

# T-Hrvatski Telekom

## The 2009 Corporate Responsibility Report

### 1. CORPORATE PROFILE

The T-HT Group is the leading provider of telecommunications services in Croatia, offering a wide range of services and combining the services of fixed and mobile telephony, data transmission, Internet access and international communications.

The basic activities of HT-Hrvatske telekomunikacije d.d. and other subsidiary companies comprise provision of telecommunications services, design and construction of communications networks in the territory of the Republic of Croatia. In addition to provision of fixed telephony services (fixed-line access and traffic, as well as fixed-network supplementary services), the Group also provides Internet access services, including IPTV, data transmission services (lease of lines, ATM, X25 and Frame Relay) and GSM and UMTS mobile telephone networks.

#### 1.1 Driver of Croatian economic development

The strategy of T-HT is based on the quality of services, customer satisfaction and further development of broadband access and value-added services related to broadband access.

A low level of indebtedness, developed technological infrastructure facilitating further development of services and its own human and expert potentials are a guarantee for further growth and increase of T-HT potentials. Today, T-HT is rightly considered as one of the most powerful economic entities in the country and, as such, has been and remained one of the key drivers of Croatian economic development.

The issue of social responsibility, which is deeply rooted in all segments of functioning and operations of the Company, is operationally addressed by different organizational units on corporate level: Corporate Communications and Investor Relations Sector, HR Support and Steering Function, CFO Support and Steering Function and Technical Functions.

#### 1.2. Pillars of socially responsible activities

*T-HT* continuously fosters the values related to social responsibility in its business activities and is committed to achieving the goal of becoming the leading company in building the society of responsible citizens.

*T-Croatian Telecom* has adopted the existing strategy of social responsibility within the *Deutsche Telekom (DT) Group*. The strategy is applied in all Group members with integrated activity guidelines. *T-HT's* goal is to be a role model of a socially responsible company, which requires constant raising of awareness about the importance of social responsibility among the employees.

The strategy of social responsibility framework is based on market and customer requirements with regard to the Company and *T-HT's* potentials as the leading provider of telecommunications services..

#### 1.3. Activity areas

*T-HT* significantly contributes to development of the society with its products and services. In promotion of sustainable development in the environment, society and business operations it uses the enormous potential offered by the modern world of telecommunications and faces current challenges such as promoting the improvement of connected life and work, equal opportunities to participate in the information society and combating climate changes.

We follow the social responsibility strategy which defines three central activities where we plan to set new standards:

- *Connected life and work* – sustainable connection between life and work.  
Our contribution to this segment is a part of our core business. We are keen on assisting employees, customers and other stakeholders in improving their quality of life and work, e.g. by delivering services that constantly provide information on the move. Our mission also reflects permanent commitment to the above challenge – our goal is to be the leader in personal and business connection.
- *Connect the unconnected* – integration in the information and knowledge society.  
We want to provide as many people as possible with telecommunications services, regardless of where they live, regardless of their age, social status and physical capacities. Digital integration is an important step towards equal opportunities in today's society of information and knowledge. By expanding mobile networks, broadband Internet and connecting rural areas via fast Internet *T-HT* creates conditions in which people and companies throughout Croatia can leverage all advantages of digital media. We also develop specific services for people with physical impairments and support projects aimed at strengthening information capabilities for all stakeholders in the society.
- *Low carbon society* – different ways to create a society with lower CO<sub>2</sub> emissions.  
Provision of telecommunications services is connected with a specific level of energy consumption and CO<sub>2</sub> emissions. The Company can play a vital role in this respect by saving energy and reducing the level of gas emissions. Hence, we constantly develop ICT solutions and products that increase our energy efficiency and enable our customers to contribute to protecting the climate from undesirable climatic changes. Top quality data transmission can reduce road traffic volumes, video conferences can replace business trips and digital technology development can have a strong impact on resource savings.

By focusing on these three activity areas our strategy follows the DT Group principles and helps us to sharpen our focus on business activities and their growth. The strength of the strategy lies in close connection with Company's operations. Thanks to sustainability of our services and solutions, we can already present socially responsible business models in a number of areas. Furthermore, we are striving to make it possible for our customers to use our services in a sustainable manner and in the process of development of new services we put a special emphasis on the sustainability of use.

## **2. KEY EVENTS FOR SOCIALLY RESPONSIBLE BUSINESS OPERATIONS**

In 2007 *T-HT* joined the UN *Global Compact* initiative which supports fundamental social values within the ten principles governing socially responsible business operations.

In 2008 the renowned agency for research and rating analysis of corporate responsibility and compliance with sustainable development, Oekom Research, awarded "prime" rating to *T-HT*.

In 2009 *T-Croatian Telecom* became a member of the sustainability index CEERIUS for 2010. CEERIUS (CEE Responsible Investment Universe) is a sustainability index used by the Vienna Stock Exchange for the area of Central and Eastern Europe and it includes the leading companies rated with regard to their social and ecological awareness and business results.

## **3. SOCIALLY RESPONSIBLE BUSINESS OPERATIONS**

### **3.1. Anti-corruption activities**

The overall operations of the Company are based on integrity and compliance, i.e. on observing the laws, standards, internal and external regulations. *T-HT* adopted the Code of Conduct as early as 2006 and it is applied to all employees. In 2008 Compliance Department was established, headed by Compliance Officer. In 2009 the Compliance Department organized training of the management and employees on

implementation of anti-corruption activities. Apart from the Office entrusted with operating tasks, Compliance Committee was also formed whose task is to consider all reported cases and advise employees in the process of taking decisions on necessary measures.

At the beginning of 2009 the consultation portal *Ask me!* was established which makes it possible for all employees of the *T-HT Group* to ask for expert and quick response to all open issues from the area of compliance. The portal *Tell me!* was established as a separate channel providing every employee with the possibility to submit an anonymous or confidential report on violation of the law or the Code of Conduct. These tools were promoted via internal campaign aimed at raising employees' awareness about the existence of compliance function and the importance of compliant operations.

Internal gift policies have been adopted and additional guidelines are developed with a view to promoting responsible business conduct. The process of annual planning of activities has been introduced, based on assessment of risks related to (non)compliance according to the modern methodology used for evaluation of potential scenarios regarding improper business conduct. This approach facilitates early and adequate response, as well as timely prevention of undesirable events through targeted trainings and promotional campaigns within the Group.

### **3.2. Protection of personal data**

*T-HT* pays special attention to protection of personal data of its customers, shareholders, employees and sales partners. The Company applies in its operations an additional, special code of conduct governing this area, together with statutory regulations. A separate work unit was established with the same goal and data protection officer was appointed accordingly, all with a view to providing relevant support to business operations and ensuring the realization of relevant rights of users of Company's services and other parties whose data have been obtained.

*T-HT* lives up its responsibility for security of data related to customers and their services and, to this end, introduces ISMS – Information Security Management System in all business areas. The above system ensures optimum level of information and service security through a systematic approach to processes, information systems and employees. Besides, a separate organizational unit has been established which is entrusted with implementation, maintenance and management of the system in question. In order to achieve the best possible results during implementation of the above system, we opted for ISMS implementation according to ISO/IEC 27001 international norm which is an example of the best practice in implementation of the subject system. The fact that we obtained ISO 27001 certificate for the area of traffic data processing, which is certainly one of the most sensitive data groups in *T-HT* in terms of security, proves that the implementation was successful.

### **3.3. Relations with suppliers**

Sustainable procurement program is a procedure used for procurement of products and services within the whole *DT Group*, while taking into account different aspects. The Company constantly strives to use the best value for the money invested while taking into account parameters such as price, quality, availability and functionality, environmental protection aspects and impact of products and/or services on the environment in a life cycle, social aspects, impact on issues such as reduction of poverty level, international capital in distribution of resources, working conditions, human rights etc.

Sustainable procurement guidelines represent development in the direction of defining the overall procurement strategy and policy in the future and it will apply to every member of the *Deutsche Telekom Group*. This strategy will certainly provide a platform for taking decisions during selection of new and developing relations with the existing suppliers.

Sustainable procurement program includes supply chain management with regard to social and ecological risks and the possibilities for long-term benefit for the company, selection of suppliers according to common and clear defined minimum standards (e.g. Social Chart, Convention of the International Labor Organization), regular check of predefined processes revised by responsible persons, taking efficient measures in case of non-compliance with the defined procedures including standard escalation procedure.

Sustainable procurement program within *Deutsche Telekom Group* prescribes requirements for suppliers to respect cultural, social, political and legal diversity of all nations and societies and imposes on them the obligation to protect internationally applicable human rights; recognizing the fundamental right to freedom of association and the right to collective bargaining within the existing national regulations and contracts, exclusion of any form of compulsory labor, taking the responsibility for non-exploitation and abolishing any form of child work and the guarantee that the minimum employment age complies with the regulations of respective country, elimination of any form of discrimination at work and explicit commitment to advocating equal opportunities and diversity of all employees, adequate payment based on contract in accordance with relevant national labor market and prescribing minimum salary guaranteed by the law, guarantee that relevant national regulations on hours of work and regularly paid annual vacation will be observed, support to employees' training and development for the purpose of maintaining a high level of work execution standard on all levels in the company, ensuring all necessary safe and healthy working conditions in accordance with the standards applicable in respective country and support to further development with a view to improving working environment.

### **3.4. Responsible marketing**

The Company complies with the Code of Advertising Standards which prescribes advertising rules and principles. In this respect, communication may not include anything that would offend the public with regard to generally accepted public moral and decency, neither may it abuse consumer trust or take advantage of their lack of experience or knowledge.

## **4. HUMAN RESOURCES**

### **4.1. Company of satisfied employees**

In today's economic climate only the flagship companies have the opportunity for development whose high quality products and services not only meet, but also surpass customers' expectations. The achievement of this high set goal requires exceptional commitment of employees who constantly improve their skills and knowledge in order to ensure the necessary level of professionalism and put their competences, expertise and professional conduct at the service of customers.

For a fifth successive year, *T-HT* has been given the award *Employer of the Year* by the portal *My Job*. According to last results of Company culture survey, more than 75% employees feel excellent or very well at *T-HT*.

The goal of our Company is to offer the working conditions in which the employees can develop their potential to the maximum extent and at the same time develop their personal competitiveness. Only in this way can we attract and retain the best people and achieve good business results as a socially responsible company with satisfied employees.

*T-HT* is committed to this approach and to this end it particularly cares for the interests of its employees by providing them with a number of benefits, on top of the ones stipulated by the law. One-off financial support, annual vacation bonus, annual performance bonus, more favorable services of *T-HT* and other companies and systematic investment into additional training of employees, just to mention a few benefits.

Therefore, it is not surprising that according to the last results of corporate culture survey more than 75% employees feel excellent or very good in *T-HT*. It should also be mentioned that *T-HT* has been honored as Employer of the Year for the fifth successive time since 2004.

## 4.2. Code of Conduct and Guiding Principles

The Code of Conduct sets clear standards of business conduct which are based both on superior economic results and on superior ethical principles. The Company's values encompassed by the five Guiding Principles, which define what we are committed to, how we work as a team and what we believe in make the basis for the common culture of the *T-HT Group*.

The Guiding Principles are not only the basis for our business decisions and processes, but also the basis for interpersonal relations in the Company.

The Guiding Principles are a system of values that govern our everyday work, the guidelines which promote ethical conduct, mutual respect, team work, achievement of best possible results in easiest possible way, open dialogue, taking responsibility, creating an environment in which exceptional results are encouraged, recognized and appreciated.

By observing the common standards of conduct, both with regard to our customers and to colleagues, we create a pleasant working atmosphere and contribute to overall business success of the Company.



Team together – Team apart



Customer delight drives our action



Best place to perform and grow



Respect and integrity guide our behavior



I am T – Count on me

## 4.3. Knowledge as driver of development

Every person is accountable for his/her own development and the beneficiary of his/her personal progress, and the company supports his/her efforts. Formal education which we acquired in earlier stages of our life is not sufficient any more to maintain the necessary level of expertise because constant developments in the area of technology, economy and all other segments of life and work impose the need for lifelong learning and development as a lifestyle. The knowledge of today will not be sufficient in tomorrow's world, which applies equally to technology, sales, marketing and human resources.

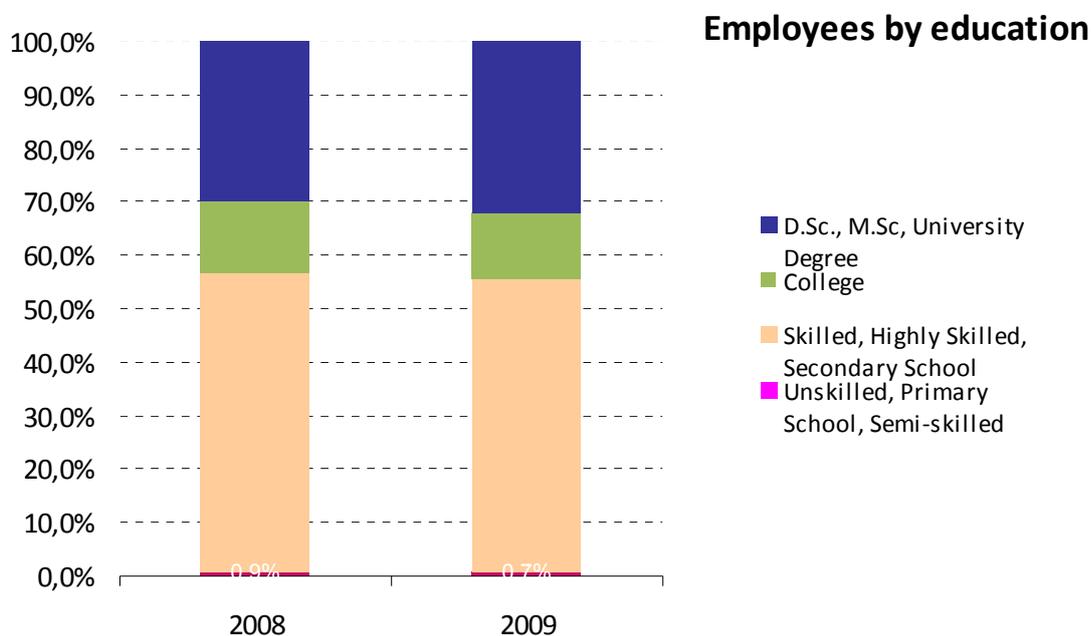
The Company facilitates development of our skills and knowledge so that we can be successful in the future as well, surpass customers' expectations and ensure both personal and professional future by expanding our knowledge. Every year more than 3000 employees are included in various training programs. Beside different professional trainings sessions which cover technology, IT and other business areas, *T-HT's* employees also participate in programs devised to develop competences and interpersonal skills of the following target groups:

- Management development: management, strategic thinking, corporate finance, team leading, feedback culture, motivational and situational management
- Employee development: project management, communications and presentations skills, negotiation skills, stress management, finance for non-financials and service culture

The innovative solution of distance learning (e-learning), which is always available and user friendly, offers a variety of contents – ranging from know-how intended for specific groups of employees to overview of our services and *T-HT* glossary.

#### 4.3.1. Growth – Development of Experts

Identifying and motivating high quality employees is a big asset for the company and its performance. *T-HT* is one of the few companies in Croatia in which career can be developed in two directions – manager and expert one, thus making it possible for employees to shape their development according to their affinities and competences. The program Growth – Development of Experts, launched in the technical area, gives experts the possibility to achieve higher levels of expertise and thus retain their personal competitiveness and mobility by investing into know-how and competences.



Employees by education (T-HT & TMHR)

Status: as at 31 December 2009

#### 4.3.2. Cooperation with the academic community

*T-HT*'s large project of establishing intense long-term cooperation with Croatian academic community was initiated in November 2006. The Faculty of Electrical Engineering and Computing of University in Zagreb and *T-HT* signed a Frame Contract on cooperation in scientific-research and development activity with a view to promoting transfer of knowledge and ideas between science and economy via specific projects.

The following activities are included within the agreed cooperation: monitoring of work and progress of gifted students, organization and implementation of specialist programs, improvement and profiling of undergraduate and postgraduate courses curricula in the part of optional courses covering the issues related to telecommunications systems.

*T-HT* also awards the best students of the Faculty of Electrical Engineering (FER) for a previous academic year and supports students at international professional student competitions. On the other hand, FER develops projects, studies and reports for the needs of *T-HT*. In short, the purpose of this cooperation is to contribute to strategic development goals of the contracting parties and to the development of competences of their employees.

Apart from FER, there is also cooperation with the Faculty of Law in Zagreb. Cooperation is planned also with other faculties and universities which are interesting for *T-HT* as potential sources of high quality personnel.

In 2009, the Group expanded the existing *T-Mobile's* project and announced *T-HT* Scholarship competition. Among excellent candidates from the Faculty of Electrical Engineering and Computing in Zagreb, the Faculty of Electrical Engineering, Mechanical Engineering and Naval Architecture in Split and the Faculty of Electrical Engineering in Osijek 11 undergraduates were selected who not only have excellent results and regularly fulfill their faculty obligations, but are also interested in a wide range of subjects and are actively involved in sports, cultural activities or in associations, i.e. they show maturity, versatility and motivation for achievements and personal success.

#### **4.4. Care for employees' health**

Our Company takes care for employees' health, not only by ensuring proper working conditions and safety at work, but also through organized stress management training sessions and a number of other benefits aimed at maintaining employees' health.

##### 4.4.1. Annual medical check-up

All employees can go through a medical check-up once a year, in accordance with medical standards. The Company also contracts, if possible, additional benefits in the medical institution where medical check-up is made, such as discounts on the price of any additional medical check-up and examination at worker's request or as recommended by a physician during the annual medical check-up, discount for medical check-ups of employee's family members etc.

##### 4.4.2. Vaccination against influenza

Prevention is vital to health. This is why the Company organizes, once a year, free vaccination against influenza for all interested employees.

##### 4.4.3. Sport and recreation

Recreational sport is a tradition among *T-HT's* employees whose engaging in different sports and recreational activities is organized and supported by the Company. *T-HT* provides its employees with the possibility to practice fitness and engage in a number of other sports, free of charge – football, table tennis, five-a-side soccer, basketball, volleyball, badminton, bowling, swimming, darts, tennis, shooting, hunting, fishing, chess, bocce... Sports meetings "T-HT Days", which are organized every year, provide an opportunity for socializing, sport and entertainment.



#### 4.4.4. Children are our joy



Childbirth is definitely one of the most beautiful moments in parents' life. There is a brochure Maternity and Parental Leave – All You Need to Know for parents-to-be, which is unique in Croatia because it contains all information that may be necessary before, during and after the maternity leave.

*T-HT* cares for the children of its employees. Apart from cash Christmas gift which they receive every year in December, the Company particularly supports schooling of children of single parents and deceased employees.

#### 4.5. A friend in need

The foundation *PrijaTelj* (Friend) was established in September 2009 with the aim of financially assisting the existing and former employees in dealing with emergency situations such as increased costs of treatment of employees and their family members, natural disasters or other potential problems. In the year 2009 the foundation Friend also provided financial assistance to some parents for the purpose of buying school books for 1200 students.

#### 4.6. Cooperation with social partners

There is a continuous partner dialogue with our social partners, unions and workers' representatives in workers' institutions. The applicable Collective Agreement reflects a high degree of workers' rights in *T-HT*.

Given the pronounced economic recession, a high unemployment rate in the Republic of Croatia, Social Partnership Agreement was signed in November 2009 by which the signatories established that surplus management program would not be implemented in *T-HT* in the course of 2010. This Agreement demonstrates once again the Company's social responsibility dimension in developing social partnership and constructive partner approach which create conditions for social peace and help the Company focus on customer needs and market demands in a time of crisis

#### 4.7. Support Plus

The program *Support Plus* is an additional system of care for the employees who are included in Surplus Management Program on account of necessary business related changes. It provides employees with support and assistance when they enter the open labor market and facilitates their adaptation and resolving the issue of their future work status. Workers who are identified as technological surplus are not only paid additional severance, which is among the highest in the Republic of Croatia, but are also provided with free professional assistance and professional orientation. Apart from workshops on writing CV, the Program also includes individual counseling, mentorship and guidance on how to set up one's own business.

#### 4.8. Preparation for retirement

*T-HT* established, in cooperation with voluntary pension company *Raiffeisen*, Closed-End Voluntary Pension Fund of *T-HT* for employees who want to make additional retirement contributions to enhance their pension benefits. Apart from more advantages of saving in a fund (state financial incentives, reduction of tax base for personal income tax, fund yield), the Company also provides additional funds for every employee who joins the Closed-End Voluntary Pension Fund of *T-HT*.

#### 4.9. Respect for diversity and advocating equal opportunities

At the end of 2009, the ratio of women and men in the Company's headcount (6,116 employees) was 35:65. The share of women in managerial positions (49%) significantly surpasses the share of women in the headcount (35%). There are two women and three men in the Management Board of *T-HT*.

It is regularly monitored through Employee Satisfaction Survey whether all employees are respected, regardless of their gender, religion, nationality etc. According to the results, *T-HT* really lives up to its Code of Conduct.

#### Management structure by gender (T-HT & TMHR)



Status as at 31 December 2009

## **5. CUSTOMER RELATIONS**

### **5.1. Call Center**

Beside the points of sale, T Centers and field groups, Call Center is the first point of contact that a customer has with the Company and its agents are always ready to answer all kinds of enquiries or help, which is evidenced by the fact that e.g. in October 2009, T-Com's Call Center agents answered more than 6.1 million calls directed to customer services and more than 28.8 million calls to information services. The basic guideline of Call Center work is, of course, focus on customers to which agents provide support on a 24/7 basis.

Customer care and focus on customer satisfaction is also the main mission of T-Mobile's Call Center. Its agents are ready to answer all questions or provide support on a 24/7 basis, by phone, e-mail, postal mail and fax. Fostering and encouraging two-way communication with customers creates a basis for their satisfaction. In Call Center are also addressed customer complaints sent to the Center, information is provided, products and services are sold in the manner that every customer is approached individually and offered the service tailored to his/her specific needs.

### **5.2. Special services for young people**

We want people to use our technologies in a responsible way, which is why we have created special services intended for targeted customer groups. With this in mind, we have created products for young people which will provide them with the possibility of cost control and the possibility to protect themselves from undesirable calls and contents. These services include call barring which enables them to bar certain groups of incoming and outgoing calls by using a four-digit password, e.g. *SMS Daj nazovi (Call Me Back)*, the service which makes it possible for children to contact their family members even if they have less than 50 lipas on their *Simpa* account. All *Simpa* users can send up to 10 *Call Me Back* messages a month to customers of *T-Mobile* Croatian network.

Besides, Iskon has offered to pupils, students, employees and associates of CARNet member institutions, in cooperation with CARnet, packages tailored to their specific needs: DUO package which includes fast Internet access and calling and TRIO package which additionally includes digital TV.

### **5.3. Discount for disabled persons**

Disabled persons are granted discount on monthly subscription fee and on telephone calls in fixed network. The customers that meet the requirements have to contact the Association of Disabled Persons or relevant association which will in turn contact the Company so that discount can be granted.

### **5.4. Special services for socially disadvantaged citizens**

For low income customers the Company has designed a special tariff package which includes the monthly subscription fee of HRK 30 (plus VAT). The package does not include realized monthly traffic and it is intended for users or owners of telephone lines that permanently receive assistance according to Social Welfare Act. Every household can activate one package only, and it applies to all national and international calls and calls placed to mobile networks.

## **5.5. Discounts for Croatian Homeland War disabled veterans**

Homeland War disabled veterans are granted discounts that depend on degree of physical impairment. In order to realize the right to discount, they have to submit a disability certificate in person in a T Center, which can also be done by relevant association on their behalf.

## **5.6. Making T Centers accessible to disabled persons**

Out of the total of 56 T Center points of sale, 55 are accessible to disabled persons. All 9 *T-Kiosks* are also accessible to disabled persons.

## **5.7. Parental protection on MAXtv**

*MAXtv* users can activate the service *Parental Protection* which prevents access to contents that are inappropriate for children. The activation of *Parental Protection* prevents children from viewing inappropriate TV channels and films from *MAXtv* video store. This feature is easily activated by entering PIN.

## **5.8. Protection for Internet users**

*T-HT* provides its users of Internet services with several types of protection so that they can access the Internet more securely, e.g. the package *Surf Safely*, *Antidialer* and anti-virus protection.

## **5.9. Home Monitoring**

As of the end of 2009 all *MAXadsl* users can use the service *Home Monitoring*, which is ideal solution for all people who want to be connected with their home at any time and be sure that everything is OK at home. In case of any unpredictable or undesirable situations, *Home Monitoring* Service will alert the customer accordingly.

## **5. 10. WebBill**

Monthly itemized bills can be checked via the Internet, which is an excellent possibility to control costs at any time.

## **5.11. Voice-bill**

Automated check of bill balance for the last billing period, total liabilities, current consumption and bonuses, intended for residential customers. It is activated by calling the free telephone number of the Call Center and requires customer identification.

## **5. 12. E-bill**

*T-HT* has offered its residential customers faster and easier delivery of bills for provided services by introducing e-bills, which saves paper, natural resources and time as well.

### **5. 13. T-Automated Payment Machine**

*Platomat* (Automated Payment Machine) is a unique channel for payment which is unique on the market. It is a self-service payment machine for collection of bills which has made payment of bills much easier and user-friendly at points of sale.

### **5.14. E-payment slip**

In cooperation with *Zagrebačka banka*, the possibility payment of monthly bills has been expanded with the service that sets new standards on the Croatian market. Payment slips with printed bill amounts and with the number of Internet and mobile banking make payment easier.

### **5. 15 T-Com Payway**

This system is a completely secure service of online authorization of credit cards for payment of products and services via the Internet. It ensures complete security of payment via the Internet.

### **5.16. Technical Corner**

Well trained employees at points of sales and in T Centers are ready to provide free technical support to a number of customers who need their services.

## **6. COMMITMENT TO THE SOCIETY**

### **6.1. T-HT Conference Growing through Knowledge**

This conference stresses the importance of knowledge for individual and social growth and it is attended by persons from business, political, intellectual and media life in Croatia, together with best students from the faculties with which *T-HT* has successful cooperation. Having this in mind and following its permanent commitment to the society of knowledge, *T-HT* conceived and organized for the first time, in 2008, the conference which hosted world renowned experts, namely Benjamin Zander, an inspirational speaker and music director of the Boston Philharmonic, who talked about the link between business management and music, and Jimmy Wales, the founder of famous Wikipedia.

In 2009, the second conference Growing through Knowledge was held, with exceptional speakers and topics.. World famous lecturers participated in the conference whose works and ideas inspire people throughout the world. Muhammad Yunus, Nobel Prize laureate, and Dan Ariely, a behavioral economist, delivered exceptionally inspirational lectures. It was the first time in Croatia that the issue of richness of human potentials, combating poverty and irrationalities of everyday life were addressed in such a way. Therefore, it is not surprising that numerous attendees, including the best students from some faculties, were delighted to hear the outstanding speakers.

### **6.2. Support to expert meetings and conferences**

*T-HT* has partnered Microsoft for the third year in a row in the project *Imagine Cup*, which gathers student and pupil teams from all over the world in the field of information and communications technology development. The basic theme and idea behind *Imagine Cup 2009* was the development of technological solutions aimed at addressing global problems: combating famine and poverty, ensuring primary education, advocating gender equality, maternity health etc.

As in previous years, *T-HT* also supported in 2009 the biggest technological conference in Croatia, *WinDays 2009*, the MIPRO conference (*the largest international convention in the region on information and communications technologies, electronics and microelectronics*), *Vidi Web Top 100* competition and other events related to the telecommunications sector, economic development and development of the IT community. *T-HT* has once again confirmed its position of the leading telecommunications operator in

Croatia by supplying funds or necessary telecommunications infrastructure and equipment for a number of international and national forums and conferences.

### **6.3. Education – strategic guideline for donations**

*Net in School* is a project which was started as early as 2001. *T-HT*, as the leading provider of telecommunications services in Croatia, in cooperation with the Ministry of Science, Education and Sports, provides within this project free Internet access to all elementary and secondary central and branch schools in Croatia totaling 2635. *T-HT* also provides all students of the above mentioned schools with up to 100 million dial-up minutes in total or three million packages of 256 MB *adsl* traffic during a school year. It should be mentioned that since 2005 all primary and secondary schools in Croatia with *adsl* have been given free access to broadband Internet (*MAXadsl Flat 10 Mbit/s /512 kbit/s*). Currently, more than 1100 schools are included in *ADSL VPN Net in School*.

In the school year 2009/2010, as many as 561,455 students were included in the project.

Within the action *Together We Are Stronger* as many as 25 projects from the area of science and education were awarded funds in 2008. The projects awarded within the action were donated IT equipment for the blind and visually impaired or children with developmental disorders, as well as equipment for free IT courses, equipment for scientific research was procured and smaller scientific projects were financed.

In 2008, 17 homes for children without adequate parental care and their regional homes throughout Croatia were equipped with free access to fast Internet – *MAXadsl*, and PCs were also provided for Internet access, as well as free viewing of TV contents via *MAXtv*. *MAXtv* and *MAXadsl* were donated for a period of two years on 29 locations in total, so that the subject donation was also realized in the course of 2009.

Within the action *Let's Give a Gift of Knowledge*, devised for 2008 holidays, *T-HT* supported as many as some twenty educational projects with more than 1.2 million kunas in total and thus proved once again that education is one of the most important strategic donation priorities. In order to stress the importance of knowledge for all segments of the society, various educational programs were supported within the same project focusing on different age groups, ranging from pre-school children, secondary school students, university students, children and adults with special needs and seniors.

As a part of cooperation with the Croatian Informatics Association (HSIN), in 2008 and 2009 T-Croatian Telecom provided adequate gifts for all the pupils who won awards at the Central European Olympiad in Informatics or the International Olympiad in Informatics. Since 1997 T-HT has been continuously cooperating with HSIN, providing support for the organization of summer and winter school of informatics, state competitions, and informatics days.

In the year 2007 *T-Mobile* became patron of the elementary school “Nad lipom” in Zagreb and supported its candidacy for international eco school. International eco schools present special programs aimed at educating and raising awareness among children about the importance of environmental protection. This status, which is awarded by Eco-Schools International Coordination, is subject to renewal every year. *T-Mobile* continued to provide support in 2009 as well. Besides, *T-Mobile* also supported projects related to waste disposal and landscaping of school's surroundings.

### **6.4. Investing into health care system**

In 2009, the *T-HT Group* continued the initiative of investment into health care with the focus on emergency medical services, in accordance with the initiatives of *T-Mobile*. The latter has focused its donation programs, since 2006 already, on emergency medical treatment, having in mind that mobility and efficient communication are particularly important when it comes to rescuing human lives and has to this end donated funds for procurement of medical equipment for emergency medical treatment services throughout Croatia.

Accordingly, *T-HT* donated funds for necessary medical equipment, in December 2009, to six medical institutions throughout Croatia: General Hospital "Sestre milosrdnice" in Zagreb, Emergency Medical Treatment Institution in Rijeka, emergency medical treatment clinics in health centers in Vukovar, Šibenik, Dubrovnik and Slavonski Brod. These donations were made according to professionals' suggestions and fully respond to the existing needs of respective institutions. From 2006 onwards, the total funds donated to health care system for the purpose of procurement of medical equipment throughout Croatia has reached almost 10 million kunas.

### **6.5. 060 numbers for raising funds**

As the forerunner of this donation model, intent on contributing to the society by providing its technology, *T-HT* has been systematically providing organizers of large humanitarian actions with 060 numbers for their worthy causes since 2001 already. In 2009 the number 060 was used by as many as 13 actions in the campaigns of providing support to patients suffering from a rare and severe skin disease (Association *Debra*), ensuring better hospital treatment for patients of pediatric hospital in Osijek (*Foundation Milo moje*), encouraging donation of blood stem cells (Association *Ana Rukavina*) or providing support for university education of abandoned young persons of full age and fostered young persons (Rotary Club Zagreb Kaptol). In all these cases *T-HT* has paid the full amount of funds raised by calling donation number to respective action organizer. The Company also has established the telephone number for raising funds for the victims of earthquake in Haiti, as well as SMS short code for raising funds via mobile phones. In 2008 donation number was used by 11 actions – in the action Peter's Labor Room for refurbishment of the Gestational Pathology Section II of the Clinical Hospital Center Zagreb (the Association Healthy Newborn), in the action Depending on Us for finalization of construction works on the Drug Treatment and Rehabilitation Center in the village of Orle (Association Pet+) and for providing support to the programs of the Association for Therapeutic and Recreational Horseback Riding Nada from Vrbovec and the Association of the Blind of Istria County from Pula.

In 2008 *T-Mobile* supported the Center for Autism after funds had been raised by the humanitarian concert of the singer Nina Badrić.

### **6.6. Children protection and assistance**

In the year 2009 five-year partnership of *T-HT* and *UNICEF* in Croatia was in the first place realized through the project *First Three Matter Even More*, which was an expansion of the previous year's project for encouraging responsible parenting for parents whose children have developmental disorders. In order to enrich its regular financial support to the project, *T-HT* made and sent donation payment slips in 2009 as well and thus made it possible for users of its services to directly participate in the worthy *UNICEF* project. This partnership has contributed to raising awareness about yet another very important issue – foster care of children.

The cooperation with *UNICEF* was continued in 2008 through the educational project *Break the Chain!*, designed as part of the program of educating children against cyber bullying. The basic message of the campaign was to highlight the fact that abusive messages sent by mobile phones and the Internet can have severe consequences on children. Children can stop cyber bullying if they decide not to forward such messages and thus help their peers who are victims of cyber bullying. Adults, parents and teachers can instruct children how to behave properly in the world of new media and in this way prevent violence before it happens.

The Company continued cooperation also throughout 2009 and actively participated in protection of children and young persons by providing them with relevant services and instructions on proper use of mobile technology via Internet pages.

A special screening of a film from the project *Digiteka* in 2008 was a gift to children from children's homes - SOS Dječje selo Lekenik, Children's Home Zagreb and Caritas.

### **6.7. Participation of employees**

The action *Closer to Smiles* was initiated in December 2006 in *T-Mobile*, when employees collected gifts for children in hospitals and children's homes throughout Croatia. In 2008 the action was joined also by

the employees of the whole *T-HT Group* who showed that they care for children who are in an unenviable position.

For a fourth successive year the project *Together We Are Stronger* was realized. It is special because *T-HT's* employees have the key role in the project - they identify the needs and propose projects from their immediate environment. Out of 230 applications received in 2008, 25 projects were selected and awarded funds totaling HRK 1,250,000. Out of 178 applications received from all parts of Croatia in 2009, 25 projects were selected and awarded funds totaling HRK 1,133.700. Support was provided, among others, to the helpline for abused and neglected children of the Association *Brave Phone*, "Mi" - the association of parents of children with special needs from Požega, "Bubamara" – the association of disabled persons from Vinkovci, equipment for vehicles and elevators for people with walking disability or impaired mobility were procured for the Zagreb East Medical Center and the project of creative therapeutic work with children with developmental disorders in Studio Tanay in Zagreb was supported, just to mention a few.

The Company joined the action of Zagreb Volunteer Center for two successive years, both financially and with direct engagement of its employees. After they had participated in painting the Home for Children with Behavioral Problems in Dugave, in 2008 employees participated in the action entitled *Volunteers and Homeless Turn Street Lights On*, in Zagreb Volunteer Center teams, selling the magazine *Street Lights* in streets.

During the competition for the best amateur photography *Photo Tower* the employees of the Group showed not only their creativity and high quality of photographs, but also their humanity by selling the photographs at internal auction. In this action employees donated money, together with Company's contributions, for two successive years (2008 and 2009) in the amount of HRK 100,000 respectively to Special Hospital for Children's Chronic Diseases Gornja Bistra.

Towards the end of 2009, *T-HT's* employees donated their time to children in children's homes in Zagreb, Lovran, Split and Osijek and took them to the cinema to see some popular films, instead of traditional gathering and bestowing of gifts.

## **6.8. Cultural projects**

Announcing the third successive competition *T-HTnagrada@msu.hr* in 2009 marked also the third year of cooperation between T-Croatian Telecom and the Museum of Contemporary Art. *T-HT's* collection – works of art awarded in this already traditional and by public well received competition were also exhibited in the Museum, which was opened towards the end of the year. The cooperation of the leader in new technologies and the most important institution of contemporary art is based on logical combination of contents which have the common denominator. Apart from financial support, T-HT will also provide support to the new museum with its telecommunications services.

In 2009 *T-HT* continued its long-time tradition of sponsoring Croatian National Theaters in Osijek, Split, Rijeka and Varaždin, as well as the City Drama Theater Gavella in Zagreb. It sponsored a premiere in each of the above theaters. The Company regularly donates a sponsored performance to citizens of the cities in which respective theaters are sponsored.

In 2008 *T-HT* launched, together with the partners Croatian State Archives, Croatian Film Archives, Jadran Film and Croatia Film, the unique project of digitalization of Croatian film classics entitled *DigiTeka*. The aim of the project is to preserve Croatian film heritage and make it available to as many users as possible with the help of modern technologies.

For the fifth successive time, T-Com continued in 2009 the project "KulTurst" with the aim to popularize cultural events in Croatia and to keep such projects on track. The project name "KulTurst" refers to sponsorships of major film and theater related cultural events. In 2008 the list of sponsored events included:

Vukovar Film Festival, Pula Film Festival, Split Summer, Libertas Film Festival, International Festival of Small Scenes in Rijeka, Zagrebdox, International Children's Festival Šibenik, Cest is d'Best and Ulysses

Theater, while in 2009 *KulTurist* included Pula Film Festival, Split Summer, Vukovar Film Festival, Ulysses Theater, ZagrebDox and Libertas Film Festival. In 2009 Iskon sponsored Motovun Film Festival.

*T-Com*'s Internet portal [portal.hr](http://portal.hr) established the most lucrative literary prize in Croatia, worth HRK 100,000 net. As many as 53 applications were received in 2008. The literary prize [roman@portal.hr](mailto:roman@portal.hr) in 2009 was awarded to the writer Drago Glamuzina for his novel *Three*, while in 2008 the prize went to Dalibor Šimpraga and his novel *Anastasia*.

In 2009 *T-HT* sponsored the festival *Sa(n)jam knjige* (Book Fair) in Pula and *T-Mobile* sponsored the festival of chamber music *Julian Rachlin and Friends* in Dubrovnik.

In 2008 *HT Museum* organized the exhibition entitled *Telephones Throughout Time*, which was certainly very important for Croatian culture as the exhibited telephone sets ranged from 19th century nineties to 20th century sixties.

The biggest musical highlight in the year 2009 was definitely *T-Mobile INmusic festival*, considered to be the most successful so far. It was held for the first time under the patronage of *T-Mobile*. It will be remembered for excellent performances of the band Kraftwerk, Lily Allen, Moby, the bands Franz Ferdinand, N\*E\*R\*D\*, Anthrax and other performers.

The third successive festival of demo bands, *Minival*, was held under the sponsorship of *T-Mobile*. Apart from the fact that the initiative was very well received by young population, the band Crno Tržište (Black Market) from Đakovo was given the opportunity to perform at *T-Mobile's INmusic festival* as the best band according to public votes.

In 2009 cooperation was renewed with one of the leading Croatian musicians Zlatan Stipišić – Gibonni, who announced a new album with his single "Žeđam" (Thirsty for You), expected to be released in April 2010 under the sponsorship of *T-Mobile*.

## 6.9. Sports projects

Given the huge influence of sport on society as a whole, *the Group* continued in 2009, as main sponsor, its longstanding tradition of cooperation with the Croatian Olympic Committee which was started as early as 2001, thus connecting the values of *T-HT* with the best tradition of the Olympic Games: fair competition and encouraging young people to work hard in order to achieve their goals and become valuable community members.

*T-Com* has traditionally continued to actively support the development of sports culture through the project *I Love FooTball*, by ensuring better conditions for the development of football as the most popular and major team sport in Croatia. Within the project *I Love FooTball* *T-Com* sponsors, in addition to its extensive several-year sponsorship of the Association of the First Croatian Football League, also the Croatian national football team, i.e. Croatian Football Federation, as one of the key partners. Iskon has also sponsored Croatian Football Federation for many years, since 2001 already.

In 2008 *T-Mobile* was the general sponsor of the Mrduja Regatta, the sponsor of Open Croatian Championship Optimist, *T-Mobile League 13*, and general sponsor of Easter Regatta on the island of Hvar. Apart from sponsorships and prestigious regattas, we are also personal sponsor of the yachtsman Ivan Kljaković Gašpić - Bambi, who won the gold medal at the European Championship in the Finn class in Bulgaria and became the European champion.

In 2009 Iskon continued to support Croatian Academic Table Tennis Club (HASTK) Mladost Iskon. It also sponsored telecommunications services at the tennis tournaments ATP Zagreb Indoors and Zagreb Open for a second year in a row.

## 7. ENVIRONMENTAL PROTECTION

### 7.1. Care for the environment as an important part of corporate culture

Environmental protection represents an important part of *T-HT*'s corporate culture so that care for the environment has been traditionally present in various activities for a number of years. *T-HT* has made its Environmental Protection Policy, by which it has committed itself to an active approach, available to all parties concerned and has publicly proclaimed its plans and commitments in this respect. *T-Mobile*, a mobile division of the *T-HT Group*, is certified according to ISO 14001 standard for environment management. In the course of 2009, the project of joint introduction of ISO 14001 environment management certificate was launched on the level of *Deutsche Telekom Group* in order to increase transparency, align the criteria and develop a single approach to customers, citizens and rating agencies. In June 2009 *T-Mobile* was among the first companies in the *DT Group* to be integrated in the joint certificate.

On the international scene, *T-HT* has been a long-time member of the European Telecommunications Network Operators' Association (ETNO) and signatory to its Charter on Environmental Protection and Sustainable Development Charter by which *T-HT* has committed itself to environment protection management according to valid international norms and best European practices. *T-HT* also joined the UN Global Compact, which advocates the principles of ethical business, including environmental protection. In 2009 the first Communication on Progress (COP) was prepared and published.

In its ecological efforts the Company strives to meet the needs of its customers: by using innovative solutions the Company has expanded its offer with a number of services that can reduce adverse effect on the environment, both within *T-HT* and on customer side (WebBill, e-bill, e-vouchers etc.). Conditions have been provided in all T-Centers for collection and further ecological disposal of old mobile phones and batteries. *T-Mobile*, the first mobile operator in Croatia to start organized collection and disposal of old mobile phones has so far disposed of more than 80,000 old mobile phones with chargers and batteries.

In *T-HT* special care is paid to disposal of waste generated as a consequence of our business activities. We manage waste in the manner prescribed by Waste Act and other subordinate legislation and in this way strive in the first place to prevent or at least reduce generation of waste. The above is accompanied by separate waste collection for recycling purposes and disposal of waste by handing it over to companies authorized for waste collection. In order to sort out different types of waste, a large number of containers for old paper, PET bottles, used cartridges, used batteries, small electric and electronic instruments and equipment have been placed in Company's premises. Furthermore, containers for collection of used motor oil, antifreeze, filters, oil packaging, fluorescent lighting pipes and accumulators have been placed on certain locations within the Company.

Pursuant to Energy Policy, *T-HT* implements the measures aimed at climate protection and reducing harmful emissions into the air which cause global warming. In a number of business buildings owned by the Company natural gas is used for central heating in boiler rooms, which has a direct impact on reduction of greenhouse gas emissions, particularly CO<sub>2</sub>. *T-HT*'s car fleet consists to a great extent of motor vehicles powered by diesel fuel. In case of car fleet renewal, new vehicles are procured with a better CO<sub>2</sub>/km emission factor. In 2009 gas-driven vehicles were used more extensively, since gas is considered the most environmentally friendly fuel. Mobile power supply engines are also used for emergency electric power supply in case of AC outages in primary, public source of electric power distribution and some of them use bio diesel. *T-Mobile* uses solar and wind energy for power supply of equipment on remote mobile network locations. Older generation air conditioning devices and systems that still use substances which have a negative impact on the ozone layer are replaced by new and more efficient substances that do not harm the environment. Contracts are concluded with external partners authorized for maintenance of these devices and equipment which are at the same time responsible for collection and ecological disposal of substances after their replacement or draining of equipment.

*T-HT* proves its social responsibility and care for the environment through ecological projects by which it financially supports, in cooperation with other relevant entities, activities related to protection of natural environment and protection of endangered species and landscapes in our country. The ecological project "Preservation of Endangered Species Habitats" was implemented in 2009 in cooperation with the State Institute for Nature Protection with the aim of protecting an endangered swamp habitat in each of the four Regions of *T-HT* and in this way help survival of animal and plant species that live there.

In *T-Mobile* special attention is paid to building in protected nature areas and shared use of infrastructure (antenna poles) with other operators is encouraged, wherever possible, with the aim of reducing adverse impact on the environment.

## 7.2. Environmental protection management

Environmental protection management is an integral part of overall Company's governance. It includes a group of activities focused on development and application of its own environmental protection policy and management of Company's environmental aspects. It consists of interdependent elements whose purpose is to put the above policy in place and meet the goals of environmental protection management and includes organizational structure, activity planning, accountabilities, business practices, procedures, processes and resources necessary for their realization.

Environmental protection policy is a declaration of the Management Board of the Company on its commitment to the principles governing environmental protection. Such a defined policy should be communicated in the organization and made available to the public outside the Company, e.g. to business partners, suppliers and other interested parties.

### 7.2.1. Environmental Protection Policy of the *T-HT Group*

In June 2005, the Management Board of *T-HT* adopted the following Environmental Protection Policy of the *T-HT Group*:

As the market leader in Croatia in providing a full spectrum of telecommunications services and integral portfolio of products, the goal of the *T-HT Group* is to create value for its customers, shareholders and partners, while constantly taking care for protection and preservation of the natural environment and at the same time cultivating social responsibility towards its employees and society as a whole.

*T-HT*, as a member of *the DT Group*, accepts high standards of corporate responsibility articulated in Sustainable Development Strategy of the Group, based on a vision of a better future objectified in the principles of T-SPIRIT. We show thereby our commitment to responsible management of natural resources, environmental preservation and sustainable social and economic growth in the environment where we operate.

Acting as a responsible business entity operating in the conditions of free market and competition, *T-HT* shows its commitment to environmental protection as an additional proof of its social responsibility, incorporating environmental protection issues into its key business processes. *T-HT* accepts thereby the fact that with its daily activities it inevitably influences the environment in different ways. Taking full responsibility for possible negative effect of its activities on the environment, *T-HT* will do everything in its power to reduce such impact to a minimum wherever and whenever reasonably possible. Also, *T-HT* will strive to introduce technologies, solutions and services that will help reduce impact on the environment and that can have a beneficial effect thereon.

This environmental protection policy, together with the environmental protection policy of *the DT Group* which is taken as the reference point, provide the platform for *T-HT's* environmental protection program. This enables us to set general and individual goals and to measure and monitor progress seeking to constantly improve environmental protection in *the T-HT Group*.

Environmental Protection Policy of the *T-HT Group* includes the following:

- Protection of the environment and of natural resources ranks high among *T-HT's* priorities.
- *T-HT* manages environmental protection pursuant to the principles of the best practice of European telecommunications operators and applicable international standards for the purpose of efficient implementation of environmental protection policy goals, with the final aim to introduce the environmental protection management system according to the HRN EN ISO 14001 standard in those parts of the *T-HT Group* where it has not yet been introduced.
- *T-HT's* activities related to environmental protection comply with Croatian laws and other regulations. The specified requirements are regarded in the Company as necessary minimum, while striving to achieve even much better results.
- *T-HT* permanently works on improving its activities related to environmental protection.

- Procurement policy in *T-HT* implements the goals of environmental protection which are also reflected, wherever applicable, in our relations with business partners - suppliers and contractors.
- *T-HT* continuously seeks to reduce the impact of all of its recognized significant environmental aspects on the environment, and in particular to reduce the production of waste resulting from our regular activities and to dispose it properly, as well as to prevent and to reduce harmful emissions into the air, water and soil.
- *T-HT joins*, within its possibilities, general efforts to protect climate and ozone layer by incorporating basic climate protection principles of the *DT Group* into its environmental protection programs to the extent appropriate to our business activities.
- We try to design *T-HT's* products and services in such a way that applied solutions save energy and natural resources.
- *T-HT* actively involves all of its employees into activities related to environmental protection in their working environment and trains them for it in an appropriate way.
- *T-HT* informs the public and all interested parties about its efforts and achievements in environment Preservation, at least via annual report on environmental protection, so as to initiate a constructive dialogue.

This policy applies to the entire *T-HT Group* so that all employees of *T-HT* are responsible for its implementation. Environmental Protection Policy of the T-HT Group is available to the public and it has been signed by the President of the Management Board of T-HT.

### 7.2.2. Energy Policy of the T-HT Group

The Management Board of *T-HT* adopted in 2007 Energy Policy by which the Group demonstrates its commitment to climate protection and to slowing down the global warming. The purpose of activities which *T-HT* undertakes in this regard is to achieve beneficial ecological effects through reduction of greenhouse gas emissions and economic effects through reduction of Company's operational costs by optimizing total consumption of all types of energy used in everyday operations, increasing energy efficiency and by using more energy from renewable sources.

The adopted Energy Policy of T-HT reads as follows:

In conducting the activities aimed at optimization of energy use and reduction of global warming effects, *the T-HT Group* will follow the principles listed below:

- Effectively monitor and measure consumption of all types of energy (electricity, motor fuels, gas, heating oil) in order to identify consumption areas where improvement is possible and to set concrete improvement targets.
- Identify, monitor and measure all main sources of GHG emissions caused by activities that are either directly or indirectly connected with *T-HT Group's* regular business, and influence their reduction, wherever possible, by implementing appropriate measures and procedures.
- Improve energy efficiency in all mainstream business processes (networks, business buildings, transport of people and freight, administration) and align energy consumption with business growth.
- Plan and design all new equipment and new services, including terminals, fixed and mobile network elements, business buildings for equipment and offices, procurement of new vehicles, spare power supply engines etc. according to energy efficiency criteria.
- Wherever possible, use energy from renewable sources, purchase energy from suppliers that deliver energy with less GHG emissions per energy unit and at most favorable prices; obtain the status of privileged customer for electricity supply and take advantage of that status when purchasing electrical energy on domestic market.
- Incorporate energy efficiency criteria in the processes of procurement, selection of suppliers and contractors and cooperate with suppliers to reduce energy consumption of equipment and devices which are bought from them.
- Support and participate in initiatives and programs of the EU, Republic of Croatia, ETNO and DT aimed at energy efficiency improvement, reduction of GHG emissions and prevention/slowing down of global warming and climate protection.
- Comply with all national laws, regulations and standards regarding energy issues.
- Promote, by means of internal and external communication, its ICT services with the potential of positive impact on climate protection and reduction of GHG emissions, provide information about *T-*

### 7.2.3. Environmental Management System ISO14001 in TMO

In September 2002 *T-Mobile Croatia* introduced Environmental Management System according to ISO 14001 standard in which environmental protection goals are identified and defined, as well as the methods of achieving these goals. The System was certified in the same year by the certification agency Cro Cert. In April 2005 *T-Mobile Croatia* obtained the prestigious certificate for environment issued by the largest international association of certification agencies - IQNet (International Quality Network).

Audit of the environmental protection system was successfully performed in *T-Mobile* on 29 September 2009, according to the international standard ISO 14001. Since *T-Mobile* integrated in 2009 its environmental protection system in the common system on *DT Group* level, the audit was very thorough and comprehensive. The method of environmental protection implementation in *T-Mobile* was rated very high, which is also obvious in the final auditor report stating that Environmental Management System was successfully integrated in the total system of *T-Mobile Croatia LLC* governance, in line with the requirements of ISO 14001:2004 standard. Examples of good practice were highlighted as additional proof of the above findings.



### 7.2.4. Umbrella certificate of the DT Group

In 2008 *the DT Group* started implementation of the common Environmental Management System according to ISO 14001 standard (umbrella certificate) with the aim to achieve savings, uniform approach and transparency. As one of the projects defined by the new strategy of corporate responsibility of Deutsche Telekom, the umbrella certificate will improve the method of presentation of Deutsche Telekom activities to customers, shareholders and rating agencies in the field of environmental protection and sustainability.

Parts of *the DT Group* with the existing ISO 14001 environmental management systems were given the deadline to be integrated under the umbrella certificate in as short a timeframe as possible, until 2010 at the latest. Other parts of *the Group* with major impact on the environment should also start the process of introduction of ISO 14001 management system.

At the beginning of 2009 *T-Mobile Croatia* aligned its existing documentation and business processes in the area of environmental protection with *DT's* umbrella documents. On 25 June 2009 it was among the first companies to be integrated into the joint certificate of environmental management system according to ISO 14001 standard on *DT Group* level.



### **7.3. Cooperation with other institutions**

#### 7.3.1. ETNO

*T-HT* has been a member of the European Telecommunications Network Operators' Association (ETNO) since its establishment in 1993 and among the first signatories of the 1996 ETNO Environmental Protection Charter.

In December 2004 ETNO promoted a new Sustainable Development Charter, which replaced and supplemented the Environmental Protection Charter. The new Charter, which both member and non-member companies are invited to join, invites the signatories to revise overall company policies with the aim to implement and integrate the principles of sustainable development into their business strategies and practices in the broadest possible way. *T-HT* joined Sustainable Development Charter by Decision of the Management Board dated 7 June 2005. By the end of 2009 the Charter was joined by 22 European telecommunications companies in total – ETNO members including, beside *T-HT*, also Magyar Telekom and Slovak Telekom (*DT Group* members).

Since joining the Charter *T-HT* has actively participated in work of the task force for sustainable development which was formed in 1996 already, with the task to monitor and align the activities of ETNO

members, signatories to Environmental Protection Charter in their efforts to realize the principles set forth by the Charter. After introduction of the new Sustainable Development Charter the name of the task force was changed and its tasks were expanded. The task force meets as a rule three times a year and it is hosted by telecommunications operators which are ETNO members and signatories to the Charter. The meeting was hosted by *T-HT* in Zagreb in autumn 2008.

### 7.3.2. Standards Institute

Through their work in technical committees of the Croatian Standards Institute, employees of *T-Mobile Croatia* actively participated in the process of accepting professional standards as the Croatian ones, which is an inevitable step of the Republic of Croatia in the process of accession to the European Union. As the result of long-time systematic development of Croatian standardization and its harmonization with the principles, processes and procedures of the European standardization, Croatian Standards Institute became in 2009 a full member of the European Committee for Standardization (CEN) and the European Committee for Electro-Technical Standardization (CENELEC).

Within their work in technical committees, employees of *T-Mobile Croatia* participated in management and technical work of these European standardization bodies and contributed to incorporation of essential requirements from European and international standards regarding products in technical regulations, for the purpose of ensuring safety, protection of human health and life and environment protection.

### 7.3.3. Mobile Communication Association of Croatia (UPKH)

*T-Mobile Croatia* has been an active member of Mobile Communication Association of Croatia (UPKH) since it was founded in 2003. The goal of UPKH is to promote mobile communications as a successful, socially responsible industry which cares for environmental protection, citizens' health and welfare of the whole community. The Association deals with the activities related to improvement and development of mobile communications, competitiveness of Croatian mobile communications on the global market, electromagnetic emissions, traffic security, social responsibility, electronic waste, responsible use of mobile phones in everyday life and sustainable development.

The years 2008 and 2009 were marked by a number of activities and cooperation with relevant state bodies and institutions, local community, media and public in general, aimed at providing information and education on all important factors related to mobile communications and use of electronic technology.

## **7.4. Ecological actions and projects in social community**

### 7.4.1. Green Communication

The project *Green Communication* was devised in *T-HT* in order to enrich a number of activities, which regularly and permanently reflect the Company's responsibility towards the social community, with ecological topics. As *T-HT* is fully aware of the vast importance of forests for life of today's and future generations, it wanted to contribute to their preservation and expansion. Hence, twenty hectares of forest land were rejuvenated with two hundred thousand green shoots. The locations managed by Šumarija Osijek (Forestry Office) and Šumarija Sisak were afforested with pedunculate oak, while the locations managed by Šumarija Pazin and Šumarija Driš were afforested with black pine.

*T-HT's* employees, who are aware of the importance of ecology, showed their delight with Green Communication by participating in the project of afforestation, together with workers of "Hrvatske šume" (Croatian state forests enterprise). The total value of the project amounted to HRK 500,000.

#### 7.4.2. Protection of swamp habitats

In 2009 *T-HT* continued investment into sustainable development. The value of the ecological project "Preservation of Habitats of Endangered Species" was half a million kunas. This eco project, sponsored by *T-HT*, was realized in cooperation with the State Institute for Nature Protection. The idea was to protect an endangered swamp habitat in each of the four Regions of *T-HT* and in this way help survival of animal and plant species that live there.

Fully aware of the importance of biological and hydrological functions of swamp habitats and the need for aligning development of human activities with nature protection in general, *T-HT* wanted to contribute to their preservation. To this end, the activities related to habitat preservation and advocating natural values were organized within the project on four locations: the Odra Plain, Iva pasture, Trstenik moor and the river Vrljika. All these locations are included in the network of ecologically significant areas in Croatia because of their exceptional natural values.

Underwood was removed in the areas of nesting of the bird corncrake in the Odra Plain, Iva pasture along the river Sava was cleaned up to revive the feeding places of white-tailed eagles and spotted eagles as well as black storks, while restoration of draw-wells enabled cattle to graze there again. Cleaning the unique elevated moor at Trstenik will help protect tussock cottongrass, the plant growing in Croatia only on this location. Radio telemetric monitoring of Adriatic trout in the area of the Vrljika river will provide new information about the ecological features of this endemic species of the Adriatic confluence, which will in turn enable its efficient protection.

Apart from being storages of biological and genetic diversity, as well as habitats of numerous industrial plants and animal species, swamps also provide the possibility for development of tourism and recreation and have a cultural value.

#### 7.4.3. Together We Are Stronger – ecological projects

Unlike *Green Communication*, which is basically ecological, within the project *Together We Are Stronger* in 2008 only four awarded projects addressed ecological issues, while other projects focused on various topics. Support was provided to Drava Natural Sciences Society from Virovitica for realization of the project of full monitoring of bank swallow and white eagle population in the area of the river Drava; Institute for Oceanography and Fisheries in Split was given support for scientific and research project of establishing the retention time of *E. coli* as an indicator of sea pollution; Faculty of Philosophy in Split was given support for philological and anthropological research of Adriatic culture and a preparation program was supported for establishment of Virtual Maritime Museum Adriatika; and Eco-Center Caput-Insulae Beli from Rijeka was given support for Research and Education Center for the Protection of Nature (population of griffon vultures).

The total value of the four ecological projects which are part of the action *Together We Are Stronger* amounts to HRK 320,000.

### **7.5. Electromagnetic fields**

One of the dilemmas related to mobile communication systems are electromagnetic fields and their potential impact on health. When it comes to devices that emit electromagnetic waves, what most people have in mind are mobile phones and antennas, but they forget that there are also other products that we use on a daily basis and that emit radiation such as radio, computer, TV set, vacuum cleaner, electric cooker, refrigerator, mixer – even remote control toys or TV remote control emit radiation.

Electromagnetic fields have always been present in our environment and people have been exposed to them from their origin. Some forms of electromagnetic fields are essential for life on the Earth, e.g. magnetic field. There are natural and human-made sources of electromagnetic fields that are part of our everyday life. Natural resources of electromagnetic fields include electric charges in the atmosphere, thunder, Earth's natural sources, Earth's magnetic field, radiation of the Sun and cosmic bodies and

cosmic background radiation. Human-made sources of electromagnetic fields are all household appliances (e.g. hair drier, iron, vacuum cleaner), mobile networks, TV, radio, remote control toys, radars, long transmission lines, remote control devices etc. Radio waves are not an invention related to mobile technology, but have been used for data transmission for many years. They are very similar to TV radio waves, but they are even weaker.

The issue of magnetic radiation is regulated in Croatia by Regulations on Protection from Electromagnetic Fields (OG 204/2003, OG 15/2004 and OG 41/2008), issued by the Ministry of Health and Social Welfare. All telecommunications equipment is subject to the provisions of the Regulations on Limit Values of Electromagnetic Fields Intensity for Radio and Telecommunications Terminal Equipment (OG 183/2004). International standard for limiting exposure to time varying electric, magnetic and electromagnetic fields (up to 300 GHz) was issued by the International Commission for Non-Ionizing Radiation Protection (ICNIRP). These safety limits were accepted by the World Health Organization for the whole world, which is why they are also applied by *T-Mobile Croatia*. However, when compared with these standards, Croatian Regulations are up to 6.25 times stricter.

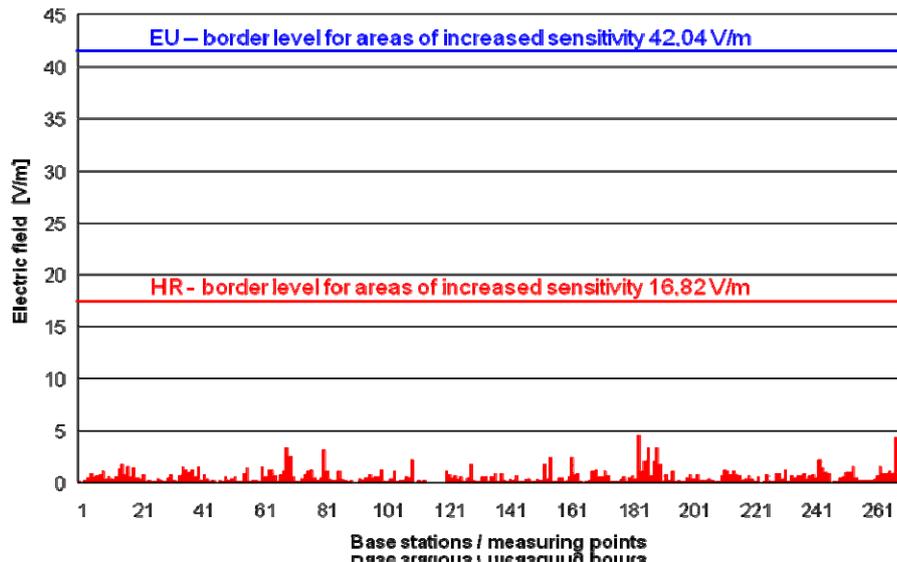
The base stations of *T-Mobile's* mobile networks were developed, tested and put into operation in line with the international standards and requirements. *T-Mobile* gets certificates from its suppliers, proving that the base stations comply with the ICNIRP safety requirements and with a number of standards for product safety, electromagnetic compatibility and general technical regulations. Furthermore, all base stations are certified to be compatible with a number of European and worldwide standards. These certificates are issued by the Croatian Telecommunications Agency.

*T-Mobile* supports and encourages comprehensive and detailed scientific research and continuously keeps track of research done by a number of organizations, independent groups, expert teams and scientists on the impact of electromagnetic fields, in order to inform and educate the public on these issues. All research studies published so far and the latest scientific evidence show that electromagnetic fields in mobile communications systems do not entail any health hazards for humans, which was also confirmed by the World Health Organization. The International Commission for Non-Ionizing Radiation Protection (ICNIRP) published in 2009 two reports: "Exposure to high frequency electromagnetic fields, biological effects and health consequences (100 kHz-300 GHz)" and "Epidemiologic Evidence on Mobile Phones and Tumor Risk: A Review". The documents were drafted by ICNIRP standing committees in cooperation with international and national health and research organizations, universities and other academic institutions. Based on experimental and epidemiological evidence, the reports conclude that the possibility that radio signals from mobile network base stations lead to health hazard is very low, which is also confirmed by the World Health Organization. The above reports correspond to many other independent reviews in which it was concluded that health hazards related to exposure below international safety recommendations have not been scientifically proved.

*T-Mobile* develops the infrastructure of mobile communications systems in order to meet the increasing needs of the growing number of its customers, while striving to meet the obligations imposed by environmental protection, particularly human health protection, to a maximum possible extent. Therefore, we also encourage objective measurements and research into levels of electromagnetic fields in our network.

Measurement is the only way to check electromagnetic field levels. Measurement results are regularly delivered to the Ministry of Health and Social Welfare for insight and control. In 2008 authorized measurement institutions made for *T-Mobile Croatia* 62 assessments and conducted 239 measurements of electromagnetic field levels, followed by 33 assessments and 145 measurements in 2009.

Electromagnetic field levels are often controlled additionally and the results of such controls are summarized in several studies. The study compiled by the Faculty of Electric Engineering and Computing in Zagreb in 2007, which was verified by the Ministry of Health and Social Welfare, was based on the results of measurements in the vicinity of *T-Mobile Croatia* base stations conducted by the companies authorized by the Ministry of Health and Social Welfare to perform the activities related to protection from electromagnetic fields.



Measured values of electromagnetic radiation from T-Mobile network base stations are up to ten times lower than the levels allowed in the Republic of Croatia. (Data source: "Study of importance of used sources considering the levels of emitted electromagnetic fields", the Faculty of Electric Engineering and Computing in Zagreb, 2007.)

The conclusion of this Study, which was confirmed by the Ministry of Health and Social Welfare, reads as follows: „All base stations of the GSM and UMTS systems owned by T-Mobile Croatia LLC comply with all regulations on protection from electromagnetic fields applicable in the Republic of Croatia. Tested measurement points in the vicinity of observed base stations are safe for residence.“

## 7.6. Environmental impact indicators

Environmental impact indicators provide T-HT and the public with a concise and transparent method for monitoring the progress and implementation in the area of environmental protection and for data comparison. Environmental impact indicators reflect input and output categories and impacts of the organizations on the environment. Energy, water and materials are three standard input categories that are used by most organizations. They result in output categories with environment impact, namely emissions, waste waters and waste. Biodiversity is also connected with input categories because it can be treated as a natural resource. However, biodiversity is also exposed to direct impact of output categories such as pollutants. The aspects of transport, products and services also represent areas in which the organization can further influence the environment, mostly indirectly through third parties such as buyers or suppliers of logistic services.

### 7.6.1. Cumulative indicators

After relevant sources of data had been identified for each of the selected environmental indicators, data were gathered, processed and verified by the data owners. The presented data refer to the whole T-HT Group. The presented environmental indicators, apart from eco-efficiency indicators, represent a selection from the group of environmental indicators recommended by GRI (*Global Reporting Initiative*) Guidelines, version 3 (G3) for corporate reporting on sustainability. They are also delivered in this form to the majority owner (DT) for the purpose of reporting on DT Group social responsibility.

The table below provides a cumulative overview of all selected indicators of environmental impact within the T-HT Group for 2008 and 2009 divided according to their main groups.

Indicator	units	2009	2008
<b>Water</b>			
Water Consumption	m <sup>3</sup>	101,482	119,782
<b>Energy</b>			
Total consumption (w/o vehicles)	TJ	578,114	538,292
<b>Energy, electric power</b>			
Electric power consumption	TJ	466,813	421,044
<b>Energy, heating</b>			
Consumption of energy for heating and for power units	TJ	111,301	117,248
<b>Paper</b>			
Paper total	t	301.2	482.3
<b>Vehicles</b>			
Number of vehicles	pcs	1,746	1,725
Fuel consumption	mil l	2.46	2.26
Mileage	mil km	27.74	30.27
Fuel consumption per 100 km	l/100 km	8.86	7.47
<b>Quantity of waste (excluding household waste)</b>			
Total quantity of waste	t	1,303.86	726.09

### 7.6.2. Energy

Energy consumption indicators include direct and indirect energy. Use of direct energy refers to energy used by the organization, its products and services, while indirect energy refers to energy used by third parties that provide services to the organization.

Consumption of direct energy in *T-HT* includes consumption of heating oil and gas, diesel fuels for electric power units and fuels for Company's car fleet. Consumption of indirect energy includes consumption of electric power and steam for district central heating system. The data on consumption of various energy types include the indicators EN3, EN4 and partly EN29 G3 from GRI Guidelines.

#### *Electric power and heating*

Energy source/heating type	units	2009	2008
<b>Electric power</b>			
Electric power consumption	MWh	129,751	116,957
<b>Heating energy</b>			
District central heating system	MWh	9,662	10,298
Gas	MWh	12,518	13,339
Heating oil	MWh	8,898	8,931
Heating total	MWh	31,078	32,568

### Motor fuels and vehicles

		2009	2008
Total consumption of vehicle fuels	l	2,458,047	2,262,107
Gasoline engine	l	243,818	6,989
Diesel engine	l	1,970,716	2,259,118
Gas engine	l	243,513	0
Number of vehicles		1,746	1,725
Gasoline engine	pcs	62	9
Diesel engine	pcs	1,464	1,716
Gas engine		220	0
Passenger vehicles	pcs	1,073	1,152
Service vehicles	pcs	673	573
Total mileage of Company cars	km	27,741,366	30,270,058
Gasoline engine	km	2,231,585	103,784
Diesel engine	km	23,572,846	30,166,274
Gas engine	km	1,936,935	0
Fuel consumption	l/100km	8.86	7.47

### 7.6.3. Paper

The production of paper, especially high-quality white paper, requires large quantities of energy, water and wood, which has a major impact on the environment. Old paper recycling generates savings in production and saves forested areas which are very important for preservation of the Earth's atmosphere.

Paper	units	2009	2008
A4 (print / photocopy)	million sheets	42.8	44.6
A4 (print / photocopy)	t	215.7	225.7
Telephone directories	t	85.5	256.6
Paper total	t	301.2	482.3
A4 (print / photocopy)	thousand sheets per employee	6.87	6.84
A4 (print / photocopy)	kg per employee	34.6	34.6

The improvement of office business processes, e.g. application of electronic document flow system and use of e-mail in internal and external communication, introduction of e-bills for subscribers, continuously reduces consumption of A4 paper in *T-HT* which is used for print-outs/photocopying. However, paper consumption per employee, expressed in the number of sheets for print-outs/photocopying per employee, did not generally change during the observed years on account of headcount reduction.

Telephone Directories, which require huge quantities of paper, are printed every two years (business and residential). Accordingly, and depending on Regions for which they are printed, the quantity of paper required for their printing varies from year to year. The publication of Telephone Directories on the Internet and CD release represent a useful alternative in saving paper as a resource.

Paper consumption indicator partly corresponds to the indicator EN1 from GRI G3 Guidelines.

#### 7.6.4. Water

*T-HT* uses water for sanitary purposes and as drinking water, in air-conditioning systems and fire-extinguishers, and none of its business processes poses a threat to watercourses. Waste waters from our facilities are drained off into the local sewage systems. In places where there is a risk of oil spillage into the sewage, separators and fat collectors are installed to prevent this.

The table below (the indicator EN8 GRI G3) shows water consumption in 2008 and 2009:

Water	units	2009	2008
Water consumption	m <sup>3</sup>	101,482	119,782

#### 7.6.5. Landscape

Local communities are particularly sensitive to disruption of landscape appearance caused by installation of mobile network base stations. As for the impact on landscape appearance, *T-Mobile* takes into account the existing ambience values. For instance, when erecting base stations and antennas on Adriatic islands, all interventions are harmonized with the natural and architectural features of the region and some of the erected antennas and base stations use solar or wind energy. Furthermore, it has become a well-established practice that in particularly valuable landscapes, e.g. national parks and nature parks, base station antenna poles are used together with other operators in order to keep impairment of the landscape appearance at a minimum.

#### 7.6.6. Emissions and waste

Emission indicators include the indicators used for measurement of standard emissions into the environment which are qualified as pollutants. These indicators include various pollutant types (e.g. emissions into the atmosphere, waste waters, solid waste) which are as a rule specified in the regulatory framework. Besides, there are indicators for two emission types which are the subject of international conventions – greenhouse gases and substances which destroy the ozone layer. The total direct and indirect greenhouse gas emissions can be calculated on the basis of data about direct and indirect energy consumption.

The presented data on emissions include the indicators EN16, EN20 and EN22 G3 from GRI Guidelines.

#### *Waste gases (emissions into the air)*

Waste gases that are emitted into the air include carbon dioxide (CO<sub>2</sub>), which contributes to the generation of greenhouse effect, sulfur dioxide (SO<sub>2</sub>), which contributes to the generation of winter smog and acid rain and nitric oxides (NO and NO<sub>2</sub>), which contribute to the generation of summer smog and acid rains. The main sources of direct waste gas emissions in *T-HT* are the car fleet and the boiler rooms (stationary sources) used for heating of working premises, and to a lesser extent also stationary and mobile diesel-electric power units. The sources of indirect emissions are electric power and district power heating system.

A part of emissions of *T-HT's* car fleet into the air related to CO<sub>2</sub> emission was calculated on the basis of fuel consumption and emission factors for respective fuel types.

Emission	units	2009	2008
CO <sub>2</sub>	t	6.181	5.925
CO <sub>2</sub> /km	g/km	222.8	195.7

Pursuant to legal regulations, the emission of pollutants into the air from stationary sources is measured in regular time intervals at each stationary emission source exhaust. Measurements are performed by authorized organizations and reports on emissions are regularly sent to county offices for environmental protection that maintain statutory environmental emission inventory. The inventory data serve as the basis for payment of fees for emissions of SO<sub>2</sub>, NO<sub>2</sub> and CO<sub>2</sub> into the air by stationary sources charged by the Environmental Protection and Energy Efficiency Fund.

The following quantities of waste gas emissions from stationary sources operated at power levels above 100 kW, for which such obligation exists, were reported in 2008 and 2009:

Emission	units	2009	2008
SO <sub>2</sub>	t	6.837	6.043
NO <sub>2</sub>	t	2.227	2.439
CO <sub>2</sub>	t	4,429.16	4,572.60

CO<sub>2</sub> emissions caused by consumption of electric power and consumption of district heating system energy in 2008 and 2009 are shown in the following table:

Emission	units	2009	2008
CO <sub>2</sub>	t	43,513	3,718

### Waste

Data on waste generated over several years can show progress achieved by the organization in its efforts to reduce waste. They can also be used to identify potential improvement areas with regard to efficiency and productivity. From the financial perspective, reduction of waste directly contributes to lower costs of material, processing and disposal.

Information on the method of waste disposal shows to what extent the reporting organization maintains the balance between waste disposal and diverse impacts on the environment, e.g. disposal of waste on a landfill and recycling have very different impacts on the environment. Most strategies aimed at minimizing waste give precedence, wherever possible, to the options of use, reuse or recycling over other disposal possibilities.

The largest quantity of waste in *T-HT* refers to production waste generated in the processes of improvement, restoration and reconstruction of parts of the telecommunications network and IT systems, their regular maintenance and phasing-out of some network platforms or technological units when dismantling of equipment creates certain quantities of excessive telecommunications and IT equipment and other material assets. A part of this equipment can be reused within *T-HT* (for original use or for spare parts), sold or donated for charity purposes, while a part of obsolete, unnecessary or damaged telecommunications and IT equipment and other material assets is declared waste (mainly electric and electronic waste) which needs to be handled in the appropriate way in order to prevent pollution of the environment. Given the variable intensity of investment activities and replacement of old network technologies by new ones, the quantity of generated technical waste varies from year to year.

The indicator of generated waste quantity corresponds to the indicator EN22 from GRI G3 recommendations.

Waste quantity (excluding household waste)	units	2009	2008
Waste paper	t	264.62	182.7
Technical waste	t	297.27	216.74
Other waste	t	349.04	141.03
Non-hazardous waste total	t	910.93	540.47
Hazardous waste total	t	392.93	185.62
Total	t	1,303.86	726.1

### 7.6.7. Eco-efficiencies

Eco-efficiencies as key indicators of environmental performance degree of a company are actually a ratio between two elements: the negative environmental impact caused by company's operations and the added value thus created, in which process eco-efficiency is higher to the extent to which the generated added value is proportionally higher than the damage inflicted on the environment, or to the extent to which the damage is proportionally lower than the created added value. A higher indicator value reflects a better performance of the company, i.e. its positive (or less negative) impact on the environment.

In order to calculate indicators of eco-efficiency of a telecommunications operator, the value of the telecom operator's production and its impact on the environment need to be assessed. In *T-HT*, similarly to other telecommunications operators, the production value can best be shown through collected telecommunications traffic, while impact on the environment can best be shown through total consumption of energy necessary for transmitting the subject traffic volume through the network.

Telecommunications traffic consists of all bits of information transmitted through the network (both mobile and fixed) and charged to customers (non-collected traffic is not considered as part of the production value).

The total consumed energy expressed in Joules (J) is applied for measurement of environmental impact.

Therefore, the indicator of *T-HT*'s eco-efficiency is calculated as financial added value (EBITDA + staff costs) with regard to total energy consumption [HRK/MJ], which represents financial eco-efficiency, or as the total number of bits (production value) with regard to total consumed energy [bit/J] representing traffic eco-efficiency.

	units	2009	2008
Billed traffic minutes in mobile and fixed networks	million min .	8,090	9,044
Total traffic	equiv. million Gbit	600.4	366.6
Traffic eco-efficiency	bit/J	1,425.9	681.1
Added value	million HRK	5,160.67	5,212.55
Financial eco-efficiency	HRK / MJ	12.26	9.68

## IMPLEMENTATION OF GLOBAL COMPACT PRINCIPLES

Principle	Principle content	Report chapter
Statement of the President of the Management Board of T-HT about adherence to the principles		<a href="http://www.t.ht.hr/eng/responsibility/corp-responsibility.asp">www.t.ht.hr/eng/responsibility/corp-responsibility.asp</a>
<b>Human rights</b>		
Principle 1	Companies should support and respect protection of internationally recognized human rights	1.1.-1.3.3.4; 4.2; 5.1-5.16; 6.1.-6.9
Principle 2	Companies should make sure that they are not complicit in violations of human rights.	1.1.-1.3; 3.2;3.3;3.4; 4.2; 5.1-5.16; 6.1.-6.9
<b>Workers' rights</b>		
Principle 3	Companies should uphold the freedom of association and the effective recognition of the right to collective bargaining	3.3; 4.2; 4.6
Principle 4	Companies should eliminate all forms of forced and compulsory labor	3.3; 4.2
Principle 5	Companies should abolish child labor	3.3; 4.2
Principle 6	Companies should eliminate discrimination during recruitment and at work	3.3; 4.2; 4.9
<b>Environment</b>		
Principle 7	Companies should support a precautionary approach to environmental challenges	1.3; 7.1; 7.2; 7.6
Principle 8	Companies should take initiatives aimed at promoting greater environmental responsibility	6.3; 7.1; 7.3; 7.4; 7.5
Principle 9	Companies should instigate development and application of environmentally friendly technologies	5.10; 5.12; 5.14; 7.1; 7.6
<b>Combating corruption</b>		
Principle 10	Companies should combat all forms of corruption, including extortion and bribery.	3.1.

## 8. AWARDS AND RECOGNITIONS

### 2008

**Golden Share** award for 2007 and the special award for the Best Initial Public Offering for 2007.

**HUOJ** (Croatian Public Relations Association) **Grand Prix** for the best project in the category of internal communications "Close to the Customer – Manager at Service".

**Golden Balance Sheet** award for the most successful Croatian company, a recognition for the highest profit in 2008 among the companies competing for the award.

**Silver Drum** award and taking the title for **the best TV commercial in the telecommunications industry in Central and Eastern Europe** for the Christmas commercial "Hug" at **Golden Drum awards ceremony in Portorož**

**Silver and Bronze PasO'glas** for the commercials "Ship" and "Winnetou" at the Night of AdEaters and the award of the company **RIM**, owner of the brand BlackBerry, for the most innovative marketing campaign in 2007.

The award **Golden Sempler** at the international media planning seminar "SEMPL" for the campaign "MyFaves".

### 2009

**Golden Share** award for 2008 and Industry Share of the Year in the segment of Maritime Affairs, Transport and Communications for 2008.

In the survey **First Choice Employer** conducted by the portal Moj Posao (My Job) *T-HT* was selected as first choice employer in Croatia for a fifth time in a row.

**Effie Awards Gold** went to *T-Mobile* for business customers' campaign. The marketing campaign "Office to Go" won gold in the categories of Telecommunications Service and Grand Prix for the best campaign.

**Effie Awards Silver and Bronze** was awarded to *T-Com* for marketing ideas which yield effective results.

**HUOJ** (Croatian Public Relations Association) - *T-Mobile* won Grand Prix for the best project in the category **Media Relations in Business Sector** for the launch of iPhone.

**Trusted Brand** (2008 and 2009) – based on survey conducted by Reader's Digest, *T-Com* was recognized as a trusted brand in Croatia.