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Teliasonera's implementation of the Industry Dialogue's Guiding Principles - 2015

The below table shows Teliasonera's work during 2015 to implement the Telecommunications Industry Dialogue's guiding principles on freedom of expression and privacy.

More information about the Industry Dialogue and its activities, including the ten Guiding Principles available in several languages, can be found at www.telecomindustrydialogue.org.

The full Teliasonera Annual and Sustainability Report 2015 can be found at annualreports.teliasonera.com.

Teliasonera's alignment for each of the Industry Dialogue principles follows below.

Telecommunications Industry Dialogue (ID) on Freedom of Expression and Privacy - Guiding Principles

Telecommunications companies should, to the fullest extent that does not place them in violation of domestic laws and regulations, including license requirements and legal restrictions on disclosure:

1. Create and/or maintain relevant policies, with Board oversight or equivalent, outlining commitment to prevent, assess, and mitigate to the best of their ability the risks to freedom of expression and privacy associated with designing, selling, and operating telecommunications technology and telecommunications services;

A Group Policy on freedom of expression in telecommunications, based on an internal human rights impact assessment and on the ID Guiding Principles was adopted in December 2013, updated in September 2015. The Policy is available at Teliasonera.com. Teliasonera listed the main additions to the updated version of the policy compared to the 2013 version in the Law Enforcement Disclosure Reports October 2015 and March 2016.

The Policy, which covers both traditional telecommunications and internet related issues, also addresses ID Principle 4.

The Policy addresses Teliasonera's commitments in relation to requests or demands with potentially serious impacts on freedom of expression in telecommunications, i.e. targeted surveillance in exceptional cases; mass surveillance where authorities demand unrestricted real-time network access; shutdown of all or parts of a network; blocking or restricting access to specific services, websites or content; blocking or restricting individual customers' access to services or networks; obligations to transmit mandatory communications issued by the government authorities; and proposals for new laws or significant imposed operational changes.

Company information

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The Policy was introduced on board level in all majority-owned companies, followed by local board decisions to adopt the policy and its adhering instruction and publishing of the policy on their respective local website.

An important part of our commitment to freedom of expression is the CEO statement, which sets the tone from the top to internal and external stakeholders. See www.teliasonera.com/sustainability/human-rights/ceo-statement-freedom-of-expression-policy .

2. Conduct regular human rights impact assessments and use due diligence processes, as appropriate to the company, to identify, mitigate and manage risks to freedom of expression and privacy – whether in relation to particular technologies, products, services, or countries – in accordance with the Guiding Principles for the Implementation of the UN ‘Protect, Respect and Remedy’ framework;

In 2013 Teliasonera finalized an internal human rights impact assessment covering all majority owned companies. The results indicated that freedom of expression and privacy are areas that need continued focus. In September 2015, Teliasonera commissioned BSR (www.BSR.org) to undertake Human Rights Impact Assessments for Region Eurasia, starting with Azercell in Azerbaijan. The assessments identify human rights impacts, risks and opportunities related to our operations, reach conclusions about these impacts, and make recommendations for their mitigation and management in two categories;

- For Teliasonera, recommendations on how to integrate human rights into the divestment process
- For the companies and their current and future owners, recommendations on how to manage and mitigate human rights impacts in ongoing business.

In 2016, Human Rights Impact Assessments will be carried out in all Region Eurasia operations, with the exception of Ncell in Nepal as a divestment was announced in December 2015. Human Rights Impact Assessments will also be carried out in Sweden and Lithuania in the second quarter of 2016. We aim to subsequently carry out assessments in the other Region Europe markets.

3. Create operational processes and routines to evaluate and handle government requests that may have an impact on freedom of expression and privacy to:

a) Ensure that government demands are reviewed by appropriately qualified and experienced personnel in order to assess their compliance with legal and due process. For demands for continuous access, such review will take place at the time of the initial request;

b) Establish in advance guidance to relevant personnel on how to interpret government demands as specifically as possible;

Uncontroversial and daily routine requests for lawful targeted surveillance from police or other authorities, including requests to provide details of specific individual customers’ communications (usually historic communications metadata, traffic data and location data, and/or content), form part of many investigations carried out by law enforcement authorities in criminal cases. Teliasonera publishes transparency reports (‘Law Enforcement Disclosure Reports’) showing the number of such requests in so far nine of our markets. These figures are, since the October 2015 report, subject to limited assurance by Deloitte.

Requests or demands with potentially serious impacts on freedom of expression, i.e. such unconventional requests or demands listed in relation to ID Principle 1 are subject to enhanced decision-making in line with the freedom of expression Policy and adhering Instruction.

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Guidance for relevant employees on how to interpret government demands and requests as narrowly as possible is included in internal training and awareness building, our internal Instruction document, as well as in the Form presented under ID Principle 7.

4. Adopt, where feasible, strategies to anticipate, respond and minimize the potential impact on freedom of expression and privacy in the event that a government demand or request is received that is unlawful or where governments are believed to be misusing products or technology for illegitimate purposes which may include, if appropriate:

- i. Reviewing the demand with the relevant authority in order to seek clarification or modification;**
- ii. Seeking judicial review (court-procedure), where available;**
- iii. Appealing to other relevant branches of the administration, such as regulators or governmental departments;**
- iv. Seeking alternative measures that would minimize or mitigate the practical impact on freedom of expression and privacy;**
- v. Engaging UN- or other supranational bodies and/or other government/institutions for diplomatic support; and**
- vi. Engaging other stakeholders, such as media/NGOs, as appropriate, in support of freedom of expression and privacy;**

The Group Instruction document sets out practical steps that shall be taken whenever a local company receives a request or demand that might have potentially serious impacts on freedom of expression in telecommunications. These steps include assessments to be conducted, as well as an escalation procedure to be used when applicable. Guidance is provided in a Form for assessments and escalations. Escalation-forms are logged for future internal analysis and learning. The Form-template is shared publicly on teliasonera.com, see ID principle 7. below.

In the case of an unconventional request or demand, a “major event” as defined in the Policy, we seek to promote freedom of expression by applying a practical “point of challenge” such as requesting that a decision be put in writing or postponing implementation to the greatest extent possible.

Based on the Policy, we also seek to influence legislation in relation to surveillance of communications.

The ID and the Global Network Initiative have decided to join forces, a development which brings better opportunities to engage with other stakeholders in support of freedom of expression and privacy.

5. Always seek to ensure the safety and liberty of company personnel who may be placed at risk;

The Group Instruction states that an assessment of any risks to the safety and liberty of Teliasonera employees shall be conducted when relevant, such as when there are explicit or implicit threats to employees in connection with government requests or demands. This aspect is included in training relevant employees and in local security arrangements, as well as in Teliasonera’s crisis management planning.

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6. Raise awareness and train relevant employees in related policies and processes;

Ongoing training in the Code of Ethics and Conduct covers issues regarding freedom of expression and privacy. As to unconventional authority requests, Teliasonera prioritizes guidance for local management teams as well as in other specialized and relevant internal forums.

7. Share knowledge and insights, where relevant, with all relevant and interested stakeholders to improve understanding of the applicable legal framework and the effectiveness of these principles in practice, and to provide support for the implementation and further development of the principles;

Teliasonera actively participates in the ID, including in its collaboration with the GNI, and in interaction with different relevant stakeholders. We meet regularly with investors, where freedom of expression is often discussed in detail.

Teliasonera has also made publicly available its internal tool for assessments and escalation of government requests and demands with potentially serious impacts on freedom of expression in telecommunications. The document, available at www.teliasonera.com/Documents/Sustainability/AssessmentsandEscalationform.pdf, was initially shared with the other ID participating companies and with GNI in February 2015. Our aim in sharing this tool is to support implementation and further development of industry best practice globally to promote and respect freedom of expression in telecommunications.

8. Report externally on an annual basis, and whenever circumstances make it relevant, on their progress in implementing the principles, and as appropriate on major events occurring in this regard;

Teliasonera continuously reports on requests and demands with potentially serious impacts on freedom of expression in telecommunications, if possible when the respective event occurs. Most often, Teliasonera is constrained by legislation or other circumstances from reporting, fully or partially, on such events as they occur. Therefore, as part of our transparency reporting, March and October each year, we seek to add further information to the extent possible, without disclosing the country in question or in any other way breaking any applicable provisions on confidentiality or risking the safety of local employees.

During 2015 we closed some 15 unconventional requests or demands from governments across our operations which had or might have had potentially serious impacts on freedom of expression in telecommunications.

9. Help to inform the development of policy and regulations to support freedom of expression and privacy including, alone or in cooperation with other entities, seeking to mitigate potential negative impacts from policies or regulations;

Based on our Freedom of Expression Policy, Teliasonera advocates and encourages governments to protect freedom of expression, and continually raises these issues with governments and authorities throughout our markets. Extract from the Policy:

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A. Public advocacy, primarily by Local, Region and Group management, promoting the freedom of expression in telecommunications

1. We advocate clear and transparent legal provisions on proportionality and necessity for all government surveillance of communications. Vague, non-transparent and broadly conceived legal provisions are not appropriate when freedom of expression is at stake.
2. We argue that all government surveillance of communications, including international collaboration between authorities, should be conducted under the supervision of a court or some other independent judicial body. This will help to ensure transparency and accountability in relation to requests or demands made by governments.
3. We advocate that governments should not have direct access to a company's networks and systems. The company should retain operational and technical control.
4. We will encourage governments to be transparent about their use and scope of surveillance of communications. We will report transparently on Teliasonera's efforts in relation to surveillance of communications. We will inform stakeholders about major events whenever this is appropriate and within what is legally permissible.

10. Examine, as a group, options for implementing relevant grievance mechanisms, as outlined in Principle 31 of the UN Guiding Principles for Business and Human Rights;

This issue has proven to be a challenge for large parts of the ICT industry. Teliasonera will continue to explore this matter, mainly through the ID.

Teliasonera's Speak-Up Line is available for employees and external stakeholders to report violations of the Code of Ethics and Conduct and other policies.

Additional ID commitments:

The principles will apply to participating companies where they have operational control. Where they do not have operational control, participating companies will seek to use their influence to promote the principles.

We have during 2015 used our influence to promote the ID Principles at MegaFon and Turkcell. The dialogues will continue during 2016.

The participating companies aim, together as a group, to compile and make available guidance and information on the main laws, regulations and standards telecommunications companies operate under, to be used for informational purposes.

The Telecommunications Industry Dialogue in June 2015 published a database with information on local laws, including Teliasonera's markets; Sweden, Norway, Spain, Russia and Kazakhstan. The database is available at <http://www.telecomindustrydialogue.org/resources/country-legal-frameworks/>