encourage the development and diffusion of environmentally friendly technologies	7.2	F
Corruption			
10	Work against corruption in all its forms, including extortion and bribery	8.2	F

GRI Profile Disclosure Table

GRI Paragraph	Chapter in the Report	Coverage/Omission
Strategy and Analysis		
1.1	1	F
1.2	4.1	F
Organisational Profile		
2.1	3	F
2.2	3	F
2.3	3	F
2.4	3	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, 8.4	F

GRI Paragraph	Chapter in the Report	Coverage/Omission
Report Parameters		
3.1	2	F
3.2	4.5	F
3.3	2	F
3.4	4.5	F
3.5	4.1	F
3.6	2	F
3.7	2	F
3.8	2	F
3.9	2	F
3.10	2	F
3.11	2	F
3.12	9	F
3.13	9	F
Governance, Commitments and Engagements		
4.1	3.1	F
4.2	3.1	F
4.3	3.1	F
4.4	5.1, 6.3	F
4.5	5.1	F
4.6	5.1	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, 7.1	F
4.11	4.5, 7.6	F
4.12	4.5, 7.6	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 | P – Partially covered
NA – Not applicable | NR – Not reported data






GRI Indicator Table

GRI Performance Indicator	Chapter in the Report	Coverage/Omission
ECONOMIC		
Disclosure of Management approach	3.5, 5, 8.1	F
Economic Performance		
EC1	8.1	F
EC2	7.1	F
EC3	6.6	F
EC4	8.2	F
Market Presence		
EC5	-	NR
EC6	5.5	P
EC7	-	NR
Indirect Economic Impacts		
EC8	8.1	P
EC9	5.3, 8.1	P
EC13	5.3, 8.1	P
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
EN10	-	NA
Biodiversity		
EN11	-	NA
EN12	7.4	F
EN13	-	NR
EN14	7.4	F
EN15	-	NR
Emissions, Effluents, Waste		
EN16	7.2	F
EN17	7.2	F
EN18	7.2	F

GRI Performance Indicator	Chapter in the Report	Coverage/Omission
EN19	7.4	F
EN20	-	NR
EN21	-	NR
EN22	7.4	P
EN23	-	NA
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	F
Employment		
LA1	6.1	P
LA2	6.1	P
LA3	6.6	F
Labour/Management Relations		
LA4	6.1	F
LA5	-	NR
Occupational Health and Safety		
LA6	-	NR
LA7	6	P
LA8	6.6	F
LA9	-	NA
Education and Training		
LA10	6.2	P
LA11	6.2	F
LA12	6.4	F
Diversity and Equal Opportunity		
LA13	6.4	F
LA14	-	NR
HUMAN RIGHTS		
Disclosure of Management approach	6.4, 6.2	F
Investments and Procurement Practices		

GRI Performance Indicator	Chapter in the Report	Coverage/Omission
HR1	-	NR
HR2	5.5	F
HR3	-	NR
Non-discrimination		
HR4	6.4	F
Freedom of Association and Bargaining		
HR5	-	NA
Child Labour		
HR6	6.4	F
Forced and Compulsory Labour		
HR7	6.4	F
Security Practices		
HR8	-	NR
Indigenous Rights		
HR9	-	NA
Assessment		
HR10	-	NA
Remediation		
HR11	-	NR
SOCIETY		
Disclosure of Management approach	8	F
Community		
S01	8.4	P
Corruption		
S02	5.1, 8.2	P
S03	5.1, 8.2	P
S04	8.2	P
Public Policy		
S05	8.2	P
S06	8.2	P
Anti-Competitive Behaviour		
S07	-	NR
Compliance		
S08	5.3	P
PRODUCT RESPONSIBILITY		
Management approach	5	F
Customer Health and Safety		
PR1	8.7	P
PR2	5.1, 8.7	P
Labelling		
PR3	5.5	P
PR4	5.5	P

GRI Performance Indicator	Chapter in the Report	Coverage/Omission
PR5	5.2	F
Marketing Communication		
PR6	5.2	F
PR7	5.2	F
Customer Privacy		
PR8	5.6	F
Compliance		
PR9	5.3	P
TELECOM SUPPLEMENT		
Internal Operations		
I01	3.5, 8.1	F
I02	-	NR
I03	6.5	F
I04	-	NR
I05	8.7	F
I06	5.5	F
I07	7.4	P
I08	-	NR
PROVIDING ACCESS		
Digital Divide		
PA1	-	NR
PA2	5.2	P
PA3	5.2	F
PA4	1, 5.2	F
PA5	-	NR
PA6	-	NR
Access to content		
PA7	8.3	P
Customer relations		
PA8	8.7	F
PA9	-	NR
PA10	5.2	F
PA11	5.2	F
TECHNOLOGY - APPLICATIONS		
TA1	7.5	F
TA2	5.2	F
TA3	7.5	F
TA4	-	NR
TA5	-	NR

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



Statement GRI Application Level Check

GRI hereby states that **GLOBUL** has presented its report “GLOBUL Corporate Responsibility Report 2012” 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. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

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

Amsterdam, 11 June 2013

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

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