

Transcript of CEO update on CR priority action plan on August 23 2012

Shortly, we will be holding a meeting with our twenty largest shareholders to discuss sustainability issues and the risks related to our business.

This meeting was initiated some time ago due to the media criticism directed at TeliaSonera. We have called this press meeting to share with you our key messages to the shareholders.

The criticism directed at TeliaSonera related to violations of human rights has affected me deeply and I have given it a lot of thought during the summer.

During my five years as Head of TeliaSonera, these issues have not been at the top of my agenda. However, it is clear that not only our largest shareholder, but also our customers, employees and other shareholders have higher expectations of us.

I, and the whole Group Management team, have fully taken this on board.

After we analyzed what we said and wrote in the spring, it is not so surprising that many of you interpreted as if we do not care about human rights or even actively participate in violating them.

We have probably made mistakes along the way and there are clearly things that we can do better, but I must emphasize that I and TeliaSonera are firmly against violations of human rights and that we have firmly established values to enable us to take a leading role in taking things forward.

Human rights in business are becoming more and more engrained in our society and are here to stay. Therefore all companies, not only TeliaSonera or the telecom sector, have to be more active and engaged than ever before.

Telecommunications is a very powerful force that facilitates and improves people's everyday lives. Telecoms, and in particular mobile communication, is an effective tool in supporting and facilitating transparency and democracy as it provides people with the means to communicate with each other, as well as letting the outside world know what is going on.

The power of this can also be seen when regimes under pressure use the possibility to block access to the internet or shut down networks.

These two aspects show, that telecoms and human rights at times are in conflict and require difficult tradeoffs, both democratic and economic terms.

On the one hand, telecoms provide people with almost unlimited possibilities to communicate. On the other hand, there is a risk that technology and telecom companies facilitate the violation of human rights. If a telecom company does not follow the local regulations we run the risk that our employees might end up in prison and that our licenses could be revoked – which would mean that we could no longer offer our communication services in the country. Ultimately, this would also mean significant risks to shareholder value.

As I am a results oriented person, I have also thought long and hard about what we can do differently, in the short term and long term.

In May, we initiated a Corporate Responsibility priority action plan and we have made some real progress since then. The objective of the plan is to increase our internal focus in this field and become more transparent in our communication.

I would like to share with you some concrete examples of what we are doing:

- Together with the 'Danish Institute for Human Rights', a reputable independent institute, we will carry out a human rights impact assessment, country by country. This analysis will be presented to the Board, together with a proposed mitigation plan, and a summary will be included in our sustainability report for 2012.
- Shortly we will be publishing a summary of how telecoms regulations work internationally, in order to make it clearer for both our customers, media and shareholders.
- We have moved major decision, such as the closing down of parts or whole networks, which risk being in violation of human rights from local management to Group level.

Why have we decided to do this?

When the decision is taken locally there is a higher risk that our local management is put under pressure.

The first action at Group level will be to ensure that decisions we take truly are in line with laws and regulations.

Should this not be the case, we can take a number of actions, such as appeal the decision, engage in dialogue with the local authorities or use diplomatic channels to question the decision.

A bigger problem will arise when regulations are followed but it is clear that those actions may be in violation of human rights. Then the decision will be hard even at Group level. However, Group Management will take the ultimate decision on how we act and how we communicate on it.

We will not be able to communicate everything, and we may not be able to communicate at all due to reasons of confidentiality. But when we do communicate, we will tell it as it is.

In the long term, I believe that the telecom industry needs to collaborate to bring about true change.

That is why TeliaSonera, together with other companies within telecoms, has taken the initiative to work out common principles on how our industry will relate to the UN's guidelines for business and human rights with respect to privacy and freedom of expression. When we first took the initiative, roughly a year ago, there were a handful of companies participating. Now we are eleven and the goal is to increase the number of participants. We aim to sign the principles before the end of the year, and find a permanent home within an independent and reputable organization, so that more companies can join.

TeliaSonera can and will do more. We will take a lead in our industry, but we can never solve this alone, neither as a company nor as an industry.

We need help from national and international organizations: UN, EU, NGOs to mention but a few, in order to be able to truly bring about a step change in protecting and respecting human rights.

TeliaSonera will do whatever we can to contribute.

Thank you.