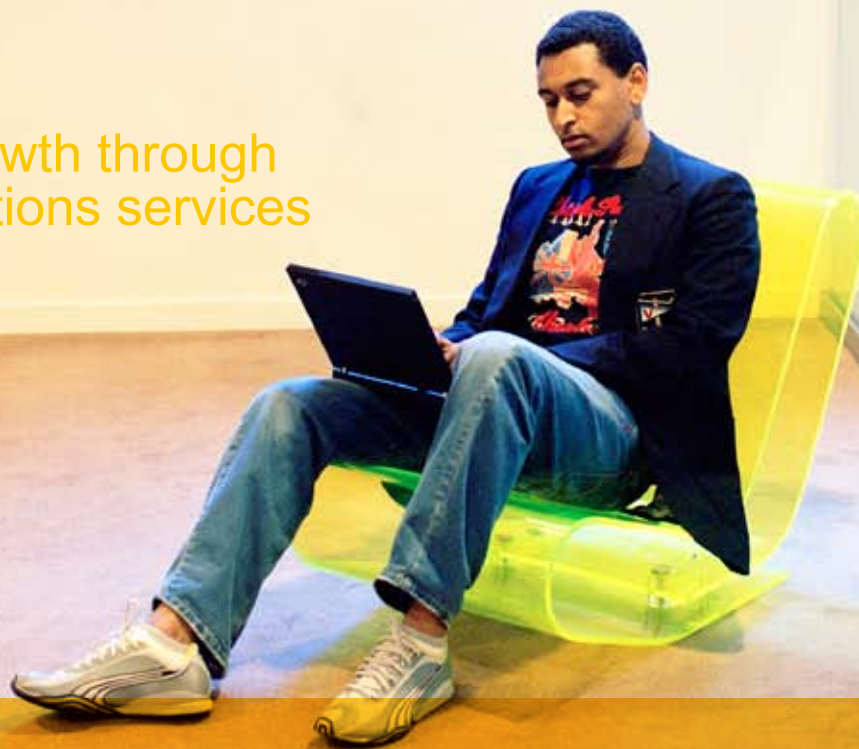


CSR Report 2005

Sustainable growth through
telecommunications services



TeliaSonera's corporate social responsibility policy is to integrate sustainability into our business processes in the marketplace, workplace, environment and community in interaction with our stakeholders.

Contents

Message from the Executive Management	3	Marketplace	16
Preface	4	Business ethics	17
TeliaSonera profile	6	Customer care	18
TeliaSonera's vision, strategy and values	7	Children and young people	19
Corporate governance	8	Special groups	20
Good corporate citizenship in TeliaSonera consolidated and associated companies	10	Workplace	22
TeliaSonera and CSR	11	Human rights	23
Our goal	11	Trade union co-operation	24
Our CSR policy	11	Work life balance	25
CSR organization	11	Flexible working	26
CSR roadmap	11	Environment	28
Our shared values	12	Telecom and the environment	29
Rankings of TeliaSonera's home markets in sustainability and telecom related international indexes	13	Climate change and energy	30
Drivers of CSR at TeliaSonera	14	EMF	31
Policies and commitments	15	Other major environmental issues	32
		Community	34
		International co-operation	34
		CSR related sponsoring and charity	36
		Ratings and awards	40
		Ratings	40
		Awards in the TeliaSonera Group and associated companies	42
		Contact	42

CSR indicators and GRI content index 2005 can be found as separate annex at www.teliasonera.com

Message from the Executive Management

TeliaSonera aspires to be a profitable company as well as a good corporate citizen by acting ethically and responsibly and by promoting sustainable development within the marketplace, the workplace, the environment and the community at large.

To ensure this, the Group applies a number of policies and guidelines that have been adopted by the Board of Directors and that must be observed by everyone in the organization. The guidelines apply to all wholly owned operations, but TeliaSonera also strives to apply its approach to those companies where it holds less than 100 percent of the shares.

The Business Units regularly report their progress in CSR, which means that TeliaSonera can share best practices with its employees and other stakeholders. TeliaSonera reports details around its CSR progress annually. The report is based on the GRI – an international CSR reporting standard.

Business has to follow a number of commonly accepted ethical principles and employees' working conditions are of crucial importance. As an important key player in building the information society, TeliaSonera aims to act ethically and responsibly. This includes the protection of private and personal data and the prevention of abusive or illegal use of telecommunications services.

Telecommunications services are a key factor to create sustainable growth. Telecom makes it possible to communicate and to do business in different ways. Very often, telecom may change the whole value chain and in many cases the way business is done. Telecom also affects us in our personal lives, changing the way we interact, we shop, we entertain or work. Many studies show that telecom involves all dimensions of sustainable development



– competitiveness, social inclusion and quality of life, as well as efficient use of energy and material resources. The latter have a direct impact on our environment.

For a number of years, TeliaSonera has topped index which measures how comprehensively and reliably companies can provide data for CO₂ sources and demonstrate measures to decrease emissions.

In its CSR work TeliaSonera has during 2005 put greater efforts into the well-being of employees. Special teams have been created around the Group to promote a better balance between work and private life. Distance working made possible by the products and services provided by the Company have had an important part to play in this context.

TeliaSonera is committed to be a good corporate citizen and will continue to make efforts to improve and enhance its activities in this field.

A handwritten signature in blue ink that reads "Terje Christofferson". The signature is fluid and cursive, with a long, sweeping underline.

Terje Christofferson
Group Vice President
Head of Marketing,
Products and Services



Preface

Introduction to the report

In 2005, we took several steps towards our goal of supporting sustainable development and being a good corporate citizen. We have started to implement the TeliaSonera CSR policy, the cornerstone of our CSR operations, which was approved by the board of directors in April 2004. During the year we have performed very well in several national and international sustainability ratings and indexes, which we regard as a strong vote of confidence for our CSR work from our stakeholders.

In terms of issues, the main stakeholder focus has been on business ethics, human rights, customer care, CO₂ emissions, electromagnetic fields and CSR related sponsoring. In this report we

concentrate especially, but not exclusively, on these concerns.

The role of the information society has grown significantly during recent years. We believe that the growing use of telecom services leads not only to growth, but to sustainable growth. For us, sustainable growth means business growth without negative environmental impact and providing services to people. Telecom also enables groups such as seniors and the disabled to benefit from the opportunities the information society at its best can provide. In this report, we have included several cases to illustrate our achievements within these areas during the year.

Scope of the report

TeliaSonera's CSR reporting strives to fulfill the reporting requirements recommended by the Global Reporting Initiative (GRI). However, this report includes more qualitative than quantitative information and indicators. Our aim is to improve our reporting continuously.

This report mainly covers the operations of TeliaSonera Finland and TeliaSonera Sweden, but it also includes information about the other companies and countries in which we do business. The report represents more than 70 percent of the TeliaSonera group by turnover and number of personnel.

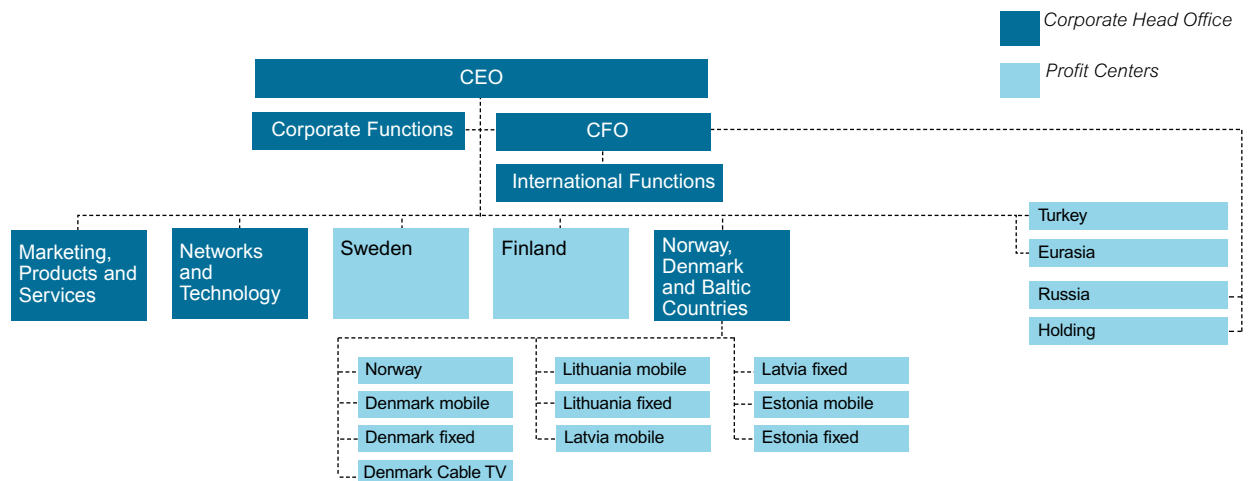
The reporting will never be complete, but our objective is to be as transparent as possible.



TeliaSonera's corporate social responsibility policy is to integrate sustainability into our business processes in the marketplace, workplace, environment and community in interaction with our stakeholders.

TeliaSonera profile

TeliaSonera is the leading telecommunications company in the Nordic and Baltic region, with strong positions within mobile communications in Eurasia, Russia and Turkey



Two markets – two possibilities

On the home markets in the Nordic and Baltic regions, TeliaSonera has a wide range of services within mobile, fixed voice, data communications and broadband. TeliaSonera has strong or leading positions in all of these markets. The majority of TeliaSonera's operations on the home markets are wholly owned.

The home markets are characterized by a high level of maturity, high penetration and an increasing migration from fixed services to mobile and IP-based services. The overarching goal on the home markets is to create growth and maintain profitability. Within this framework, strategic prioritizations are made for each market and segment.

Outside the Nordic and Baltic regions, TeliaSonera offers mobile services in a number of markets in Eurasia (Kazakhstan, Azerbaijan, Georgia and Moldova) and through associated companies in

Russia and Turkey. Our positions in these markets are strong. The weak infrastructure for fixed communications in these countries results in strong demand for mobile services. In the International Mobile operations, the focus is on increasing the value of TeliaSonera's investments by taking advantage of the strong growth within mobile communications.

At the end of 2005, TeliaSonera had more than 23 million customers in the Nordic and Baltic regions and almost 57 million mobile customers in the international markets. Sales totalled SEK 87,661 million and operating income totalled SEK 20,107 million. An increasing part of Group earnings comes from the International Mobile operations, which represented almost 30 percent of the Group's operating income in 2005. TeliaSonera is listed on the Stockholm Stock Exchange and the Helsinki Stock Exchange. TeliaSonera has 25,381 employees, 45 percent of which are women.

TeliaSonera's vision, strategy and values

Vision 2010

In 2010, TeliaSonera is a genuine service company. We serve individuals and families, companies and organizations. We make it possible for our customers to connect and communicate over distance – anywhere, anytime. We enable them to use systems, networks and services to their advantage. Safe, smart and fast.

Strategy

Our overall focus is on best serving our customers in our core business and creating value for our shareholders through strong profits and cash flows. We strive to provide our customers with reliable, innovative and easy-to-use telecommunication services.

Shared values

The purpose of our values is to guide our employees in their everyday work and decision-making as we continue our transformation from a technology-oriented company to a company focused on customers and their needs. The shared values are a blend of logic and intuition, as well as success formulas from the past and requirements based on the future challenges we face.

TeliaSonera shared values fall into three groups: business, relations and drive are known respectively as Add Value, Show Respect and Make It Happen. TeliaSonera's CSR policy is based on these values.

Net sales, million SEK	2005	2004	2003	Personnel by country, 2005	
				Number	% women
Sweden	38,960	40,448	42,601	11,061	45.4
Finland	16,308	18,267	17,697	6,369	48.5
Norway	7,481	6,299	6,081	748	31.0
Denmark	7,178	4,495	3,278	1,409	35.0
Baltic countries	9,293	5,868	5,881	6,074	48.7
Eurasia	6,367	4,084	2,742	1,468	51.9
Other operations	4,922	5,422	7,478		
Corporate and other	-2,848	-2,946	-3,333		
The Group	87,661	81,937	81,772	27,403	46.1

TeliaSonera's largest shareholders, %	
Swedish state	45.3
Finnish state	13.7
Robur funds	2.5
SHB/SPP funds	1.9
SEB funds	1.8
Nordea funds	1.1
Skandia Liv	1.1
SEB-Trygg Försäkring	1.0
Alecta	1.0
AFA Försäkring	0.9
Others	29.6

Corporate governance

Sound principles for corporate governance are critical for TeliaSonera in our endeavour to build trust among our stakeholders. Owners, investors, customers and other stakeholders should always feel certain that our business is characterized by accuracy, control, transparency and high ethical standards.

TeliaSonera aspires to be a good corporate citizen by acting ethically and responsibly and by promoting sustainable development. To ensure this, the Group applies several policies that have been adopted by the Board of Directors and that must be known and observed by the entire organization.

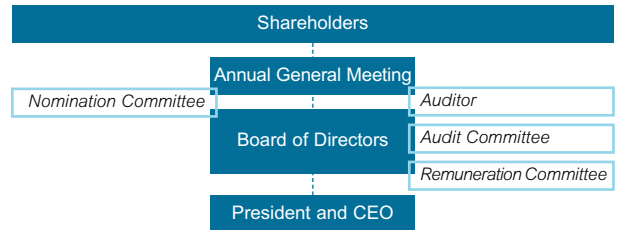
Shareholders' annual general meeting

TeliaSonera is a Swedish, public, limited liability company and is governed by the Swedish Companies Act and the company's Articles of Association. According to the Companies Act, the shareholders' annual general meeting is the company's highest decision-making forum, where the owners exercise their shareholder power.

Board of Directors

TeliaSonera's Board of Directors consists of eight members elected by the annual general meeting to serve one-year terms, and three employee representatives elected by the Swedish trade unions. The Board members elected by the General Assembly are independent Board members. A Finnish employee representative is also present at Board meetings, but has no voting rights. The Board of

Ownership Control



Directors arranged 17 meetings during 2005 and the participation percentage of the Board members was 94.1 percent.

The Board of Directors is responsible for the company's organization and the management of the company's business, which means that the Board of Directors determines the general strategy for the business and makes strategic decisions of greater importance. The Board of Directors appoints the Chief Executive Officer, CEO. The Board of Directors issues guidelines for the management of the Group and continuously evaluates the CEO's performance.

Organization and management

The CEO is responsible for the company's business development and leads and coordinates the day-to-

Corporate governance and sustainable growth

In recent years, corporate governance issues have attracted increasing attention worldwide. Important initiatives have been taken by companies and governments and many countries, not least in Europe, have also established corporate governance codes. Constructive discussions in this field have also been taking place in Turkey. With the important role Turkey plays in its geographical position, Turkey is a role model in

Eurasia in many aspects. Therefore, further exploration of the issues of business ethics and good corporate governance in Turkey will contribute to the development of this field, possibly in the whole region.

TeliaSonera is the main sponsor of a programme which aims to increase public awareness about the importance of good corporate governance and sustainable development in Turkey.

The programme consists of five conferences during 2006 at the highest possible political and competence levels with participants from Turkey, Sweden and elsewhere. The major issues will be: the reputation of capital markets, the mobility of capital and corporate reputations, good governance and value-added foreign investment, corporate governance and sustainability, good corporate governance and sustainable growth.

day operations in accordance with the guidelines and instructions of the Board of Directors.

The TeliaSonera Group consists of country-based profit centers and a corporate head office. The Group is managed as an integrated company with strong central control in Group-wide issues.

The country-based profit centers act within the framework of the Group-wide guidelines. The profit centers have profit responsibility for their respective operations and have operational responsibility for marketing, sales, network operations and product and service development, except when decisions are made to utilize Group synergies and economies of scale.

The corporate head office issues guidelines and coordinates Group-wide business. Two Group-wide

units, Marketing, Products & Services and Networks & Technology, are responsible for utilizing synergies and economies of scale.

The full corporate governance report is available in TeliaSonera's Annual Report 2005 at www.teliasonera.com.

According to Swedish insurance company Folksam's Equal Gender Index, TeliaSonera was one of three large Swedish companies which achieved the highest score in the Folksam Gender Equality Index 2005 in terms of the percentage of women in the Executive Management, the Board of Directors and employees. The index rates all the companies listed on the Stockholm Stock Exchange.

TeliaSonera AB	2005		2004		2003		2005	2004
	Women	%	Women	%	Women	%	Women in the management of companies listed on the Stockholm Stock Exchange, average in 2005 (N=242) and 2004 (N=248) (Folksam Sustainability Report 2005)	
Board of Directors	4	36.0	4	33.3	4	33.3	10.5%	9.5%
Executive Management	1	12.5	2	25.0	2	22.2	17.0%	13.5%
TeliaSonera companies	2005		2004		2003			
Boards of Directors	73	24.7	54	19.8	50	18.2		
Other senior executives at corporate, profit center and company levels	41	27.0	30	20.5	34	21.5		

Telecom, a key factor for democracy and freedom of expression

TeliaSonera follows a strict business policy in all countries. It is a policy based on stringent ethics and adaptation of operations to local regulatory requirements. There is a clear relationship between highly developed telecommunications and a country's development. We believe that telecommunication is a way of developing greater democracy and freedom of expression in these countries.

Good corporate citizenship in TeliaSonera consolidated and associated companies

During 2005, the media, ethical funds and human rights organizations such as Amnesty Business Group in Sweden raised the issues of corruption and human rights in countries which have high corruption rates and where TeliaSonera runs telecommunications operations. TeliaSonera is a majority owner of several mobile operators in former Soviet states: K-cell in Kazakhstan, Azercell in Azerbaijan, Geocell in Georgia and Moldcell in Moldova. TeliaSonera's ownership of these companies is conducted through the holding company Fintur.

There is a broad consensus in the Swedish Parliament to refrain from isolating certain countries from international co-operation. Sweden neither can nor should break all its ties with such countries. Without contacts in these countries, there are no possibilities to influence the development.

Developing telecommunications and investing in infrastructure in countries is a long term commitment that helps to increase transparency and openness. It also helps to break isolation and in the long run promotes a development towards democracy and freedom of speech.

Business operations in certain countries involve higher risks than operating in other countries. As an international company, we must be able to handle the risks involved in operating in such countries.

TeliaSonera has a corporate policy which states that the business of TeliaSonera must be conducted according to high ethical and legal standards and that we honour the United Nations Universal Declaration on Human Rights and all elementary ILO conventions.

TeliaSonera has also the intention of conducting CSR due diligence studies. These studies compare the practices within a certain company with the practices and policies of the Group. The objective is to know more about CSR risks in certain countries and to use the results as a basis for the normal continuous improvement of our operations.

Moreover, in 2006, Fintur Holding published a comprehensive document on the code of ethics and conduct in the form of a leaflet distributed to all employees. This document states very clearly the management team's commitment to being a role model. It states that "Good companies are built by good employees. We aim to be good in all that we do. With good principles, values and ethical standards as our most important assets, Fintur leadership believes that we will lead the Fintur group of companies to the position of leading provider of mobile telecommunications services in the emerging markets of Eurasia".

Further information: www.teliasonera.com

SOX

SOX, the Sarbanes-Oxley Act, came into force in the United States in July 2002. The primary aim of the Act is that companies listed on the New York Stock Exchange and the NASDAQ Exchange introduced a system of rules for internal controls to ensure investor and public confidence in large public companies. This regulatory system ensures that annual reports are accurate and reliable, as well as reducing the risk of fraudulent accounting. TeliaSonera intends to be SOX compliant by the end of 2006.

Implementing these regulatory controls is a major undertaking. It

must not be regarded as a one-off procedure in order to meet the requirements, but a system that involves constant maintenance and management, with reports delivered to the company's owners every year. It is therefore essential that the SOX compliance work is performed in an efficient and effective way. The SOX requires that all significant risks be identified and described and that the risks must have identifiable key controls. The SOX also requires that the company has a business ethics policy and that its principles are well communicated within the

company. The company must also have a whistle blowing system in case someone wishes to report deficiencies in internal controls.

TeliaSonera complies with these requirements. TeliaSonera has a business ethics policy and a clear whistle blowing procedure. TeliaSonera's whistle blowing policy states that if anyone believes there are deficiencies in TeliaSonera's internal controls, financial reporting or in the internal accounting process, they should address their concern to the chairman of the audit committee.

TeliaSonera and CSR

Our goal

Our goal is to be a good corporate citizen.

Our CSR policy

TeliaSonera's CSR policy is to integrate sustainability into our business processes in the marketplace, workplace, environment and community in interaction with our stakeholders. We constantly focus on our shared values – Add Value, Make It Happen and Show Respect – and our commitment to them is measured annually. Our CSR policy strives to help TeliaSonera to fulfil the aims set out in our Vision 2010.

TeliaSonera's CSR policy is an important part of TeliaSonera's corporate policies.

CSR organization

TeliaSonera's CSR Director is responsible for initiating and developing day-to-day Group-wide CSR work. A member of the executive management holds the strategic responsibility for CSR issues.

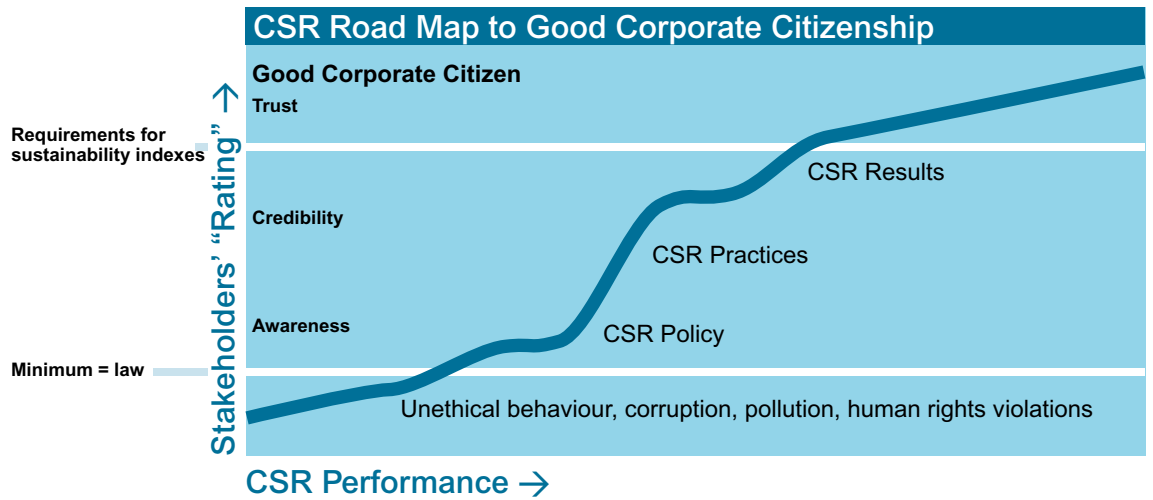
Most business units within the company have coordinators responsible for the implementation of the CSR policy in their respective units and countries. CSR coordinators report the progress made within CSR to the corporate CSR director. The main reporting items are CSR risks, good practices within CSR areas and reporting of quantitative data, mainly on social and environmental issues based on the GRI indicators.

CSR roadmap

TeliaSonera has formulated a CSR roadmap, the purpose of which is to implement the CSR policy and help us to achieve our goal of being a good corporate citizen.

Respecting laws and regulations is normally considered as the minimum level of acceptable behavior for a company. Socially responsible companies, i.e. good corporate citizens, act responsibly, even if they are not obliged to do so by laws and regulations. We believe that with our CSR policy, practices and results we can fulfil our stakeholders' expectations and be a good corporate citizen.





Our shared values

TeliaSonera's CSR work is based on the Company's shared values.

Business Add value

For business, we have decided that add value is the cornerstone. Add value contains the essence of our desire to focus on the customer and be business-minded. It means a constant drive for simplicity and working together to create value – in teams and across borders.

Relations Show respect

We will show respect. As an individual you must feel that you are heard and know that your achievements are important. We must be able to trust and rely on each other and commit to promises. It is also about giving people tools and resources to solve the different tasks. Or in other words, simply treating others the way we want to be treated ourselves – both internally and externally.

Drive Make it happen

Being positive, having a fighting spirit and creating opportunities is all about drive. We must have the drive to make it happen. We have to be innovative and act as fore-runners as we have done in the past.

Rankings of TeliaSonera's home markets in sustainability and telecom related international indexes

Not only do good national sustainability rankings increase stakeholders' expectations, but they also enhance the credibility of companies which have their origin and base in the Nordic and Baltic countries.

Rankings of Sweden, Finland, Norway, Denmark and Lithuania in sustainability and telecommunication related international indexes					
Index	Sweden	Finland	Norway	Denmark	Lithuania
Sustainable Development 2001¹ The Wellbeing of Nations survey ranks 180 countries by measuring human development and environmental conservation.	1	2	3	13	22
Environmental Sustainability Index 2005² The Environmental Sustainability Index is a composite index tracking a diverse set of socioeconomic, environmental and institutional indicators that characterize and influence environmental sustainability at the national level.	1	2	4	26	22
Environmental Performance Index 2006³ Pilot The Environmental Performance Index concentrates on two broad environmental protection objectives: Reducing environmental stresses on human health and protecting ecosystem vitality. The index is composed of sixteen indicators tracked in six established policy categories.	2	3	18	7	–
Gender Gap 2005⁴ Gender Gap survey quantifies the size of the gender gap in 58 countries. The study measures the extent to which women have achieved full equality with men in five critical areas.	1	5	2	4	12
Corruption Perception 2005⁵ The Corruption Perception index defines corruption as the abuse of public office for private gain, and measures the degree to which corruption is perceived to exist among a country's public officials and politicians.	6	2	8	4	44

¹ The Wellbeing of Nations: www.iucn.org

² A joint production of the Yale Center for Environmental Law and Policy and the Center for International Earth Science Information Network (CIESIN) at Columbia University: www.yale.edu/esl

³ A joint production of the Yale Center for Environmental Law and Policy and the Center for International Earth Science Information Network (CIESIN) at Columbia University in collaboration with World Economic Forum and the Joint Research Centre of the European Commission: www.yale.edu/epi

⁴ World Economic Forum: www.weforum.org

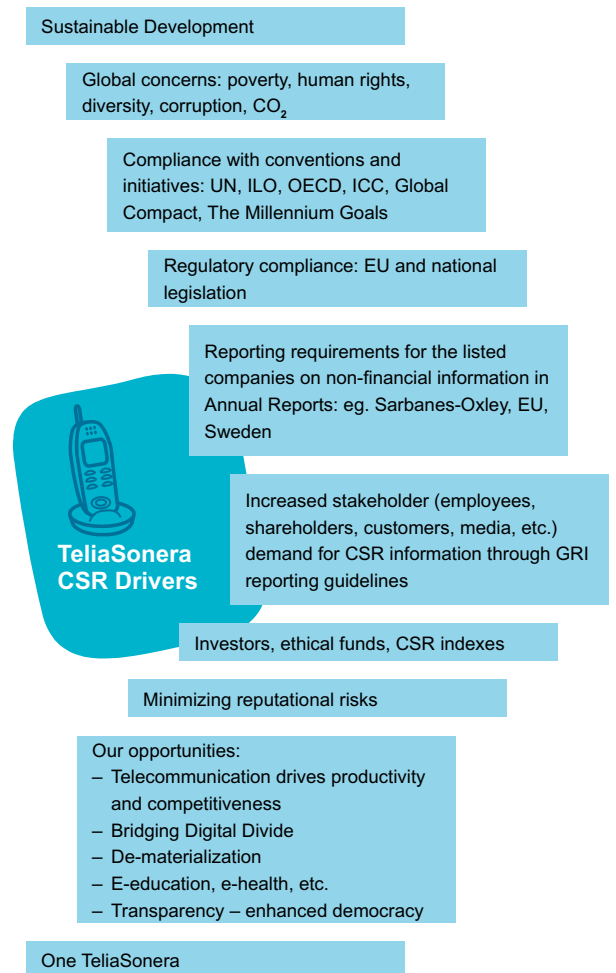
⁵ Transparency International 2005: www.transparency.org

Drivers of CSR at TeliaSonera

CSR is by definition a corporation's voluntary actions for sustainable development. However, there are many laws and recommendations related to implementing CSR in practice. TeliaSonera acts according to legislation and carefully follows the trends in international recommendations for stakeholder engagement, content and reporting structure within CSR.

The main driver for TeliaSonera's CSR work is to be a good citizen. The GRI reporting guidelines have a de-facto status as a requirement for CSR reporting. CSR reporting based on GRI guidelines is not only required by CSR raters, but also many international initiatives (e.g. Global Compact) recommend reporting according to GRI guidelines.

For TeliaSonera, CSR is a corporate function, which supports very well the idea of one TeliaSonera, independent of the various operating countries and the local brand names the company has in different countries. The TeliaSonera shared values are applicable everywhere.



Policies and commitments

In order to facilitate sustainable development and with the aim of being a good corporate citizen, TeliaSonera has defined a corporate social responsibility policy, which was approved by the Board of Directors in April 2004. Other CSR related corporate commitments are listed in the following table.

Policies / Commitments	YES	NO	Further information
Corporate Policy	x		
Corporate Social Responsibility Policy ¹	x		www.teliasonera.com
ETNO Sustainability Charter ²	x		www.teliasonera.com
Swedish Code of Corporate Governance ³	x		www.teliasonera.com
Sourcing policy with environmental requirements	x		
Business ethics	x		www.teliasonera.com
Ethical guidelines for marketing communication ⁴	x		
Diversity ⁵	x		
Equal rights ⁶	x		
Human rights ⁷	x		
Global Compact		x ⁸	
OECD		x ⁹	
Elementary ILO Conventions	x		www.teliasonera.com
UN Universal Declaration on Human Rights	x		www.teliasonera.com
Corporate policy on electromagnetic fields	x		www.teliasonera.com
Corporate position on internet spam	x		www.teliasonera.com

¹ CSR policy was approved by the Board 28 April 2004.

² 2004.

³ As of July 1, 2005. The code covers issues such as the shareholders' meeting; selection of the board of directors and auditors; remuneration of the auditors and the members of the board of directors; the board of directors' tasks; size and composition; the board of directors' financial reporting; internal control and internal relationship to the auditor and the role of the CEO.

⁴ TeliaSonera and its companies follow the terms and conditions of ICC (the International Chamber of Commerce) and the Swedish Consumer Ombudsman's guidelines for good practice. In addition, TeliaSonera's marketing communications in electronic and mobile channels shall be proper and shall not disturb the recipient.

⁵ As a part of our HR policy. In Sweden, there is a separate policy from 2005.

⁶ As a part of our HR policy.

⁷ As a part of our HR policy.

⁸ TeliaSonera is a member of ETNO (European Telecommunications Network Operators' Association) and ETNO joined the United Nations Global Compact Program in November 2004.

⁹ The State of Sweden is committed to the OECD guidelines and, as the major owner of TeliaSonera, conducts an annual audit/review of how TeliaSonera complies with the guidelines.



Marketplace

TeliaSonera has set some key targets:

- Best served customers – A majority of customers perceive TeliaSonera as the service company that best fulfils main customer needs.
- Easy-to-use services – 2 of 10 customers perceive TeliaSonera as the service company with an unparalleled level of simplicity.

TeliaSonera's Business Ethics Policy

As a consequence of our values and our policies on corporate social responsibility, we will:

- Deal respectfully, honestly and in good faith with those within and outside the Group who are affected by our operations
- Pursue no business that requires the violation of law or of our corporate policies
- Undertake only those business activities that we are willing to submit to public scrutiny and debate
- Treat each other with mutual trust and respect and provide an environment where individuals may question a Group practice without suffering any repercussions
- Follow national and international competition laws
- Not make or receive payments of any description which are illegal and/or unethical in the territory concerned
- Not make political contributions.

Business ethics

Business ethics are of utmost importance. For TeliaSonera, business ethics can refer to the kinds of business we want to become involved in or how we deal with services, applications and content in our networks.

However, sometimes it is very difficult to define what this means. That is why TeliaSonera's shared values are clearly defined to guide employees at TeliaSonera in different business situations with our customers.

TeliaSonera has the ambition to respect the protection of privacy and the prevention of abusive or illegal use of information and telecommunications services for reasons of racism, violence and all forms of child abuse.

Business ethics within telecommunications involve issues which demand continuous attention, such as:

- E-commerce and our responsibility for actors involved
- Internet and our responsibility to control it
- Subscribers' possibilities to influence service configuration
- SPAM, Cookies
- Intellectual Property Rights (IPR)
- Integrity vs. freedom of speech
- Customer satisfaction: product safety and quality, tariffs, billing, complaints, marketing, sales, help desk.

Ethical guidelines for marketing

TeliaSonera and its companies endeavors to follow the terms and conditions of ICC (the International Chamber of Commerce) and Swedish Consumer Ombudsman's guidelines for good practice. In addition, TeliaSonera's marketing communication in electronic and mobile channels shall be proper and shall not disturb the recipient. The guidelines are:

- In all its marketing communication, TeliaSonera strives to show courtesy and to follow proper customs of trade and aims for good co-operation with authorities.
- TeliaSonera will not use violence in its marketing communication and TeliaSonera's advertising avoids any violent context.
- TeliaSonera avoids targeting children in its marketing communication.
- TeliaSonera will not attempt to increase the impact of its message by using shocking or immoral methods to communicate and shall not carry out marketing communication activities by using unethical or immoral means or content with the sole intention of receiving publicity. This naturally means that the following are taken into account:
 - a. Respecting our common brand values
 - b. Local cultures and norms
 - c. Common sense and understanding of behavioral norms
- TeliaSonera emphasizes the following in choosing marketing communication partners:
 - a. High professional quality and
 - b. Ability and willingness to develop a long term partnership.

TeliaSonera will not be in partnership with any company that could damage TeliaSonera's image. Co-operation is based on honest, open communication and mutual respect.

International money laundering

TeliaSonera hosted ETNO's fraud prevention working group in Stockholm in May 2006. One important item on the agenda was international money laundering. Swindlers find new ways to make money all the time and new wireless technologies offer criminals new opportunities.

The key to fighting fraud successfully is to spread information about swindlers' methods and tactics. One of the main reasons for the meeting was to share this information.

Customer care

Challenges and practices to overcome barriers to access and use of telecommunication products and services may vary greatly from one country to another. Customers have different expectations on services and service levels based on e.g. language, culture, literacy levels, income, disabilities and age.

That is why different business models are required in different countries. For instance, Omnitel in Lithuania provides customer care in three languages – Lithuanian, Russian and English. Their services cover 99.4 percent of the territory and 100 percent of population.

Data Security

Users of internet and e-services can meet many kinds of threats that they should be aware of. Some of the websites and e-services offered on the internet are clearly illegal, whereas others can be legal but regulated. Some activities are offensive or violate privacy and some of the issues may even lead to large financial losses for the users. That is why it is important to choose an operator which has the competence and tools to secure its customers against hazards and misuses such as:

- Threatening chain emails
- Consumer tracking
- Flaming
- Hacking
- Libellous sites
- On-line fraud
- On-line gambling
- Spam

TeliaSonera invests significant resources into investigating complaints about spam messages which may have originated from users and accounts within our network. All known e-mail accounts which violate our anti-spam policies are blocked and we have introduced specific procedures to be able to react rapidly whenever there is a problem.

In addition, TeliaSonera offers its customers internet connections with security services which help customers to use the internet safely by using basic internet security services like anti-virus and firewall, as well as more advanced services like parental control and spam filtering.

Customer satisfaction

TeliaSonera's objective is to become a genuine service company with simplicity as our hallmark. We believe that satisfied customers are the key to our success and we continuously evaluate our work for customer satisfaction. We use Key Performance Indicators (KPIs) to measure our progress. Our targets are as follows.

Target fulfilment	Customer KPI ¹	Service KPI ²
2004 Q1	39%	27%
2004 Q3	40%	28%
2005	41%	28%

¹ More than 50% of all customers should perceive TeliaSonera as the service company that best fulfils their needs.

² 2 out of 10 customers should perceive TeliaSonera as the service company with an unparalleled level of simplicity.

In order to evaluate the customer KPI, TeliaSonera uses indicators like customer satisfaction, customer need and best served customer. To evaluate the service KPI, we use indicators like contact point satisfaction, ease of use and simplicity. The TeliaSonera companies in different countries have their own programs to achieve these targets.

For instance, at TeliaSonera Sweden we have set a target to have Sweden's best level of customer service. To meet this target, we have started a new customer service unit. The unit regularly evaluates basic issues like service availability, competence and customer interface. In addition, a voucher system is used to measure how well we meet customer needs. With this practice, TeliaSonera employees can give vouchers or coupons to customers who have had problems or made complaints. Complaints are carefully analyzed in order to improve our services.

Telecom users' advice bureau

Eight telephone and broadband operators – TeliaSonera, Tele 2, Vodafone, 3, TDC Song, Com Hem, Glocalnet and Bredbandsbolaget – have agreed to set up a telecom users' advice bureau

by 1 September 2006. It will be set up under the leadership of IT-Företagen, the trade association of the Swedish IT industry, and all operators that are active in Sweden will be invited to join.

The bureau will provide independent information and advice, and it will act as an informal adjudicator in disputes between operators and private customers.

Children and young people

There are certain groups in society that must be protected from content or services which, while not illegal, are considered harmful or abusive. Particular care has to be taken that children are not exposed to material which is inappropriate for them.

Many entertainment related services are very popular and there are a lot of content providers who offer different kinds of entertainment services in the internet or for the mobile phones.

In September 2005 the European Parliament adopted amendments to the European Commission's proposal for a recommendation on the protection of minors and human dignity. The proposal seeks to strengthen the level of protection of minors and human dignity in view of the new challenges stemming from the increasing power of computers and the new possibilities for content distribution afforded by broadband, such as video on 3G mobile phones.

TeliaSonera has certain possibilities to ensure that services meet ethical requirements. The possibilities lie where TeliaSonera controls a portal through which content providers offer their services.

Opponent of child pornography

TeliaSonera is a strong opponent of child pornography and does not offer pornography directly from its mobile portals.

In accordance with the Safer Internet Plus programme, a hotline service has been set up in 19 European countries for people to report items such as websites containing child pornography. In a number of these countries, the Hotline organization has followed the recommendations of the EU Commission and established a close co-operation with the national police force. The United Kingdom, Denmark, Sweden and Norway have already come a long way in this work and have established a system of self regulation using filters.

Communication Camp – a forum for social innovations

TeliaSonera Finland has arranged a number of Communication Camps for children, starting as early as in 1987. Communication Camps have been very popular and have been developed into a concept which could be extended to other countries where TeliaSonera operates.

The Communication Camp is a camp designed for children of all ages who can read and who have an open mind. At the Communica-

tion Camp, they learn to use new information and communication technology for self-expression and for making their lives easier.

During the course of the camp, the participants take part in and become familiar with different communication related activities, such as information, newspapers, radio, television and video.

Further information: Viekas.fi

Special groups

Information technology is a natural part of everyone's everyday life. The use of information technology should be made so easy and beneficial that it becomes accessible to everyone. More inhabitants should be able to enjoy the benefits of information technology – seniors, young people, the unemployed, companies, district associations and various groups of disabled people.

Seniors

Senior citizens often find the latest mobile phones and services difficult to use. Using services is difficult if the mobile phones' buttons are placed too close together, screens and text are too small or tones are not clear or loud enough. There is a definite need for communication and a desire for more instruction in mobile phone use than can be found in a thick user's manual.

In Sweden, PRO, the Swedish National Pensioners' Organization, has joined forces with TeliaSonera to launch a major information and education campaign on the benefits of mobile phone use. The study material was recently nominated for an award for promotion of IT services and has proved enormously popular among seniors.

A very important concern is loneliness and isolation of elderly people. Around 40 percent of elderly people have experienced such feelings at some time and 5 percent regard it as a very serious problem.

The reasons may vary from physical impairments typical for elderly people, disability, the life situation or geographical factors to a lack of public transport. Loneliness lowers quality of life, reduces independence, increases the risk of illness and increases the need for services. This phase of life requires innovative organization and use of existing services, competences and infrastructure and new models, methods and solutions. TeliaSonera and the Finnish Pensioners' Association is investigating how telecommunications can be used in volunteerism and peer group activities where existing resources and solutions are currently insufficient or inadequate.

The disabled

The major problems with telecommunication accessibility for the disabled involve human and telecommunication interfaces, expensive assistive technology and inaccessibility of information because of its poor design.

IP technology brings new communication possibilities for special groups. Product development is flexible and offers services and solutions for different kinds of special groups. For example, VoIP services will increase usability and simplicity for customers.

Several services will be available for the hearing-impaired and physically handicapped in the near future, including video conferencing, full-screen video calls, whiteboards, instant message conferencing ("chat rooms"), SMS & MMS and a range of new games.

Why doesn't this work better? Why can't they make this easier to use?

New products have to meet many requirements before they can be approved from a usability point of view. The TeliaSonera Design & Usability group works constantly to find answers to questions such as these so that our customers will regard our products and services as easy to use in every phase: To find – to buy – to get started – to use and to stop using a product.

In order to do this, we have to consider following usability issues very thoroughly with every single product:

- How can customers find and get information about a product?
- How can customers understand the use of a product?
- How can customers understand the price setting of a product?
- How can customers order and receive a product?
- How can customers get started with a product?
- How can customers use a product?
- How can customers find and get information and help?
- To whom can customers talk about a product?
- How can customers understand the invoice?
- How can customers pay for a product?
- How can customers change the settings of a product?
- How can customers upgrade or downgrade a product?
- How can customers cancel a product or a service?

TeliaSonera has been developing services for people with disabilities and for elderly people in close co-operation with organisations that represent them. Competition in communication services is very tough and price is often the main factor for consumers who can choose between different service providers.

Good quality, however, is a key issue for TeliaSonera. An important quality issue is how to fulfil the communication needs of special groups such as the physically handicapped, visually impaired, hearing-impaired and mentally handicapped. All of these groups have different needs, and these needs are a major concern in TeliaSonera's development of new products and services.





Workplace

TeliaSonera's workplace strives to offer a healthy physical, psychological and social environment for everyone. This helps employees in their professional work and contributes to a balanced and healthy life. Respect and the fair and equal treatment of employees are fundamental to all aspects of our human resources management. Our policy is to ensure equal employment and advancement opportunities for all qualified individuals without distinction or discrimination based on age, color, ethnic origin, race, religion, sex, sexual orientation, physical disabilities or mental disorders.

TeliaSonera Finland, share of women in %, 2004

Women	%
permanent employees	42.7
fixed-term employees	43.0
full-time employees	41.8
part-time employees	62.2
managerial positions	32.7
development programmes (Sonera business school)	28.8
in recruitment	35.6
performance bonus scheme	28.5
parental leave, fathers	84.5
employees taking time-off in lieu of holiday bonus	51.9
seasonal workers	73.2

The proportion of women in managerial positions at TeliaSonera Finland has changed very rapidly. Before 2000, the level was below 20 percent, but this has now increased to 33 percent. In Sweden, the proportion of women in managerial positions at TeliaSonera is even higher – 38 percent.

Human rights

Human rights issues address discrimination, child labor, young workers' rights, compulsory rights, freedom of association and collective bargaining rights, as well as freedom of opinion and expression. In the TeliaSonera home markets, the main focus is on discrimination issues, whereas in other markets, all aspects of human rights must be considered carefully, because they are not necessarily always stipulated in the national legislation.

Gender Equality

Gender equality means equal opportunities for men and women. TeliaSonera addresses gender equality concerns of all kinds: in the labor market, in the workplace, in managerial positions and from the customer perspective.

The EU gender equality directive came into force in June 2005. The directive requires companies to make a gender equality plan. In Sweden, this requirement has existed since 1992.

TeliaSonera's Gender Equality Plan is updated annually. The main areas covered by the plan are recruitment and training, jobs and job placement, pay and bonuses, prevention of sexual harassment and reconciliation of family and working life. Each area has its objectives defined, actions to be taken and methods for monitoring the results and the current situation.

According to the plan, people working in similar functions at TeliaSonera receive equal pay. Employment and development opportunities at TeliaSonera are gender neutral.

TeliaSonera aims to be an employer that offers all employees opportunities to combine career and family. One example is a parents' discussion network in Sweden. Articles and interviews featuring fathers who have invested in their parenthood and in their children through paternity leave have been published on the company intranet.

The equality plan aims at establishing gender balance workplaces previously dominated by women or men. Special attention is paid to gender when selecting directors, managers and supervisors. Recruiters are trained to consider the equality perspective.

Every year, TeliaSonera conducts surveys and analyses of pay together with trade and employers' associations.

TeliaSonera stresses that equality between men and women is important also from a business perspective. Equality is a tool both for growth and for a positive and healthy working environment.

Female entrepreneurship in Riga

In January 2004, TeliaSonera endowed the TeliaSonera Professorship at the SSE of Economics in Riga (SSE Riga). At the same time the TeliaSonera Institute at the SSE Riga (TSI) was founded. The Institute is a think tank which aims to promote and undertake high quality policy-orientated research in the fields of entrepreneurship, telecom and information technology as well as to promote entrepreneurship in Latvia.

In 2005, the institute arranged a conference on the theme of

"Women and Entrepreneurship". Interest in female entrepreneurship has increased throughout the world during recent years. Women in business are a growing force in the economy, and their contribution extends from the economic sphere to include the wider process of social transformation. Policy-makers around the world are increasingly aware that female entrepreneurship can no longer be ignored.

However, there is an ongoing policy debate about how best to

meet and support the needs of female entrepreneurs, as there is evidence that woman entrepreneurs suffer more than other small businesses from problems such as access to start-up finance or growth capital. At the conference, a roundtable discussion explored the challenges facing female entrepreneurs in Latvia and discussed appropriate policies.

Trade union co-operation

TeliaSonera has a long tradition of healthy relationships with trade unions. In 2005, several new agreements and schemes were introduced through effective co-operation with the trade unions. In this chapter, we present some of the most important trade union co-operation agreements and schemes.

New co-operation and redeployment agreements in Sweden

In January 2005, TeliaSonera signed new co-operation and redeployment agreements with three trade unions. These agreements form the basis for co-operation on the major change processes facing TeliaSonera when building a platform for future growth and competitive cost levels.

The redeployment agreement means that excess personnel can receive up to three years' individualized competence development and support in applying for new employment within or outside the company. This will take place within a redeployment and competence development unit.

The agreement provides security for all employees, as it means that downsizing can take place without making people redundant. It also means a major investment in competence development and competence exchange so that TeliaSonera can successively transfer employees from areas where the company will no longer be active to new investment and growth areas.

The new co-operation agreement is designed to promote employee influence over the company's decision processes through their employee organizations. Application of the redeployment agreement is a prioritized co-operation issue, and the ambition is that the parties will always strive to reach agreement on differences of opinion. By co-operating and consulting at an early stage, employees can have a genuine and greater influence. The unions are informed and involved at an early stage so that they can contribute to the company's formal decision processes.

A co-operation council was also set up when these agreements were signed.

Global agreement negotiations with UNI

TeliaSonera Sweden, the trade unions who represent the employees at TeliaSonera AB in Sweden and Union Network International, (UNI), which

represents the trade unions that organize TeliaSonera employees around the world, are currently negotiating an agreement on a code of conduct for the practical application of agreed principles.

The principles outline a set of shared views and positions on a number of human and trade union rights in society and in the workplace:

- no forced labor (ILO Conventions 29 & 105)
- no discrimination in the workplace
- no child labor (ILO Conventions 138 & 182)
- respect for freedom of association and bargaining rights
- the right to represent employees
- a living wage
- reasonable working hours
- decent conditions in the workplace and in society
- respect for all in the workplace
- training and education
- employer obligations
- respect for the environment

TeliaSonera EWC, European Works Council

In summer 2005, personnel representatives for TeliaSonera's employees in the Nordic countries and the Baltic States formed a TeliaSonera European Works Council (EWC).

TeliaSonera EWC is a forum where employees can receive information and consult with the group management. The EWC looks at cross-border matters and current issues, such as strategy, building one TeliaSonera, employment and organizational structure. The council will meet TeliaSonera's management regularly and exchange information about issues such as upcoming organizational changes or major investments.

TeliaSonera EWC met for the first time in January 2006. At the first meeting, seventeen participants from seven countries met in Stockholm to discuss current issues of a cross-border nature and to meet members of the company's executive management.

Competence pool

To meet the numerous challenges that emerge due to re-organization and structural changes of the company TeliaSonera Finland has launched a two-year (2006-2007) Development Program. An essential part of the program is a project called Competence Pool.

Competence Pool is formed and designed to support both the organization as a whole and the

personnel as individuals during the turbulent times of transforming the company from a horizontally aligned, functional organizational form into a divisions based, vertically integrated business model. Competence Pool offers a temporary place for people who encounter a "between-the-jobs" situation. Competence Pool has been designed in a close cooperation with the employer and employee representatives.

The Competence Pool people are offered support in many forms to help the difficult time of uncertainty: human relations specialists are dedicated to personal discussions, internal training is available for skills development, outplacement services are offered in collaboration with a partner specialized in the field, lectures on entrepreneurship or retirement are arranged. To enhance information transfer and availability several channels are used: besides organized meetings, the intranet and team center are used on a daily basis.

Work life balance

Maintaining and promoting the health and well-being of employees is an important aspect of ensuring the quality of an employee's work and his or her level of job satisfaction. This involves not only physical well-being, but also mental and social well-being.

Well-being

TeliaSonera Sweden has twelve well-being teams spread out all over the country. The teams support employees and show what TeliaSonera has to offer in the area of health promotion. This involves activities such as exercise, massage and stress management, which we know have a positive effect on health. Money is available for every employee to use on various kinds of health-promotion activity. The teams' role is to inspire and motivate and to provide information on what each employee can use the money for. For example, at TeliaSonera Head Office in Stockholm, the goal for 2005 is for eight out of ten employees to be acquainted with the investment in wellbeing and the wellbeing team in order to improve employees' health.

TeliaSonera Finland also has health-promotion services for its employees, the aims of which are to enhance good health at work, occupational safety, physical activity, clubs for various interests, leisure and recreation. It also offers a service concept called MiniSteissi, which is a place for both work and relaxation.

The choice of leisure activities at TeliaSonera Denmark focuses on employees' daily wellbeing. A wide range of well-being services can be found, including exercise centers, stress seminars, massage, sports clubs and other interest-based clubs.

Netcom in Norway has similar activities in its company healthcare programme. Netcom also encourages employees on long-term sick leave to visit the workplace and take part in company lunches on Fridays.

Flexible working

TeliaSonera does not distinguish between distance work and other types of work. Many TeliaSonera employees are distance workers or work on a flexible basis, free of time or place constraints, taking advantage of various telecom services at work, while traveling, at home or at remote work stations.

TeliaSonera always encourages flexible working practices when these are suitable for the work involved. The following examples and cases illustrate flexible working policies at TeliaSonera.

Distance work in Lithuania

The TeliaSonera employee survey reveals that 90 percent of Lithuanian employees prefer to work out of the office only if they have meetings with clients, suppliers or partners in other places than the office. Lithuanian employees are more accessible than Scandinavians outside normal working hours or the normal workplace. 85 percent of Lithuanians said they are always accessible by mobile phone or e-mail after working hours. The poll also showed that Lithuanians communicate with foreign clients twice as often as Scandinavians.

Working on the train – pilot

A project hosted by the Ministry of Communications and Transport in Finland involves around 20

commuters piloting mobile flexible working on trains. In the pilot, there are commuters from The Finnish Meteorological Institute, the Police and TeliaSonera. When travelling takes between one and two hours, the employee comes to an agreement with the employer about how much of the travelling time he/she can include as working hours and reduce hours in the workplace accordingly.

TeliaSonera launches the HomeRun WLAN service on airplanes

TeliaSonera signed a roaming agreement with wireless internet service provider Connexion by Boeing to provide TeliaSonera's wireless broadband service HomeRun on airplanes. The time spent onboard will now be spent more efficiently, adding value for our customers since they will now be able to work online during flights.

HomeRun will be available for use on all longhaul SAS flights and many routes operated by Lufthansa, ANA and Japan Airlines.



To be able to use the service all that is required is an ordinary HomeRun subscription, a laptop and a pc/wlan card.

Growth of telecom meeting services at TeliaSonera Finland, 2004–2005

Growth	%
Telephone conferences	+111.3%
Telephone & web conferences	+79.7%
Events	+104.4%
Video conferences (fixed studios)	-49.2%

The internal use of telecom meeting services at TeliaSonera Finland has increased by 94 percent from 2004 to 2005, reaching a total of over 70,000 meetings. The telecom meeting services are very popular as they are easy to use. The savings in travelling time result in considerable increases in efficiency.

Telecom meeting services enable phone conferences, web conferences and events and can be arranged at any time without prior reservation or as an assisted service. Phone and web conferencing can be combined, allowing the material which is to be used in the meeting to be distributed among the participants using an internet browser. The service is always tailored. The participants call to the meeting phone number allocated for the organizer of the meeting and join the conference using a PIN code.

Record number of Swedes worked outside the office last summer

Flexible working is still on the increase in Sweden. TeliaSonera's communications barometer shows that seven out of ten Swedes chose to spend as much or more time working outside their offices during summer 2005 compared with previous years. Only 23 percent of Swedes say that they will not work away from the office.

There is a clear trend in Sweden that more and more people would like to be able to work outside their normal workplace, and record numbers of Swedes are leaving their offices during the summer months. The technology exists, and many people have discovered that it is easy to use.

The older the employees are, the greater their preference for working away from the office. Of those over 50 years of age, 73 percent intend to distance work as much or more compared with previous years. On the other hand, the greatest increase in interest in distance working is taking place among young people, with 26 percent of under-35s intending to work more outside the office. The figure for the 35–50 age group is 19 percent. Distance working is more common among men than among women, with 79 percent of men intending to spend more time working away from the office compared with 50 percent of women.



Environment

Without sustainability there is no future. Companies must minimize the environmental impacts of their processes and products during the life cycle. Furthermore, telecom operators have excellent opportunities to provide solutions for their customers to decrease their environmental footprints by using telecommunications services. Many eminent experts have highlighted the role of telecommunications as a real driver of social and economic development and thus for a prosperous and equitable world.

Eco-efficiency now and in the future

Finland Futures Research Centre runs a project on current and future eco-efficiency. The aim of the project is to create a systematic model for assessing the eco-efficiency of production and consumption patterns in Finland. Production and consumption chains are assessed through their whole life cycles, from both micro and macro perspectives. The expected outcomes of the project are advanced assessment procedures and methods that can be applied in assessing corporate eco-efficiency.

The project aims to find answers to the following questions in particular:

- What forms and means of eco-efficiency exist?
- How can eco-efficiency be measured on the corporate level?
- How could the indicators at micro and macro level be combined?
- How could eco-efficiency be integrated into corporate strategic planning?
- What are the preconditions required for Finland to become

an eco-efficient information society?

TeliaSonera has participated in the project by defining scenarios on environmental impacts of a typical office week for different types of workers with the aid of life cycle assessment. In the following graph, the vertical axis shows the environmental impact. If the air travel is excluded, the environmental impacts of a traditional office worker are greatest and the working from home has the lowest impact.

Telecom and the environment

TeliaSonera is involved in many projects and organizations aiming to find solutions and ways to decrease environmental footprints of companies and society as a whole without sacrificing continuous economic growth.

A vision of a sustainable information society

TeliaSonera is an active member of the Swedish IT and Environment Working Group, a sub-group of the IT Policy Strategy Group, which will present a national strategy for IT and the environment in 2006. More specifically, it will identify how Sweden can exploit the potential of IT to increase welfare while reducing environmental impact. The first part of the strategy report presents a vision of how Sweden can create a sustainable information society. It then presents proposals of a more general nature before presenting specific ideas that apply to different areas.

Several areas are described, for example using IT in:

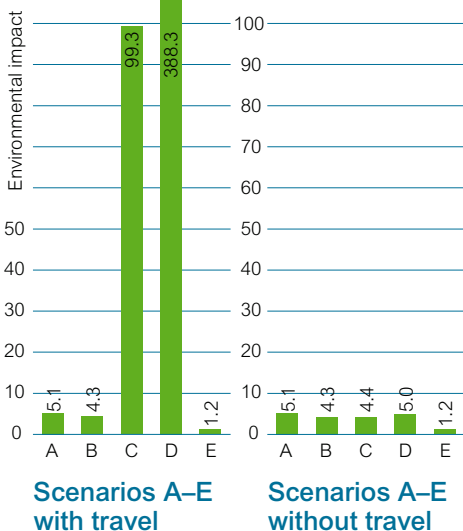
- environmental authorities to aid administrative procedures
- housing and houses
- flexible working
- virtual meetings
- intelligent transport systems
- e-commerce
- e-dematerialization.

The report will also discuss the environmental impact of IT based on LCAs (life cycle assessments), the use of IT in consumption and IT's rebound effects.

Center for sustainable communication

VINNOVA (The Swedish Governmental Agency for Innovation Systems) is a state authority that aims to promote growth and prosperity throughout Sweden. One of the programmes it runs is the VINN Excellence Center. The objective of this program is to create new internationally competitive concentrations of highly qualified experts with the task of conducting problem-oriented and, as a rule, multidisciplinary research in order to generate knowledge and technology that will lead to new products, processes and services. The overall aim of the program is to promote sustainable growth in Sweden.

TeliaSonera has participated in the program by proposing a Center for Sustainable Communication. The Centre for Sustainable Communication is an initiative to provide a multidisciplinary research platform for developing open access communication, infrastructure and mediated services for people in remote as well as in urban environments. Its aim is to create and develop new, innovative tools and methods for communication that provide viable alternatives to, for example, physical travel and transportation, thereby supporting growth and inclusion while reducing our consumption of natural resources.



A = Traditional office worker
 B = Teleworker
 C = Mobile worker
 D = International elite
 E = Home worker

Source: Information & Communication Technology and Energy Consumption Patterns during an Office Week – A Future Cycle Analysis, Olli Hietanen, Finland Futures Research Centre and Martin Lehmann-Chadha, Technology & Society Lab, EMPA, 2006

Climate change and energy

How to become a carbon neutral industry has been discussed within the telecom sector. However, that requires telecommunications services being accepted as a part of the CO₂ trading scheme. That would mean that when our customers use telecom services like e-business, e-governance, e-health, e-learning, e-inclusion, e-work and telemeetings, the amount of CO₂ they have saved would be compensated. This would also accelerate the deployment of telecom for sustainable development.

ETNO energy task group

Telecommunications is perceived as an environmentally friendly technology. However, we use large quantities of energy to operate our networks and so have an inevitable impact on the environment. Therefore, we also have a duty to manage energy wisely and pay particular attention to improvements in our energy efficiency.

Energy consumption and greenhouse gas emissions (GHG) often go hand in hand. Therefore, by reducing our own energy consumption we can also reduce our emissions of GHGs. However, we also often consume energy indirectly e.g. when traveling, commuting and using out-sourced services. Here, whilst we cannot save energy directly, we can reduce the amount of GHGs by doing things differently, for example through the use of various telecommunication services, such as teleworking or teleconferencing.

That is why TeliaSonera, together with ETNO working group, has produced a set of Energy and Climate Change Policy recommendations for

telecom companies to maximize energy efficiency and minimize CO₂ emissions per service.

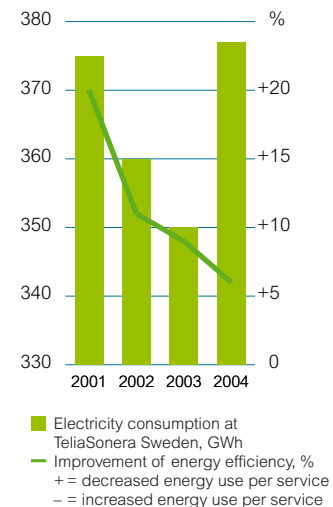
Energy Efficiency Index

TeliaSonera Sweden has developed an energy efficiency index, which combines the use of the equipment and services together with energy consumption. The index goes hand in hand with our company targets of increasing efficiency.

The goal of the index is to increase the efficiency in the usage of telecom products related to energy consumption and to exploit the possibilities created by the latest telecom technologies i.e. to produce more with the same or less usage of energy. The index is used for target setting in the part of the company that is certified according to ISO14001.

Due to a flexible structure different factors might be added or replaced – as long as they represent statistic data that are repetitive and measured over a longer period of time.

Energy Efficiency Index



M2M communication grows

Communications between machines (M2M) is growing rapidly. Already, for example, the SIM cards of mobile phones are used as communication channels between machines and this trend will increase significantly in the near future.

In Sweden, all households are to have an automatic electricity meter reader before 2009. Other Nordic countries are expected to follow.

Hafslund, Norway's largest power company has long been

looking for a technology that would simplify meter reading and ensure that they are accurate so that customers can be billed for actual use. Now Hafslund has chosen NetCom, TeliaSonera's subsidiary in Norway, to provide such a solution.

These new intelligent electricity meters are able to send information on a customer's consumption in almost real time. When the system is installed, customers will only pay for the electricity they actually use,

and more accurate measurement will give customers a clearer picture of their energy consumption. This new solution costs no more than the methods used today and it offers opportunities for new services, such as instant reporting of power failures so that the problem can be solved much faster.

EMF

All electrical equipment emit electromagnetic fields when in use. Mobile telephones and mobile systems are no exception. Concerns have been voiced among the general public around electromagnetic fields related to mobile telephone systems, and TeliaSonera listens to them.

Right from the creation of the company, TeliaSonera has recognized this concern and has acted proactively by:

- Introducing a Group policy on EMF
- Establishing a special group to monitor the issue
- Having a team of scientists to advise the company on EMF matters
- Participating in industry efforts to follow and support research
- Interaction with national and international authorities
- Participation in various international organizations and work groups
- Acquiring and sharing information and knowledge
- Regular meetings with personnel organizations
- Publishing internal and external web sites on the subject.

We are committed to the best practice guidelines established by the industry and we provide information on our mast sites in accordance with the local regulations in each country.

TeliaSonera also engages in active public communication and consultation. We have regular meetings with unions, have an intranet site and an external web site on the issue, hold and participate in internal and external seminars in our different markets, answer queries addressed to us both directly and through our reselling outlets, take active part in international seminars (GSM-association, BEMS, WHO, etc.), participate in hearings at national and EU level and interact regularly with national authorities that have a responsibility for EMF issues.

As an operator of mobile systems, we continuously show our customers and the public that we listen to concerns that are voiced, that we are active in ensuring that information is shared transparently on the matter, and that we support authorities and the science community in their efforts.

However, just saying that we do these things is not enough; We also need to show by our actions that we live up to our policy and intentions. In order to be more concrete in this area, TeliaSonera plans the following actions for the Group:

1. In all our shops or wherever we sell mobile phones, TeliaSonera will indicate the SAR1 values reported by the manufacturers on the product description that accompanies the product.
2. In some countries, the national radiation protection authorities have recommended the use of hands-free equipment to reduce exposure levels. In markets where there is such a recommendation from the national authority, TeliaSonera sales staff will offer all customers the opportunity to purchase a hands free-kit whenever the product does not already include one.
3. Lack of knowledge or misinformation is many times an important contributor to people's concerns and worries. Being able to answer simple questions and to provide guidance about where to find information and answers to questions is a simple and efficient way to address this problem. TeliaSonera sales staff will therefore receive basic knowledge on how to handle EMF related questions.

Further information: www.teliasonera.com

Other major environmental issues

Telephone poles

In 2005, ETNO's task force "Poles" carried out a survey concerning the disposal costs and interpretation of legislation on re-use of the telephone poles among the major European telecom operators.

The background to this study was an EU directive that declared all poles impregnated with CCA (Chromated Copper Arsenate) and creosote as hazardous waste as of 2002 when no longer used for their original purpose – as telephone poles. Before 2002, the reuse of telephone poles as bridges and fences was a common practice, which created a great demand for used telephone poles. That was a true win-win situation between different stakeholders – the telecom operators saved on disposal costs, the re-users had access to affordable material, huge amounts of natural resources could be saved and CO₂ emissions were reduced.

Today, it is estimated that telecom operators have more than 35 million telephone poles in Europe, of which 45 percent are impregnated with creosote, 39 percent with CCA and the rest made of CC (Ammoniacal Copper Citrate), concrete, steel or fibre glass. In addition to the existing poles, approximately 800,000 new telephone poles are purchased annually. The disposal costs may vary from € 17–90 per pole or € 50–400 per tonne across Europe. The disposal costs mainly concern CCA poles, because they can not be incinerated as easily as creosote poles due to the hazardous chemicals used in the

poles. The costs incurred come mainly from incineration and transportation – even to the other countries.

The interpretation of the EU directive for re-use is not uniform, which has resulted in different practices among telecom operators. Incineration seems to be the most common practice. However, some countries allow the reuse of CCA poles for other purposes, such as re-selling them for reuse. That is why the reuse of telephone poles for fencing, landfill and other purposes is still very common.

The high disposal costs of telephone poles and differences in interpretation of the directive create unfair competitive conditions for telecom operators. This can lead to unnecessary transportation of poles between different countries for disposal, increasing unnecessary CO₂ emissions. The environmental authorities should harmonize the rules for reuse of poles within EU. The reuse of telephone poles should be the preferred option until final disposal.

Telephone poles in Finland

It is estimated that there are still more than 1 million telephone poles in Finland. Of these, 75 percent are CCA-impregnated and 25 percent creosote-impregnated. The poles are being removed gradually and the disassembled poles are currently being stored in 24 depots. Today, there are around 25,000 poles awaiting final disposal based on the EU directives and their interpretation. Approximately 4,000 new poles (CCA) are taken into use every year. The use of poles is decreasing however, because they can be replaced by underground cables or wireless solutions.

TeliaSonera Sweden's pilot on fuel cells

In 2005, TeliaSonera Sweden opened the first telecom exchange in Sweden to use fuel cells for backup power. The purpose of the fuel cell system is to increase the operating reliability of the network and minimize the environmental impact of the backup system when there is a power failure. This pioneering exchange is located in the Småland province of southern Sweden.

All of TeliaSonera's telecom exchanges are powered by the ordinary power grid in Sweden. If a power failure occurs, a backup

system starts up to power the exchange. These backup systems usually consist of batteries and diesel-powered generators.

Fuel cells are more reliable and efficient, and they have lower operating costs than today's backup power systems. Fuel cell technology is also more environmentally friendly. Because fuel cells lack moving parts, wear-and-tear and maintenance are minimized, leading to reduced operating and maintenance costs in the long term.

The pioneering test will hopefully change, and especially improve, future backup power systems for telecommunications. So far, the technology appears to deliver what it promises.

TeliaSonera is monitoring and evaluating the tests carefully and we expect the fuel cell system to minimize disturbances when there are major power failures or other types of external disturbance. Another important advantage of this technology is the environmental benefits.

Legionella bacteria

Legionella bacteria occur quite frequently in building plumbing systems. The open cooling systems of telephone exchanges (already quite rare today) provide legionella bacteria with not only an optimal growth environment, but also an excellent opportunity for dispersal via cooling towers and during cleaning. In aerosol form, legionella can result in epidemics by entering the respiratory tract.

Based on recommendations of National Public Health Institutes, cooling systems should be cleaned in accordance with equipment instructions. Also, the general contamination (e.g. slime build-up) of cooling system structures should be monitored and prevented, and the chemical and microbiological quality of water should be tested regularly. Legionella samples should be taken to assess the sufficiency of precautionary measures. Special attention should be paid to the adequate circulation of water and any potential for increases in legionella concentrations in the cooling system during the summer months.

It is extremely difficult to eliminate legionella bacteria in cooling systems. Furthermore, the maximum allowed concentration level of legionella bacteria is not clearly defined. In order to find common guidelines, TeliaSonera is conducting a survey among European telecom operators on practices and guidelines for legionella.

Measurement of sea currents in the Baltic using cables

A frequent topic of discussion in Nordic media is the health of the Baltic Sea. Every year brings reports of eutrophication, over-fishing, oil spills and abnormally large amounts of algae. It seems remarkable that modern society is unable to reduce the human impact on the marine environment. One explanation is that there is still a lack of knowledge about the interplay between different environmental processes, such as the link between biological/chemical processes and sea currents, which play a crucial part in the transportation and spread of substances.

In order to improve knowledge about the marine environment, Stockholm University set up a long-term study of the flow between the Baltic island of Gotland and the Swedish mainland in 1999. To aid this study, the university is using the TeliaSonera's underwater cable linking the towns of Västervik on the mainland and Visby on Gotland. The technique is very simple. It uses the copper sheath in the cable, which is earthed in Visby and unearthed in Västervik. By attaching a digital voltmeter to the sheath and the ground in Västervik, the difference in voltage between

Gotland and the mainland can be measured. This voltage is in turn induced by the sea currents. An increase or decrease in voltage shows an increase or decrease in the sea current.

This study, the longest ever study of currents in the Baltic has yielded valuable data and knowledge. The results of the project have been presented at a number of scientific conferences and published in highly renowned scientific journals.



Community

TeliaSonera is a vital part of the community. We strive to take responsibility for and to contribute to a sustainable society. We are involved and actively participate in the development of programs that will result in a better future. We believe in partnerships which provide win-win solutions.

Nordkontakt



The Norden Associations are the oldest organizations for promoting Nordic co-operation in all fields, officially as well as unofficially, and associations exist in all Nordic countries and autonomous regions. In April 2004, TeliaSonera signed a schools exchange programme agreement with the Norden Association in Sweden and the Norden Association in Finland. The project is named Nordkontakt, and its

primary aims are for pupils and teachers to learn more about each other's language, culture and society through personal experience.

Nordkontakt is very much about communication between people in a region where TeliaSonera plays a major role. The idea is that the program will contribute to the development of a more integrated Nordic and Baltic region, something which is closely linked to TeliaSonera's business concept.

The project is administrated by the Swedish and Finnish Norden Associations. They have produced a website, which provides a basis for communication and marketing linked to the project. TeliaSonera has contributed financial resources, primarily in the form of travel grants.

As part of the project, a number of school classes have visited TeliaSonera Head Office in Stockholm and press releases have been sent to local newspapers. There has also been a substantial number of Russian students

International co-operation

As well as a large number of telecommunications technology related standards and expert organisations like ETSI, ITU, the GSM Association and GSM Europe, TeliaSonera is also active in purely CSR related organizations as well as in combined CSR and telecommunications organizations. A versatile participation in different stakeholder organizations makes it possible to see more clearly the opportunities telecom can offer for sustainable development.

In addition to our international co-operation, TeliaSonera is also involved in many national CSR organizations. Further information about the objectives of these organizations and why TeliaSonera is involved in them can be found in the 2005 TeliaSonera CSR report and the CSR reports of our profit centers.

Some of the most important co-operation organizations within CSR with which TeliaSonera is involved are:

ETNO

ETNO, the voice of Europe's telecoms and electronic communications operators in Brussels, has been at the forefront of policy and regulatory affairs in telecommunications since 1992. ETNO launched its Environmental Charter in 1996 – the first European sector to do so. In 2004, the environmental charter was upgraded to The Sustainability Charter to also cover other CSR areas than environmental issues.

www.etno.be

visiting TeliaSonera yearly through IFL. A competition has also been announced, in which school classes in the whole Nordic region can participate by designing posters to illustrate mobile services of the future.

The majority of TeliaSonera's exposure in this project has occurred through network marketing. Information about Nordkontakt goes to schools, teachers and pupils through various networks and via the Nordkontakt website. Around 3,000 pupils in 132 school classes

received travel grants from Nordkontakt in 2004 and 2005. Direct exposure is estimated at about 6,000 teachers and pupils at the schools which have received grants. In addition, it is estimated that around 100,000 people have been exposed to TeliaSonera through the project. The website has received 22,000 unique visitors.

GeSI

The Global e-Sustainability Initiative is an initiative of Information and Communications Technology (ICT) service providers and suppliers, with the support of the United Nations Environment Programme and the International Telecommunication Union.

www.gesi.org

ICC/Business in Society

The Business in Society group of the International Chamber of Commerce defines the part business should play in the context of globalization and changing societal expectations.

www.iccs sweden.se

ISO 26000

ISO 26000 is the new ISO (International Standardisation Organisation) guidelines for social responsibility. The standard will be complete by 2008.

www.iso.org

CSR Sweden

TeliaSonera is one of the founders of CSR Sweden – a specific business network exclusively for companies. It supports companies' efforts to integrate CSR in all company departments in order to drive competitiveness, growth and people development. The network provides a helpdesk, individual business-to-business meetings, workshops, link to the EU (CSR Europe) and influence on public opinion.

www.csrsweden.se

CSR related sponsoring and charity

TeliaSonera's business units in different operating countries have comprehensive and versatile CSR related sponsorship and charity activities. In 2005, TeliaSonera sponsored many organizations and events with CSR related targets from sports to culture.

TeliaSonera aims to have a deep and long-term involvement in areas beyond its core operations and which are regarded as important in society. Sport and culture are examples of such areas. This support can also benefit us in our business activities, by helping us to be a good corporate citizen and increasing our network of contacts with stakeholders.

It is not possible to describe all of our sponsorship and charity projects in detail in this report, but our web site provides further information on TeliaSonera's co-operation with groups such as TeliaSonera Youth Council, Etikakademin, Fryshuset, Childhood Foundation, Nordkontakt, Pohjola Norden and many others.

The Finnish Paralympic Committee

TeliaSonera Finland signed a co-operation agreement with the Finnish Paralympic Committee in 2005. This partnership will aid our efforts to be involved in the development of all sports – for adults, children and the disabled.

Communications are important for all people, but are of special value to those with impaired mobility and for those who find it hard to accomplish certain tasks. For these groups, our services act as a link to the rest of the world, in a completely different way from what is the case for others. Modern information society services make it possible to do many everyday things quite differently from the way things used to be, for instance with the help of internet connections.

TeliaSonera Finland's support for the Finnish Paralympic Committee provide better coaching

for top disabled athletes, development projects for young sportsmen and women and travel expenses for participants in the Paralympic Games in Turin and Beijing.

Scholarships to successful students in Estonia

As a large company and one of the largest taxpayers in Estonia, the Eesti Telekom Group is a partner to the entire community. Eesti Telekom Group plays a significant part in the development of Estonian education, culture and sports and offers support to the weaker members of society.

By supporting education and research, Elion, the largest telecommunications and IT provider in Estonia, and EMT, the leading Estonian mobile operator, help to ensure the development of the next generation of telecommunications and IT specialists and the consistent development of the entire field of activity. Elion and EMT grant scholarships to successful students at the Tallinn University of Technology, the Estonian Business School, the University of Tartu, and the Estonian Information Technology College. Similarly, they finance the study of telecommunications as an elective subject at the Tartu Kivilinna Upper Secondary School in order to awaken the interest of young people in digital technology and telecommunications at an early age. For its part, EMT participates in the activities of the Tallinn University of Technology Innovation Centre in order to assist in the discovery of new solutions and to help make Estonia one of the leading countries in the global information community.

TEO helps the Lithuanian community

As part of the 2005 sponsorship budget, TEO (former Lietuvos Telekomas) allocated funds to several healthcare and social projects in Lithuania:

- Lithuania's psychological telephone aid services association
- The "Nedelski!" ("Do not Delay!") project against breast cancer



Pakistan earthquake

The earthquake which struck Pakistan on 8 October 2005 caused enormous devastation. The official death toll reached 73,000, with around 69,000 people injured and

3.5 million people left homeless. Many survivors risked death in the harsh winter weather that followed.

Aid efforts became a race against time. TeliaSonera headquar-

ters donated its entire Christmas gift budget to the earthquake victims of Pakistan, adding further money up to a total of SEK 250,000, which was donated via the Red Cross.

- The Lithuanian AIDS Center
- Projects run by the Ministry of Social Security and Labour on integration of the disabled into society
- The "Save the children Lithuania" children's rights protection organization
- The Children Support Centre
- The Lithuanian Library for the Blind.

Moreover, TEO has been active in many projects to bridge the digital divide in Lithuania. Together with Lithuanian local authorities, the company implemented the Digital Divide Reduction Project in 31 municipalities, during which computer literacy and Internet Starter courses were arranged. In 2005, the company took part in the activities of the "Window to the Future" alliance and provided free-of-charge access to 100 Lithuanian internet websites. Several large-scale projects, comprising the whole educational system of Lithuania, received support from the company last year. TEO supported the project

for the introduction of the "Electronic Grade-book" at secondary schools, designed to provide all the information related to school students' grades and progress over the internet.

"Window to the future" alliance in Lithuania

Omnitel has started an initiative called "Window to the future" to develop business and government partnership to overcome digital divide, educate society and promote computer literacy in the country. The initiative started in 2002 with the establishment of free internet access points in the country and the ambition to increase internet penetration up to the EU average level within three years. By 2005, there were 175 access points in rural areas, as well as 39 percent internet penetration. The initiative is gaining strong momentum because of effective cooperation with local and central governments, as well as the involvement of local communities.

Storm Gudrun

Gudrun, a storm with hurricane-force winds, hit Sweden during the weekend of 8–9 January 2005. When telecommunications exchanges lost all power and the telecom network was ripped apart, almost 300,000 customers lost use of their telephones.

The storm had an unusually large impact across Swedish society. The Swedish National Board of Forestry estimates that 75 million cubic meters of forest were destroyed or damaged. Trees fell on roads, railways, power lines, telephone lines and buildings, and several people died in the storm. Infrastructure sustained damage from fallen trees and directly from the hurricane-force winds. Electricity supplies were knocked out, telephone lines were damaged and people were isolated. Many experts regard Gudrun as the worst natural disaster ever to hit Sweden.

The power cuts mainly affected rural areas, while urban areas fared better. The storm struck an area with the biggest rural population in Sweden and a large proportion of companies located outside urban

areas. An estimated 730,000 electricity customers experienced lost power. Nearly 30,000 kilometers of the power grid was damaged, and almost nine per cent of this grid will have to be completely rebuilt.

After 20 days, more than 12,000 customers were still without electricity. Some were without power for up to 45 days. Fatalities occurred during the repair work – both during forest clearing and power line reconstruction.

Immediately after the storm, TeliaSonera launched efforts to return telephone services to customers. The first step was to provide a mobile network with back-up power; within less than a week, mobile services worked in most parts of the affected area. TeliaSonera lent mobile phones to authorities and customers were offered free call forwarding from their fixed phones to their mobile phones. Provisional repairs to the fixed telecom network were the next step and after three months all customers had regained their phone service.



At TeliaSonera, we did many things right after the storm but we could have done other things better, including information to customers and authorities. TeliaSonera is therefore involved in several initiatives to ensure that we are better equipped if anything similar should happen in the future. For example, the county administrative boards and local authorities in the areas affected by the storm were invited to meetings to start a dialogue and provide information about the rebuilding process. TeliaSonera also kicked off an information tour aimed at private customers.

Additionally, the digital inclusion initiative was started to provide computer literacy training for elderly, low-income citizens to break the barrier against using new technology. The ambition for 2006 is to provide education for 40,000 Lithuanians.

The initiative is of great value to Omnitel as a means to build a reputation as an active promoter of the information society as well as educating customers to use Omnitel's services and e-services as a whole in an effective way.

Netcom sponsors a school in Zambia

Netcom, TeliaSonera's Norwegian subsidiary, is actively involved in the funding of an upper-secondary school for 500 children, which is being built by SOS Children's Villages in Lusaka, Zambia. Previously, Netcom has sponsored sports events in Norway, but the management has now decided to also become involved in humanitarian projects.

The school will focus primarily on theoretical studies, but vocationally oriented courses will also be available. The goal is for young people to be able to find work to support themselves after their studies.

In many parts of Zambia, whole generations of parents have been lost to the AIDS epidemic, leaving ageing grandparents with large families of grandchildren. Responsibility for supporting the family then falls on the oldest grandchildren, who are often no more than teenagers.

Netcom will donate over 3 million Norwegian kroner to SOS Children's Villages over 3 years, which will be enough to construct all of the school's buildings. Netcom employees are also invited to make donations to the project and can have the money deducted from their salary each month. So far, around 150 employees have joined the scheme, which will mean a total donation of around 160,000 kroner per year. This money is earmarked for items such as a computer room for the school.



After the Tsunami – Suntel Relief Trust Fund in Sri Lanka

The world's most powerful earthquake in more than 40 years struck deep under the Indian Ocean on December 26, 2004, triggering massive tsunamis that obliterated cities, seaside communities and holiday resorts, killing hundreds of thousands of people in a dozen countries.

TeliaSonera contributed in many ways to the disaster aid in Asia by setting up and simplifying communications and by providing financial aid. TeliaSonera's help to the disaster areas consisted of several parts: each company in the group offered services, such as free mobile service to and from the affected areas. The aid totaled almost 20 MSEK of which about 5 MSEK went to the Suntel Relief

Trust Fund in Sri Lanka. This is a short summary of what a fairly small amount of money by western standards can provide in a disaster area.

The Suntel Relief Trust Fund focused on providing relief for the local communities by assisting them in rebuilding houses and social support centres. Special attention was paid to improving the livelihood of those affected by the tsunami. The fund assisted in supplying new fishing boats and equipment to the local fishermen in the area. The trust also provided equipment for those wishing to start small scale businesses in the area. The Suntel Relief Trust Fund also provided facilities for communication.

The needs of children have been of utmost importance to the Trust. In order to help children affected by the tsunami overcome their fear and trauma, two of Swim-Lanka's "Swim for Life" Programs were funded by the Trust. 455 children in the Hambantota District have completed training and benefited from the "Confidence in water" courses in the two Suntel sponsored pools. The fund also provided psychological support, such as trauma counseling centers, and financial aid for children.

The Trust's foremost duty was to ensure that every rupee was spent responsibly, in a manner that will genuinely help those who need relief the most. The Suntel Relief Trust Fund has worked in

helping those most affected to rebuild their lives through extensive livelihood projects, which have been successful in reaching a large number of affected people throughout the country.

The Suntel Relief Trust Fund will continue its relief efforts until February 2007, which will bring to a close the two year operative period as set out in the Trust Deed of March 2005.

The following list shows some of the items provided by the Suntel Relief Trust Fund following the tsunami:

- Hundreds of bicycles
- Dozens of cement block making machines. Each machine provides 6 people with employment.
- Dozens of fishing boats and nets for the fishing community
- Sets of carpentry tools for carpenters
- A welding plant, benchwise, driller, grinder and gas lamps for the community
- Construction of houses
- Donation to the "Fisherman's Relief Project" to repair or replace fishing boats and equipment damaged by the Tsunami
- Several training programs and tools for self-employment
- Funding of small and medium sized business projects
- Funding to set up and run a youth drop-in centre for a period of 3 years
- Trauma counseling centers for children
- Provision of a computer, refrigerator, water dispenser and cassette player for the "Rainbow" day care centre at Aluthgama
- Urgent equipment (beds, mattresses, school cupboards etc.) for children
- The construction of a Community Centre for the people of Rekawa Village
- Funding to set up and run a child-oriented Multi Service Centre in the Batticaloa District
- Funding to set up and run a District Resource Centre for psychosocial needs in Weligama – Matara District
- Provision of several Suntel CDMA connections and phones, internet connections, e-mail connections as well as a PABX system to the local organizations

Ratings and awards

TeliaSonera has performed very well in international sustainability ratings. The ratings focus on different CSR areas and use several indicators, but what is common for most of the rating indexes is that the companies being rated should have three areas clearly stated: policies, practices and documented results.

Besides various telecom and CSR related ratings, TeliaSonera receives many questionnaires from universities and students and has several face to face interviews with pension funds, ethical funds

and other investors. All of these different evaluations are important for us in order to meet the demands and wishes of our stakeholders.

Ratings

Oekom 2005



In 2005, Oekom Research AG gave TeliaSonera a Prime evaluation. A company is classified as "Prime" if it ranks among the world's best companies within the industry and fulfills the sector-specific minimum requirements (best in class).

Oekom research AG is an independent rating agency, which has been providing in-depth information on the environmental and social performance of companies, sectors and states for a number of years.

Robur's ethics analysis 2005



Robur

TeliaSonera's work in the fields of environment and social responsibility is the best in the industry in Sweden. The company is especially active in pursuing the business opportunities in these fields. Risks that demand immediate attention are indirect links to gambling and pornography and those risks that are related to the management of electrical and electronic waste, particularly in markets with no recycling systems in place.

Robur is one of few Nordic fund managers with own ethics analysts. The ethical criteria the analysts use are based on Robur's basic values for ethical analysis and include

- the UN declaration on human rights
- UN Global Compact
- The Rio declaration on sustainable development
- ILO's core conventions

FTSE4 Good Index Series 2005



TeliaSonera has been selected into the FTSE4Good Index. In March 2005, TeliaSonera was on The FTSE4Good Europe 50 Index Reserve List. The

reserve list will be used in the event that one or more constituents are deleted during the period up to the next semi-annual review.

FTSE Group is the index provider of choice for the world's leading investors. The FTSE4Good Index Series has been designed to measure the performance of companies that meet globally recognized corporate responsibility standards, and to facilitate investment in those companies.

The index selects companies using criteria in three categories: environmental sustainability, human rights and stakeholder relations.

CoreRatings/Det Norske Veritas 2005

In May 2005, CoreRatings gave TeliaSonera a B evaluation (on a scale from A+ to D). The rating assesses how well the company manages the investment risks arising from its material, environmental, social, employment and ethical impacts.



CoreRatings has now become fully integrated within DNV (Det Norske Veritas is a leading international provider of services for managing risk). The role of CoreRatings is to focus on innovative and value-added CSR products for companies, such as corporate responsibility assessments, corporate governance ratings and third party verification, i.e. emissions trading scheme verifier and CSR reports verifier.

SNS – Asset Management, 2005



Asset Management

SNS Asset Management is well known as a specialist in Socially Responsible Investing (SRI) based on the 'People, Planet, Profit' principle. SNS Asset Management is the leading Dutch institution in the field of sustainable institutional asset management.

TeliaSonera's total sustainability performance was better than the average of the peer group. The index evaluates economic, social and environmental performance based on positive and negative criteria.

TeliaSonera tops Folksam's climate ranking



During the last eight years, Folksam has analyzed and presented the amount of carbon dioxide released by companies that are publicly traded in Sweden in its Climate Index. The index looks at these companies' actual emissions in relation to sales, the companies' work with reducing emissions, and how they present their emissions and steps being taken to reduce them. This leads to a total climate rating on a scale of 0 to 5.

The best company in 2004 was TeliaSonera, which was one of the companies that received a 5 rating. In 2005, TeliaSonera received a 4 rating. Folksam says that TeliaSonera is active within the environmental field and, moreover, they state that TeliaSonera's quality in presenting CO₂ emission data is well approved (scale: well approved, approved, failed).

Awards in the TeliaSonera Group and associated companies

TURKCELL

Turkcell receives award for educational project

Turkcell has been awarded the Institute of Public Relations' IPR Excellence Award for the "Contemporary Girls of Contemporary Turkey" project. The award is one of the world's most prestigious in the public relations field. Turkcell competed for the award with over 270 entrants in 14 categories. Turkcell received the award in the category of "Corporate Social Responsibility" in a ceremony held in London on June 18, 2005.

The "Contemporary Girls of Contemporary Turkey" project provides scholarships for 5,000 girls in rural parts of Turkey. Turkcell teamed up with educational and charitable groups in Turkey to tackle a deep-rooted social problem – the educational discrimination that exists between girls and boys in rural Turkey, where a large number of women are illiterate.

IPR Excellence Award nominees are evaluated on the scope of the project and the overall contribution the project makes to society. A panel comprising public relations professionals and academics selects the winners based on each project's ultimate success in reaching its target population.

LMT the most reputable company in Latvia

Hill & Knowlton has conducted a research study to discover the most reputable company in each of the Baltic States. LMT, (Latvijas Mobilais Telefons), took third position in this study. The major factor that determines a company's reputation is the implementation of employee policy and the company's attitude toward employees.



Omnitel one of the best rated employers



The results of the survey of the TOP20 most attractive employers in Lithuania say that SEB Vilnius bankas, Omnitel and Kraft Foods Lietuva are the best rated employers in the country. The survey was carried out in February 2006 by interviewing some 2,000 respondents aged 15–65. The most important criteria for being a highly rated employer are salary, social security guarantees, good management, motivation programmes, a friendly team and the financial success of the company.

Azercell invests in people



Azercell has received an Investor in People certificate in recognition of meeting the international standard for effective investment in people.

Investor in People is a national quality standard that sets a level of good practice for improving an organization's performance through its people. To receive this certificate, an organization has to fulfil the requirements of 'The Standard' – a set of principles for effective staff and organization development.