## Contents

- Introduction by Ewa Lagerqvist  
  - About this report  
  - About TeliaSonera  
    - Key financial and employment information  
    - Corporate governance  
  - How we manage CSR  
    - Ethics  
  - Marketplace  
    - Benefits of communications technology  
    - Spam  
    - Secure communications  
    - Child safety  
  - Workplace  
    - Employee engagement  
    - Gender diversity  
    - Well-being and health and safety  
    - Pay and benefits  
    - Training and development  
  - Environment  
    - Climate change and energy use  
    - Electromagnetic fields  
    - Siting masts  
    - Waste  
    - Community  
  - Ratings and awards  
  - Appendix
Introduction

Following a major restructuring of our company in 2007, we are now undertaking a full review of our approach to CSR. We recognise that as we enter new markets, operating in different countries and cultures, we require strong systems for embedding CSR throughout our operations. The rapid pace of technology in the telecoms sector means we can offer customers new products and services increasing communications possibilities. With these come new CSR issues to manage – for example the convergence of telecoms and the Internet means that privacy, child protection and different aspects around content control are now relevant for TeliaSonera too.

This report is a summary of our CSR activities and performance, focusing on our wholly owned Nordic and Baltic businesses. Next year we intend to publish a full report and to increase the scope to include parts of our majority owned businesses.

Our new structure for CSR governance will have the authority of the Board and the Executive Management team. Our four strategic Business Areas will be integrated into our CSR policies.

“Our business has potential to benefit society wherever we operate. By increasing access to communications we can promote freedom of expression, enhance the economic opportunities of the poor in the developing world, and increase productivity in the developed world. By providing an alternative to travel our virtual meetings services help people reduce their carbon footprints.

Mobile technology is being used in an increasing range of social services from traffic management to healthcare.

TeliaSonera has a culture and tradition of responsible action. We were included in the Dow Jones Sustainability index for the first time in 2006, but we know that we cannot take CSR performance for granted. We must hardwire the systems and practices throughout our Group, leaving no room for doubt about the values that we hold.

EWA LAGERQVIST
Group Vice President and Head of Group Communications
This report is a summary of our corporate social responsibility (CSR) activities in 2006. We focus on the issues we believe to be material to our business and important to our stakeholders. We used the Global Reporting Initiative (GRI) guidelines where possible, to guide the preparation of this report. We have also published further information on our CSR practices and performance in the form of a GRI table, available at www.teliasonera.com.

For more information on the GRI guidelines see www.globalreporting.org

We are strengthening our CSR policies, practices and governance structures and will report more fully on our 2007 performance. We aim to include more comprehensive data and specific targets and to expand coverage to include parts of our majority owned operations.

Scope and data
This report covers the operations of all companies 100% owned by TeliaSonera, representing 82% of the TeliaSonera Group by net sales. These companies are located in Sweden, Finland, Lithuania, Denmark and Norway. The report also provides some information on our part-owned and majority owned businesses.

Data is for calendar year 2006, unless otherwise stated.
TeliaSonera is an international group of companies, providing telecommunication services in the Nordic and Baltic countries, as well as in Spain and a number of Eurasian countries, including Russia and Turkey. We offer services for the transmission and packaging of sound, images, data, information, transactions and entertainment.
About TeliaSonera

TeliaSonera was formed through a merger in December 2002 of the Swedish company Telia and the Finnish company Sonera. The Swedish and Finnish governments are the largest holders of TeliaSonera stocks (see table on page 8), which are traded on the Stockholm and Helsinki Stock Exchanges.

From the 1st of January 2007, TeliaSonera adopted a new organisational structure comprising four business areas:

<table>
<thead>
<tr>
<th>Business area</th>
<th>Description</th>
<th>Products and services</th>
<th>Countries of operation</th>
<th>Number of employees as at 1st Jan 2007</th>
<th>Approximate % of Group sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mobility Services</td>
<td>Provides mobility services for consumers and businesses</td>
<td>Mobile voice and data services, mobile content, WLAN hotspots, mobile over broadband, mobile/PC convergence and Wireless Office</td>
<td>Sweden, Finland, Norway, Denmark, Lithuania, Latvia, Estonia and Spain</td>
<td>7,087</td>
<td>41%</td>
</tr>
<tr>
<td>Broadband Services</td>
<td>Provides services that connect homes and offices. It operates the Group common core network, including the data network of the international carrier business (the world-leading provider of IP-based network services).</td>
<td>Broadband over copper, fibre and cable, IP-TV, voice over Internet, home communications services, IP-VPN/ Business Internet, leased lines and traditional telephony</td>
<td>Sweden, Finland, Norway, Denmark, Estonia, Lithuania and Latvia. International carrier offices in 17 countries, reaching 31 countries.</td>
<td>14,610</td>
<td>37%</td>
</tr>
<tr>
<td>Integrated Enterprise</td>
<td>Manages internal IT and telecom infrastructures for businesses in the Nordic and Baltic regions. Offers products and services to meet businesses’ complete telecommunications needs and standardised solutions for small and medium enterprises (SME).</td>
<td>Integrated services and managed solutions; LAN, servers, work stations, IP PABXs and call centres, mobility and security solutions and horizontal standard applications (eg e-mail services), systems integration and converging services</td>
<td>Norway, Denmark, Sweden, Finland, Estonia, Latvia, Lithuania</td>
<td>3,374</td>
<td>12%</td>
</tr>
<tr>
<td>Eurasia</td>
<td>TeliaSonera owns 74% of Fintur Holdings, which offers mobile services in Eurasian countries via local operators K’Cell, Azercell, Geocell and Moldcell. The operators are jointly owned with local partners, but Fintur is the majority shareholder in the companies.</td>
<td>Services for voice and data</td>
<td>Kazakhstan (K’Cell), Azerbaijan (Azercell), Georgia (Geocell), Moldova (Moldcell), Turkey (Turkcell), Russia (Megafon)</td>
<td>2,023</td>
<td>9%</td>
</tr>
</tbody>
</table>
“TeliaSonera had at the end of 2006 a subscription base of more than 30 million subscriptions in the majority-owned operations and nearly 66 million in the associated companies.”

<table>
<thead>
<tr>
<th>Country</th>
<th>Ownership</th>
<th>Mobile Subscriptions, thousands (Market Share)</th>
<th>Fixed Voice Subscriptions, thousands (Market Share)</th>
<th>Datacom and broadband, thousands (Market Share)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>100</td>
<td>4,603 (46%)</td>
<td>4,586 (55%)</td>
<td>1,547 (40%)</td>
</tr>
<tr>
<td>Finland</td>
<td>100</td>
<td>2,457 (42%)</td>
<td>580 (31%)</td>
<td>453 (31%)</td>
</tr>
<tr>
<td>Norway</td>
<td>100</td>
<td>1,641 (32%)</td>
<td>172 (14%)</td>
<td>165 (11%)</td>
</tr>
<tr>
<td>Denmark</td>
<td>100</td>
<td>1,123 (20%)</td>
<td>165 (5%)</td>
<td>162 (11%)</td>
</tr>
<tr>
<td>Estonia</td>
<td>53.7</td>
<td>759 (47%)</td>
<td>381 (84%)</td>
<td>148 (56%)</td>
</tr>
<tr>
<td>Latvia</td>
<td>60.3</td>
<td>803 (43%)</td>
<td>619 (97%)</td>
<td>101 (32%)</td>
</tr>
<tr>
<td>Lithuania</td>
<td>49</td>
<td>2,074 (48%)</td>
<td>785 (99%)</td>
<td>192 (49%)</td>
</tr>
<tr>
<td>Spain</td>
<td>76.6</td>
<td>24 (0%)</td>
<td>108 (0%)</td>
<td>119 (0%)</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>51</td>
<td>3,539 (56%)</td>
<td>123 (56%)</td>
<td>151 (56%)</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>51.3</td>
<td>2,333 (76%)</td>
<td>214 (76%)</td>
<td>234 (76%)</td>
</tr>
<tr>
<td>Georgia</td>
<td>83.2</td>
<td>1,032 (50%)</td>
<td>91 (50%)</td>
<td>103 (50%)</td>
</tr>
<tr>
<td>Moldova</td>
<td>100</td>
<td>448 (45%)</td>
<td>45 (45%)</td>
<td>49 (45%)</td>
</tr>
<tr>
<td>Russia</td>
<td>43.8</td>
<td>29,749 (19%)</td>
<td>13,231 (19%)</td>
<td>14,672 (19%)</td>
</tr>
<tr>
<td>Turkey</td>
<td>37.3</td>
<td>31,800 (60%)</td>
<td>23,100 (60%)</td>
<td>18,600 (60%)</td>
</tr>
<tr>
<td>Ukraine</td>
<td>51</td>
<td>4,620 (11%)</td>
<td>4,620 (11%)</td>
<td>4,620 (11%)</td>
</tr>
</tbody>
</table>

1 For Kazakhstan, Azerbaijan, Georgia and Moldova, the number indicates Fintur Holding BV’s ownership in the four companies. TeliaSonera holds directly and indirectly 74.0 percent in Fintur Holdings. For other companies, the number indicates TeliaSonera’s share of net income of the company, including both direct and indirect ownership.

2 Turkcell’s GSM subsidiary in Ukraine, in which Turkcell holds a 44 percent indirect stake.

3 TeliaSonera estimates based on the share on the number of subscriptions, except for Sweden where the estimate is based on the share of net sales.
Key financial and employment information

<table>
<thead>
<tr>
<th>Key statistics</th>
<th>2006</th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net sales (billion SEK)</td>
<td>91.0</td>
<td>87.7</td>
<td>81.9</td>
</tr>
<tr>
<td>Operating income (billion SEK)</td>
<td>25.5</td>
<td>17.5</td>
<td>18.8</td>
</tr>
<tr>
<td>Number of customers 100% owned companies (million)</td>
<td>20</td>
<td>20</td>
<td>19</td>
</tr>
<tr>
<td>Number of customers majority owned companies (million)</td>
<td>10</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>Number of customers associated companies (million)</td>
<td>66</td>
<td>51</td>
<td>36</td>
</tr>
<tr>
<td>Number of employees</td>
<td>28,528</td>
<td>28,175</td>
<td>29,082</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net sales by country (million SEK)</th>
<th>2006</th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td>37,003</td>
<td>38,960</td>
<td>40,448</td>
</tr>
<tr>
<td>Finland</td>
<td>16,744</td>
<td>16,308</td>
<td>18,267</td>
</tr>
<tr>
<td>Norway</td>
<td>9,432</td>
<td>7,481</td>
<td>6,299</td>
</tr>
<tr>
<td>Denmark</td>
<td>7,413</td>
<td>7,178</td>
<td>4,495</td>
</tr>
<tr>
<td>Baltic countries</td>
<td>9,950</td>
<td>9,293</td>
<td>5,868</td>
</tr>
<tr>
<td>Eurasia</td>
<td>8,508</td>
<td>6,367</td>
<td>4,084</td>
</tr>
<tr>
<td>Other countries</td>
<td>4,826</td>
<td>4,922</td>
<td>5,422</td>
</tr>
<tr>
<td>Corporate and other</td>
<td>-2821</td>
<td>-2,848</td>
<td>-2,946</td>
</tr>
<tr>
<td>The Group</td>
<td>91,960</td>
<td>87,661</td>
<td>81,937</td>
</tr>
</tbody>
</table>

Average number of fulltime employees by country, in 2006

| TeliaSonera’s largest shareholders (ownership %) |
|-----------------------------------------------|--------|
| Swedish State                                 | 45.3   |
| Finnish State                                 | 13.7   |
| Swedbank Robur                                 | 2.2    |
| Cevian Capital LP                              | 1.6    |
| SEB Funds                                     | 1.5    |
| Nordea Investment Funds                        | 1.3    |
| SHB/SPP Funds                                 | 1.2    |
| Skandia Liv                                    | 1.0    |
| Alecta                                         | 0.8    |
| SEB Trygg Försäkring                           | 0.7    |
| Other shareholders outside Sweden and Finland  | 15.1   |
| Other shareholders                             | 15.6   |
Corporate governance

TeliaSonera’s corporate governance system is designed to help us implement our strategy. It is structured to encourage all employees to strive – within set boundaries – towards the same goals, with a clear understanding of direction, shared values, roles, responsibilities and authority to act.

**The Shareholders’ meeting, Board of Directors and CEO**

TeliaSonera’s Nomination Committee is responsible for nominating members of the Board of Directors (the Board) who are then elected at the Shareholders’ meeting, the company’s highest decision making forum.

The board of directors is responsible for the company’s organisation and the management of the company’s business, including internal financial controls. This 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 CEO and issues guidelines for the management of the Group.

TeliaSonera’s Board has ten members, of whom three are employee representatives from our Swedish operations. A Finnish employee representative is present at Board meetings, but does not have voting rights.

The CEO is responsible for the company’s business development and leads and coordinates the day-to-day operations in accordance with the guidelines and instructions of the board of directors.

The Group wide governance framework (see diagram on page 10) comprises a number of elements:

- Common direction and shared values – sets out our vision, business concept, strategy and expectations of our employees.
- Management model – sets the organisational structure, governance system, roles and responsibilities and business planning and reporting.
- Delegation of obligations and authority – sets the limits for decision making for business areas and corporate functions; sets yearly and quarterly targets for the Group and for each business area; outlines how decisions by the CEO are taken in individual cases.
- Corporate functions’ policies – the heads of Corporate functions may issue policies within their area of responsibility.

The business area wide governance framework lies within the boundaries set by the Group wide governance framework.
TeliaSonera corporate governance system

Shareholders

General Meeting

Board of Directors

President and CEO

Group wide governance framework

Common direction and shared values
- Business concept
- Vision
- Shared values
- Code of ethics
- Corporate strategy

Management model
- Governance system
- Organization
- Roles and responsibilities
- Business planning and reporting

Delegation of obligations and authority
- Delegation of obligations and authority to
  - Business area heads
  - Corporate function heads
  - Business targets CEO’s decision system

CFO Office
- Policies

Group Human Resources
- Policies

Legal Affairs
- Policies

Group communications
- Policies

Business area wide governance framework

Business area direction
- Business area strategy
- Business area policies

Business area management model
- Organization
- Roles and responsibilities

Delegation of obligations and authority
- Delegation of obligations and authority to
  - Direct reporting managers
  - Business targets
  - BA-head’s decision system
Our CSR Policy commits us to comply with all laws in the countries where we operate and to integrate marketplace, workplace, environment and community concerns into business operations, in collaboration with stakeholders.
Policy

Policy

Our CSR Policy commits us to comply with all laws in the countries where we operate and to integrate marketplace, workplace, environment and community concerns into business operations, in collaboration with stakeholders. TeliaSonera has many stakeholders including customers, owners, investors, employees, regulators, NGOs and suppliers. In summary, it requires us to:

In the Marketplace
• Supply services that support sustainable development (such as teleconferencing which reduces environmental impacts from travel)
• Provide the appropriate tools to protect users from abuse of telecoms services, including children, from crime, abuse and breaches of privacy
• Contribute to bridging the digital divide
• Improve access to telecoms services for disabled users

In the Workplace
• Recognise freedom of association and the right to collective bargaining
• Eliminate forced, compulsory and child labour
• Eliminate all forms of discrimination
• Protect the health and well-being of employees
• Encourage and assist our associated companies, suppliers and subcontractors to do the same

In the Environment
• Continually improve our environmental management system according to the principles of the environmental standard ISO 14001
• Meet best environmental practice in the handling of electronic, hazardous and other waste
• Improve the energy efficiency of operations
• Achieve best environmental practice in business travel and transportation

"We are reviewing and strengthening our management arrangements for CSR in our four business areas and will report on the new structure next year."

<table>
<thead>
<tr>
<th>TeliaSonera Policies</th>
<th>YES</th>
<th>NO</th>
<th>Further information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Policy</td>
<td>✓</td>
<td></td>
<td>available upon request <a href="http://www.teliasonera.com">www.teliasonera.com</a></td>
</tr>
<tr>
<td>Corporate Social Responsibility Policy*</td>
<td>✓</td>
<td></td>
<td><a href="http://www.teliasonera.com">www.teliasonera.com</a></td>
</tr>
<tr>
<td>Sourcing policy with environmental requirements</td>
<td>✓</td>
<td></td>
<td><a href="http://www.teliasonera.com">www.teliasonera.com</a></td>
</tr>
<tr>
<td>Code of Ethics</td>
<td>✓</td>
<td></td>
<td><a href="http://www.teliasonera.com">www.teliasonera.com</a></td>
</tr>
<tr>
<td>Ethical guidelines for marketing communication*</td>
<td>✓</td>
<td></td>
<td><a href="http://www.teliasonera.com">www.teliasonera.com</a></td>
</tr>
<tr>
<td>Diversity*</td>
<td>✓</td>
<td></td>
<td><a href="http://www.teliasonera.com">www.teliasonera.com</a></td>
</tr>
<tr>
<td>Equal rights*</td>
<td>✓</td>
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<td><a href="http://www.teliasonera.com">www.teliasonera.com</a></td>
</tr>
<tr>
<td>Human rights*</td>
<td>✓</td>
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<td><a href="http://www.teliasonera.com">www.teliasonera.com</a></td>
</tr>
<tr>
<td>Corporate policy on electromagnetic fields</td>
<td>✓</td>
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<td><a href="http://www.teliasonera.com">www.teliasonera.com</a></td>
</tr>
<tr>
<td>Corporate position on Internet spam</td>
<td>✓</td>
<td></td>
<td><a href="http://www.teliasonera.com">www.teliasonera.com</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TeliaSonera commitments</th>
<th>YES</th>
<th>NO</th>
<th>Further information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Swedish Code of Corporate Governance*</td>
<td>✓</td>
<td>✓</td>
<td><a href="http://www.teliasonera.com">www.teliasonera.com</a></td>
</tr>
<tr>
<td>ETNO Sustainability Charter*</td>
<td>✓</td>
<td>✓</td>
<td><a href="http://www.teliasonera.com">www.teliasonera.com</a></td>
</tr>
<tr>
<td>Global Compact</td>
<td>✓</td>
<td>✓</td>
<td><a href="http://www.teliasonera.com">www.teliasonera.com</a></td>
</tr>
<tr>
<td>OECD Guidelines for Multinational Enterprises</td>
<td>✓</td>
<td></td>
<td><a href="http://www.teliasonera.com">www.teliasonera.com</a></td>
</tr>
<tr>
<td>Elementary ILO Conventions</td>
<td>✓</td>
<td>✓</td>
<td><a href="http://www.teliasonera.com">www.teliasonera.com</a></td>
</tr>
<tr>
<td>UN Universal Declaration on Human Rights</td>
<td>✓</td>
<td>✓</td>
<td><a href="http://www.teliasonera.com">www.teliasonera.com</a></td>
</tr>
</tbody>
</table>

*CSR policy was approved by the Board on 28th of April, 2004

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 based on customer consent and the customer will always have the option to opt-out.

As a part of HR policy – in Sweden, there is a separate policy from 2005.

As a part of HR policy

As of July 1, 2005.

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

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.
In the Community

- Take social, ethical and environmental criteria into account in commercial community partnerships and the sourcing of telecoms equipment and services
- Support research and maintain broad and detailed knowledge of electromagnetic fields (EMF) and related concerns

The CSR Policy is supported by our Code of Ethics and our Shared Values – “add value”, “show respect” and “make it happen”. See table for more information on our CSR related policies and commitments.

Management

We have appointed a Vice President for CSR with responsibility for coordinating implementation of our CSR policy, ensuring CSR activities are aligned with company values, vision and strategy and reporting these activities externally.

We are reviewing and strengthening our management arrangements for CSR in our four business areas and will report on the new structure next year.

Measuring performance

We collect CSR performance information and data using an internal network of country coordinators and specialists. Our data collection system is based on the GRI indicators and Telecommunications Sector Supplement.

We are improving our data collection systems to enhance performance measurement and we will report on performance more fully next year.

TeliaSonera rankings in sustainability indexes

Our CSR management and performance is assessed by socially responsible investors, ratings agencies and indexes. The table below summarises how we performed in national and international sustainability ratings and indexes in 2006.

International partnerships

We work with a range of stakeholder organisations and take part in forums to increase opportunities for TeliaSonera to contribute to sustainable development. These include industry organisation working groups dealing with social and environmental issues, as well as specialist CSR organisations. These are a few examples from 2006:

The European Telecommunications Network Operators’ Association (ETNO)

ETNO is the policy group for European telecoms and electronic communications operators.

<table>
<thead>
<tr>
<th>Index</th>
<th>2006 Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dow Jones Sustainability Index (DJSI)</td>
<td>TeliaSonera was included in the Dow Jones Sustainability World Index for the first time in 2006. DJSI is highly selective in its choice of companies and only 10% of nominees are included in the index.</td>
</tr>
<tr>
<td>FTSE4Good</td>
<td>The FTSE4Good Index includes companies that meet globally recognised corporate responsibility standards.</td>
</tr>
<tr>
<td>Oekom</td>
<td>Oekom, the independent German ratings agency gave TeliaSonera a “Prime” rating, fulfilling “best in class” requirements for the telecoms sector.</td>
</tr>
<tr>
<td>Robur’s ethical analysis</td>
<td>The Nordic fund rated TeliaSonera best in sector in Sweden.</td>
</tr>
<tr>
<td>Folksam’s Green Index</td>
<td>The Swedish climate change index scored TeliaSonera 4 out of a possible 5.</td>
</tr>
</tbody>
</table>
“The CSR Policy is supported by our Code of Ethics and our Shared Values – “add value”, “show respect” and “make it happen.”
We launched a new Code of Ethics in May 2007. This commits all employees in fully owned companies as well as contractors, suppliers and service providers to:

- Do the right thing
- Be a good citizen
- Win with ethics
- Act with respect
- Value integrity

Ethics

“TeliaSonera Chairs the Information ETIS Security Working Group”

ETIS - brings together the major telecommunication providers in Europe on key information and communication technology issues. The mission of ETIS is to enable its members to improve business performance by exchanging information on effective use of ICT. TeliaSonera Chairs the Information Security Working Group which is addressing issues including terrorism, security standards, security across borders and SPAM and viruses.

www.etic.org

International Telecommunication Union (ITU) – TeliaSonera is a member of the Radio- and the Telecommunication sectors of the ITU. We follow and are involved in the ITU’s work in a number of CSR related areas including emergency communication (detection, alerting and protection), protection from electromagnetic fields, environmental and safety procedures.

www.itu.int

European Telecommunication Standards Institute (ETSI) – We are involved in the CSR work of the standards organisation ETSI in the areas of e-calls and we follow ETSI’s work in eHealth and emergency communications.

www.etsi.com

CSR Sweden – a business network which supports companies’ corporate social responsibility efforts. TeliaSonera is one of the founders of CSR Sweden.

www.csrsweden.se

ETNO Sustainability Charter which promotes opportunities for ICT to contribute to sustainable development.

www.etno.be

GSM Europe

TeliaSonera is an active member of GSM Europe, the industry group of around 147 European mobile operators, serving around 588 million subscribers. It seeks to ensure that the benefits of mobile services are understood, showing how they have enhanced the lives of citizens and brought social and economic benefits to individuals, businesses and nations.

www.gsmworld.com/gsmeurope

The Global e-Sustainability Initiative (GeSI) – a collaboration of major ICT companies aiming to improve the sustainability of the sector. We participate in GeSI through our membership of ETNO.

www.gesi.org

International Chamber of Commerce (ICC) – TeliaSonera participates in the E-business, IT and Telecoms group, contributing to discussions on how business should take part in the context of globalisation and changing societal expectations.

www.iccsweeden.se

CSR Sweden

– a business network which supports companies’ corporate social responsibility efforts. TeliaSonera is one of the founders of CSR Sweden.

www.csrsweden.se
Our products and services help our customers cut their climate impact. We offer tele- and video-conferencing as well as web meetings allowing people to meet friends, relatives, colleagues and business partners reducing the need to travel and associated CO2 emissions.
Benefits of communications technology

We offer products and services that can bring significant social and environmental benefits. For example, video- and teleconferencing and web meetings can avoid the need to travel, reducing associated environmental impacts and mobile technology can be used to improve healthcare services.

R&D for sustainable development
We invest between 2-3% of turnover in research and development. Some of our R&D focuses on how telecommunications services can support sustainable development. One example of this is our engagement in the academic and business partnership – Centre for Sustainable Communications.

www.csc.kth.se/sustain/

In 2006 Vinnova, the Swedish Governmental Agency for Innovation Systems, named the Centre for Sustainable Communications as one of 15 centres of excellence in research and innovation. Vinnova will invest up to SEK 7 million per year in the Centre for ten years, which will be matched by The Royal Institute of Technology (KTH) and private and public sector donors including TeliaSonera.

The Centre’s mission is to create and explore opportunities for media and communications to contribute to sustainable development. It will conduct research on ways to reduce energy consumption during manufacturing through the use of ICT equipment. The centre will also explore how ICT can reduce the need for physical products and production processes and will explore the positive and negative effects of ICT on behaviour and travel patterns.

Teleworking and e-dematerialisation
Our products and services help our customers cut their climate impact. We offer tele- and video-conferencing as well as web meetings allowing people to meet friends, relatives, colleagues and business partners reducing the need to travel and associated CO2 emissions. ICT is increasingly replacing the need for physical objects for example music, film and literature available on the Internet replaces CDs, books, newspapers, tickets and manuals. Known as e-dematerialisation, this helps reduce environmental impacts including resource and energy use.

Through our membership of ETNO we are participating in a joint ETNO-WWF initiative “Saving the climate @ the speed of light”. The partnership has produced a report on how ICT can help fight climate change by reducing CO2 emissions.

The report sets out a roadmap to achieving reductions of 50 million tonnes of CO2 emissions each year until 2010 through:
- Virtual meetings: 24 million tonnes
- E-dematerialisation: 4 million tonnes
- Flexi-work: 22 million tonnes

“We offer products and services that can bring significant social and environmental benefits.”

You can read the report at www.etno.be/Publications

Telemedicine
Many countries in Western Europe have aging populations which is placing significant demands on healthcare services. For example, in Sweden around 1.5 million people (17% of the population) are aged over 65, and this is expected to increase by 10% in the next 10 years.

We are developing products and services to improve access to and quality of healthcare services. Here are some examples of services under development:

Action
Action is a service that brings support to elderly people in their homes. An easy to use work station allows them to communicate with relatives and carers via email or video link as well as with others in the same situation.
Notification
A service which uses mobile phones to monitor patient care. Medical staff can log the beginning and end of medical treatment using a mobile to read information off patient charts. Relatives can then receive information about when staff have been with a patient and hospitals can use the service to schedule staff.

Medical Compact Center
A service which allows patient medical information to be sent to a doctor electronically, and for patient and doctors to communicate via video link.

Medical Treatment Terminal
A terminal installed in hospital rooms allows patients to make phone calls, surf the Internet and watch television, as well as controlling lights and blinds. The terminal can also act as a medical information centre, where doctors can update the patient journal and search for information.

Emergency-call
A service which allows people to contact security personnel and give their location at the touch of a button.

Distance Monitoring
Mobile technology which monitors a patient’s heart and warns the patient, relatives and medical staff when for example the heart rate becomes irregular.

National Medical Advice
A telephone and Internet medical advice service that county councils in Sweden provide with help from our product Contact Center. This centralised system is more effective than separate services offered by individual councils.

Helping people in remote areas find work
People receiving unemployment benefit in Sweden are required to visit an employment agency on a regular basis to look for jobs. For those living in remote areas this can mean travelling long distances.

We are piloting a scheme with the Swedish Government which means that unemployed people in rural areas can access job information remotely and talk to employment advisors via a web-camera. This avoids the need for people to travel to the agency, saving money and time for both job centre and job seeker.

Fleet Management in Sweden
Our Telia Telematik product is helping to reduce environmental impacts of vehicle fleets.

- Vehicles using the service are fitted with a small computer which calculates fuel consumption and produces an emissions report which is sent back to a central computer. This allows fleet managers to monitor and reduce emissions from vehicles in the fleet.
- Satellite navigation can also be fitted to the system so that vehicle locations can be tracked and routes and departure times optimised. This can further reduce fuel consumption and environmental impacts.
"We are developing products and services to improve access to and quality of healthcare services."
**Spam**

SPAM is the abuse of electronic messaging systems, particularly e-mail, to send unsolicited bulk messages. Unlike legitimate commercial e-mail, SPAM is generally sent without any prior relation to the recipients, and often contains mechanisms to bypass e-mail filters.

SPAM is a severe problem for e-mail users as well as for carriers, with some estimates putting SPAM at up to 80% of all e-mail traffic. It can cause annoyance, loss of productivity, over-provisioning of e-mail storage, and even fraud at the cost of carriers, Internet Service Providers and end-users.

We investigate complaints about SPAM 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 procedures in place to react quickly whenever there is a problem.

**The ETIS Anti-SPAM Taskforce**

TeliaSonera chairs the Anti-SPAM Taskforce, set up by IT telecoms association ETIS, to tackle the problem. The taskforce has identified an approach to combat SPAM at carrier level that combines systems from anti-spam vendors McAfee and IronPort and ‘LOBSTER’, an EU project to develop a European infrastructure for monitoring Internet traffic. This approach will be tested in a pilot project.
Secure communications

Many commercial services and bank transactions are now conducted over the Internet and mobile networks. This brings many benefits to businesses and private individuals but can expose them to fraud and breaches of privacy.

Hackers and some commercial companies have developed software with more serious consequences. For example software which can be planted on phones so that it answers calls from a pre-selected phone number without the user noticing anything, allowing the caller to listen in on the phone owner’s surroundings.

We protect our customers from viruses and our systems filter out viruses such as Commwarrior from MMSs. Our customers in Finland can download antivirus programmes to their mobile phones and this will soon be also available to customers in Denmark, Sweden, Lithuania and Norway.

More than just antivirus protection will be needed in the long run and mobile devices will be equipped with fraud and firewall protection. We may also offer other security services like voice authentication and encryption services to our customers in the future.

We also provide secure services to our customers in the following areas:

• Fraud Management – issues related to fraud in our products and services
• Corporate Safety & Security – handles security for corporate management and personnel

“E-signature technology allows people to use banking services and make payments securely from their mobile.”

• Network & Technology Security – handles security for internal systems and the public grid
• Risk & Crisis Management – tracks security risks and plans crisis management
• Security Incident Handling – handles security-related incidents, implements internal investigations and compiles reports and statistics related to these initiatives
• Products and Offerings Security – ensures that security is addressed in products, services and our business-critical processes.

Mobile banking in Lithuania

Omnitel has partnered with the Lithuanian government to bring secure mobile banking to the country. E-signature technology allows people to use banking services and make payments securely from their mobile. For example, paying for parking via mobile is popular in Lithuania. E-signatures authenticate the identity of a message sender and ensure that the message content cannot be tampered with.
Child safety

The Internet and mobile phones bring many benefits to children, but can also expose them to inappropriate content and abuse.

We work continuously to increase the protection of children when they are using the Internet and mobiles and combat online child pornography in a number of ways:
- Parental control
- Filtering and blocking (including blacklisting)
- Notice and take down procedures
- Moderation of chat rooms
- Raising awareness

We have partnerships with external parties to provide content to our cable-TV, video on demand, mobile portals and pay telephone services. Our Ethical Guidelines for TeliaSonera Mobile Portal define our requirements for service suppliers on avoiding exposure of children to adult content.

Common framework to protect children
TeliaSonera takes part in the GSM Europe strategy forum, which has developed “The European Framework for Safer Mobile Use by Younger Teenagers and Children”. This puts forward a series of recommendations to ensure that younger teenagers and children can safely access content on their mobile phones.

Specific approaches addressed by the Framework, which was developed under the auspices of the European Commission, include:
- Access control mechanisms
- Adherence to classification of commercial content
- Fighting illegal content on the Internet
- Raising awareness and education

www.gsmworld.com/gsmeurope

Raising awareness
We helped the Swedish Media Council develop a guide on safe mobile phone use, which was launched on Safer Internet Day in February 2007. The guide is intended to serve as a basis for discussion at home and in school and addresses issues such as mobile mobbing, ring tones and how to deal with inappropriate images. We have published guides with advice for parents about how children use mobile phones in Norway and Denmark and we are producing a similar guide for publication in Finland. In cooperation with FiCom in Finland we give advice to parents on children and mobile payments.

www.ficom.fi

Joining forces against e-bullying
Bullying via email, websites and mobile phones can cause misery for children and teenagers. E-bullying is a significant problem and it means that threats and abuse can continue even after school.

We are working with Friends, Sweden’s largest anti-bullying organisation, to fight bullying of children and teenagers via mobiles and the Internet.

Combating e-bullying requires a coordinated approach from schools, students, parents, the telecoms industry and other organisations. Our partnership with Friends provide a strong force for preventing e-bullying as well as giving the organisation the resources to visit more schools.

www.friends.se

“We are working with Friends, Sweden's largest anti-bullying organisation, to fight bullying of children and teenagers via mobiles and the internet.”

Combating child pornography
TeliaSonera is a co-founder of the World Childhood Foundation. Among other things, together we support a company called Netclean Technologies that develops software to identify child pornography on the Internet.

The software is linked to a database of child pornography pictures indexed by the police and a network manager receives a notification when a person accesses an indexed picture.

Even though it is not possible to index all suspicious pictures on the Internet, the system considerably increases the risk of being caught accessing child pornography which helps lessen demand for new pictures and the related exploitation of children.

www.childhood.org

In Sweden we have partnered with ECPAT, an international organisation campaigning against commercial sexual exploitation of children.

www.ecpat.net
We want to attract and retain the most talented people. To do this we aim to treat our people fairly, to foster their development and to create a safe and engaging working environment, free from discrimination.
Employee engagement

We conduct employee surveys twice a year to understand the views of our workforce and to measure how well our values – “show respect”, “add value” and “make it happen” – are implemented into the business.

We use our Employee Commitment Score to measure satisfaction levels (see table). The score has remained roughly consistent for the last three years.

The score is based on survey questions which in aggregate answer the question “I believe that I, my colleagues, subordinates and managers live our values and are committed to our vision.”

Our target for 2008 is to achieve an Employee Commitment Score of 68.

“We aim to create an organisation where men and women are treated equally and provided with equal opportunities.”

<table>
<thead>
<tr>
<th>Employee Commitment Score</th>
<th>Average score</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>61</td>
</tr>
<tr>
<td>2005</td>
<td>60</td>
</tr>
<tr>
<td>2004</td>
<td>60</td>
</tr>
</tbody>
</table>
Gender diversity

We aim to create an organisation where men and women are treated equally and provided with equal opportunities. Our approach is guided by our Gender Equality Plan which is updated annually and focuses on five main areas:

• recruitment and training
• jobs and job placement
• pay and bonuses
• prevention of sexual harassment
• balance of family and work life

Each area has defined objectives and actions which we monitor.

The human resources department ensures that job advertisements are gender neutral, that employment training includes the subject of equality, and that men and women are selected to training and education programmes in proportion to their overall number.

We encourage gender diversity in all roles at TeliaSonera. For example men are encouraged to enter traditionally female dominated sectors like human resources management, customer services and reporting. We make female dominated roles more attractive to men by introducing elements more common in male dominated roles, like quality management procedures used in engineering, and research and development.

We measure gender equality through tracking data and through employee surveys and personal interviews.

In 2006, the percentage of women working at TeliaSonera went from 45.1% compared to 46.1% in 2005. At Group level the proportion of women on the board and in executive management both increased. At company level the percentage of women on the board decreased slightly. The proportion of senior executives who are female decreased from 27% in 2005 to 19.5% in 2006.

In January 2007 TeliaSonera introduced a new corporate structure. After implementing this new structure the company had 28% female representation in senior executive management.

TeliaSonera achieved the highest score in the Swedish insurance company Folksam’s Equal Gender Index, which measures gender equality in all companies listed on the Stockholm Stock Exchange. The index measures the percentage of women on the board, in executive management, and with management positions.

### Gender Equality Performance

<table>
<thead>
<tr>
<th>Country</th>
<th>% Women</th>
<th>2006</th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sweden</td>
<td></td>
<td>48.6</td>
<td>45.4</td>
<td>45.8</td>
</tr>
<tr>
<td>Finland</td>
<td></td>
<td>40.8</td>
<td>48.5</td>
<td>45.7</td>
</tr>
<tr>
<td>Norway</td>
<td></td>
<td>30.4</td>
<td>31.0</td>
<td>32.0</td>
</tr>
<tr>
<td>Denmark</td>
<td></td>
<td>31.1</td>
<td>35.0</td>
<td>47.1</td>
</tr>
<tr>
<td>Baltic countries</td>
<td></td>
<td>46.3</td>
<td>48.7</td>
<td>43.3</td>
</tr>
<tr>
<td>Eurasia</td>
<td></td>
<td>53.7</td>
<td>51.9</td>
<td>48.9</td>
</tr>
<tr>
<td>Other countries</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Group</td>
<td></td>
<td>45.1</td>
<td>46.1</td>
<td>45.0</td>
</tr>
</tbody>
</table>

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<th></th>
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</thead>
<tbody>
<tr>
<td>(%) of women</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Board of Directors (number of members)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>40.0</td>
<td>36.4</td>
<td>33.3</td>
<td>19.3</td>
<td>18.5</td>
<td>17.0</td>
</tr>
<tr>
<td>(10)</td>
<td>(11)</td>
<td>(12)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Executive management (%) of women</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td>11.1</td>
<td>10.0</td>
<td>20.0</td>
<td>11.7</td>
<td>10.9</td>
<td>10.5</td>
</tr>
<tr>
<td>TeliaSonera companies</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2005</td>
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<tr>
<td>2004</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Boards of Directors (%) of women</td>
<td>23.3</td>
<td>24.7</td>
<td>19.8</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other senior executives at corporate, profit centres and company levels (%) of women</td>
<td>19.5</td>
<td>27.0</td>
<td>20.5</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Includes three employee representatives
Competence pool
In 2006 we introduced a new system to avoid unnecessary redundancies. Employees whose duties are terminated are transferred to specialist ‘replacement’ units – known as TSO in Sweden and the Competence Pool in Finland – where they can look for jobs internally and externally over a longer period of time than the standard notice period. The units offer support services to the employees such as job searching, career planning, training and on-the-job training positions.

The units are designed to redeploy skills where they are needed most across TeliaSonera.

TeliaSonera Finland selected as an example of best practices in gender equality
TeliaSonera Finland has been chosen as an example of best practice in gender equality in a report by the European Commission (EC) into how to encourage more women into the ICT sector.

The report particularly noted that TeliaSonera Finland’s has created family-friendly working conditions for both women and men. For example, the company promotes parenthood leave as ‘gender-neutral’ with the result that almost half (46%) of leave taken is by men. The company was noted for adapting well to Finnish laws relating to gender equality.

TeliaSonera Finland was one of seven organisations selected for the report, out of a possible 462 ICT companies and organisations.

Replacement activities in 2006

<table>
<thead>
<tr>
<th></th>
<th>Sweden TSO</th>
<th>Finland Competence Pool</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of employees in replacement; beg. of 2006</td>
<td>420</td>
<td>0</td>
</tr>
<tr>
<td>Transfers to the unit during 2006</td>
<td>46</td>
<td>414</td>
</tr>
<tr>
<td>Internal placements; temporary and permanent</td>
<td>106</td>
<td>144</td>
</tr>
<tr>
<td>External placements</td>
<td>193</td>
<td>181</td>
</tr>
<tr>
<td>Long leaves</td>
<td></td>
<td>16</td>
</tr>
<tr>
<td>Amount of employees in replacement; end of 2006</td>
<td>167</td>
<td>73</td>
</tr>
</tbody>
</table>

Well-being and health and safety

The health, safety and wellbeing of our employees is a priority.

Health and safety is managed at country level and depends on local legislation.

Health and safety performance
Our health and safety data is incomplete and we aim to improve reporting in this area in 2008.

Remote working
We promote flexible and mobile working to help our employees balance work and home commitments and to increase efficiency and reduce absenteeism and office costs. Remote working also reduces the need to travel, and associated environmental impacts. For more information see page 31.

<table>
<thead>
<tr>
<th></th>
<th>Injuries</th>
<th>Absenteeism %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norway</td>
<td>0</td>
<td>–</td>
</tr>
<tr>
<td>Lithuania</td>
<td>0</td>
<td>1.28</td>
</tr>
<tr>
<td>Denmark</td>
<td>1</td>
<td>2.8</td>
</tr>
<tr>
<td>Finland</td>
<td>115*</td>
<td>3.25</td>
</tr>
<tr>
<td>Sweden</td>
<td>80*</td>
<td>4.7</td>
</tr>
</tbody>
</table>

*Includes injuries that occurred whilst commuting to work (eg traffic accidents)
Pay and benefits

We aim to offer competitive salaries and benefits so that we can attract and retain the best people. All employees are eligible for a cash bonus, based on individual targets agreed with their managers.

We offer Group-wide pension plans and maternity/paternity leave. Other benefits are allocated at country level including medical and accident insurance, disability insurance and flexible work schemes.

Training and development

We aim to offer our employees the training they need to learn new skills and develop their careers. In 2006 we estimate that we delivered 32-40 hours of training per employee\(^{13}\). Mid-level and senior managers receive almost double the amount of training.

\(^{13}\) Estimated using data from Finland, Lithuania and Sweden
We aim to reduce the environmental impacts of our operations and products and services. Environmental management systems are operated at country level. TeliaSonera Sweden's environmental management system (representing 40% of the Group by turnover) is certified to the international standards ISO 9001 and ISO 14001.
Climate change presents a huge challenge for society. TeliaSonera has a role to play in helping organisations and individuals reduce their climate impact through products and services that replace the need to travel as well as physical objects.

We must also reduce the climate impact of our own operations. Our most significant climate impact results from the energy we use to power our networks. We also produce greenhouse gas emissions from the energy we use to heat, cool and power our buildings, the fuel we use in our vehicle fleet, and from employee business travel.

We are developing a strategy and specific targets for reducing our climate impact.

<table>
<thead>
<tr>
<th></th>
<th>Sweden and Finland only</th>
<th>Sweden, Finland, Lithuania, Denmark and Norway</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total CO2 emissions</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(metric tonnes CO2</td>
<td>2003</td>
<td>2004</td>
</tr>
<tr>
<td>equivalent)</td>
<td>87,939</td>
<td>121,237</td>
</tr>
<tr>
<td></td>
<td>Sweden and Finland only</td>
<td>Sweden, Finland, Lithuania, Denmark and Norway</td>
</tr>
<tr>
<td><strong>Total energy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>consumption (GJ)</td>
<td>2003</td>
<td>2004</td>
</tr>
<tr>
<td></td>
<td>2,715,162</td>
<td>2,285,500</td>
</tr>
</tbody>
</table>
Performance
In 2006 our energy use in Sweden and Finland increased by 2.4% from 2.46 million GJ to 2.52 million GJ due to business growth. Consequently our CO2 emissions for these countries also increased from 100,631 tonnes of CO2 equivalent to 119,518 tonnes.

We have expanded our data collection to include 100% owned companies in Lithuania, Denmark and Norway as well as Sweden and Finland. In 2006, our total energy use in these five countries was 3.01 million GJ resulting in emissions of 155,906 tonnes of CO2 equivalent. In 2006, around 58% of the energy we used was from renewable sources.

The majority of our CO2 emissions resulted from purchased electricity use (59%), employee business travel (16%) and outsourced services (15%). See pie chart below for a complete breakdown of our emissions.

Renewable energy in Finland
In 2006 we negotiated contracts to buy renewable energy for our largest facilities in Finland. Electricity from renewable sources (water, wind and biomass) accounted for 72% of total electricity consumption which reduced our CO2 emissions by 62% compared to sourcing all electricity from the grid.

“In 2006, around 58% of the energy we used was from renewable sources.”

CO2 Neutral in Norway
The electricity consumption of the operations in Norway are CO2 neutral, since the electricity in Norway is produced totally by water power.

Energy Efficiency Index
We use an index in Sweden to measure the energy efficiency of the services we provide. This is a measure of the energy consumed by the network per unit of services provided to customers.

In 2006 the energy efficiency index improved by 4.2%, compared to 2005.

We have achieved these improvements in energy efficiency in Sweden by reducing energy use in cooling systems and lighting as well as increasing the use of remote-controlled energy devices by 14%.
“Between 2001 and 2006 we increased the use of virtual meetings by 67% and reduced business travel by 30% in Sweden.”
Saving energy in Denmark
We have replaced all light fittings in our Denmark facilities with energy-saving alternatives, reducing electricity consumption from lighting by 67%.

Committing to energy savings of broadband equipment
We have signed the ETNO Code of Conduct on Energy Consumption of Broadband Equipment. The code is directed at both telecommunications operators and manufacturers and represents a voluntary guideline to improve the energy efficiency of broadband communication equipment.

The code sets voluntary targets for signatories which can be revised each year to match technological progress.

Reducing travel through tele-meetings
We promote the use of tele-and web-meetings to cut travelling costs, increase efficiency and reduce environmental impacts. Meeting organisers are obliged to consider the best meeting format by taking cost and environmental issues into account based on the geographical locations of participants. For example, between 2001 and 2006 we increased the use of virtual meetings by 67% and reduced business travel by 30% in Sweden. In conjunction with a 50% reduction in office space this brought a 50% reduction in CO2 emissions over the period.

Electromagnetic fields
Some consumers are concerned about the possible effects on health of electromagnetic fields (EMF) emitted by mobile phones and the base stations that transmit and receive calls. Electric and magnetic fields occur naturally but the rapid growth in technological applications and electrical equipment during the past century has increased exposure to manmade electromagnetic fields.

“We take the concerns of customers seriously and have created an EMF policy to guide our actions in this area.”

We take the concerns of customers seriously and have created an EMF policy to guide our actions in this area. We follow the recommendations from national and international organisations specialising in EMF and health. We require our suppliers of mobile phones and base stations to conform to recommendations on EMF and health issued by recognised international organisations and authorities such as the International Commission on Non-Ionizing Radiation Protection (ICNIRP).

www.icnirp.de

Supporting and understanding EMF science
We follow and support scientific research on EMF
and have a scientific advisory group keeping us up to date with the latest developments in EMF science. We have a dedicated team to make sure our approach to managing EMF is consistent throughout the Group.

We are also very active in GSM Europe’s Health and Environment working group, which purpose is to ensure the responsible management of health & safety and general environmental issues relating to mobile telecommunications technologies. In particular, reporting of independent scientific research, industry best practice and health/regulatory/political developments in Europe is of importance.

**Engaging with stakeholders on EMF**

We aim to be part of the debate on EMF and hold internal and external seminars and participate in international seminars and hearings at national and EU level.

We respond to queries on EMF from our stakeholders and keep them informed about the latest developments on EMF. We initiate information meetings with personnel organisations and we publish information about the issues on our websites.

Our staff in TeliaSonera shops can guide customers to sources where more facts can be obtained as well as provide the manufacturers SAR (specific absorption rate) values. SAR values are used as a measure of exposure to EMF from mobile handsets. We also distribute leaflets on EMF issued by national authorities and participate in customer events.

We measure EMF emissions at our mast sites and publish the results in countries where local regulations require us to do so.

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**Siting masts**

Local communities and other stakeholders sometimes have concerns about the visual and environmental impacts of mobile phone masts.

We design and build our masts to reduce these impacts as much as possible. We also share mast sites with other operators and use existing structures such as high buildings to position masts.

In Denmark about 85% of sites are mounted on buildings or other existing structures. In Lithuania 65% are on existing structures and in Sweden the figure is 29%. In Finland all masts are shared on average with two or more operators and about 25% are rented from other operators.

We are required to carry out environmental impact assessments when we site masts in environmentally sensitive areas like national parks.
Waste

Waste generated from our operations includes electronic equipment from our networks, telephone poles and waste from our offices. We reuse or recycle all waste using specialist contractors.

We aim to reduce the amount of waste we produce, for example in Denmark all the printers have as a default to print on both sides of paper, which has reduced office paper use by around 40 %.

Reuse of telephone poles

There are more than 1 million telephone poles in Finland and 2.4 million in Sweden. These are gradually being replaced with underground cables and wireless networks.

In Finland, about 75% of the poles are CCA (Chromated Copper Arsenate)-impregnated and 25% creosote-impregnated. The telephone poles in Sweden are mainly creosote impregnated.

Prior to 2002, when an EU directive classified telephone poles as hazardous waste, they were reused to build bridges and fences. This saved disposal costs for telecom operators, provided an affordable building material and reducing resource and energy use.

In 2005, ETNO’s (European Telecommunications Network Operators’ Association) task force “Poles” chaired by Eircom and TeliaSonera carried out a survey among the major European telecom operators to understand interpretations of the legislation for the re-use of telephone poles. The study revealed that the interpretation of the EU directive for re-use is not uniform, which has resulted in different disposal practices among telecom operators.

While incineration seems to be the most common practice, some countries still allow the reuse of CCA and creosote treated poles for some purposes.

The high disposal costs of telephone poles and differences in interpretation of the directive create unfair competitive conditions for telecom operators. This can also lead to unnecessary transportation of poles between different countries for disposal, increasing CO2 emissions.

TeliaSonera and other ETNO members believe that the reuse of telephone poles is the best solution until final disposal as long as certain conditions are met:

- All fittings are removed to leave wood only
- All rotten wood is removed and disposed of as hazardous waste
- Safety data sheet is issued to the purchaser, including: restrictions on use, final disposal conditions, instructions on use of adequate individual protection equipment.

ETNO is proposing that the environmental authorities should harmonise the interpretation of rules concerning the reuse of poles within the EU to reduce environmental impacts associated with telephone poles and to align costs for telecoms operators.

<table>
<thead>
<tr>
<th>Waste by type (metric tonnes) - Sweden, Finland, Lithuania and Denmark</th>
<th>2006 figures in Tonnes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hazardous waste, (e.g. batteries)</td>
<td>1,100</td>
</tr>
<tr>
<td>Office electronics</td>
<td>170</td>
</tr>
<tr>
<td>Electronic waste from networks</td>
<td>785</td>
</tr>
<tr>
<td>Packaging material</td>
<td>55</td>
</tr>
<tr>
<td>Paper</td>
<td>1,100</td>
</tr>
<tr>
<td>Biowaste (Finland only)</td>
<td>78.8</td>
</tr>
<tr>
<td>Waste incinerated for energy (Finland and Lithuania only)</td>
<td>124</td>
</tr>
<tr>
<td>Metals</td>
<td>135</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,982.8</strong></td>
</tr>
</tbody>
</table>
Community

We sponsor initiatives to strengthen our relationship with customers and communities. In 2006 our community sponsorship strategy was to:

- Support innovative use of our services
- Promote Nordic and Baltic unity and the culture and traditions of the region as a whole as well as of the individual countries
- Reach out to a broad target group

In 2006 we donated SEK 32.6 million to charities and good causes, representing 0.13% of pre-tax profits. Most of this was channelled through our local brands and focused on a wide range of areas including sport, culture, education, environment and humanitarian relief.

We are changing our community strategy to focus on the area of child safety and electronic communications. Read more about our efforts in this area on page 24.

Here are some examples of our community sponsorship from 2006:

“In 2006, TeliaSonera’s headquarters donated all its employee Christmas gift money to children’s charity UNICEF.”

Supporting vulnerable children in Ethiopia
In 2006, TeliaSonera’s headquarters donated all its employee Christmas gift money to children’s charity UNICEF. The money will help fund UNICEF’s Sustaining Community-Based Responses to Orphans and Vulnerable Children project which supports orphans in Ethiopia. The project includes skills training for orphans and donations and micro-credit schemes for foster families. Indirectly the project will benefit over 50,000 children, young people and families.

Helping teens learn about business
Each year a class of school children are given the opportunity to visit TeliaSonera and learn more
about business, as part of our sponsorship of the Swedish Shareholders’ Association’s youth group. This year 17 teenagers from the upper-secondary school Upplands-Brogymnasiet took part in TeliaSonera’s annual general meeting in Stockholm.

Promoting sustainable development in Turkey
We were the major sponsor of a programme to increase public awareness of the importance of good corporate governance and sustainable development in Turkey. As one of the largest foreign investors in Turkey these are key issues for TeliaSonera.

Supporting education for girls in Turkey
Turkcell is helping to give young girls in Turkey an education. Outside the major cities large families are common, and where money is limited boys are often chosen to be educated before girls.

Turkcell, in collaboration with local authorities and schools, have launched the Contemporary Girls in Contemporary Turkey project to allow girls from rural Turkey to go to school. The company is paying for 5,000 motivated girls from poor families to receive an education.

Window to the future in Lithuania
Omnitel’s initiative ‘Window to the future’ aims to increase access to the Internet and promote computer literacy and e-education in Lithuania. The alliance has set up free Internet access points with the aim of bringing Internet penetration up to average EU levels within three years. By the end of 2006 almost 500 public Internet access sites had been set up in Lithuania. By the end of 2006 40,000 people had received computer literacy training as part of the initiative.

Two new playing fields in Kazakhstan
Kcell, a TeliaSonera associated company, is helping to promote active lifestyles for young people in Kazakhstan. The company has opened five sports fields in the country through its Healthy Childhood programme.

Recycling for charity
We have installed collection boxes in all Telia shops in Denmark so customers can recycle their phones. This is good not only for the environment – the used phones are donated to the Danish Red Cross who then sells them on to a company for reuse in developing countries.

Supporting education in Latvia
We have committed a SEK 2 million donation to the Stockholm School of Economics in Riga to support economics and business higher education in Latvia. The donation will enable the college to continue working in the fields of entrepreneurship, telecom and information technology research and education.

“We sponsor initiatives to strengthen our relationship with customers and communities.”
Awards across the TeliaSonera Group

Teo
Teo in Lithuania won the “Best Changemakers” category in the World Communications Awards. The company received the award for increasing access to broadband in the country. Judges also commended Teo for its free wireless Internet (WiFi) project launched last year. TeliaSonera owns 60% of Teo.

Azercell
Azercell Telecom JV won the “Corporate Social Responsibility” and “Telecommunication Company of the Year” categories in Consulting and Business magazine’s Company of the Year awards.

The award was set up to recognise companies that take an active part in boosting Azerbaijan’s economy and the welfare of the population. Over the past ten years Azercell has donated $5 million to charity, has invested $500 million in developing mobile communications in Azerbaijan and now has a 77% market share and over 2.2 million subscribers.

Azercell regularly provides assistance to refugees, children’s orphanages and contributes to scientific and cultural development of Azerbaijan. The company has donated over USD 5 million to charities and good causes since it began operating in the country.

Lattelecom and LMT score high in reputation ranking
LMT came second and Lattelecom 13th in a survey of Latvian companies’ reputation among citizens and business people. The survey, conducted by Latvian daily Diena and PR firm Porter Novelli measures companies’ performance in corporate communications, products, services, corporate social responsibility, international orientation, human resources and future orientation. The survey, which assessed 500 companies, is based on the opinions of 400 company managers, 1,000 consumers, and a broad review of publications in the printed media.

Kcell won the Choice of Year in Kazakhstan
Kcell won three categories in the Choice of the Year awards:
• The “Communication No1” category, due to its position as communications company of choice. Its network covers about 66% of the population and it has 3.5 million customers.
• The “Socially Oriented Company No1” prize for its community investment projects
• The “Technological Breakthrough of the Year” category for introducing EDGE, technology which enables turbo Internet over a GSM network.

The best employer in Russia
MegaFon was name “The best employer in Russia” in the annual Leaders of Russia’s Economy Awards. MegaFon was commended for efficient human resources management, steady financial parameters and social responsibility of business.

Four of TeliaSonera’s subsidiaries and wholly-owned companies in Estonia and Lithuania received a similar award.
Appendix

CSR in TeliaSonera consolidated and associated companies

TeliaSonera is a majority owner of several mobile operators in Eurasia: K-cell in Kazakhstan, Azercell in Azerbaijan, Geocell in Georgia and Moldcell in Moldova. Our ownership of these companies is managed through the holding company Fintur.

We recognise that the commercial and political environment in these countries means that there is a higher risk of encountering bribery and corruption and human rights violations than in other countries where we operate.

We have not been accused of violating laws or human rights in any of these countries but we recognise the need for strong ethics policies and processes.

TeliaSonera’s corporate CSR policy states that all the business of the TeliaSonera Group of companies must be conducted according to the highest ethical and legal standards. The policy commits us to honouring the United Nations Universal Declaration of Human Rights and all ILO Core Conventions.

In 2006, Fintur raised awareness of our corporate CSR policy by distributing a leaflet to all employees.

This document includes the statement: “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”.

We are expanding our CSR programme to include parts of our majority owned businesses and we will report on activities and performance in 2008.

Global Compact
The United Nations Global Compact is an internationally recognised voluntary CSR initiative. Companies that sign up to the initiative commit to ten principles in the areas of human rights, labour, the environment and anti-corruption.

The principles are based on:
• The Universal Declaration of Human Rights
• The International Labour Organization’s Declaration on Fundamental Principles and Rights at Work
• The Rio Declaration on Environment and Development
• The United Nations Convention Against Corruption

Moldcell in Moldova and Geocell in Georgia are signatories of the Global Compact. The first Global Compact meeting in Georgia was held in Tbilisi on 19 December, 2006. 34 participants from business, educational institutions and civil society organisations, discussed priorities for the new local network and committed to sharing best practice.